Company Tech Due Diligence Report – ACME LLC

Company	ACME LLC
Technology main representative	
Due diligence date	
Due diligence team	
Report date	

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Executive summary

ACME LLC expertise lies in the field of keeping the quality gate of the existing software functionalities, meaning they are not used to providing QA services in parallel with the feature development, and are generally not working as part of cross-functional teams.

Overall ACME QA as a service offer seems to fit with enterprise clients that have only large development teams. It works nicely with their SWAT methodology that is similar to Scrum.

ACME engineering expertise is not that good since only 10-15% of engineers are potential QA automation engineers according to HTEC classification. ACME QA Engineer could be better described as a Software Tester, as they are not challenging requirements or improving product, they are just executing tests per designed test cases. They mostly rely on using Tosca (no code testing platform). Furthermore, their engineers did not perform according to expected seniority on HTEC interviews, and therefore most of them did not receive an offer. It would take a significant effort to educate and integrate all ACME engineers into HTEC way of working. Also, we should consider a big gap between their current salaries and what HTEC considers as a standard for QA Engineer salary.

ACME is mostly working with fintech and telco clients. They have certain domain knowledge in this area. They operate in <REDACTED>. Serbia is by far the largest office and almost all the engineers are in Serbian office.

There is a high dependency on Tosca. More than 80% of the projects are tested with this tool and only recently (in the last 2 years) they have started moving away from it and building different expertise.

They use custom built tools like ACMECube and ACMETest for reporting purposes, but those can be easily excluded while still providing the same quality of service.

Methodology

The due diligence process consists of several steps:

- **Intro meeting**

  Explaining the process and the questionnaire.

- **Questionnaire**

  The answers from the questionnaire are the basis for the following steps. We cover the following sections:

  - Tech horizontal statistics
  - Project tech health overview – for several chosen projects
  - Company IT platform
  - Tech career path and knowledge management
  - Project Processes

Below is the extract from the gathered information

- **Questionnaire analysis**

  Going through all the answers and creating a list of additional questions.

- **Discovery Interview 1**

  In-depth discussion about all the topics mentioned in the questionnaire and providing answers to additional questions.

- **Discovery interview 2**

  Demo of any internal tools or proprietary software. In-depth discussion about selected projects. Additional clarifications from the previous session.

- **Additional background check**
  - Checking online resources
  - Insider check – e.g., former employees working for HTEC
  - HR check – performance in our interview process

Human Capital

Out of more than 190 engineers only 20-30 are potential QA automation engineers according to HTEC classification. The rest perform QA automation strictly through Tosca (no code testing platform). The testing is mostly focused on UI testing. API testing (end to end) is also performed.

It would take a significant effort to educate and integrate all the ACME engineers into HTEC way of working. Also, they have no DevOps engineers.

Internal QA Academy – Internal training for new junior Testers that lasts from 1 to 3 months. This training covers all work processes and is mostly based on Tosca. After the training the tester is exposed to the client.

Career path – There are many different positions like Test execution expert (junior), Test consultant (senior), Test architect (senior with multiple tools and frameworks knowledge). These positions do not map easily to HTEC career path.

Insider Information

Financial compensation is much lower than on the market. People that are still in the company probably don't have the required knowledge to make a move, or they have a too good work-life balance to get away from the comfort zone. Highest ranking engineers would fit mid-level in HTEC standards. People are client-driven and completely outsourced by ACME. Approximately 30% of them are interested in the domain of the project and have gathered expertise in that field. A lot of people are 5+ years in the company. Dependence on the Tosca tool is high. They're not used to being part of cross-functional teams.

We have several people currently in HTEC that were previously employed by ACME. One of their best engineers with around 7 years of working experience in that company, joined HTEC 7 months ago as a mid-level manual QA engineer. This is one of the quotes from his technical interview report: " <REDACTED> "

HR Information

From within HTEC HR department we got the data that most of the candidates performed badly in the interviews while the rest gave up entirely. Additionally, almost all of them said that they learned automation on their own.

Way of Working on Selected Projects and Domain Knowledge

Organized into SWAT teams that are usually not doing any type of testing on production environment. They're coaching clients to do it on their own. In a considerable number of cases, API level of testing is black box from their side (they don't have access to the documentation). They tend to perform a lot of functional testing, without any type of non-functional testing. For SAP-dependent projects, it is recognized that tech expertise is lacking.

One of the detected approaches is to have several test environments, to avoid interfering between progression and regression testing. Main level of testing is end-to-end. Teams are putting a large amount of focus on reporting, using ACMEQube and ACMETest, but are not dependent on these tools. SWAT teams do not have impact on release strategy and deployment frequency, this decision is on

client's side. Analyzing infrastructure logging and monitoring is not part of their work. Using CI/CD tools is on the level of maintenance, not configuring.

