# 2014 | Business Services Sector in Poland

ABSL

Report prepared by
**the Association of Business Service Leaders (ABSL)**

in cooperation with:
JLL, PwC, Baker & McKenzie and HAYS Poland


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# Table of Contents

# Executive Summary

Heads of business service centres declare: demand for our services remains at a high level. This is confirmed by the numbers – in less than 2.5 years, the sector has grown by 50%!

470 centres with foreign capital are hiring, training and onboarding new employees every day. We also need to take into account companies owned by Polish investors. A large number of them are exporting their services. Perhaps some will have opportunities to repeat the success of their Indian competitors and will soon become global entities?

For several years now, we have been examining the changes in the scope of services provided. This year’s report not only further expands the information on supported processes and related employment structure in BSCs, but also provides many examples of advanced services influencing business operations of our customers. Please note that as many as 16% of companies declare provision of transformational services, and 32% of the centres manage projects. This is another proof that Poland can be classified as a mature market.

So what is going to be the key to further development? Talent, talent, and talent again. To continue the growth, we need to answer the question of how to attract and retain professionals in the sector. I hope that ABSL actions such as the presentation of this report on the current success of the industry in Poland will contribute to this growth.

We wish you an enjoyable reading experience!

**Marek Grodziński**
**Vice President, ABSL**
**Head of European Delivery Centers, Capgemini**

# 1 | The profile of business services sector in Poland

Processes shaping the international division of labour in the global economy have led to the strengthening of Poland's position as one of the most frequently chosen locations for business service centres (BPOs, ITOs, SSCs and R&D centres). This section presents the results of selected analyses which point out the main features of the business services sector in Poland.

# 1.1 | Key information

The employment rate in the business services sector in Poland is increasing[1]. Compared with the beginning of 2012, the number of employees in service centres with foreign capital increased by over 50% – from 83,000 to 128,000[2]. In the past 12 months (from April 2013) at least 18,000 new jobs have been created, most of them in Krakow (>5,000). The average annual increase in employment in Poland over the last few years (since early 2009) stands at ca. 15,000. Taking into account the current development of the discussed sector, it should be assumed that, by the end of 2015, foreign business service centres in Poland may already have at least 150,000 employees (according to a modest scenario).

The purpose of this ABSL report is to present a comprehensive characterisation of the business services sector in Poland, and a discussion of selected aspects of the office space market in the context of investor expectations, as well as the system of investment incentives.

The study adopts a broad definition of the sector, including the activity of Shared Service Centres (SSCs), Business Process Outsourcing companies (BPOs), IT outsourcing companies (ITOs) and research and development centres (R&Ds). Individual operators are assigned to the main types of service centres (BPO, ITO, SSC, or R&D), based on the dominant profile of their activities.

An important element of the project associated with the preparation of this report was a survey directed to service centres operating in Poland. The survey was completed by 102 respondents representing investors from different cities, which made it possible to obtain information about more than 140 service centres, employing a total of at least 54,000 people. The number of SCs information was obtained from results from the use of the geographical criterion in this report. The individual locations of service centres are in fact considered as separate analytical entities if they are in different locations (metropolitan areas). The information obtained by the survey enriched our database sector and allowed the execution of aggregated statistics on the current activities of the operators concerned (thematic analyses).

We would like to thank all the representatives of companies and institutions who took their time to fill in the surveys or prepare the information used in this report.

[1] All figures related to employment and the number of service centres given in this section of the report refer to entities with foreign capital.

[2] Data as of April 30, 2014

# BPOs, ITOs, SSCs and R&Ds
## in Poland 2014

**128 thous.**
staff in service centres with foreign capital

**470**
number of service centres with foreign capital

**>50%**
increase in employment in the sector since early 2012

**66**
new service centres emerged since 2013

**60%**
were created by new investors with no service centres previously established in Poland

**273 employees**
average size of workforce in business service centres in Poland

**87%**
percentage of the service centres that have expanded the scope of their services in recent years

**150-170 thous.**
forecasted employment in the sector by the end of 2015

Figure 1
**Business Services Sector in numbers**
*NOTE: All values refer to BPOs, ITOs, SSCs and R&Ds with foreign capital*
*Source: ABSL own study*

