STKI Israeli IT Market Study & Trends 2024

Strategy, Project & Product mng, Testing, and Intelligent Automation

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EVP @ STKI

ADENDA

Strategy, Project & Product

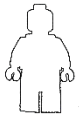
1. Deliver the Value
2. Transparency & Alignment
3. Streamlining of Demand Mng
4. More (Digital)Dev = Product Mng
5. PPM Solutions Trends

QA & Testing (Automation) Trends

1. More dev = more testing
2. More digital dev = More Testing Automation
3. Why Testing Automation
4. Automation Center of Excellence
5. AI in Testing Automation

Business Process Automation and Re-Engineering

1. RPA goes AI
2. End-to-end Process Automation
3. Automation CoE



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#1
Deliver
the Value

Questions with NO good answers (YET)

1. Who is responsible for defining the value, powered by technology, for the customers?

2. Do you know how to measure it?

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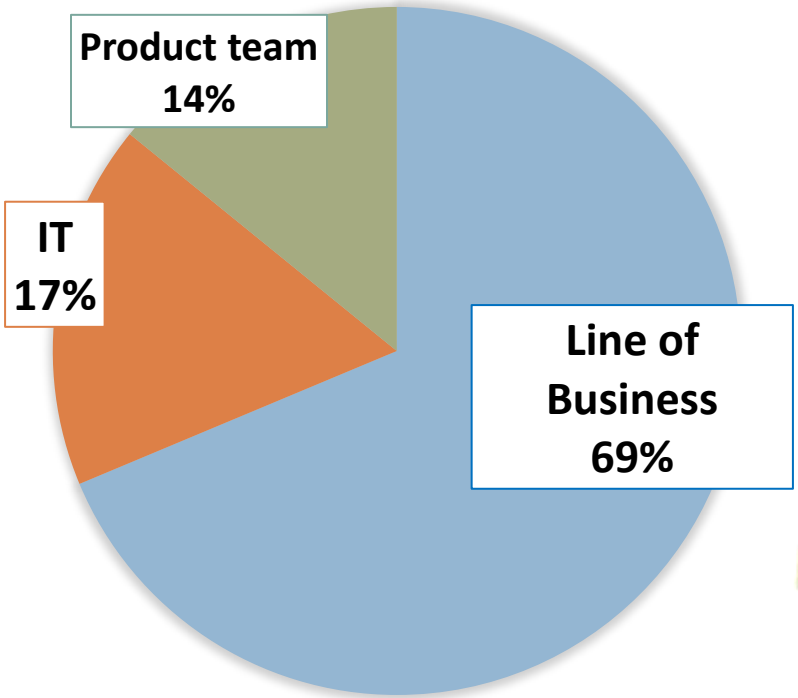
מי אחראי על הגדרת הערך, מבוסס על טכנולוגיה, עבור הלקוחות?

(במונחים של הצלחה עסקית)?



Most of the time, product requirements (the value) are defined by business units and transferred from there to the IT through referents

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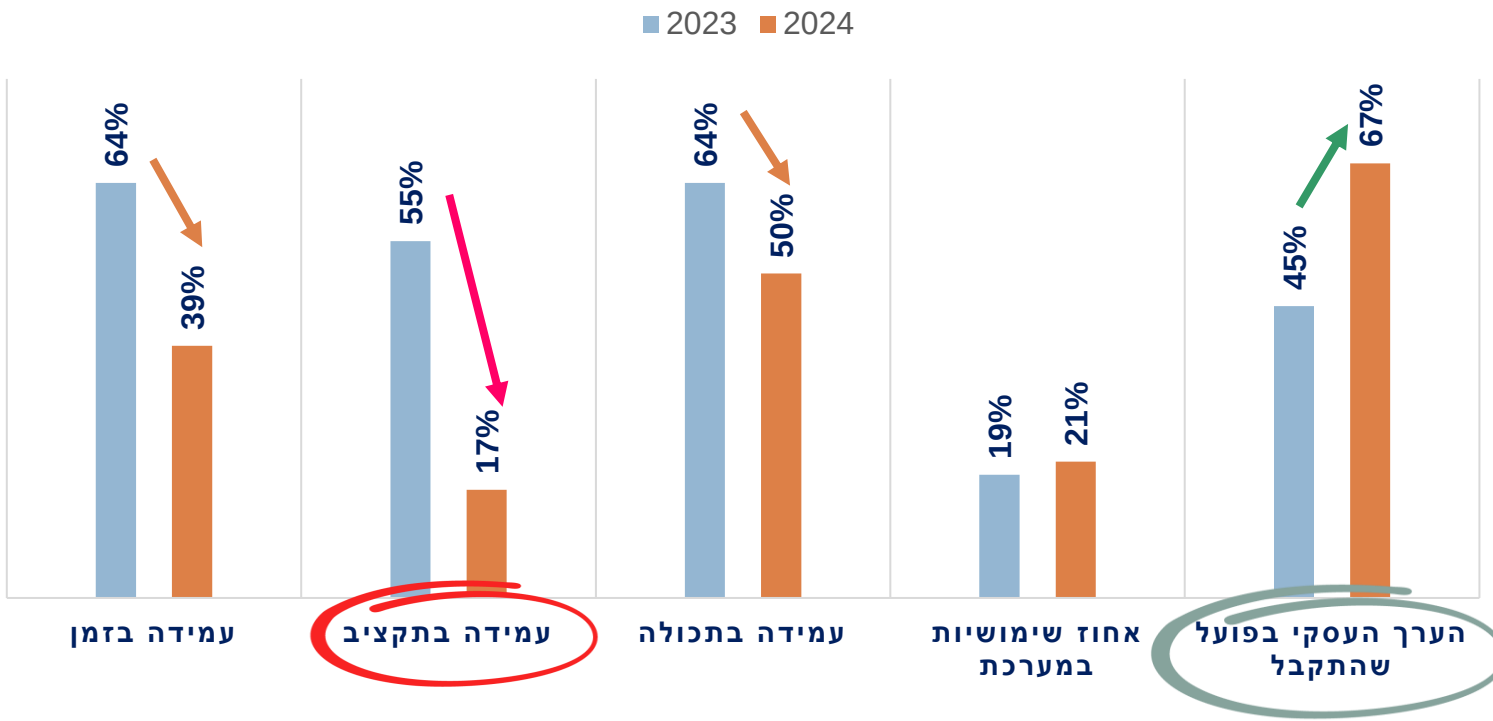
כיצד כיום נמדדת הצלחה של פרויקט/ יוזמה טכנולוגית



Focus on Deliver Value

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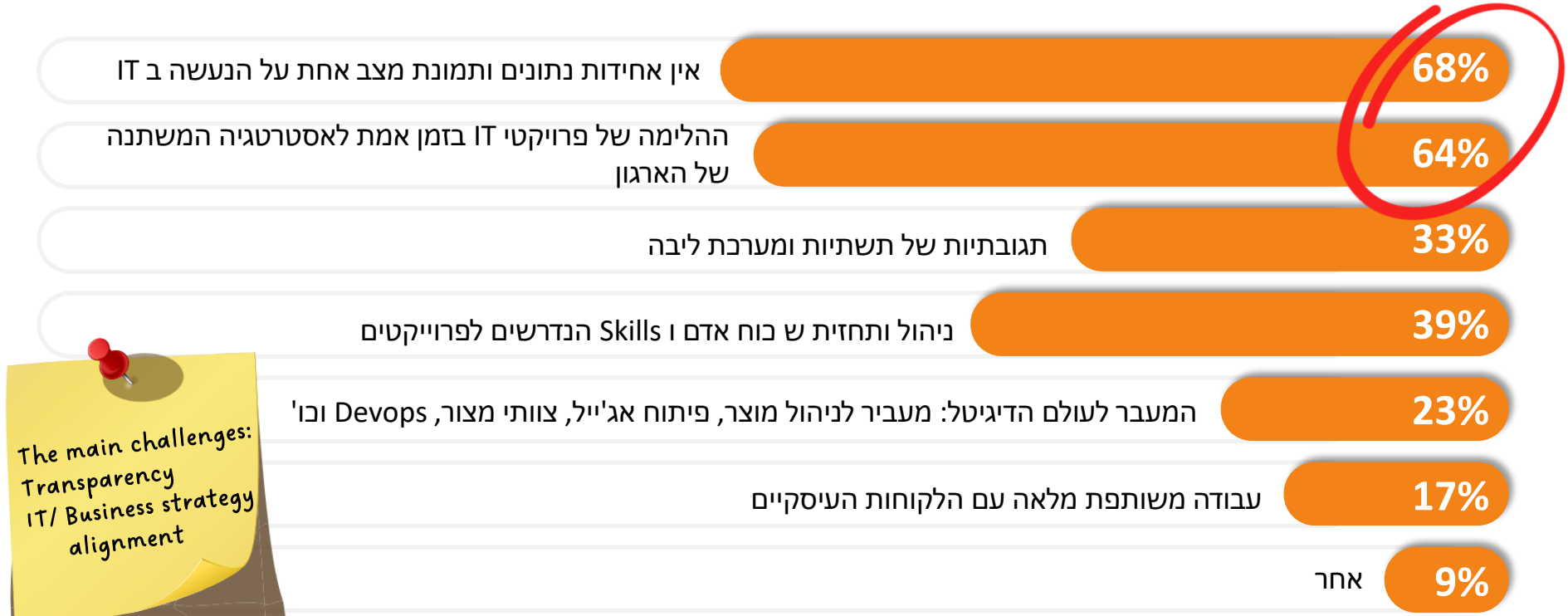
#2

Looking for Transparency & Alignment

Since 2003

מהו האתגר הגדול ביותר בעולמות של CIO/ ניהול מטה IT היום בארגונכם?



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Better alignment of IT portfolio with (changing) strategic objectives

BETTER ALIGNMENT TO:

- strategic planning
- resource and budget planning
- individual tasks mng
- Business Units demand mng – a flood of (not always well-defined) business requirements
- tech projects risk mng

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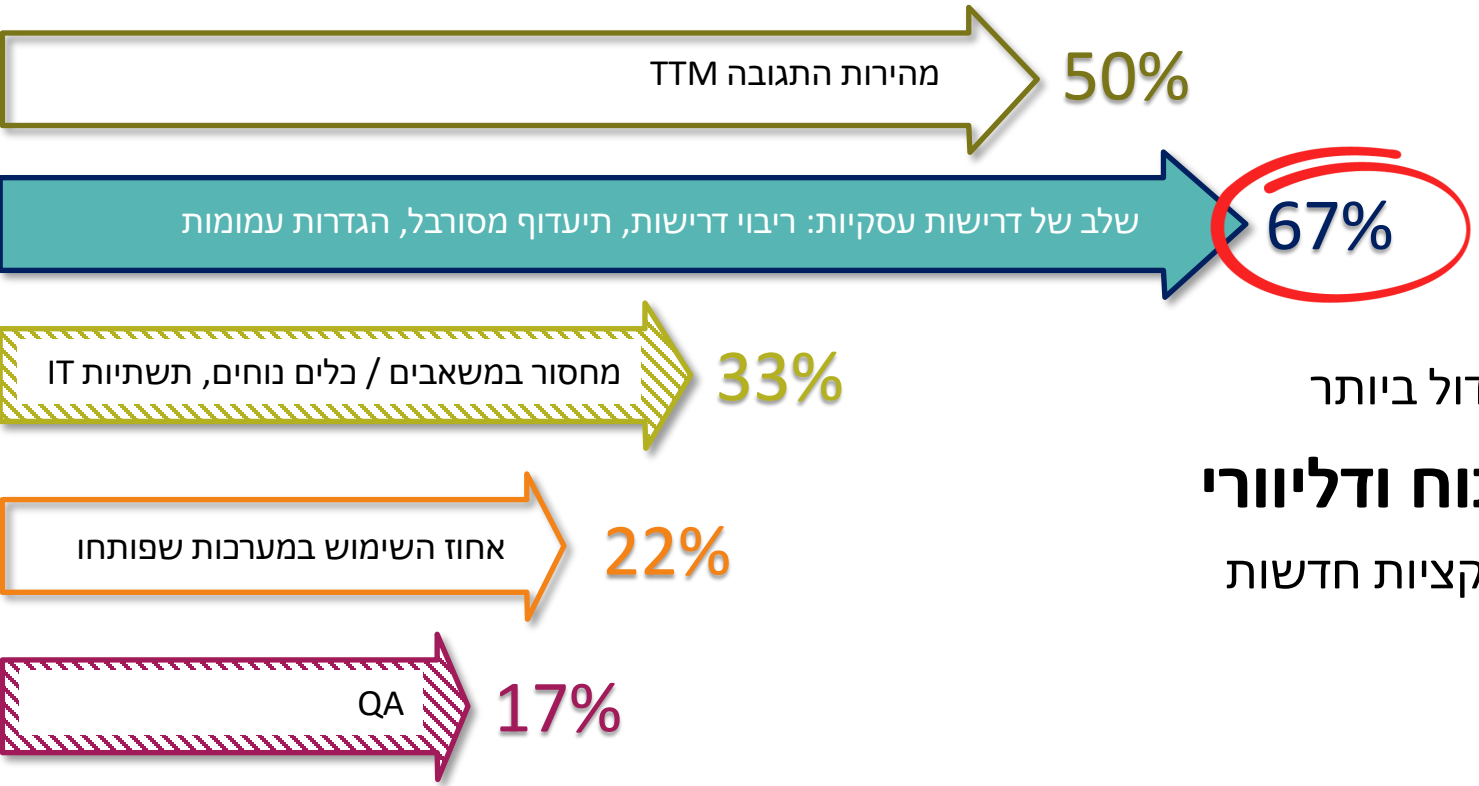
#3
Streamlining of Demand Mng



מהו **האתגר** הגדול ביותר

בתחום הפיתוח ודליוורי

של מערכות ואפליקציות חדשות בארגונכם?

