

The future up close

WORLD QUALITY REPORT

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GERMANY

A bird's-eye view of tomorrow

The German industry has always been synonymous with precision, engineering excellence, and innovation in the form of cutting-edge research and development. Discipline and commitment to perfection is an art form Germany mastered a long time ago. However, with the growing popularity of Artificial Intelligence (AI) and Generative AI (Gen AI), the next challenge on the horizon is its end-to-end assimilation in business processes.

Sustainability is also emerging as a focus area and the efficiency of IT systems is being regarded as the gateway for making systems greener and more energy efficient. But the way we see it, lots of companies are still running underutilized server farms instead of virtual private clouds, indicating that the adoption of Agile still has a long way to go. Some organizations are also struggling to define what 'Going Green' would mean for their privacy and security. Yet this only serves as encouragement for Germany to explore a world of possibilities and redefine what innovation is.

What's trending? Digitalization!

Demand for digitalization continues to maintain the same momentum as witnessed last year, even though the regulations and data policies don't exactly match the pace of IT development. The European Union has so far adopted a cautious and hesitant stance on AI and Gen AI due to the ethical implications and potential security issues that accompany them.

On the other hand, in the public sector, we see extensive efforts being made to transition to more agile ways of working. Some of the major challenges in this space partly stem from redundant laws and further, from the immense scale of public sector business and other aspects of the economy that hinder this transition. The solution to the latter issue can be a centralized digital infrastructure.

Overall, we think the banking and insurance industry has been making headway in adopting newer technologies and transitioning their business needs to IT. But the ratio of smaller companies transitioning to IT for business processes, to larger companies appears to be skewed. However, in terms of transitioning to IT for business processes, the ratio of smaller to larger companies appears to be significantly skewed.

German engineering: The pinnacle of automotive quality

One of Germany's prime sectors is the automotive industry, where we see different participants of the sector move towards DevOps and Agile. However, it's a slow move towards end-to-end adoption of an agile mindset and technologies.

It's a journey that requires even the biggest names in the German automotive industry to break down the silos that have worked well in the past years and usher in a new era that matches the efficiency of IT with their unparalleled expertise in manufacturing. While following a more business-driven continuous improvement process is on the cards, an often-employed strategy for achieving success involves refining something that has already proven to be effective. This is often the path taken by winners and, in this case, Germany!

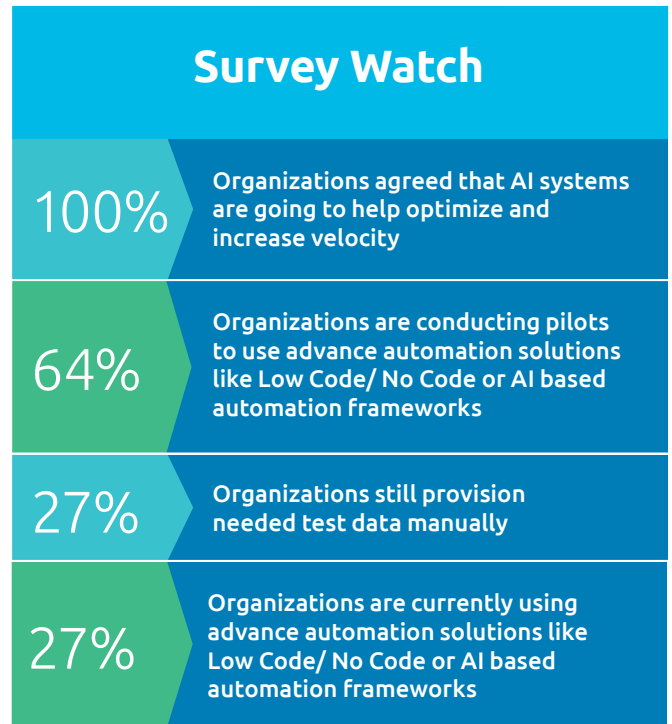
Quality is key

Despite a certain degree of reluctance towards embracing AI, every sector is excited about the possibilities that using AI or Gen AI creates. According to the WQR 2023 Survey, nearly 70% of German companies rate 'speed' as the top quality outcome they are utilizing AI to drive, with higher productivity being a close second, and finding defects being the lowest. But to optimize performance using AI, companies need to establish a strong community of agile T-shaped members – Quality Assurance engineers, testers – both functional and non-functional, and especially quality engineers who maintain a bird's-eye view of technology as well as business needs. Although newer companies are embracing the trend and focusing on the automation of business processes, most companies are still working through setting up end-to-end test automation and understanding the need for Site Reliability Engineering.

Driving towards the future

Germany is on the path of combining its world-renowned focus on efficiency with modern AI-powered ways of working. Backed by a growing focus on quality testing, it is utilizing its strength in calculated decision-making to identify

gaps in quality engineering and push forward through the uncertainty of the long-term effects of AI. However, we see a lag in agile transformations, which will impact its ability to keep up with a rapidly evolving work environment and the global economy. Opening itself up to broader possibilities and redirecting focus on DevOps and an agile mindset can define successful change for Germany.



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