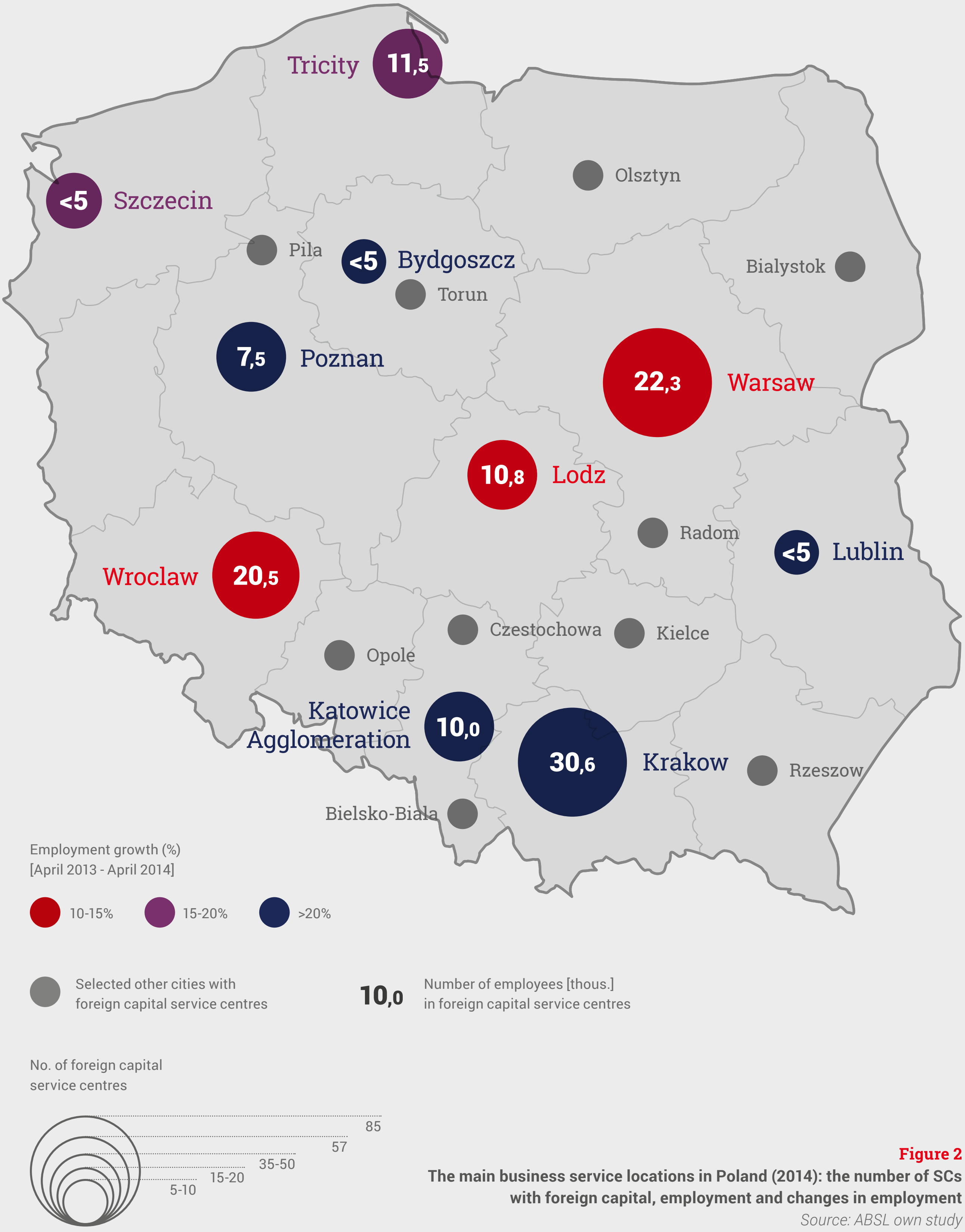



**Figure 2**
**The main business service locations in Poland (2014): the number of SCs with foreign capital, employment and changes in employment**
*Source: ABSL own study*

There are already 470 service centres with foreign capital in Poland, belonging to 325 investors and employing 128,000 people. The ten largest business service locations[3] (Krakow, Warsaw, Wroclaw, Tricity, Lodz, and the Katowice Agglomeration, Poznan, Bydgoszcz, Szczecin, and Lublin) employ 95% of all employees in service centres with foreign capital in Poland.

The size of employment is largest in Krakow, where foreign service centres employ 30,600 individuals, which makes up 24% of all sector employees in Poland.