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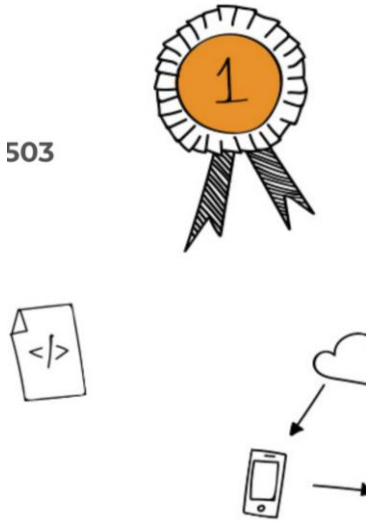
In most orgs, demand mng, prioritization, cost estimation are extremely resource and time-consuming processes



Automation:

- Automation of manual tasks to collect data and present a holistic view and insights at any given moment

Standardization:

- Standardize demand-related activities (eg, planning, prioritization, modeling)
- Improve efficiency and consistency

Requirement for BI and data analytics tools:

- Leverage data analysis tools
- Identify patterns and trends in incoming demand
- Improve decision making

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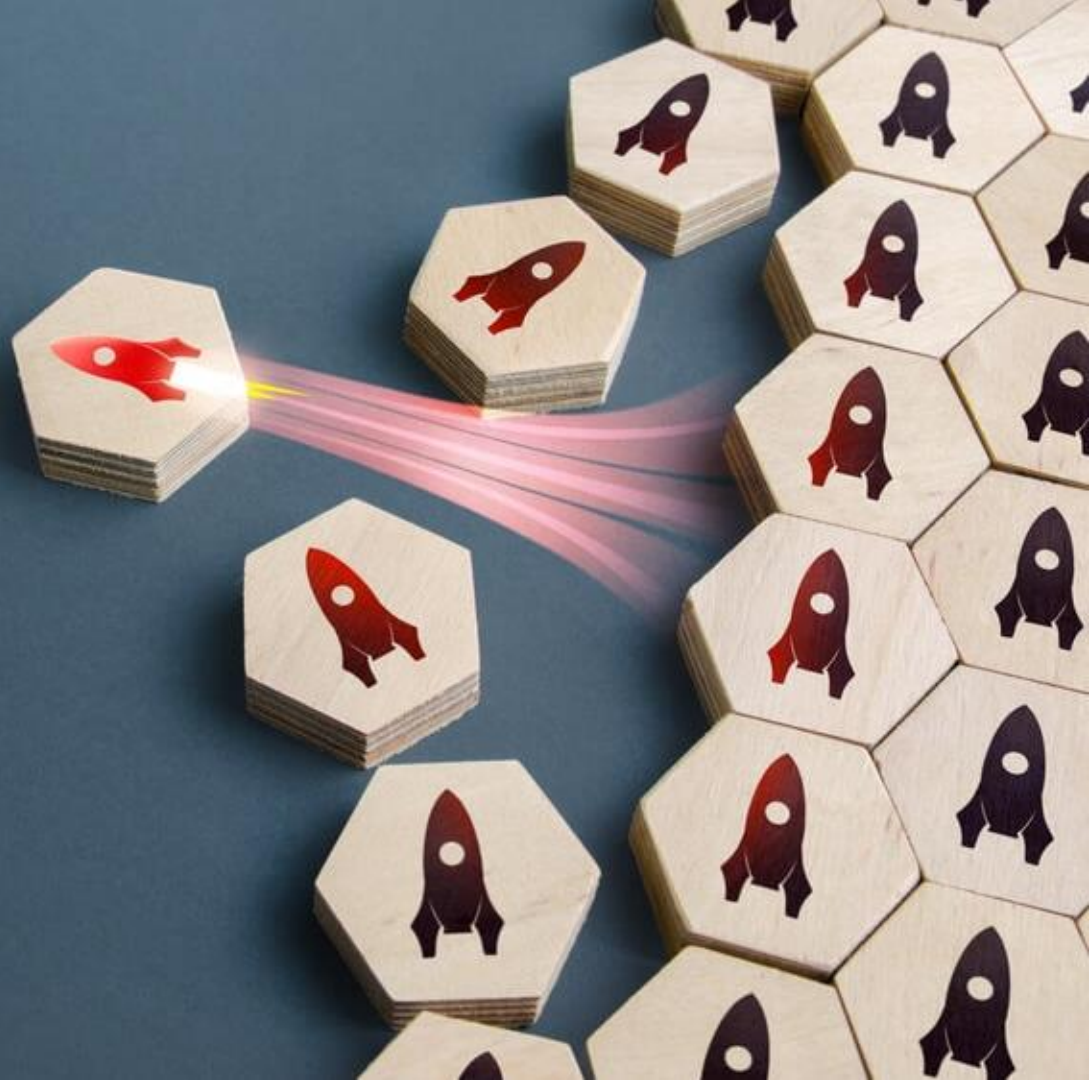
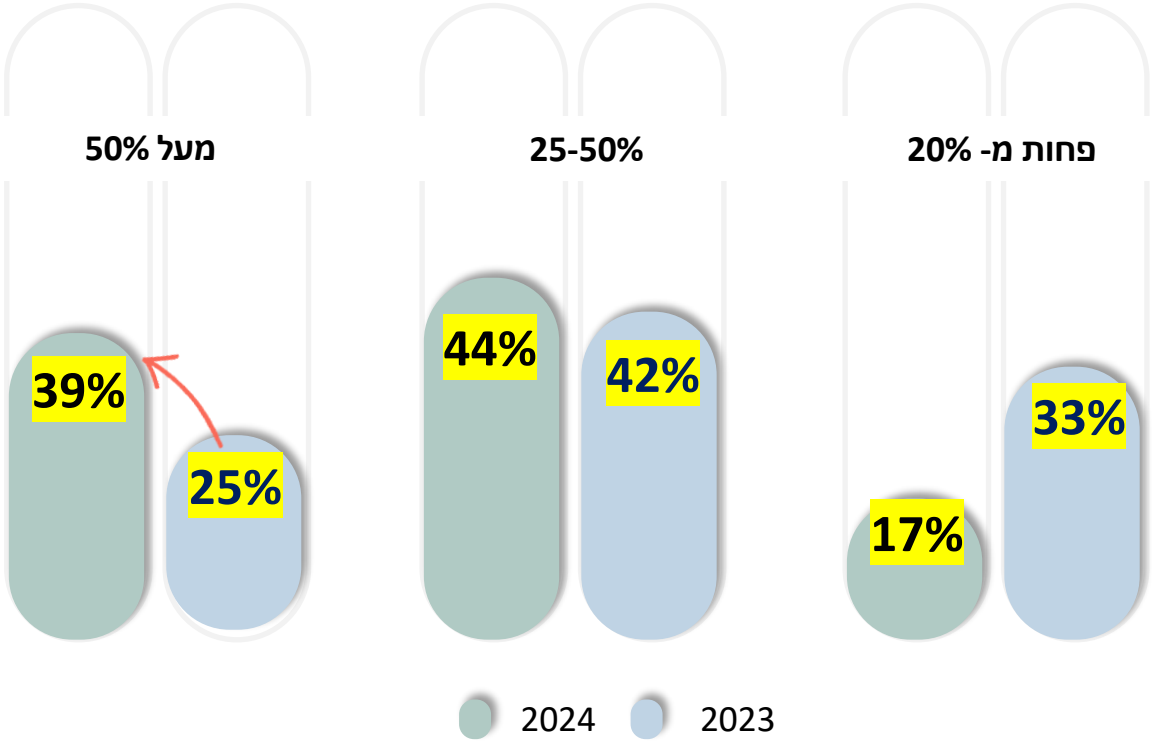
#4

More Dev =
More Digital Dev =
More Product Mng



מהו אחוז פיתוחי הדיגיטל מתוך כלל הפיתוחים?



Orgs are running increasing nu of digital, interdependent projects, written with the newest technology

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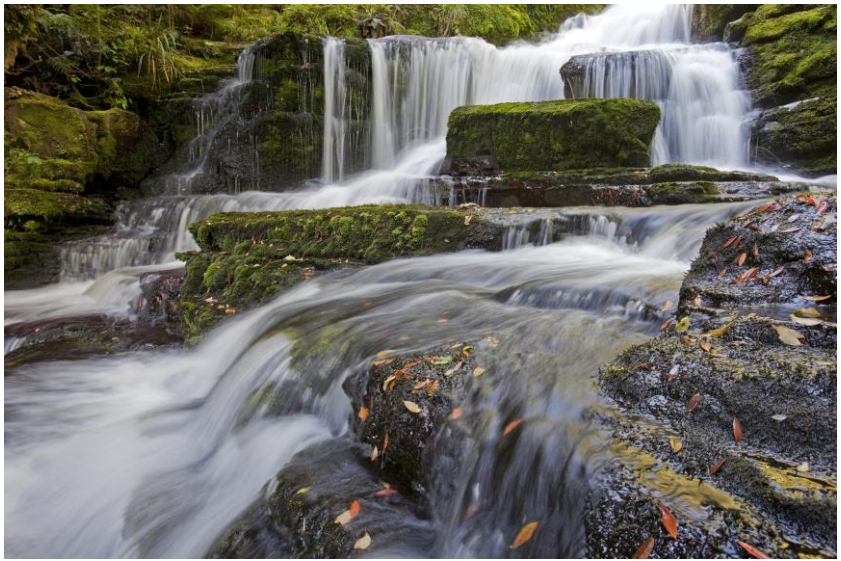
Digital Dev = Product mng

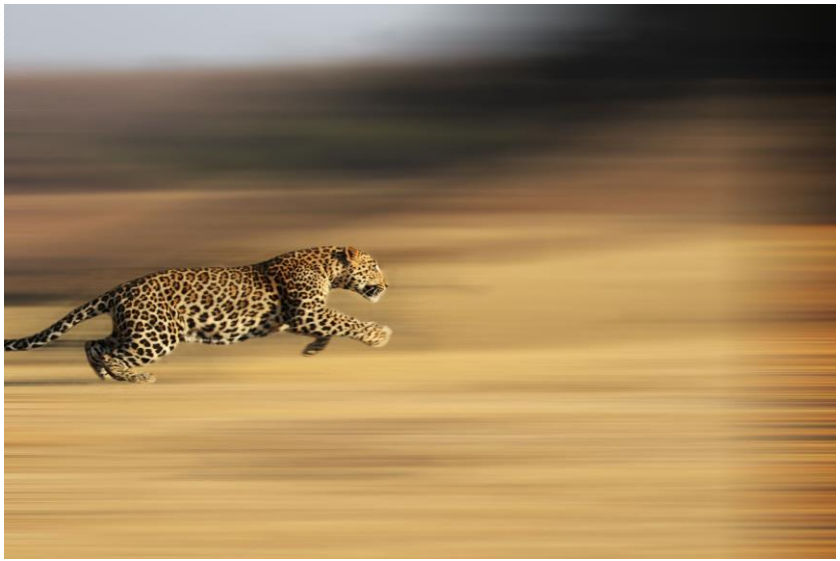
- **Product Team collaboration and Business owners' engagement**
- Team involvement in prioritizing projects - shared services mng (infra, security, QA)

Hybrid SW Development Models

Waterfall



Agile



- In almost all organizations, Agile and Waterfall development management models coexist
- In addition, there are more and more types of portfolios (products, projects, services, applications, IT systems, etc.), which require different mng methodologies depending on each case

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#5

WE NEED BETTER PPM SOLUTIONS!

