



Cigniti Software Testing

Vendor Assessment
Report Abstract

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Who Is This Vendor Assessment For?

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

Cigniti Technologies is a Hyderabad-centric, Texas-headquartered, software testing vendor which is BSE listed. In FY 2014, the year ending March 31, 2014, Cigniti had revenues of INR 2,591m (~\$43m). Headcount at end of FY 2014 was ~1,200.

The company is now the largest India-centric software testing pure-play, by revenues, and the third largest pure-play in the world.

The company was founded under the name of Chakkilam Infotech in 1998, initially focusing on custom application development and maintenance. In 2001, it developed software products for the healthcare industry, to address HIPAA legislation. In 2006, it decided to become a software testing pure-play. The company had initially developed servicing technology vendors. In 2011, Chakkilam Infotech acquired a U.S. testing consultancy, Cigniti Inc. Based in Irving, Texas, Cigniti Inc. had a headcount of 350 and 2010 revenues of \$18m.

The acquired firm serviced only U.S. clients, primarily in the enterprise segment (70% of revenues), expanding from its pre-acquisition client base of technology vendors.

Since then, Cigniti Technologies made another U.S. centric acquisition with the purchase of Gallop Solutions Inc. Gallop had FY 2012 revenues of ~\$9.5m and a headcount of ~200, of which 80 were in Texas and 120 in Hyderabad. Key clients included HP, NCR, JC Penney, PayChex and Bank of America, as well as Delphi. Client overlap with Cigniti was minimal.

The company is very focused on executing its growth strategy, with a target to reach ~\$100m in revenues and a headcount of 2.5k by FY 2016. Therefore in March 2014 the company raised another ~\$8m from private equity to finance further acquisitions, likely to occur in Europe (particularly in the U.K.) and in APAC (initially Australia).

Cigniti Technologies has realigned its services portfolio into three categories:

- Core testing services: includes test design and execution, manual functional testing, test automation, and non-functional testing; core testing services are the backbone of Cigniti, representing a NelsonHall estimated ~90% of its revenues. For both ISVs and enterprise clients, Cigniti provides functional testing, including

regression testing as well as performance testing and usability testing of mobile applications and website

- QA and consulting: process improvement, automation tool expertise, as well as expertise in security and IT infrastructures. NelsonHall estimates Cigniti's consulting headcount to be ~15 in India, with several QA and consulting experts in the U.S. Cigniti has also created two methodologies: ASSET, a TCoE set up methodology, focusing on roles, governance, tools and IT infrastructure on how to build and run a TCoE; and Predict Quality, a QA methodology
- Next generation services: e.g. mobile application testing, cloud services, big data and security testing. Next generation services are recent offerings, on which Cigniti intends to invest and gain new contracts. NelsonHall estimates that next generation services account for 5% of Cigniti's revenues.

In addition, the acquisition of Gallop Solutions Inc. has brought Cigniti a dual offering around migration to HP QTP and test script maintenance service.

Scope of the Report

The report provides a comprehensive and objective analysis of Cigniti'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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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.