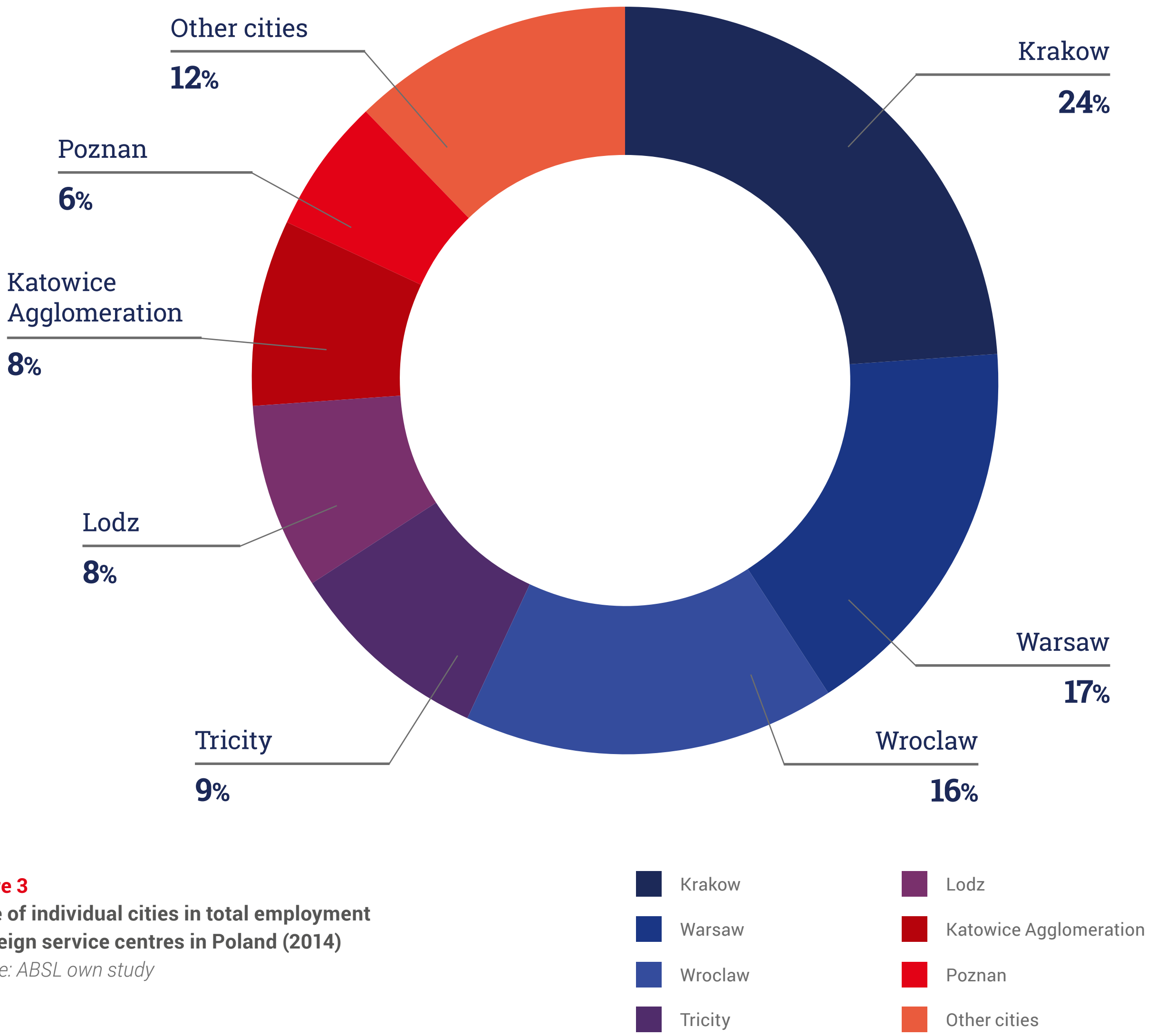



**Figure 3**
**Share of individual cities in total employment in foreign service centres in Poland (2014)**
*Source: ABSL own study*

[3] It should be clarified that the analytical units in the report are metropolitan areas. For example: Krakow is analyzed together with the suburban Zabierzów and Tri-City as the combination of Gdansk, Gdynia and Sopot. The position of the Katowice Agglomeration consists of the data on service centers operating in Katowice, Gliwice, Sosnowiec, Ruda Śląska, Tychy and Dąbrowa Górnicza in various combinations.