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האם אתם מרוצים מכלי PPM הנמצא בארגונכם?

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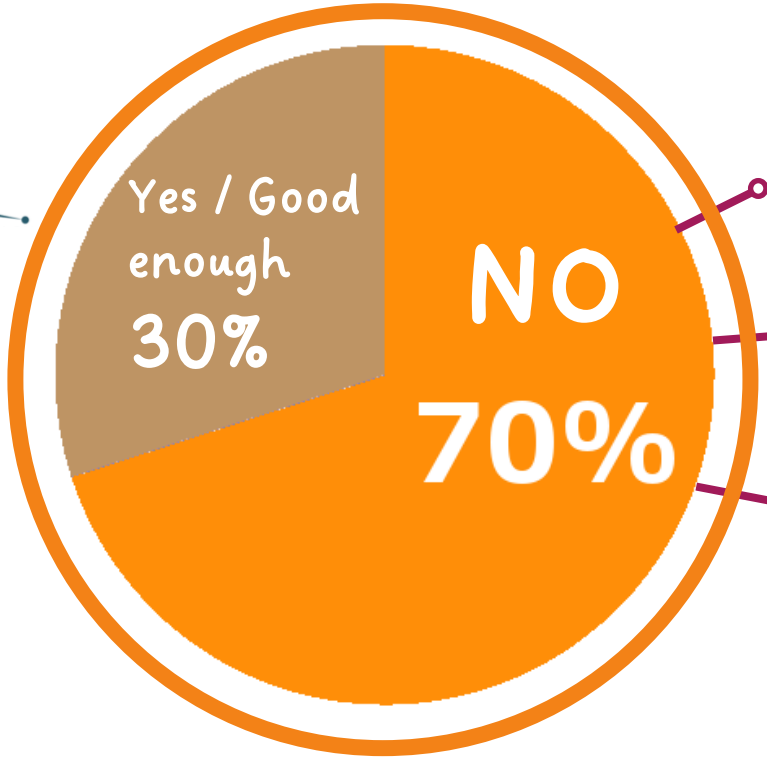
האם אתם מרוצים מכלי ה-PPM הנמצא בארגונכם?



Why:

50%
לא מצליחים לקבל אמת אחת

50%
רובסטי מדי, אנחנו עובדים בשבילו

0%
יקר מדי

"זה לא בעיה טכנולוגית - הטמעת PPM מצליחה, כאשר הנהלה מחויבת לתהליך, והיא נכשלת שהנהלת הארגון לא שמה על זה מספיק דגש, משאבים, ומחויבות"
איציק לייבוביץ, OCIO שופרסל

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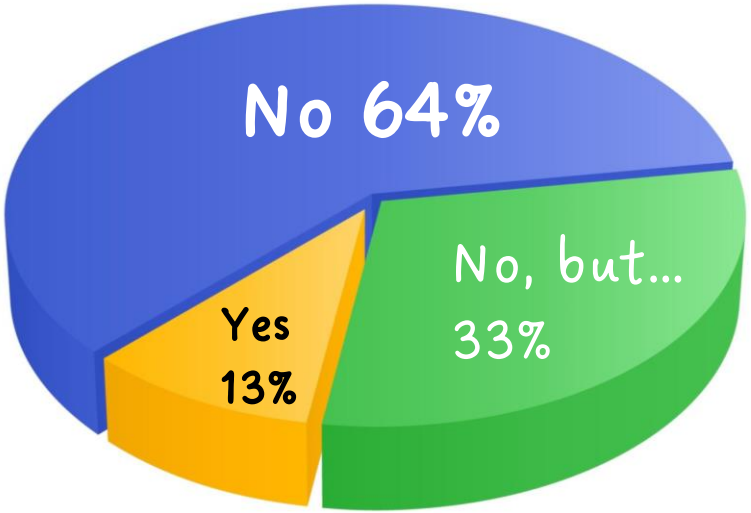
האם אתם עומדים להחליף השנה את כלי ה-PPM הקיים בארגונכם לפתרון אחר?

לא רוצים להחליף כלי PPM, אך ברור שהם חסרים, מחפשים פתרונות משלימים



we will add a complementary solution

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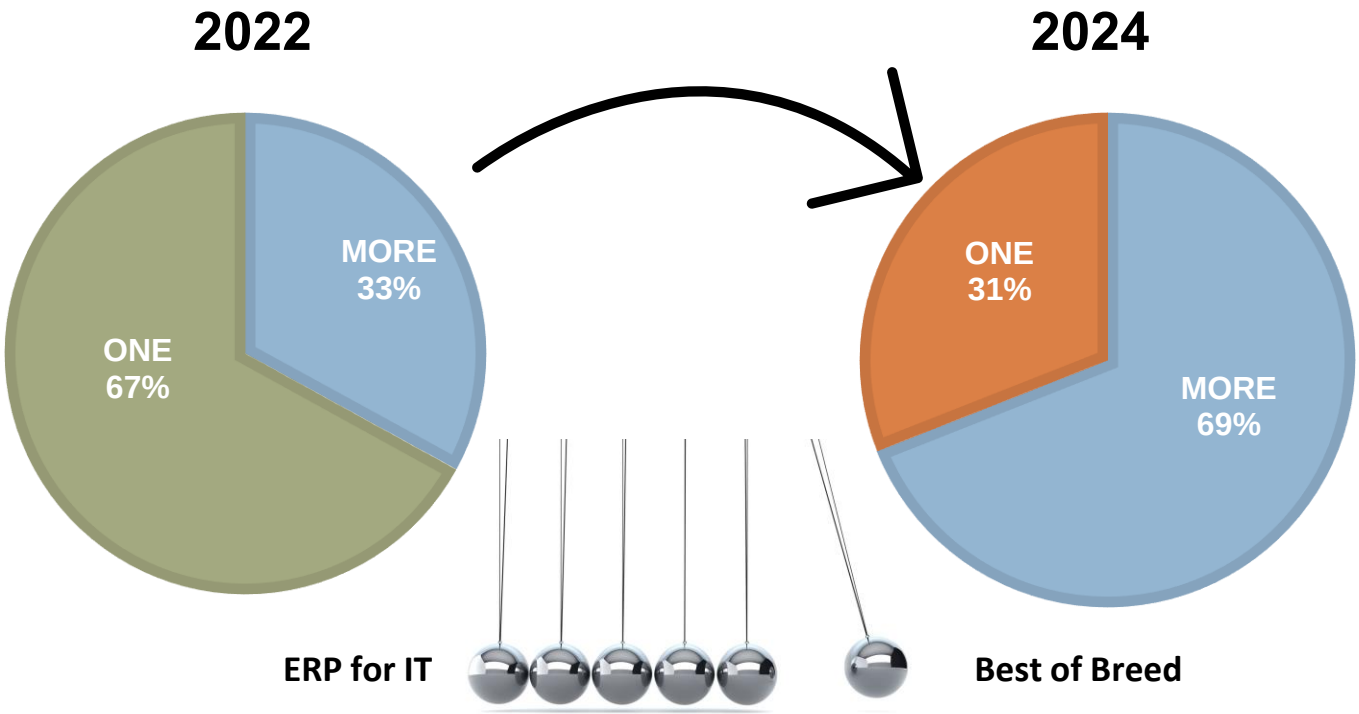
Do you use one or more tools for the PPM?



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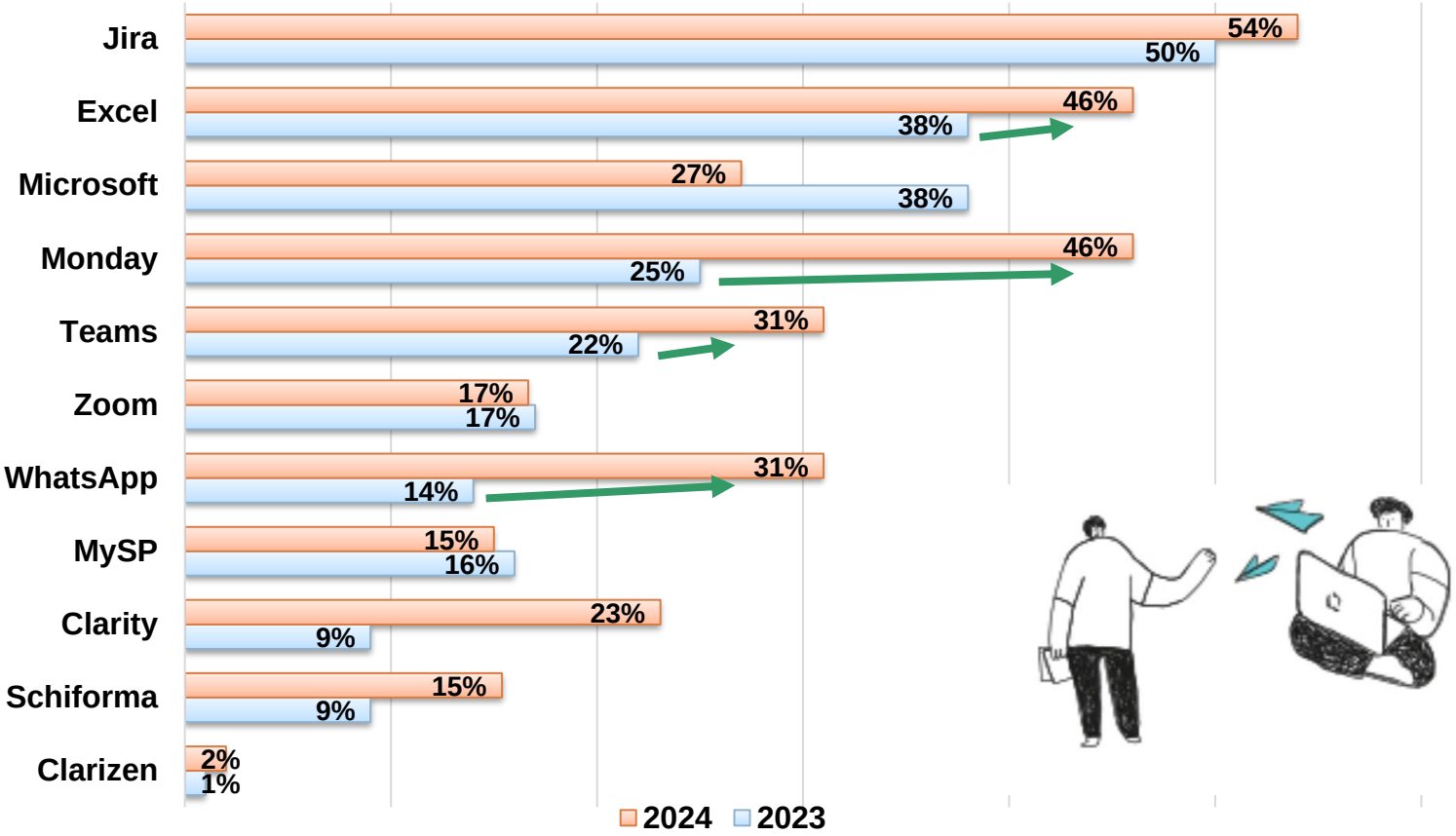
באילו מוצרים עובד ארגונך כיום לטובת ה PPM?



