



QualiTest Software Testing

Vendor Assessment
Report Abstract

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Who Is This Vendor Assessment For?

NelsonHall's Software Testing Vendor Assessment for QualiTest is a comprehensive assessment of QualiTest's software testing offerings and capabilities, designed for:

- Sourcing managers monitoring the capabilities of existing suppliers of IT services and identifying vendor suitability for software testing services
- Vendor marketing, sales and business managers looking to benchmark themselves against their peers
- Financial analysts and investors specializing in the software testing sector.

Key Findings & Highlights

QualiTest Group is a software testing and QA services vendor headquartered in Petach-Tikva, Israel, close to Tel Aviv. It is privately owned and has a headcount of ~1.6k. It is the second -largest software testing pure-play in the world, by headcount and by revenues.

QualiTest Group is primarily active in Israel, where it provides a wide range of services, predominantly software product testing. The company primarily services its clients onsite, together with the clients' software product development teams. Key clients include Intel (for testing future versions of operating systems on different devices), Microsoft, Google and Philips Healthcare (for testing embedded software on medical devices and X-ray equipment). NelsonHall estimates the headcount of QualiTest in Israel to be ~1k.

QualiTest has been pursuing an internationalization strategy, initially setting up offices in the U.S.; in 2006 it acquired a staffing firm named Ibase Consulting. QualiTest reoriented the activities of Ibase Consulting towards software testing, initially providing staff augmentation and staffing services then expanding into fixed priced contracts and, over time, multi-year managed testing services contracts. The company has been successful with its service mix rebalance; NelsonHall estimates that of its U.S. headcount of ~400, personnel is divided equally between staff augmentation, consulting, and managed testing services. QualiTest's U.S. operations have a different type of client base from its domestic market; in the U.S., the company derives ~50% of its revenues from the enlarged healthcare sector including health insurance providers and medical device manufacturers.

In 2012, QualiTest made three acquisitions in Europe; two in the Netherlands and one in the U.K.:

- The two acquisitions in the Netherlands were small and brought in an estimated 50 personnel. Facing continued difficult market conditions, QualiTest divested its local operations, and has continued addressing the country through an Indian delivery-based value proposition
- The U.K. acquisition of TCL was larger: ~135 personnel including ~70 in India, largely servicing local clients and offshore centers/captives of U.K. clients.

QualiTest has an ambitious growth strategy; it wants to derive 50% of its revenues from its international business by the end of 2015. The

company is looking to achieve this growth in the U.S. and the U.K., largely through winning large to mid-sized managed testing services contracts, the majority involving delivery from India. This strategy is working; revenues doubled in 2013 in the U.S., and are expected to grow by a further 40% in 2014. QualiTest Europe has also started seeing growth in the U.K., driven by the ramp-up of several small managed testing services contracts.

Scope of the Report

The report provides a comprehensive and objective analysis of QualiTest's software testing offerings, capabilities, and market and financial strength, including:

- Analysis of the company's offerings and key service components
- Revenue estimates
- Identification of the company's strategy, emphasis and new developments
- Analysis of the profile of the company's customer base including the company's targeting strategy and examples of current contracts
- Analysis of the company's strengths, weaknesses and outlook.



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Report Length

15 pages

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Vendor Assessments Also Available for:

Accenture, Amdocs, Atos, Capgemini, Cigniti, EPAM Systems, HCL Technologies, Maveric Systems, Mindtree, MTP, QualiTest Group, SQS, Steria, Syntel and Tech Mahindra.