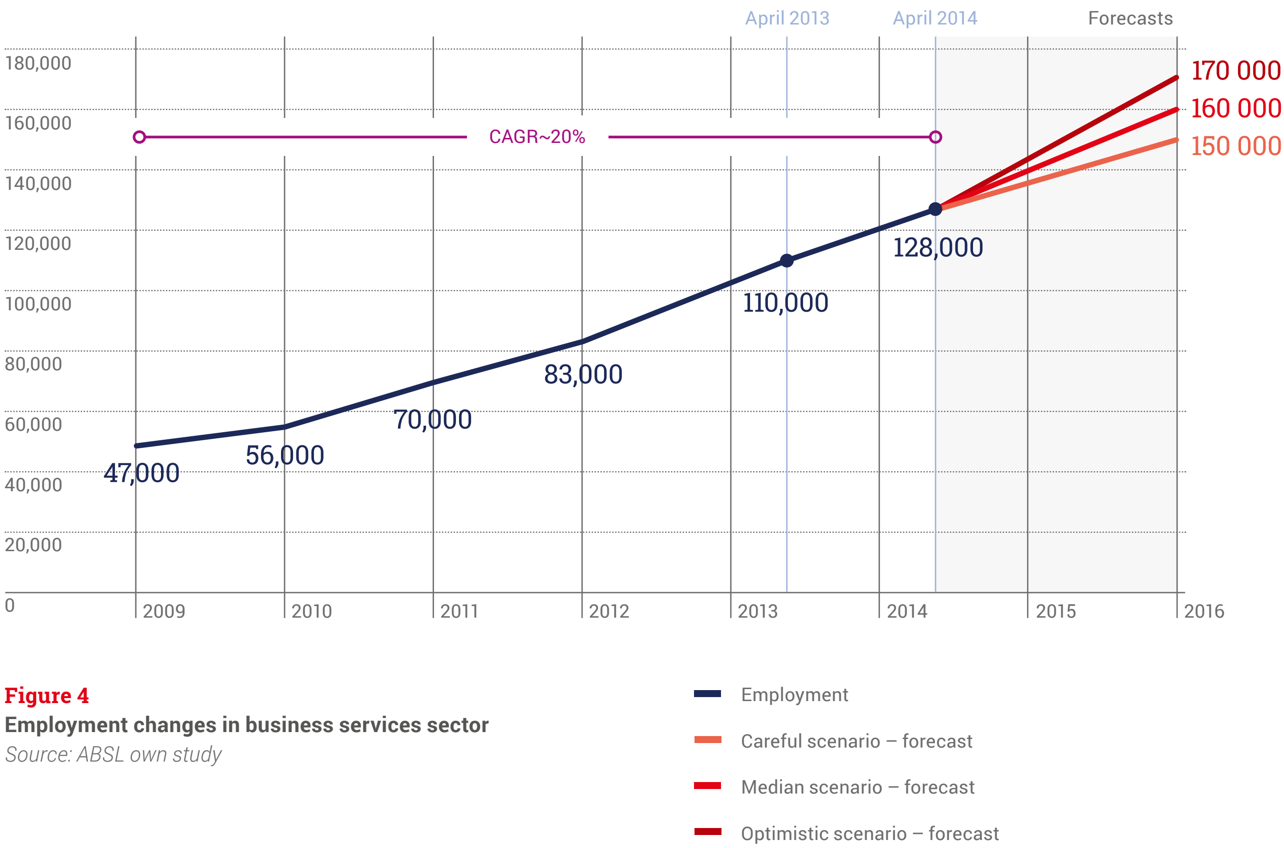



**Figure 4**
**Employment changes in business services sector**
*Source: ABSL own study*

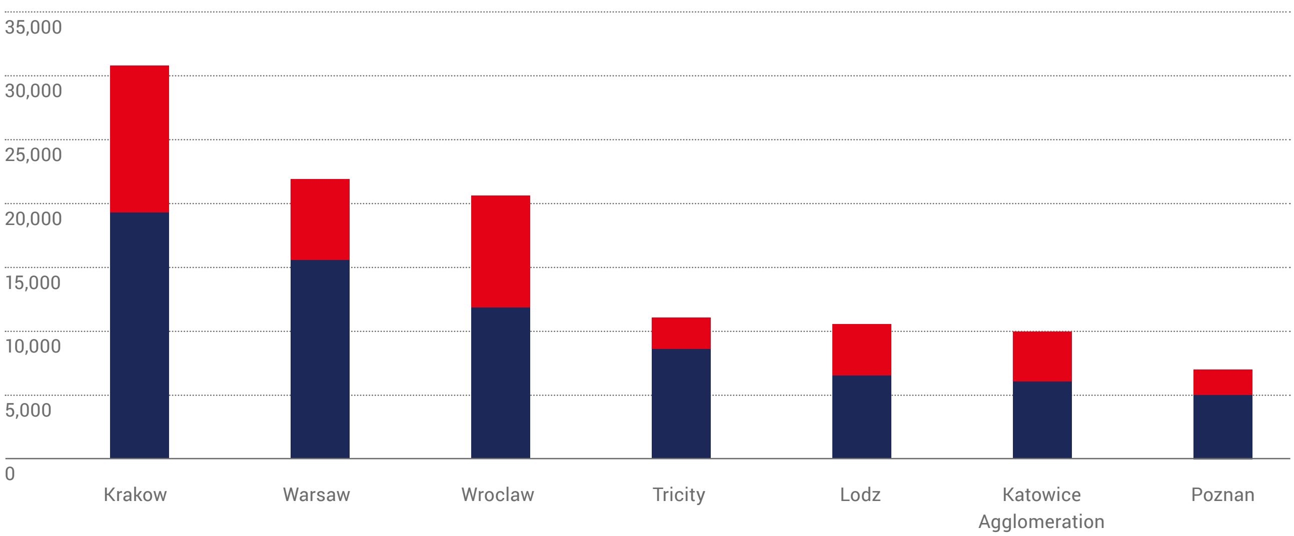



**Figure 5**
**Employment in service centres with foreign capital in the largest locations of business service centres in Poland and the growth of employment therein since early 2012.**
*Source: ABSL own study*

Since the beginning of 2012, employment in the sector increased by at least 40% in each of the seven main business service locations (cities). The largest increases were noted in Wroclaw (68%), Krakow (59%) and Lodz (57%). Most new jobs in this period were created in Krakow (11,400) and Wroclaw (8,300).

Taking into account the various types of service centre operating in Poland, the largest portion of these are Shared Service Centres (165). They employ 44,100 staff. The 113 Research and Development Centres (R&Ds) employ 21,600 people, and the 109 BPOs – 33,700. Additional employment in the sector is provided by the group of 21,100 working in 73 ITOs and the 7,700 in 10 other business service centres, which are difficult to assign to one of the categories mentioned in the report.