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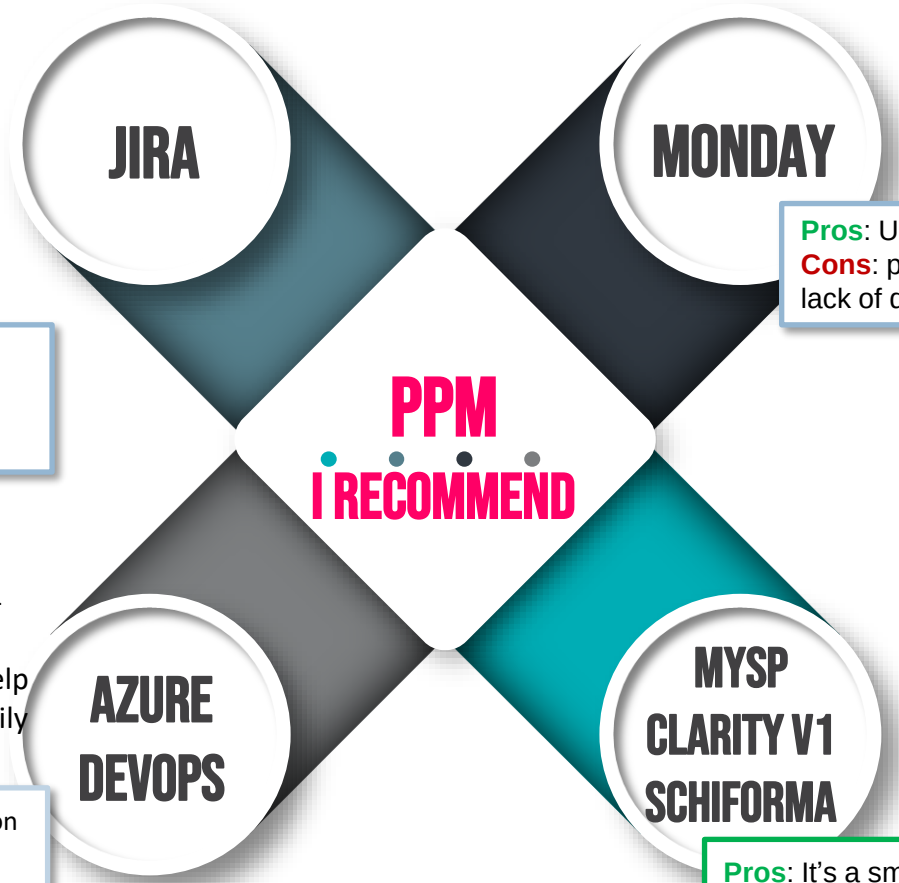
I. If your developers love **JIRA** – **keep working with it.** You will find plenty of Jira add-ons on its marketplace
II. In step 2, you can add Monday for a better Business-Strategy-Development connectiob

Pros: one well-integrated platform
Cons: UX. Jira isn't natural for business people



Orgs that started working with PPM on Monday love the tool - mainly thanks to its great connection between projects and business, business language, and UX. Business people love it

Pros: UX, easy to use, IT/ business alignment
Cons: performance issues in enterprise scale, lack of depth to the developers

If you work well with Azure DevOps - you can **check out the "new" tools**, such as Monday, Trello. LCDP that help teams (sales, OCIO, procurement) to easily build custom apps & WFs

Pros: Easy start, LoB specific need solution
Cons: Integration to ALM

If you have a big PPM implementation in place, that works, but not to your full satisfaction **– keep using it**
Start with the most painful workflow on LCDP, if it works – you found yourself a new PPM solution , if not – you can check alternative PPM solutions

Pros: It's a small experiment, NOT a BIG project
Cons: you are still stuck with your current PPM.

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PPM

Many orgs are not very happy with their current PPM installation.
But they also don't want to throw away the current tools in which so much has been invested.

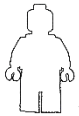
They are beginning to understand that the perfect solution - that can manage every aspect of PM in an enterprise (budget, hours, tasks, risk, etc) - doesn't exist, and they are ready to invest in additional tools

A word to Vendors that deliver PPM:

1 Start with **consulting and reprocessing**.
Orgs haven't looked at their processes for several decades.
Most problems can be solved with correct work practices **and better (current) solution implementation**

2 An area that still won't have a solution after process optimization- you can offer a **pinpoint tool**

3 We believe that vendors should **separate between PPM consulting and tool implementation** and become tool-agnostic



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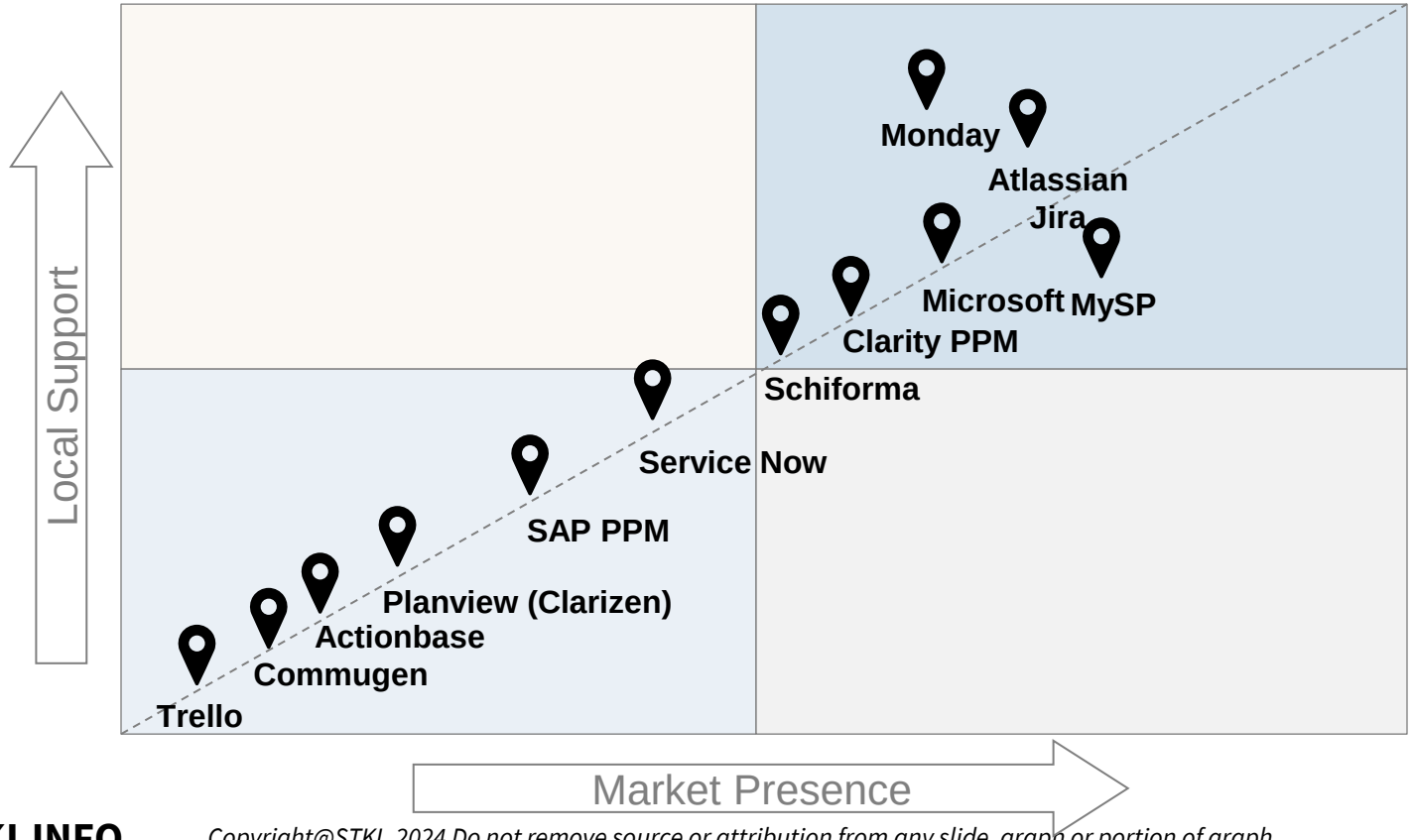
PPM Israeli Market Positioning– 2024



Vendor to watch:
Zoho

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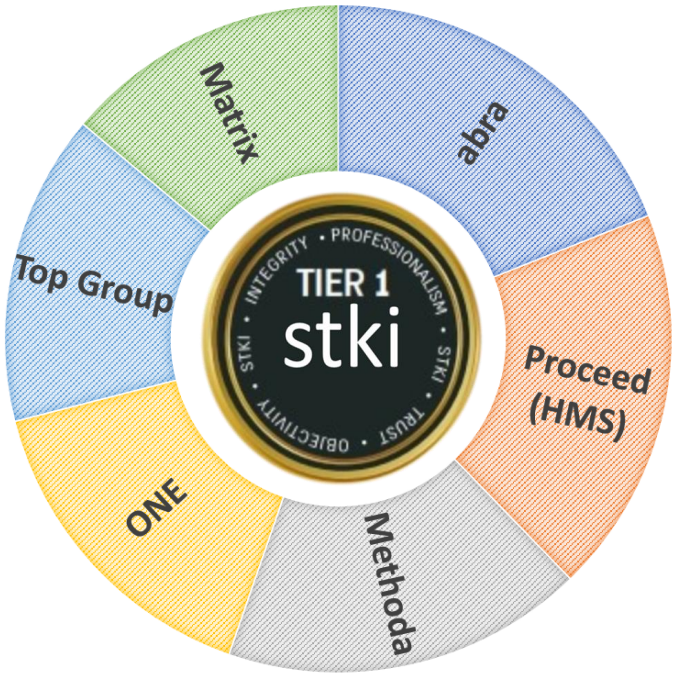
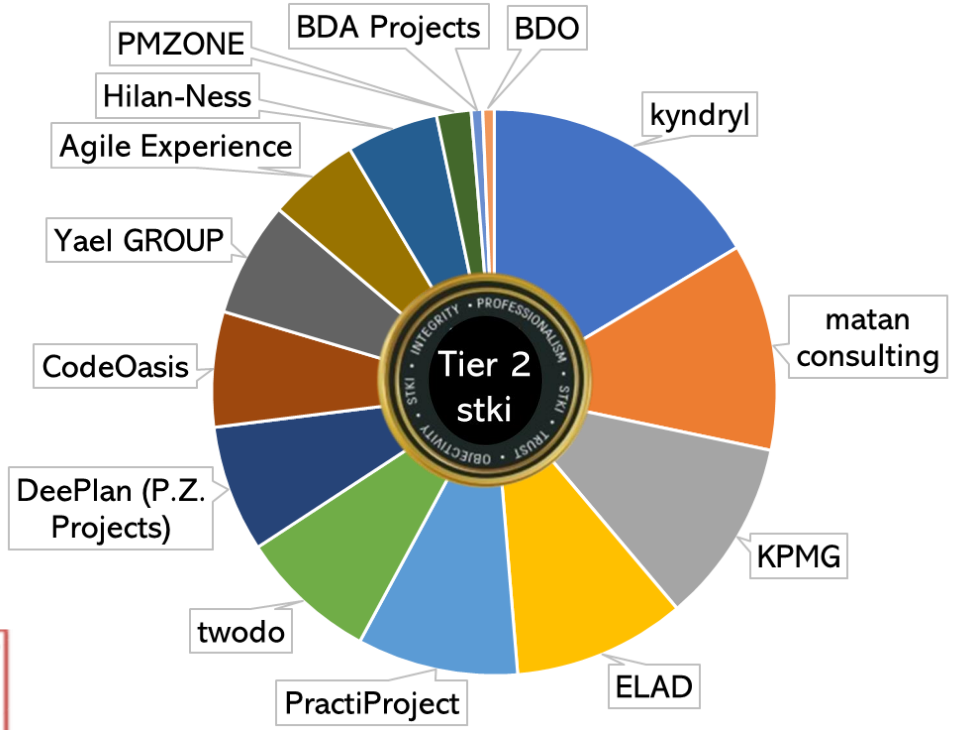
value added services market

PPM & Project Management Implementation





We rank VENDORS by
REVENUE
and
CLIENT MINDSHARE

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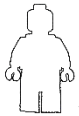
Testing Trends

#1

more dev = more testing

Many more small projects, new tech, new environments, more APIs, more development in general



