How to Calculate Return of Investment of Automation Testing

ROI of Automation Testing To Convince Stakeholders

- Present the Cost Analysis Data
- Give them a Test coverage Numbers
- Download Template

How to Calculate ROI?

- ROI= (Gain from Investment - Cost of Investment) / Cost of Investment x 100
- Gain from Investment
  - Speed: How faster the Software Testing process
  - Quality of product improved after Automation Testing
  - Cost Savings: How much you can save AFTER you adopt Automation Testing

Rough Calculation of ROI of Automation Project

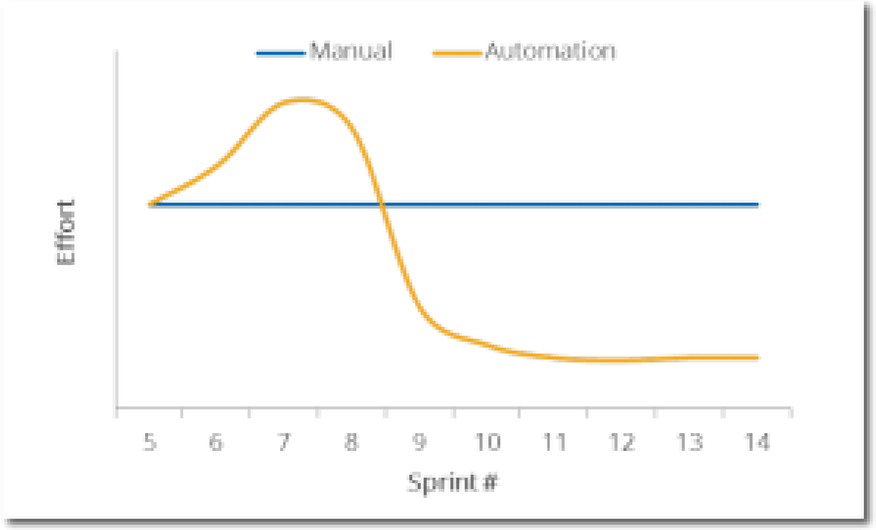
5:G30 | fx | Automation is costly initially

	A	B	C	D
	Task	Manual(hour)	Automation(hour)	Week 2
	Setup	0	2	0
	Training	0	10	0
	Test Planning	3	4	4
	Test Designing	3	10	10
	Execution & Regression	15	0.3	0.3
	Reporting	0.5	0.1	0.1

Cost Analysis

Total Number of Manual Testcases	1000
Total Number of Automated Testcases	500
Test Coverage	50%
Time Taken Avg by Manual Test Execution	3 hour (180 min)
Time Taken Avg by Automation Test Execution	30 min
No of Instances	6x
AWS Machine cost (pm)	200$
Daily Run	Yes

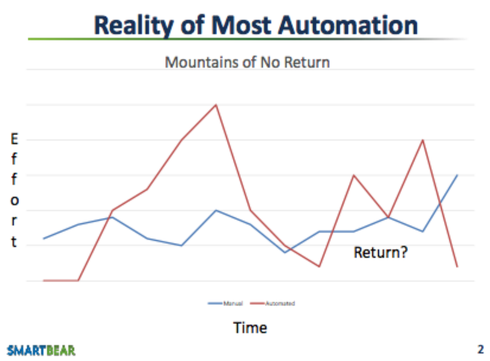
Coverage Data



Ideal

Important points

- Automation is costly initially
- Manual efforts increased as Test cases increase
- Test design in Automation decrease in Long run
- Maintenance cost added to Automation
- ROI increase for Automation in long term
- Cost of Automation decrease in long term



Reality of Automation Testing

- To Read
- Calculating ROI of Automation Testing