



Virtusa Software Testing

Vendor Assessment
Report Abstract

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Who Is This Vendor Assessment For?

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

Virtusa was founded in 1996 and is headquartered in Westborough (Massachusetts). The company is an international firm with large bases in India and Sri-Lanka, largely providing application services.

In its FY 2014, the year ending March 31, 2014, Virtusa had revenues of ~\$397m, a growth of 19%, including \$10m in acquired revenues. The company is a high-growth firm with previous growth rates in FY 2013 and FY 2012 of 27% and 20%, respectively.

Virtusa started its corporate life developing applications based on its "platforming" approach, i.e. development of applications based on reusable components, initially finding success with ISVs. The company has since expanded its client base to other sectors including BFSI, which now represents the company's largest vertical (58% of FY 2014 revenues). The communication and technology and media and information sectors still account for 31% and 11% of revenues, respectively.

Testing is one of Virtusa's seven main service lines through its Independent Software Quality practice (ISQ). ISQ had NelsonHall estimated revenues of ~\$100m, representing ~25% of Virtusa's revenues in FY 2014. Testing is Virtusa's largest service line.

The practice has a headcount of ~1.7k

Like the rest of the company, ISQ has a background in Virtusa's software engineering heritage, though the practice has subsequently expanded its client base to BFSI and other industries (including healthcare payer which accounts for ~60% of testing revenues). Currently, software product testing accounts for ~10% of its testing revenues.

ISQ has a specialized profile and has strengths in financial services, in the areas of capital markets (including trading) and life and healthcare insurance.

The unit has two main functions: to provide internal testing services as part of bundled contracts and to service clients as part of standalone testing contracts. NelsonHall estimates that Virtusa ISQ derives 70% of its revenues from bundled contacts and 30% from standalone testing contracts; in the past year it has focused on winning more standalone testing contacts.

Scope of the Report

The report provides a comprehensive and objective analysis of Virtusa'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, Atos, Capgemini, Cigniti, EPAM Systems, HCL Technologies, Maveric Systems, Mindtree, QualiTest Group, SQS, Syntel and TCS.