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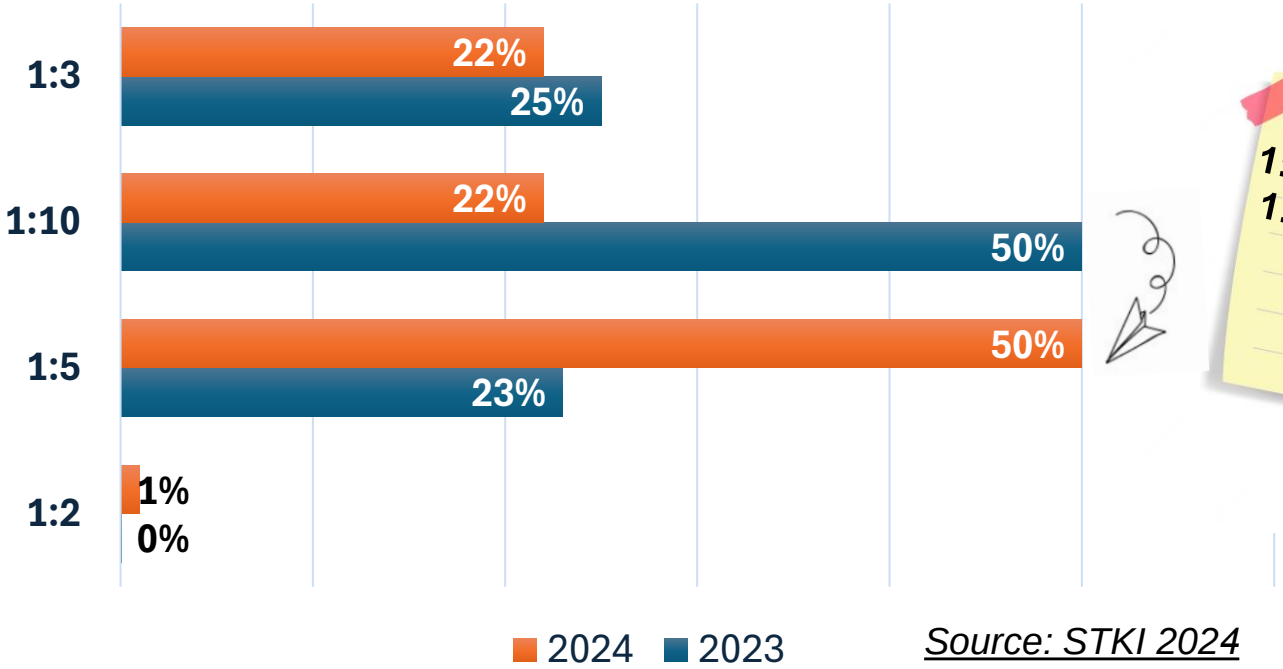
מהו היחס של מפתח : בודק בארגונך?



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2024 - מחצית 1:5
פיתוח דיגטאל:
הרוב 1:3/ 1:4

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#2

more digital development = more testing automation

Digital development means Product management

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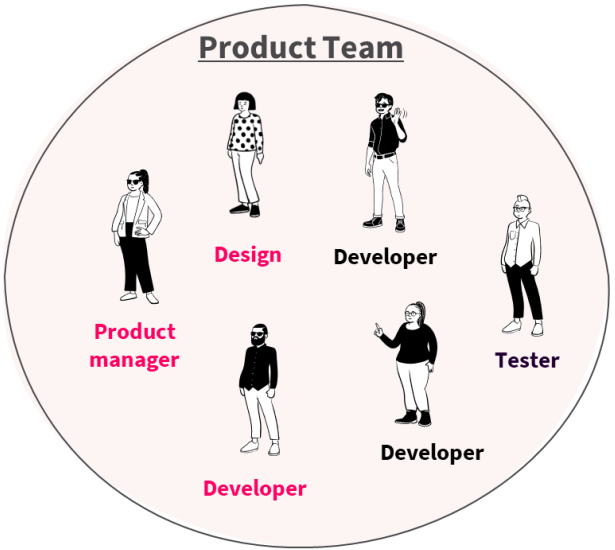
Testing automation is a must in Product mng

Digital dev = agile dev and product mng

Product mng = small multidisciplinary product teams, consisting of both developers and testers



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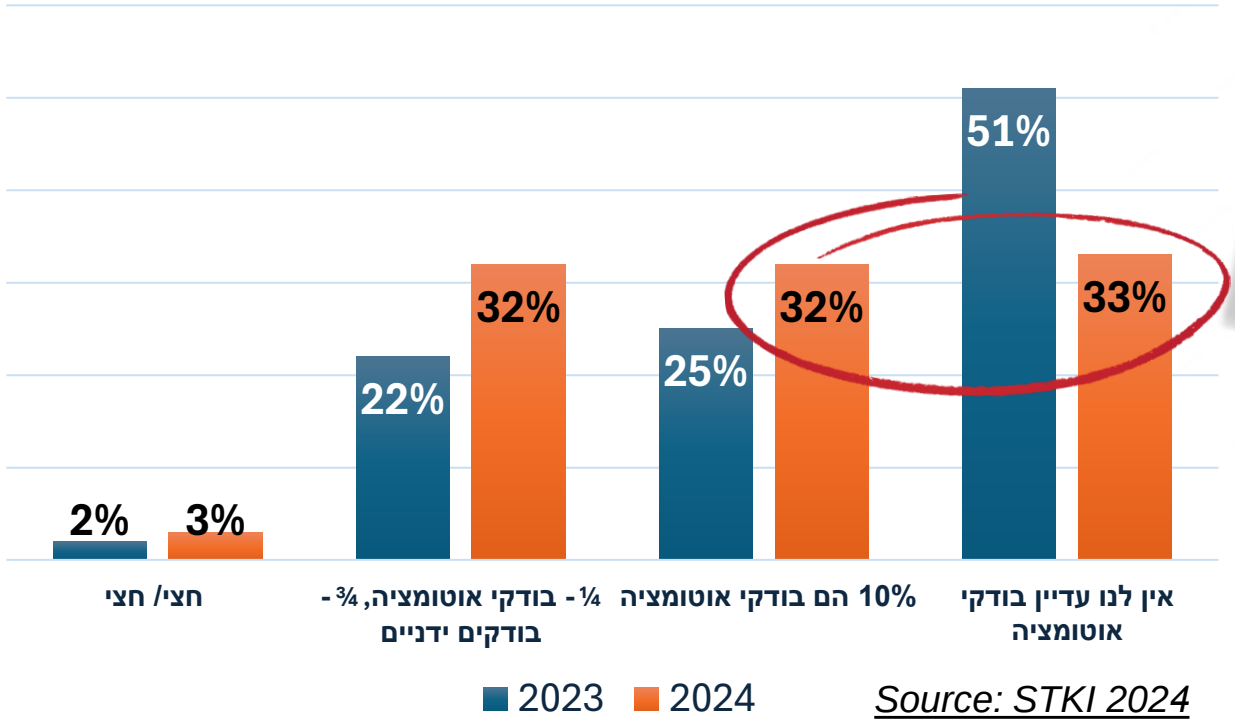
מהו אחוז בודקים ידניים לעומת בודקי אוטומציה בארגונך?



For 65% of the orgs, automation testers make up less than 10% of the org's total testers

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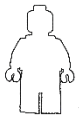
#3

WHY TESTING AUTOMATION?

For Better and Faster Coverage



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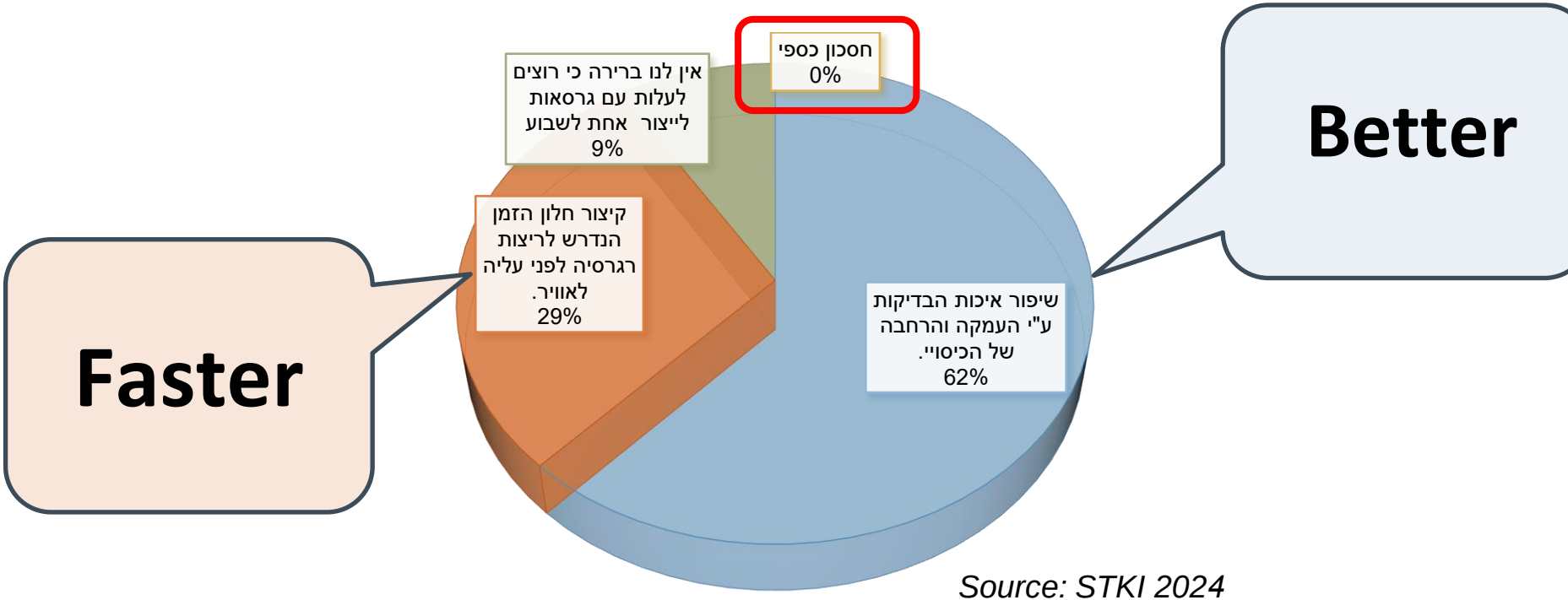
מה היא הסיבה העיקרית לרצון להכנסת אוטומציה בארגונך



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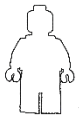
#4

Everyone understands the need,
everyone understands that it does not save costs

Testing Automation is a “NEW CLOUD” ☺



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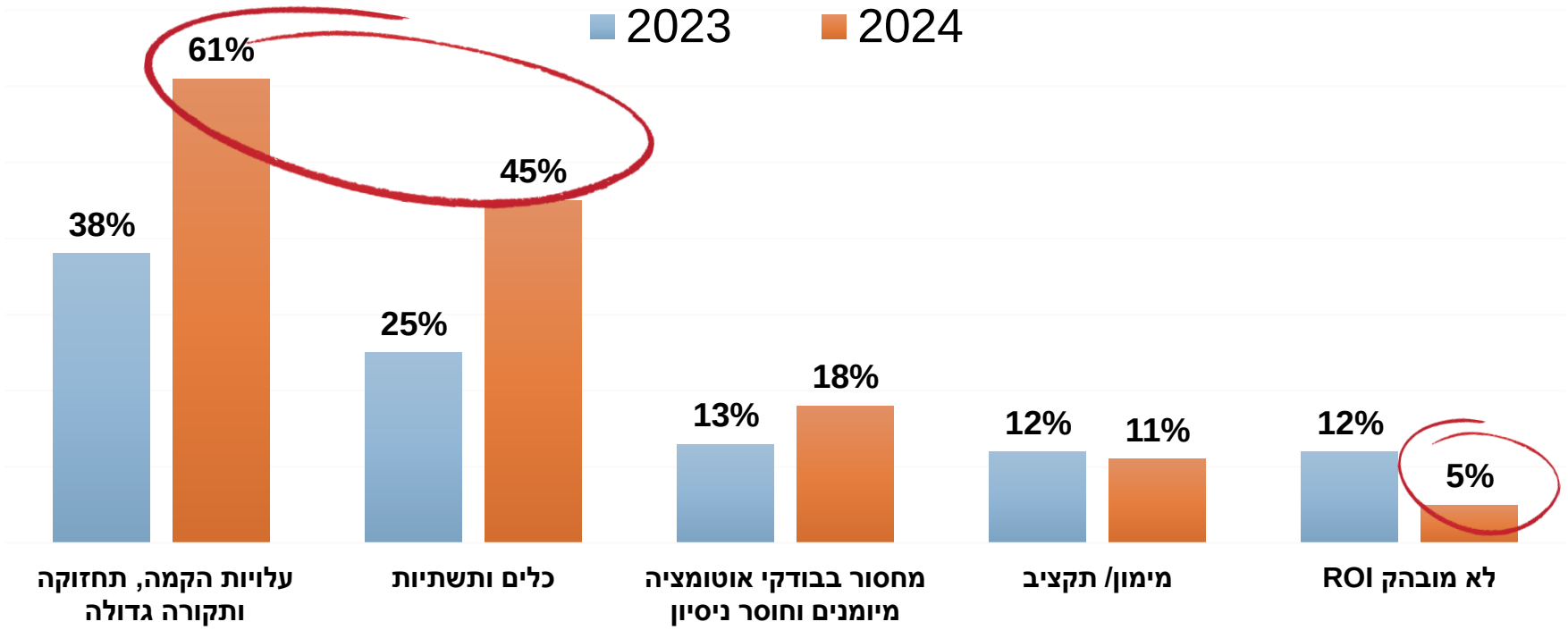
האתגרים הגדולים ביותר בהקמה של בדיקות אוטומטיות בארגון



