



IBM GBS Software Testing

Vendor Assessment
Report Abstract

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Who Is This Vendor Assessment For?

NelsonHall's Software Testing Vendor Assessment for IBM is a comprehensive assessment of IBM's testing service 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

IBM has historically had strong credentials in testing in the software space as an ISV designing and marketing ALM software. The company acquired Rational in 2003 Rational Software for \$2.1bn and integrated it in its software division, IBM Software. Rational had revenues in FY 2002, ending March 31, 2002, of \$690m.

On the services side, IBM provides software testing services through IBM QA and Testing Services (QA&TS), a horizontal service line that falls under GBS. QA&TS was formerly launched in 2007 and draws upon personnel in majority from AMS (NelsonHall estimate: 60%) and from AIS (40%). QA&TS is a formal testing practice with a headcount of 24,000 career testers (including ~3,000 internal contractors).

The practice provides testing services to external clients as well as for internal needs, both for IBM Software products and for internal applications (NelsonHall estimates the number of career testers involved into internal IBM testing activities to ~6,000). IBM highlights that software testing continues to be a door opener within AMS, driving larger AMS relationships over time.

Scope of the Report

The report provides a comprehensive and objective analysis of IBM's software testing service 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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