



Beaufort Fairmont
AUTOMATED TESTING SERVICES™

ROI in Test Automation Are You Missing It?

PAUL MERRILL

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A Note About These Slides...

These slides were used to create a conversation around ROI in Test Automation. The calculator provided in the link is not meant to be used to determine your ROI for Automation or make decisions. Instead, it is meant as a straw man to begin the conversation around ROI and expose our assumptions about Test Automation initiatives so that we can do them better.

- Paul Merrill

ROI Calculator



<https://beaufortfairmont.com/roi-calc>

Return on Investment (ROI)

$$\text{ROI} = \frac{(\text{Gain from Investment} - \text{Cost of Investment})}{\text{Cost of Investment}}$$

What is the gain?

What is the investment?

The Gain

- ⚙ Execution time
- ⚙ Faster Execution = Gain

The Gain

- ⚙ Execution time
- ⚙ Faster Execution \leq Gain
- ⚙ Faster delivery
- ⚙ Less downtime & Faster recovery
- ⚙ Outpace competitors

The Investment

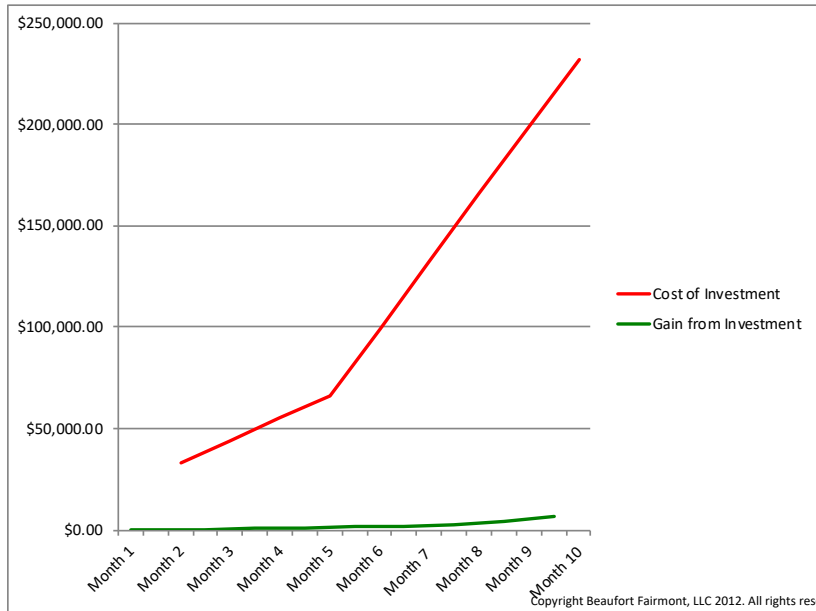
- ⚙ Creating tests
- ⚙ Creation = Investment

The Investment

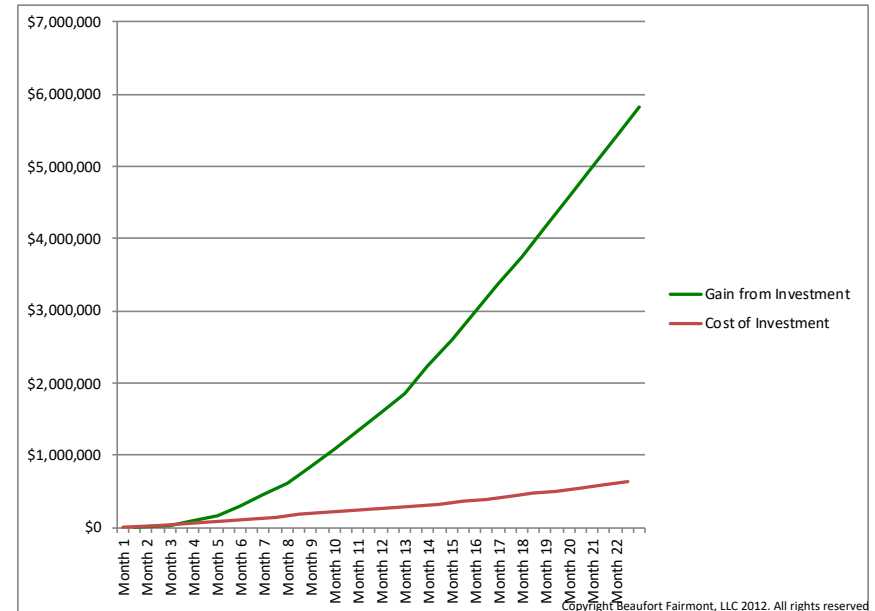
- ⚙ Creating tests
- ⚙ Creation \leq Investment
- ⚙ Better tests
- ⚙ Skills
- ⚙ Resources