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#5

- Heavy upfront investment in testing automation infrastructure
- A lack of qualified automation testers
- Testing automation establishment and maintenance

A Need for an Automation Center of Excellence

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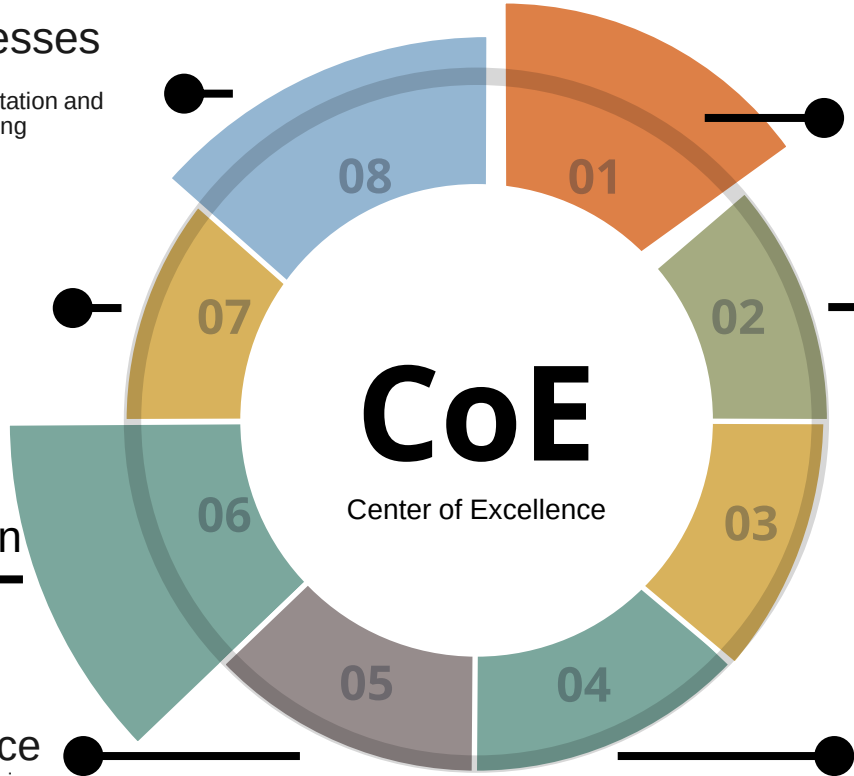

Processes
Including implementation and change mng

Literacy
Set an unify organizational language on a specified area

Skills
Forecasting, including training guidance and sourcing

Standards
Best practices, guidelines and methodologies

Use Cases Identification and Prioritization
Oversee projects, leverage synergy

Architecture
Standardize and organize IT infrastructure to aligns with business goals

Governance
Define success criteria, KPIs for projects

Tools
Tools standardization

CoE is an enabler, not a controller or a doer itself

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The next big thing:
The Use of AI in Testing Automation

Just for that let's start collecting DATA

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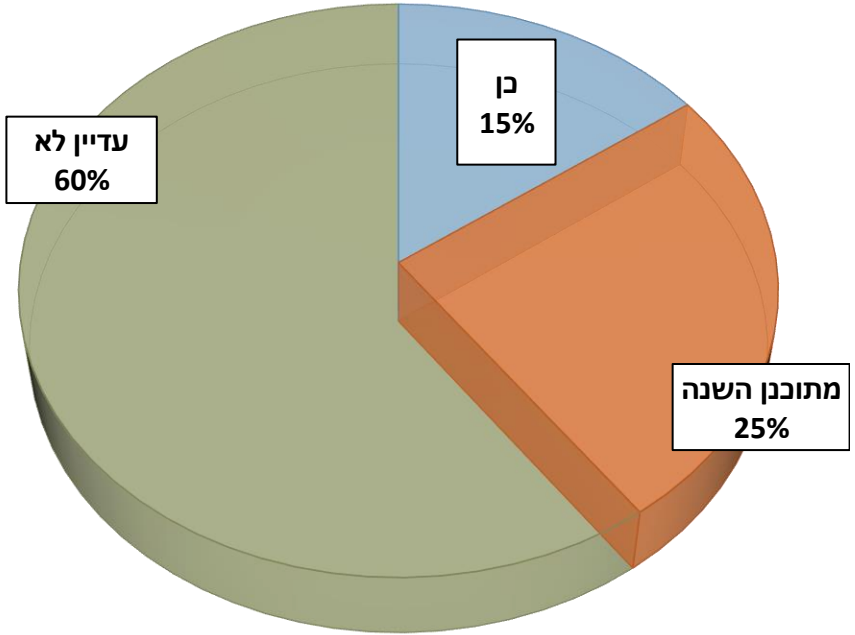
האם כבר נעשה בארגונך שימוש ב AI לטובת הבדיקות?



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Testing

I RECOMMEND

WHY

- The 1st step to true CI/CD integrated test automation is to assess your tests. What do you have, and what do you need?

- It all depends on what you are trying to achieve:

Are you short on UI tests? Are there separate mobile tests and web tests? Can you test a backend API directly, without an obfuscating UI layer?

- Don't try to automate everything

- Focus on the most important bits of the app/ process

- Invest in **low-code and AI-based tools**

- LCDP **don't** require a strong background in development

- Start your journey to Testing Automation CoE establishment with **expert consulting**

- **Testing Automation requires knowledge & skills that orgs don't have** – leading vendors offer a quick free assessment, mentoring for QA mngr

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A word to Vendors that deliver QA:

Testing

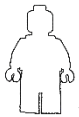
- Quite a few orgs have started their journey to TESTING AUTOMATION, but even the most leading among them - **not even close to being HIGH Performers**:

Trusted Adviser: There is a lot of room for consulting, guidance, people sourcing and training, CoE establishment, etc.

- There is a **growing demand for TESTING AUTOMATION tools** and there are many tools in the organization and on the market - **HELP NEEDED**

- There is no doubt that there is a lot of challenges in recruitment and retention in TESTING AUTOMATION – but **they're very different challenges**

Therefore, there is room for **a large variety of managed services models**



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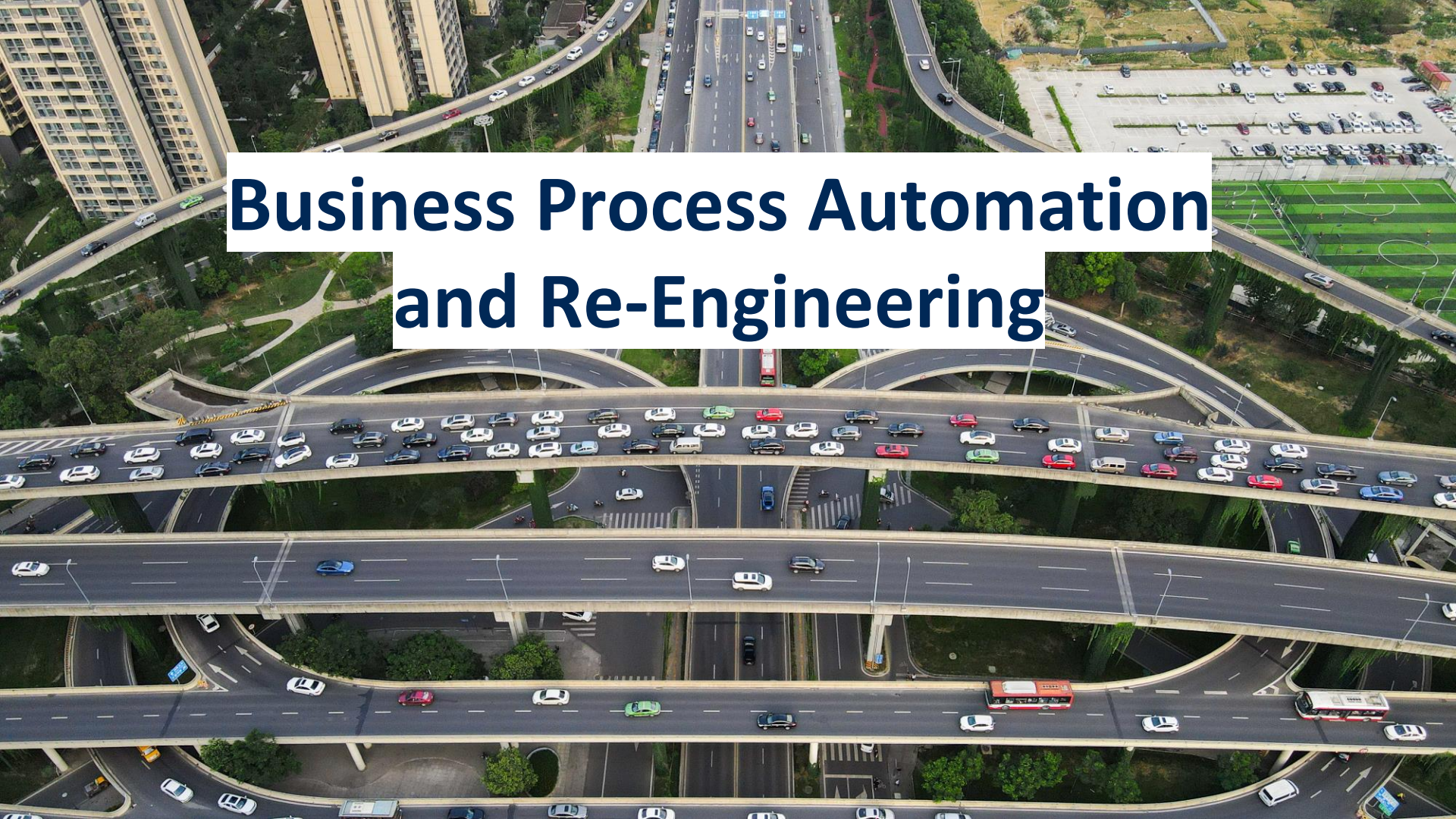

Business Process Automation and Re-Engineering

#1

RPA goes AI

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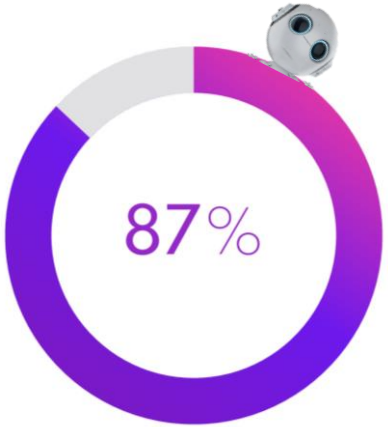
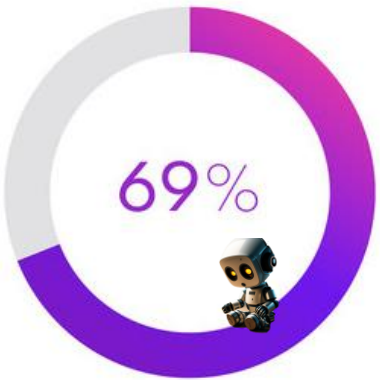
Current State of RPA

All have implemented RPA



Most Israeli enterprises (87%) have already implemented RPAs

It doesn't always work well



- Most implementations didn't deal with process optimization– RPA as a quick win to a specific problem
- 69% experienced broken bots at least once per week