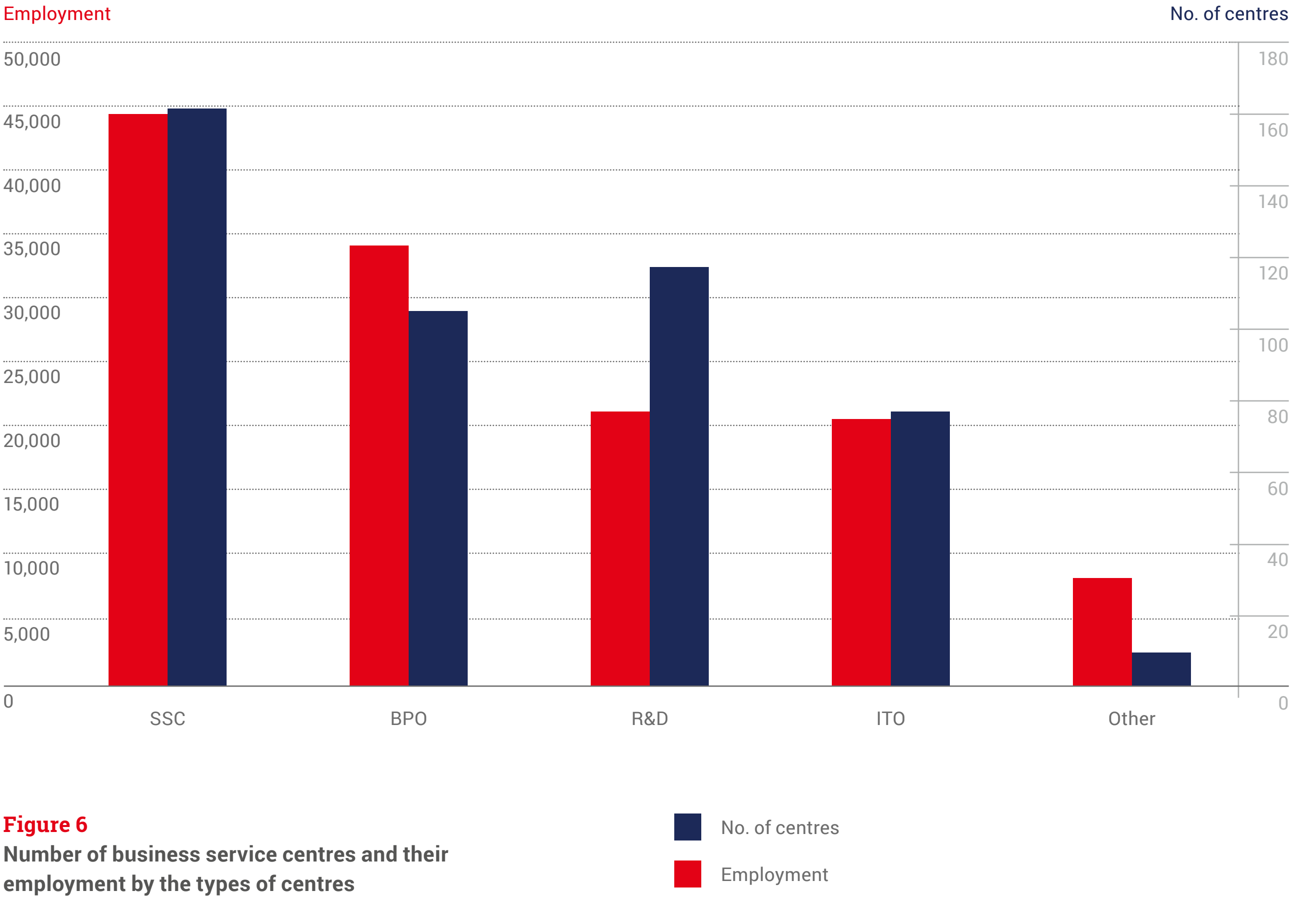



**Figure 6**
**Number of business service centres and their employment by the types of centres**
*NOTE: Individual operators are assigned to the main types of service centres (BPO, ITO, SSC, or R&D) based on the dominant profile of their activities.*
*Source: ABSL own study*

# Katowice – for a change

*Katowice - the capital city of the Silesian Voivodeship in Poland - is at the heart of one of the largest population centres in Europe. Katowice Agglomeration has a population of over 2 million people. The favorable investment climate is created by advantages unique to Katowice:*

KATOWICE
*for a change*

- *115,000 students in the Silesia Metropolis attending 29 universities,*
- *access to 3 international airports,*
- *excellent road network,*
- *access to Poland's largest special economic zone providing substantial CIT relief,*
- *support for investors: employment support, training facilities, marketing support, public transportation adjustment, help from District Labour Office, real estate tax exemptions.*

*Katowice is considered as a perfect destination for new investment projects and has been appreciated by many companies from modern business services sector. In the city are located such worldwide known companies as: IBM, Capgemini, Kroll Ontrack, Steria, Ericsson, Rockwell Automation, Mentor Graphics or PwC. Only in 2013 the city was awarded during Poland Outsourcing and Shared Services Awards Gala as* ***"Newcomer City of the year"****;* ***"Investor-friendly City"*** *during Prime Property Prize 2013 and in 2014* ***"City Outsourcing Star"*** *during Outsourcing Stars 2013.*
*Moreover, in 2014 Katowice was recognized as part of the prestigious ranking of* ***"European Cities and Regions of the Future 2014/15"*** *prepared by fDi Magazine. Katowice was ranked 9th in Europe among large cities in investment attractiveness.*

***www.invest.katowice.eu***

# 1.2 Development of the business service sector in Poland

By 2004, 91 service centres with foreign capital were already established in Poland. In 2007, there were over 200 centres, and 300 by 2010. 2012 saw more than 400 of these entities operating. Currently, there are already 470 service centres with foreign capital in Poland (as of 30. 04. 2014).

2012 was a record year in terms of the number of newly created service centres with foreign capital in Poland – 59 were established in that period. Since the beginning of 2013, 66 new centres with foreign capital launched operations in Poland – 46 in 2013, and another 20 already in the first few months of 2014.

The majority of newly established entities (2013-2014) are found in Krakow (14), Wroclaw (11) and Poznan (8). By far the largest number of SCs created since the beginning of 2013 (60%) are investments by new operators – foreign companies just entering the Polish business services market having not previously held any centres in Poland. Therefore, one can estimate that these centres have so far generated 25% of new jobs (2013-2014). The dominant part of the increase in employment (75%) corresponds to entities operating in Poland since before 2013.

