



## News Release

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### **Planit reports surprise improvements in Australian/New Zealand software project conditions despite GFC**

*Fewer projects cancelled as a result of financial crisis, but companies more cautious*

**Sydney, Australia – November 19, 2009** – Conditions for software projects are improving for Australian/New Zealand companies despite the effects of the global financial crisis, although companies are taking a more cautious approach and reducing project resources.

These are some of the surprising findings of the third annual Planit Testing Index, commissioned by independent Australian software testing and software tester training organisation, Planit. The Index was conducted by an unaffiliated third-party to ensure the credibility of the data.

Based on responses from 190 companies between August and September 2009, the survey was conducted at a time of global financial uncertainty, when project activity could be expected to weaken and where budget constraints could affect investment in both software development and testing. Instead, just 5.9 per cent of organisations reported project cancellations due to economic changes, with more than 31 per cent reporting the economy had no effect whatsoever on their projects.

In between these two findings, however, are signs of increased caution: 26 per cent of organisations reported requiring more rigorous evaluation of projects, and the same number said project resources have been reduced due to economic changes.

“Software testing has reached an interesting crossroad, with an upswing in confidence on the one hand, and an increase in caution on the other,” says Chris Carter, managing director, Planit. “While it’s encouraging that fewer projects than expected have been affected by the broader economy, the drop in testing resources is worrying, as is the anecdotal feedback from some of the respondents of ‘increased development stress and short-term compromises’.”

Carter, who is also the chairman of the Australian/New Zealand Testing Board (ANZTB) and vice president of the International Software Testing Qualifications Board (ISTQB), says the increased caution and more thorough project evaluations could prove beneficial in the long run.

“With more rigorous planning comes more sophisticated and sensible approaches to testing,” he says. “Reduced project and testing budgets – down from \$17.81 million and \$3.31 million respectively in 2008, to \$13.58 million and \$2.72 million in 2009 – don’t necessarily mean lower-quality testing. Indeed the percentage of testing as part of the overall project budget has increased slightly, from just under 20 per cent in 2008 to 20.6 per cent in 2009.

“This would indicate that attitudes to testing continue to improve. While the proportion of organisations rating testing as ‘critical’ has stayed relatively stable, the number of companies ranking it as ‘strategically important’ has grown from 16 per cent in 2008 to 23 per cent in 2009. Fewer organisations are rating testing as a low priority, or a ‘necessary evil’ and a cost to be minimised, despite the economic challenges.”

With improved attitudes to testing come improved project completions. Last year, 46 per cent of completed projects were on time and on budget; in 2009 that has improved to 49 per cent. Cancelled projects have also fallen by one percentage point.

Despite the gains, Carter believes there is clear room for improvement, particularly as companies are driven to do more with less.

“Most companies still start to test their projects at the building or, worse, the rollout phase, which makes it difficult to align the project with the organisations’ business objectives,” he says. “Only 8.4 per cent of respondents said they begin testing at the requirements phase, although 51.6 per cent said they would prefer to start testing this early.

“Indeed, the earlier testing is started, the more money can be saved by better aligning the project with its intended outcomes. This becomes very difficult to do once the project is well into development. An early start also saves on development time, and, most importantly, improves the overall quality of the project.”

Carter says the results of the 2009 Planit Testing Index show that organisations are looking at software testing not just as a risk management tool but as a way of controlling IT costs and determining the viability of projects before proceeding.

“Clearly some organisations are taking a blunt and less strategic approach to the economic downturn, cutting quality as well as costs, and the dangers here are obvious: potential project failure, reduced customer delivery, and falling behind competitors who take a more measured approach,” he says. “The improved attitudes towards software testing within many organisations are encouraging for improved project outcomes, and would appear to account for the reported improved project conditions, and we hope this trend will continue into 2010.”

### **About Planit**

Planit provides independent software testing and systems assurance to maximise business and IT performance. By combining best practice software testing methodologies, people and tools, Planit provides thorough, efficient and economic testing which is aligned with organisations’ business strategies. Planit was originally established as a subsidiary of a UK company and, since an MBO in 1999, the company has grown substantially, with offices in Australia and New Zealand and local and international clients. Additional information about Planit is available at [www.planit.net.au](http://www.planit.net.au).