Automation is the ONLY option. Continue to invest

- 84% are planning to invest more into RPA v2.0 within the next year

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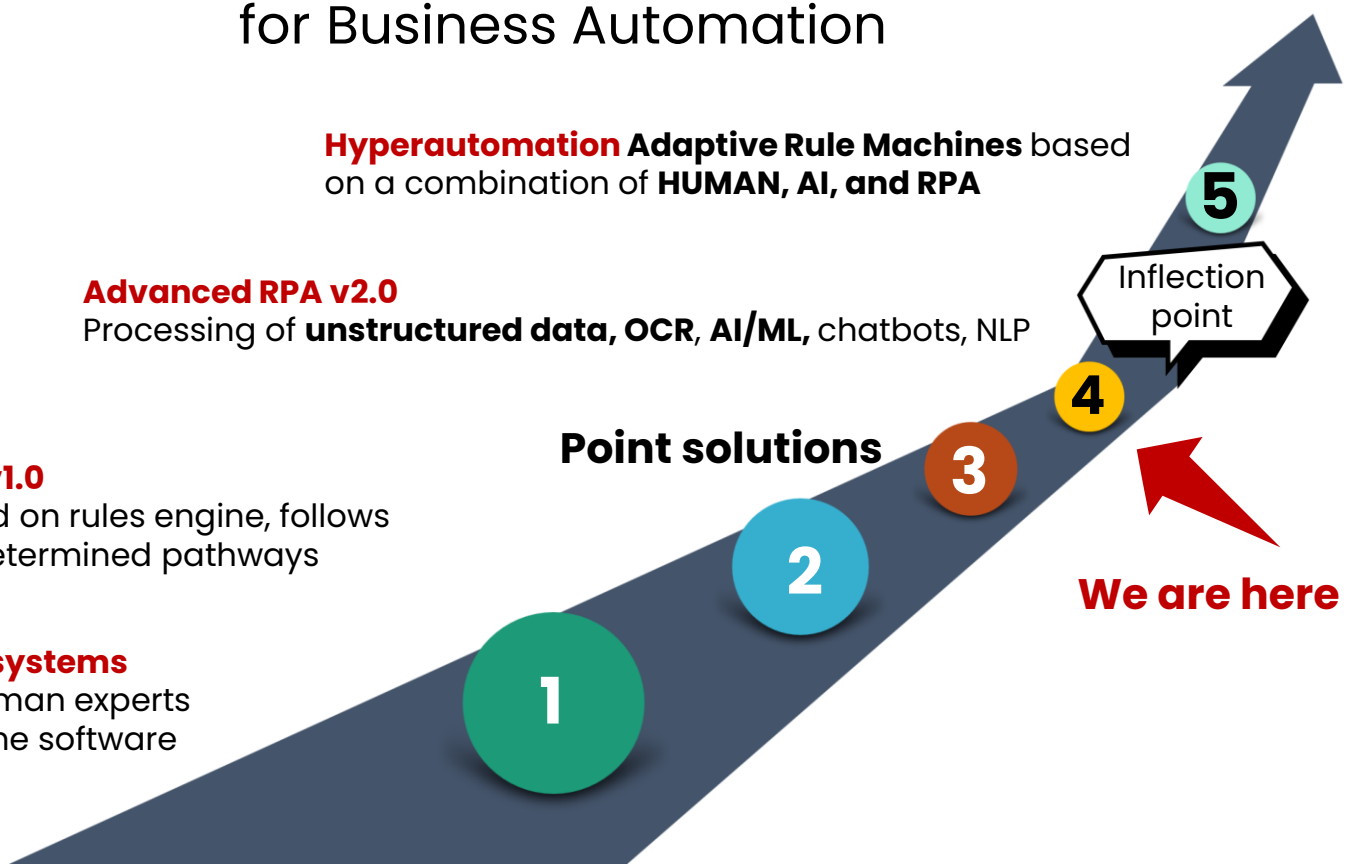
Technology-organizational model

for Business Automation



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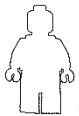
RPA v2.0 – Business Automation

Workflow mng	RPA	AI/ML changing the picture	Low Code Develop	Document understanding	Process Mining

AI/ ML can **learn from past knowledge** and adjust itself to changes

We should work on our process,
not the outcome of our processes



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#2

End-to-end process automation

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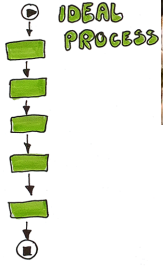
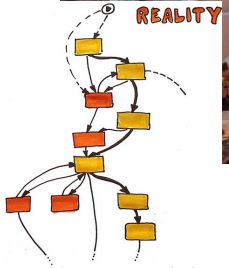
But what is our process?

Usually, 2 completely different pictures

What we think

How it’s actually done





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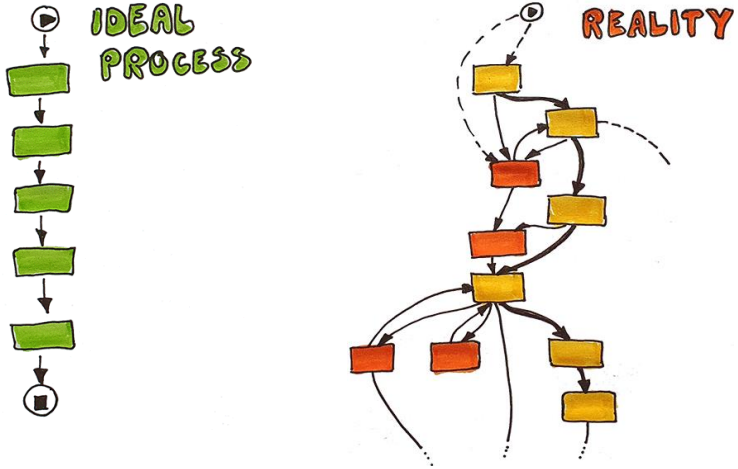
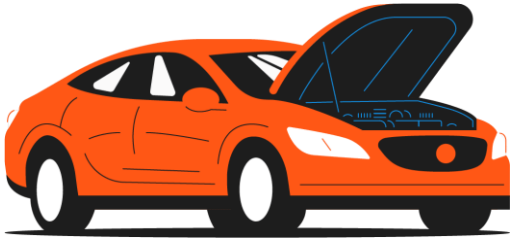
Process Mining





Combination of process mining (Data obtained from event logs & transactional DBs) and real-time analytics capabilities

One can detect process deviations, and bottlenecks and also generate inferences for recommendations and prediction

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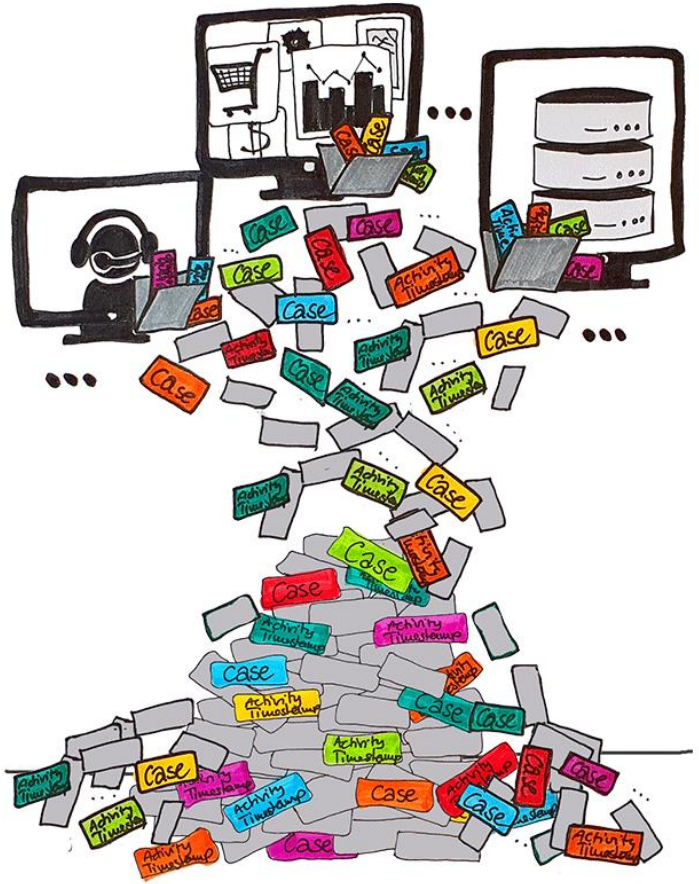
Digital traces in IT systems

- IT systems process data
- Information about previous events and activities are gathered in (event) logs - these are the digital traces
- We usually only use this data to analyze errors or track activities
- That's quite a lot of data that is rarely used!
- Most companies have mountains of unused data they could **mine for insights**.



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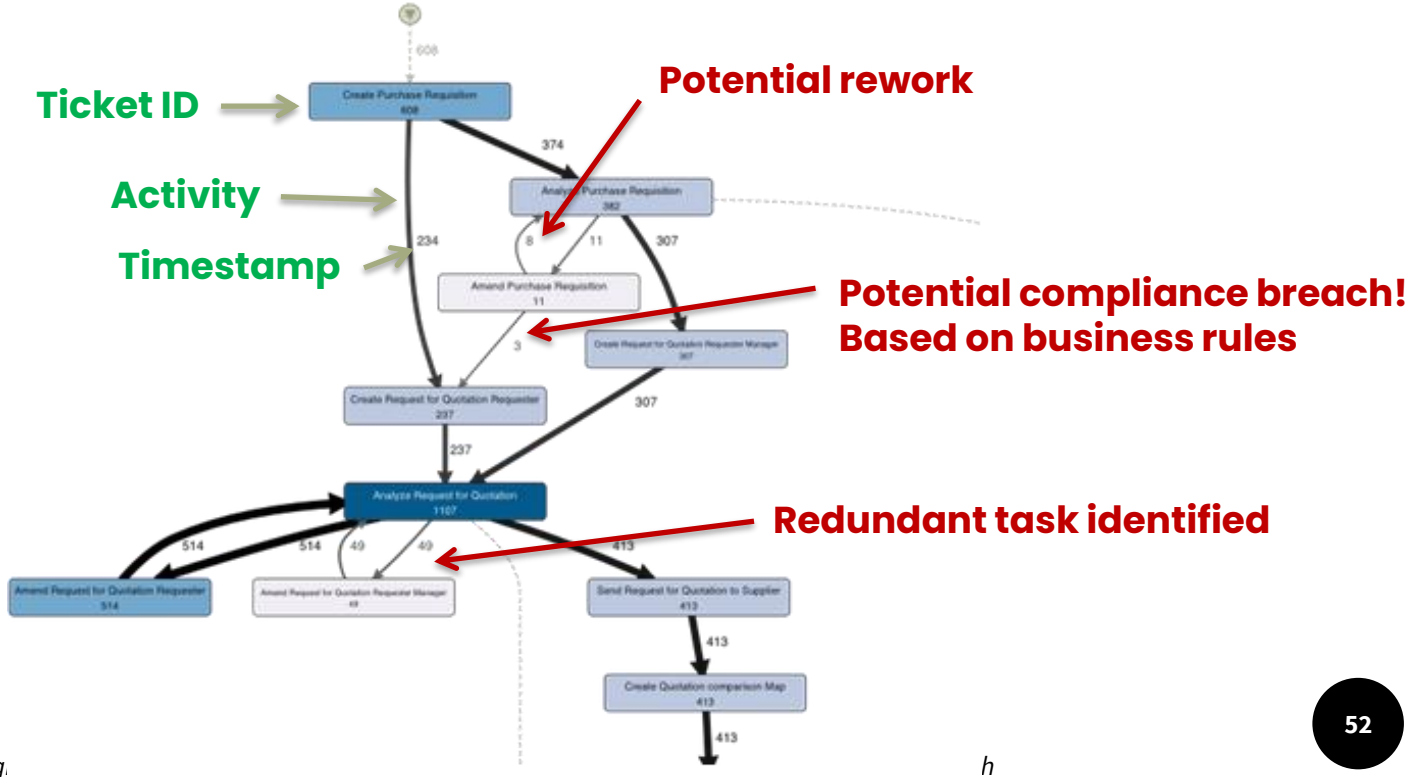
You need to understand the process before you can optimize it