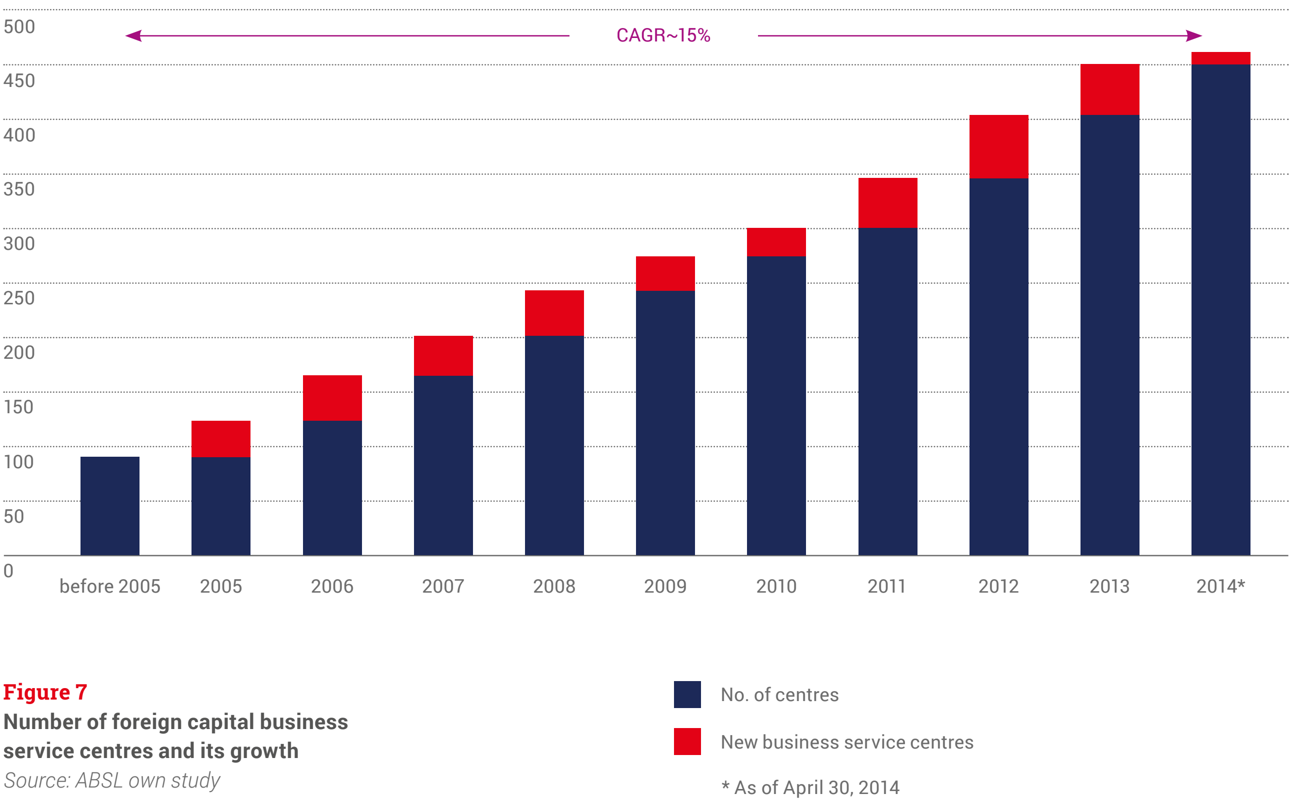



**Figure 7**
**Number of foreign capital business service centres and its growth**
*Source: ABSL own study*

**Table 1**
**Examples of new investments in the main locations for business service centres in Poland (2013-2014)**

| Location | Selected new business service centres |
|---|---|
| **Krakow** | GE Healthcare, Lundbeck, RWE, Samsung |
| **Wroclaw** | Merck, Parker Hannifin, Unic Group, Viessmann |
| **Poznan** | DFDS, Mars, Newell Rubbermaid, Propex |
| **Tricity** | Competence Call Center, Kemira, Powel AS, ThyssenKrupp |
| **Lodz** | Clariant, McCormick, Veolia, Samsung |
| **Katowice Agglomeration** | IBM, Sii, PERFORM |
| **Warsaw** | Linklaters, Procter & Gamble, TNT Express |
| **Szczecin** | Netto, Genpact, Mobica |
| **Lublin** | Convergys, Mobica, Sii |

*Source: ABSL own study*

On average, a service centre with foreign capital located in Poland employs 273 staff[4]. This value is increasing year on year (a total of 33 staff on average since the beginning of 2012). The average target number of employees declared by newly established centres (2013-2014), however, is lower and ranges between 150 and 200. One should not forget, though, that in most cases there is a subsequent increase in employment that is larger compared to earlier assumptions initially adopted by investors.

In Poland, there are 28 service centres, employing at least 1,000 people (6% of the total number of centres with foreign capital). Altogether, they employ almost 50,000, representing 38% of total employment in the sector.

**It is worth noting that as many as nine out of ten service centres analyzed have declared a planned increase in employment by the end of 2015.**

The survey by ABSL indicates that 90% of individuals working in business service centres are employed full-time (employment contract). This ratio is higher in the centres with foreign capital than in the Polish companies. It is also dependent upon many factors, including the type of service centre and type of services it supports.

[4] The median is 122 individuals.