Software Dependencies

Tosca - at least 80% of the projects are Tosca based and require licensing per engineer. This is usually covered additionally by the client and might not be suitable for some HTEC clients.

ACMECube and ACMETest are internal tools that are not part of the acquisition. These tools are used for reporting purposes and are not mandatory to be used. Some of the clients are currently using them.

QA as a Service

Organized in SWAT (Software Agile Testing) teams with a single engineer "embedded" within client development team. Usually, a couple of engineers work onsite to enable better communication with clients. SWAT team is similar to a Scrum team and mostly covers regression testing. It consists of SWAT master, Methodology experts and QA Engineers. This team is added to the development team and works independently, but still in sync with development sprints. The skills of this combined team are equivalent to the HTEC QA tech lead.

This service is mostly suitable for enterprise clients. It could be useful for HTEC projects such as Ananas. This service might be good to complement HTEC service.

Risks and Dependencies

No	Risk/Dependency	Implications	Details
1	Education effort	A significant effort would be needed to train existing engineers to bridge the expertise gap. We might not have enough mentors as well.	Human_Capital
2	Salary adjustment	An upwards adjustment would be needed as salaries are lower than at HTEC.	Executive_summary
3	Different career path	Positions do not map easily to HTEC career path. Significant effort would be needed to harmonize the career path.	Human_Capital
4	Use of internal tools	Usage of internal tools (ACMEQube and ACMETest) that are licensed separately. These tools would not be a part of acquisition.	Software_Dependencies
5	Highly rely on Tosca	At least 80% of the projects are Tosca based. This is licensed software that incurs extra cost. Also, would be very hard to onboard an engineer to a different tool.	Software_Dependencies

Appendix 1 – ACME questionnaire summary

This information was collected via a questionnaire sent to the ACME C-level management.

Total number of engineers: more than 190

Number of engineers, grouped by number of professional years in IT

- 0-2y: >30
- 3-4y: >60
- 5-9y: >80
- 10+y: >20

Number of engineers, per significant technology specialty

Test Processes/Management:

- Agile Testing: > 120
- SWAT methodology: >150
- Test Process Improvement: >20
- Test Management: >50
- <REDACTED>: >15
- <REDACTED>: 1

DD Team notes: We do not have information about test documentation tools used, manual testing processes and JIRA knowledge within the company. SWAT is custom tailored agile team used internally for the company.

Test Automation Processes:

- Test Automation: >140
- Test Infrastructure: >10
- Performance Testing: >10

Test Frameworks and Tools:

- Tricentis Tosca: >150
- UiPath TestSuite: >20
- Selenium, cypress.io: >20
- Protractor: >10
- JMeter: >10
- Appium: >10

DD Team notes: We do not have info how many people use multiple tools. We cannot confirm these are distinct numbers. Tosca and UiPath are no script, GUI based tools that do not require QA Automation tech knowledge. Selenium and Appium are frameworks they still do not have extensive expertise in but are making efforts to create blueprints that can be reused on multiple projects.

Programming languages:

- .Net: >10
- Java: >20
- Python: >10

DD Team notes: We cannot confirm these are distinct numbers.

Company IT platform

List of security standards that the company is compliant with:

- ISO 27001

Document management system:

- SharePoint
- Confluence

Identity and access management:

- Windows Server Active Directory
- Azure Active Directory
- Jira Identity Service

MDM/MAM implementation:

- None

List of technology partnerships:

- Atlassian
- Microsoft OSV

Business collaboration solutions (email, Chat, project management tools, CRM, etc.):

- Office 365 email
- MS Teams
- Jira
- Zoom

List of active subscriptions and licenses

- Microsoft OSV
- MS Visual Studio
- MS Office 365
- Atlassian Cloud
- Adobe Creative Cloud
- Jet Brains
- Kaspersky End Point protection
- VMWare Essentials Plus
- Veeam Backup Essentials Standard
- Udemy for Business
- DocuSign
- Salesforce

Technology career path and learning

Technology career path and roles job descriptions

- Embedded tester
- Test automation expert
- Methodology expert
- Technical Tool expert
- Test execution expert
- SWAT Master
- Test Analyst
- Test Consultant
- Solution Architect
- Delivery Manager

Training, education, and knowledge management - summary

- In-house education team (ACMECube Academy)
- Mentorship program
- Onboarding program
- SWAT methodology
- Communities (methodology, automation, embedded, etc.)
- Brown-bag session
- Cooperation with several certification companies in ISTQB, Tosca Testsuits, UiPath, Agile and Scrum