

# ROI for Test Automation Your Customized Report



This is a SAMPLE report generated  
by Lighthouse Technologies, Inc.

Greetings!

On behalf of Lighthouse's entire automation team, we'd like to thank you for your interest in understanding the ROI of test automation. As teams move quickly to Agile development, the only way regression testing can keep pace with the bi-weekly Sprints is through test automation. We've seen what it can do firsthand and we're excited to share those findings with you.

Across the following pages you'll see the full effect test automation can have on your organization—including increased tester availability, expanded testing coverage, improved quality, and quicker test cycles and project deployments. In addition, you'll also see our best practices for implementation as well as a detailed breakdown of the assumptions, baselines, and benchmarks that comprise our [ROI model](#).

It's our sincerest hope that this helps you better understand how test automation can benefit your organization, and helps you build the business case for your leadership team. Whether you choose to pursue automation internally or with us as a partner, we hope this provides you great value in moving forward.

Sincerely,

The Lighthouse Team

# What you already know...

Don't remember your initial results? Here's a quick refresher.

Test cases

500

Operating Units

5

# of Test Phases

3

Minutes to Execute

30

## Payback Period

See a Return in

**9 mos.**

This is your break-even point. After this point, you've recouped your initial investment and will see continuous savings thereafter. Different companies have different standards, but a payback period of 18 months and under is generally accepted by most organizations.

## 5 Year NPV

(Net Present Value)

**\$1,489,176**

This is the aggregate sum of your cash flows, accounting for your initial investment, and expected returns. Think of it as the time value of your money, taking into account the present value of cash flows. Naturally, you're looking for a positive number here, the bigger the better.

## 5 Year IRR

(Internal Rate of Return)

**134%**

This is the growth rate of your cash flow over that same five year period. Unlike NPV, IRR doesn't show an investment's magnitude, but instead is an indicator of its quality or yield.

## Before and after automation: How much do you stand to save?

	Before	After	Savings (\$)
Cost/Yr	941,875/yr	281,875/yr	<b>\$660,000/yr</b>
Testing Hours	17,125 hrs	5,125 hrs	<b>12,000 hrs</b>
\$/Testing Hour	\$55/hr	\$8/hr	<b>\$47/hr</b>

At almost every company, upper management is constantly asking organizations for the same 3 things: cost savings, faster deployments, and less risk. And while it may seem impossible, automation promises all three. After automating regression testing, test cases can be executed faster and with minimal human involvement; leading to a dramatic decrease in the hours required of your testers and a similar drop in your hourly testing expenses. This means you won't just be seeing projects, releases, and patches deployed faster, you'll also be paying less for it than ever before.

Like what you've seen so far? Good—because once you've automated, you'll be well on your way to saving some serious cash. But don't think those benefits are just limited to your pocketbook; automation has the potential to bring value well outside the realm of an immediate ROI—it all depends on how you want to utilize your savings.

*So, what does this mean for  
your organization?*

### Increase Available Tester Hours

Increase Test Execution  
Speed by

**400%**

Decrease Tester  
Hours by

**70.1%**

### Increase Your Test Coverage

Increase Test Case  
Executions by

**1000%**

Decrease Hourly Testing  
Rate by

**85%**

**Complete the form to  
get your free,  
custom report.**

A stylized graphic of a lighthouse on the left side of the page. The lighthouse is composed of several shades of blue, with a white top section. The background behind the lighthouse is a light blue gradient. The overall theme is nautical and professional.

## Next steps...

So, now that you've seen all that automation has to offer, what's next? While that's entirely up to you, we do have a few recommendations in getting started.

Complete the form to  
get your free,  
custom report.

## Let's Start the Conversation...

While we're confident in the value of our QA & Test automation, we want to hear from you. After a brief questionnaire, we'll send you a picture of how you can save your organization, what a typical implementation looks like, what steps if any you may need to take beforehand, and how we can help you ensure long-term quality and efficiency. We'll be contacting you in the next couple days to follow up on your report, but feel free to reach out to us at any time. Your feedback is always welcome here. We simply want to ensure that it is entirely up to you.

# Complete the form to get your free, custom report.

*Want some more information?  
We've got you covered.*

Check out these resources to learn even more about regression test automation.

- ["Look Closer: Test Automation Can Save You Money"](#)
- ["Test Automation: Best Practices for Success"](#)
- ["Test Automation: The Mythical Compromise of Quality vs. Quantity"](#)
- ["Budgeting Test Automation Projects for the New Year: Focus on ROI"](#)
- ["Test Automation: Bypass SMEs' Cramped Schedules for Lightning-Fast Testing"](#)

## ROI Model Assumptions...

Generally, we will use a level of ROI calculation for this, so that we make some baseline assumptions in building our model... all of which are based on data. These assumptions have been drawn from industry standards, best practices as well as our own extensive experience.

- Assumptions:
1. System is new and has not been implemented yet.
  2. The ROI model is based on a 12-month period.
  3. Test case complexity is based on the number of test cases and is calculated by assuming 50% of test cases are simple complexity, 30% are medium complexity, and 20% are high complexity. This is based on our experience in automating checks and tests.
  4. The baseline for productivity is based on the number of test cases, although we would like to have to help you understand the baseline productivity and experience.
  5. Costs for direct automation support include an implementation project, support, documentation, and other documentation associated with the ROI model.
  6. Costs for indirect support include the time and resources preparation are included in the ROI model.
  7. Different roles have been assigned to the appropriate resources for all automation and support needs.
  8. When the model is available for testing, the implementation, other associated test cases can be being executed tests.

**Lighthouse**  
SOFTWARE TESTING

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