2 Companies

Project A



Project B



ROI for Execution Time

$$\text{ROI} = \frac{(\text{Gain from Investment} - \text{Cost of Investment})}{\text{Cost of Investment}}$$
$$-60\% = \frac{\$79,800 - \$200,000}{\$200,000}$$

- 1,000 Tests
- 4 releases/yr
- 5 days/release
- 10 testers
- 2 Auto Eng
- 2hrs/test

ROI for Execution Time

$$\text{ROI} = \frac{(\text{Gain from Investment} - \text{Cost of Investment})}{\text{Cost of Investment}} \quad -60\% = \frac{\$79,800 - \$200,000}{\$200,000}$$

Return comes in Year 3

- 1,000 Tests
- 4 releases/yr
- 5 days/release
- 10 testers
- 2 Auto Eng
- 2hrs/test

ROI for Execution Time

$$\text{ROI} = \frac{(\text{Gain from Investment} - \text{Cost of Investment})}{\text{Cost of Investment}}$$

Terrible

Return comes in Year 3

OMG!

-60% =

\$79,800 - \$200,000

\$200,000

#YouAreSoFired

LOL

- 1,000 Tests
- 4 releases/yr
- 5 days/release
- 10 testers
- 2 Auto Eng
- 2hrs/test

ROI with CI

$$\text{ROI} = \frac{(\text{Gain from Investment} - \text{Cost of Investment})}{\text{Cost of Investment}}$$

$$299\% = \frac{\$798,000 - \$200,000}{\$200,000}$$

Return comes in Year 1

- 1,000 Tests
- 4 releases/yr
- 5 days/release
- 10 testers
- 2 Auto Eng
- 2hrs/test

ROI with Continuous Testing (CT)

$$\text{ROI} = \frac{(\text{Gain from Investment} - \text{Cost of Investment})}{\text{Cost of Investment}}$$

$$2,494\% = \frac{\$5,187,000 - \$200,000}{\$200,000}$$

Return comes in Year 1

- 1,000 Tests
- 4 releases/yr
- 5 days/release
- 10 testers
- 2 Auto Eng
- 2hrs/test

Problematic Assumptions...

- ⚙ Assuming 1-and-done
- ⚙ Low investment (1 hr/wk)
- ⚙ Non-coders -> coders
- ⚙ “Codeless”
- ⚙ Slow time to dev tests (no momentum)

Helpful Tips

- ⚙ Collaboration with Developers
- ⚙ Test Data Management (TDM)
- ⚙ One-button execution
- ⚙ Testability
- ⚙ Resources & Leadership
- ⚙ CI/CD
- ⚙ Automated Deployments

Comments

Companies have a hard time determining ROI for a given feature, let alone from an automated test :)

For me, the ROI is measured in increasing the speed of delivering new features. Can your org move swiftly knowing you will catch regressions?

- Steve G

Comments

I started at a company at which two manual testers were basically running a manual smoke test at least once a day. After automating those checks, they could then spend that time developing T-shaped skills or doing exploratory testing. It's hard to affix a dollar sign to that, but I know there's value in it.

- Steve G

Comments

Are the number of bugs reported thanks to the automated suite a good indication of ROI? If no, how do we know it's doing anything helpful?

-Nicholas S

Comments



Jean Ann Harrison @JA_Harrison - 21h



Replying to [@dpaulmerrill](#)

As long as you define smart automation meaning that it should be done as value added but not for the sake of doing automation. I fear companies take the latter perspective.



Get ROI from Automation.
Call us today!

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