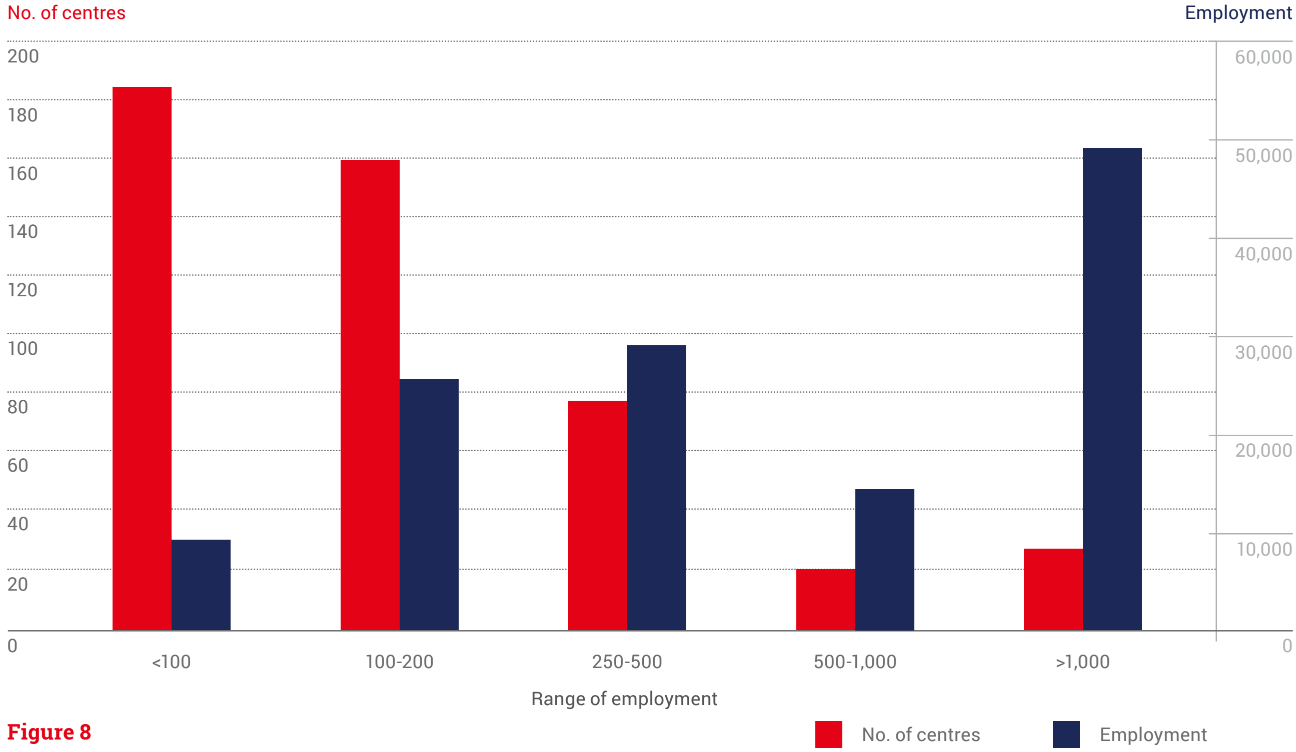



**Figure 8**
**Number of business service centres in Poland, according to their size**
*Source: ABSL own study*

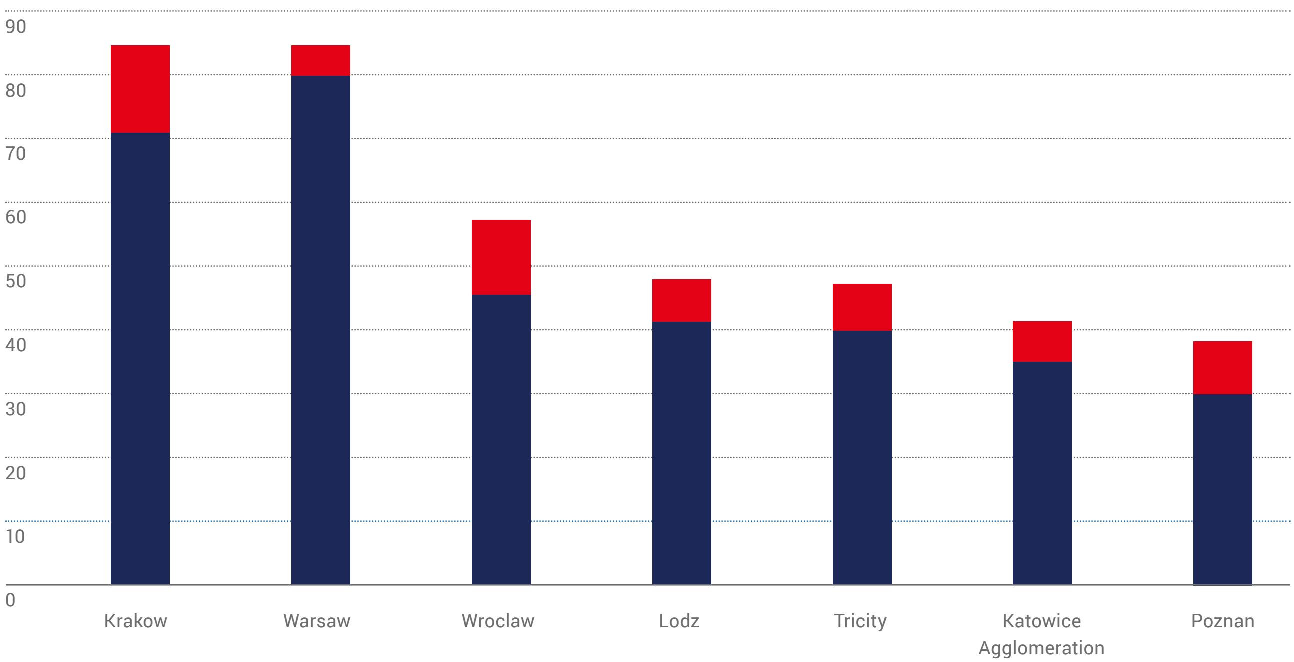



**Figure 9**
**Examples of new investments in the main locations for business service centres in Poland (2013-2014)**
*Source: ABSL own study*


### Bydgoszcz
- Alcatel-Lucent
- Atos
- Mobica
- Teleplan

### Katowice Agglomeration
- ArcelorMittal
- Capgemini
- Contact Center
- IBM
- ING Services Poland
- ista
- Kroll Ontrack
- Mentor Graphics
- NGA Human Resources
- Oracle
- PERFORM
- PwC
- Rockwell Automation
- Saint-Gobain
- Sii
- Steria
- Unilever
- Wipro

### Krakow
- ACS a Xerox Company
- Alexander Mann Solutions
- Amer Sports
- Amway
- Aon Hewitt
- Asea Brown Boveri (ABB)
- Brown Brothers Harriman (BBH)
- Capgemini
- Capita
- CH2M Hill
- Cisco
- Delphi Poland
- EDF
- Electrolux
- EPAM Systems
- Euroclear
- GE Healthcare
- HCL Poland
- Heineken
- Herbalife
- Hitachi Data Systems
- HSBC
- IBM BTO
- International Paper
- Lufthansa (Airline Accounting Centre)
- Lundbeck
- Luxoft
- MESP Central Europe
- Motorola Solutions
- Philip Morris International
- R.R. Donnelley
- Rolls-Royce
- RWE
- Sabre
- Samsung
- Serco
- Shell Shared Service Centre Kraków
- State Street
- UBS

### Lodz
- Clariant
- Fujitsu Technology Solutions
- GE Power Controls
- Infosys
- McCormick
- Nordea
- Rule Financial
- Samsung
- SouthWestern
- Takeda
- Tate & Lyle
- TomTom
- Veolia

### Lublin
- Convergys
- Genpact
- Mobica
- Orange
- Sii

### Poznan
- arvato Poland
- Bridgestone
- Carl Zeiss
- Carlsberg
- CenturyLink
- Ciber
- Dalkia Services
- DFDS
- Duni
- Ikea
- Franklin Templeton
- GlaxoSmithKline Services
- Grant Thornton
- Jerónimo Martins
- Kennametal
- Lorenz Snack-World
- MAN
- Mars
- McKinsey
- Newell Rubbermaid
- Propex
- Roche
- Sii
- Unilever
- Wikia

### Szczecin
- Genpact
- Convergys
- Coloplast
- Metro Services
- Mobica
- Netto
- Unicredit

### Tricity
- Arla Foods
- Bayer
- Competence Call Center
- Compuware
- First Data