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#3

Automation CoE

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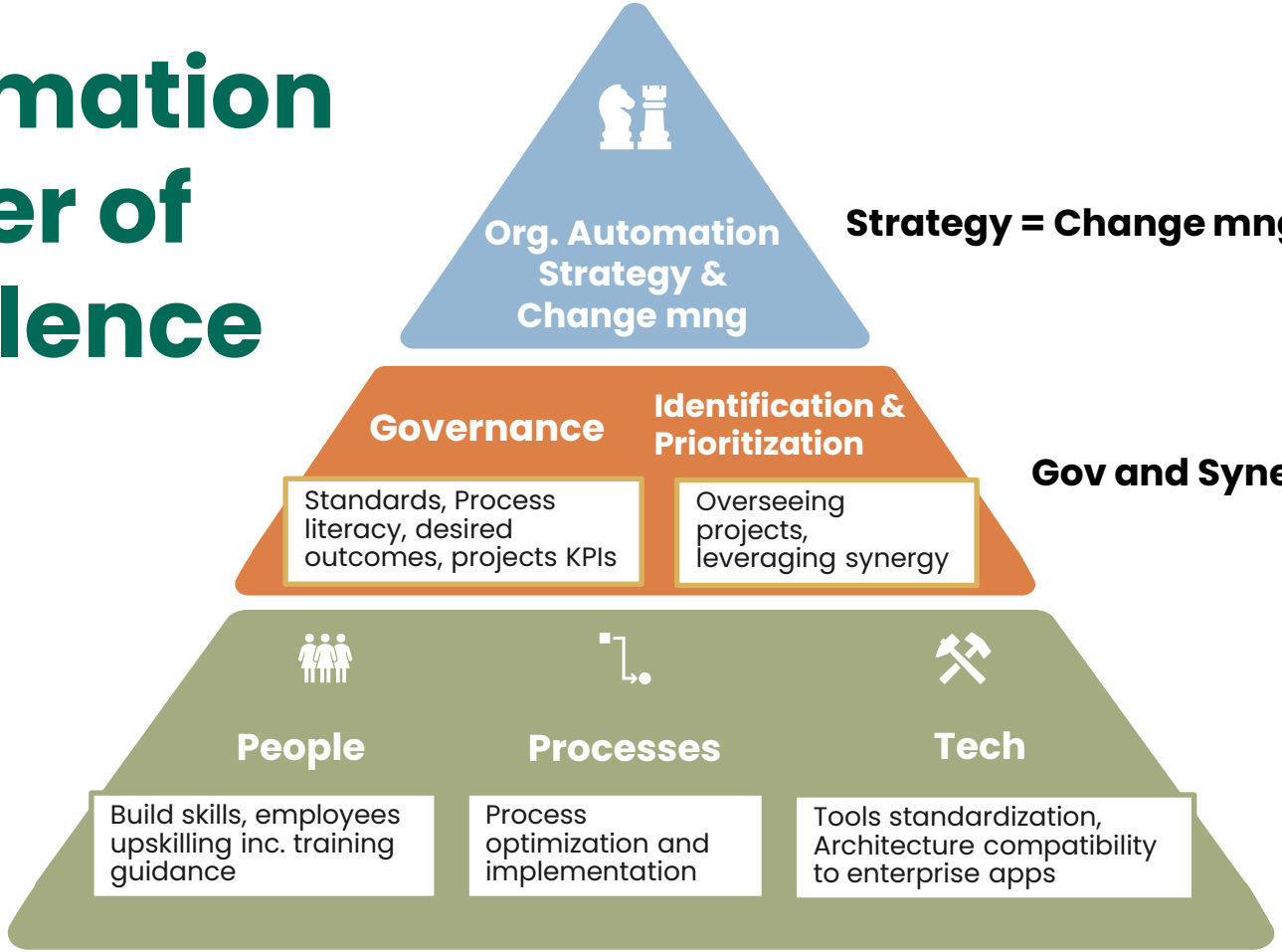
Automation Center of Excellence



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I RECOMMEND

- Start by discovering & revealing the truth of the actual process
- Start the org automation journey with the Industrial Engineering consulting
- Do the automation with Process Discovery

WHY

- Most orgs **can't tell what their actual processes** are. Process understanding is based on shadowing & standard interview-style discussions with users. Most of them provide an ideal answer, not what they actually do
- In the era of ERP, most enterprises have lost their Process Analyst Skills. Most vendors prefer to start implementation, instead of process optimization
- Process discovery takes the blindfolds off IT & mngt to see how their processes are actually working

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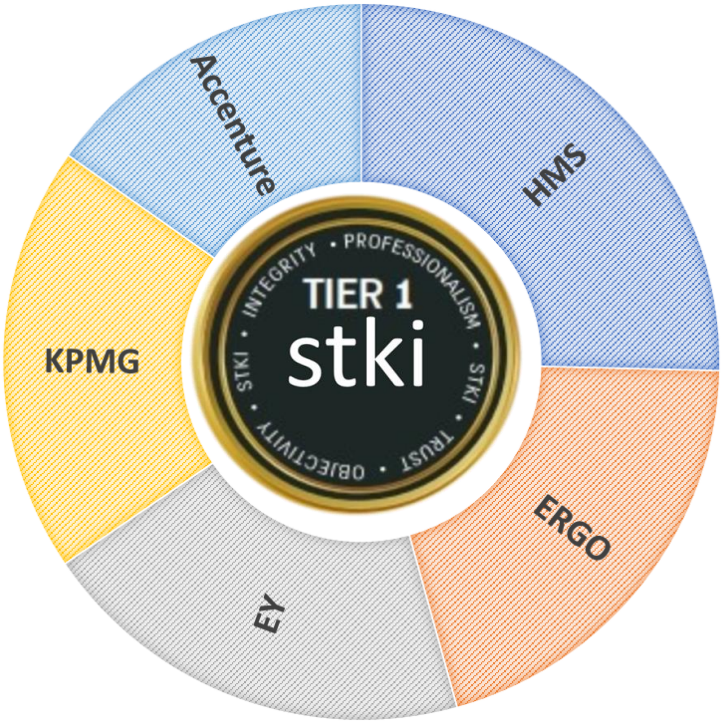
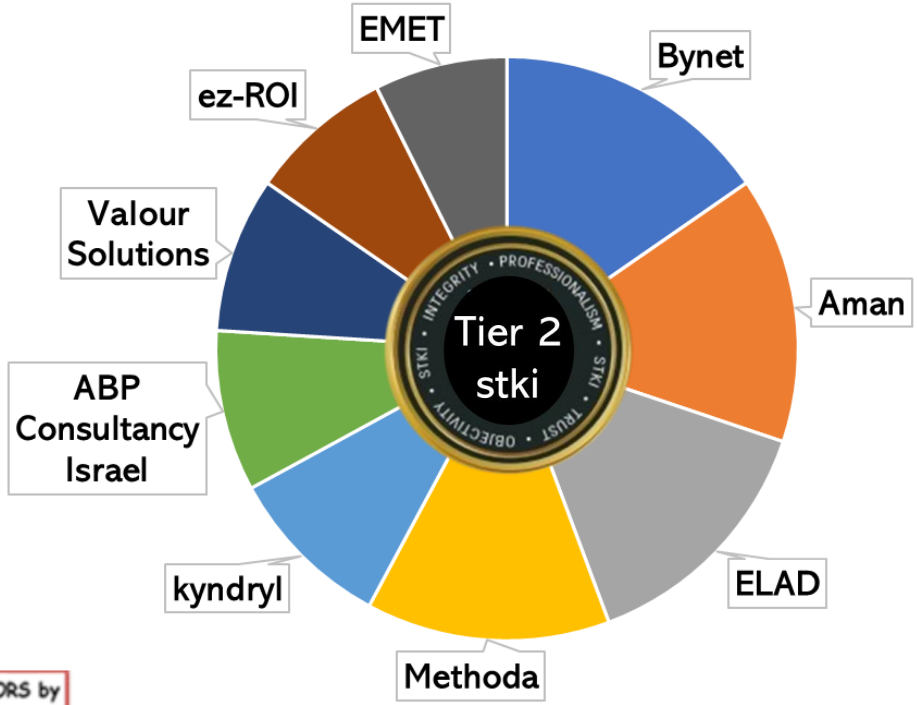
value added services market

Automation & Process Consulting





We rank VENDORS by REVENUE and CLIENT MINDSHARE

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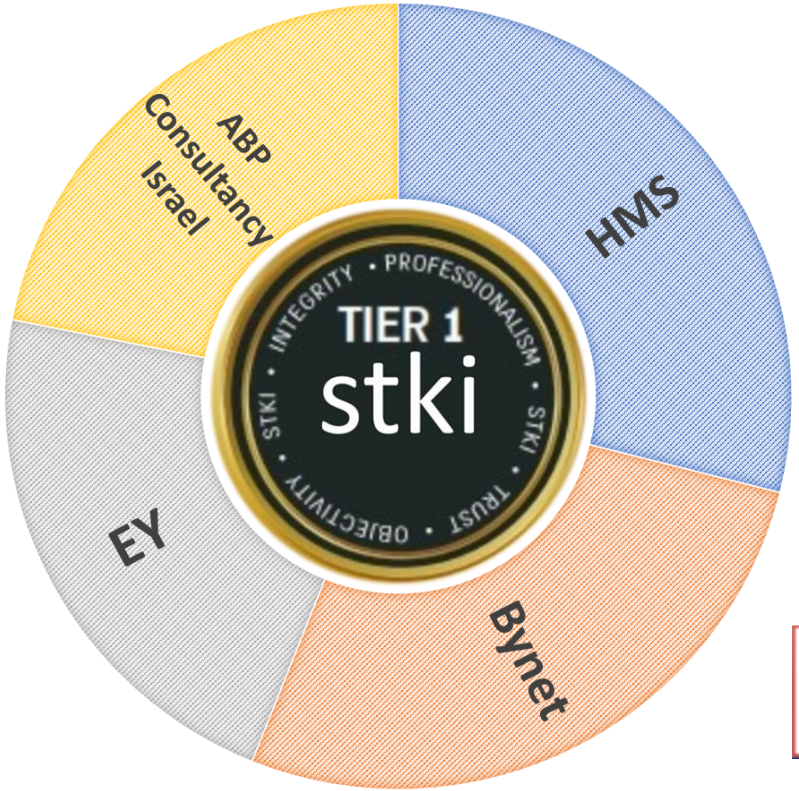
value added services market

Automation tools (RPA, OCR) Implementations



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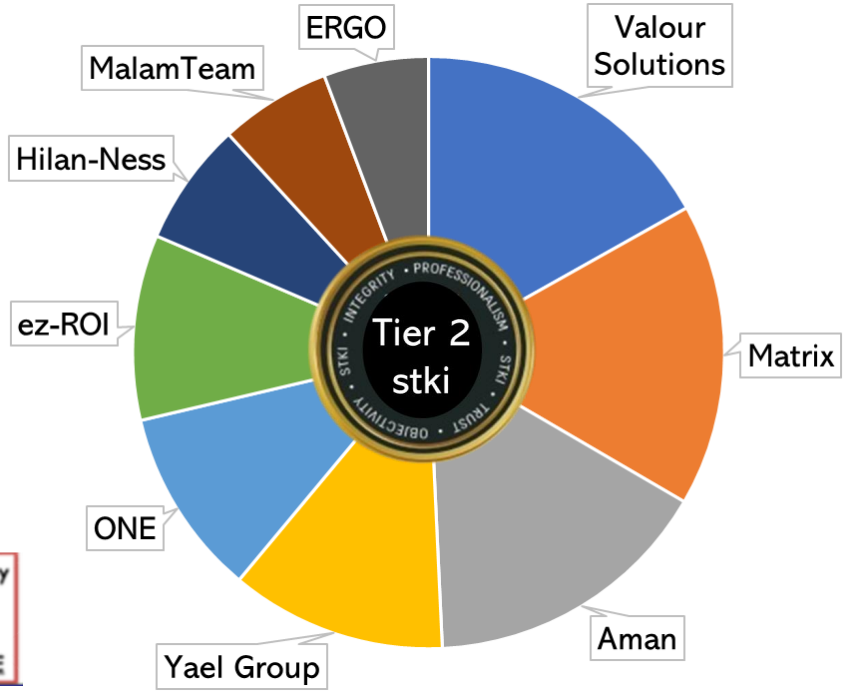

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Thank you

for your help in conducting this research

Galit Fein
EVP & Senior Analyst @ STKI

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