SQS
Software Testing

Vendor Assessment
Report Abstract

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20 pages

Who Is This Vendor Assessment For?

NelsonHall's Software Testing Vendor Assessment for SQS is a comprehensive assessment of SQS' 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

Germany-headquartered Software Quality Systems (SQS) was founded in 1982 and is the largest software testing pure play in the world. In 2013, SQS had revenues of €226m. At the end of June 2014, headcount was 3.9k.

The acquisition in March 2014 of a 53.35% stake in Indian software testing pure-play Thinksoft Global Service for ~€17.5m has significantly changed SQS' profile, in terms of:

- Size and profitability: Thinksoft added calendar year (CY) 2013 revenues of €23.4m to SQS, representing 10% in revenue growth to a pro-forma €249m (~$331m). Thinksoft was also highly profitable in CY 2013 with a PBT of €5.4m, representing ~44% of SQS' own adj. PBT (€12.4m)

- Presence in India: Thinksoft had a headcount of 782 at end of CY 2013, of which 84% was in its three Indian centers (mostly Chennai); this adds to SQS' own ~800 FTEs in Pune. At the end of June 2014 India represented 43% of SQS' 3.9k headcount (including Thinksoft)

- Increased focus on the financial services industry, with complementary delivery locations: Thinksoft is a financial services specialist; banking accounts for 94% of its revenues with delivery exclusively in India. Financial services is a significant vertical for SQS, but accounts for 48% of its revenues. Delivery is typically onsite or nearshore (SQS' client base serviced from India is largely drawn from the manufacturing, retail, telecom service provider and computer games sectors).

Scope of the Report

The report provides a comprehensive and objective analysis of SQS' 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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Vendor Assessments Also Available for:

Accenture, Amdocs, Atos, Capgemini (including Sogeti), EPAM Systems, HCL Technologies, Infosys, Maveric Systems, Mindtree, MTP, QualiTest, Syntel, Tech Mahindra.