- Geoban
- Intel
- Jeppesen
- Kemira
- Lufthansa Systems
- Metsä Group
- Powel AS
- Sony Global Business Services
- Thomson Reuters
- ThyssenKrupp
- Transcom
- WNS Global Services

### Warsaw
- Accenture
- Acxiom
- AVON
- Baker Tilly Poland
- BNP Paribas
- Citi Service Center
- Coca Cola Poland Services
- Colgate Palmolive Services Poland
- Contract Administration
- Goldman Sachs
- HP
- Jones Lang LaSalle Group Services
- Linklaters
- Lionbridge
- Mercer
- Mettler-Toledo
- Opus Capita
- Pandora
- Procter & Gamble
- ProService AT
- Royal Bank of Scotland (RBS)
- Schneider Electric
- Stanley Black & Decker
- Teleperformance
- TNT Express
- UCMS Group
- Wincor Nixdorf
- Xerox Business Services

### Wroclaw
- Becton Dickinson
- BNY Mellon
- Capgemini
- Credit Suisse
- Dolby
- EY
- Google
- HP (Global e-Business Operations)
- IBM Global Services Delivery Centre
- McKinsey
- Merck
- Nokia Solutions and Networks
- Parker Hannifin
- Qatar Airways
- QIAGEN
- Ruukki
- Siemens
- Tieto
- Unic Group
- Viessmann
- Volvo

**Figure 10**
**List of selected foreign capital business service centres in Poland**
*Source: ABSL own study*

# 1.3 Type and geographical range of services delivered by business service centres

The business services market in Poland is characterized by very high DIVERSITY. Business service centres support a wide range of processes for customers from all over the world. The vast majority provide services in more than one business process.

Results concerning changes in delivered services that took place in the period from 2010 through 2014 indicate that the overwhelming majority of the analyzed entities (87%) have expanded the scope of their services in recent years. In addition, 92% of the centres have increased the complexity of the processes they support, while a large majority of them have increased it significantly. Analysis of the centres' plans indicates that the greater part of the companies surveyed (81%) declared they would extend the scope of their activities in the next two years.

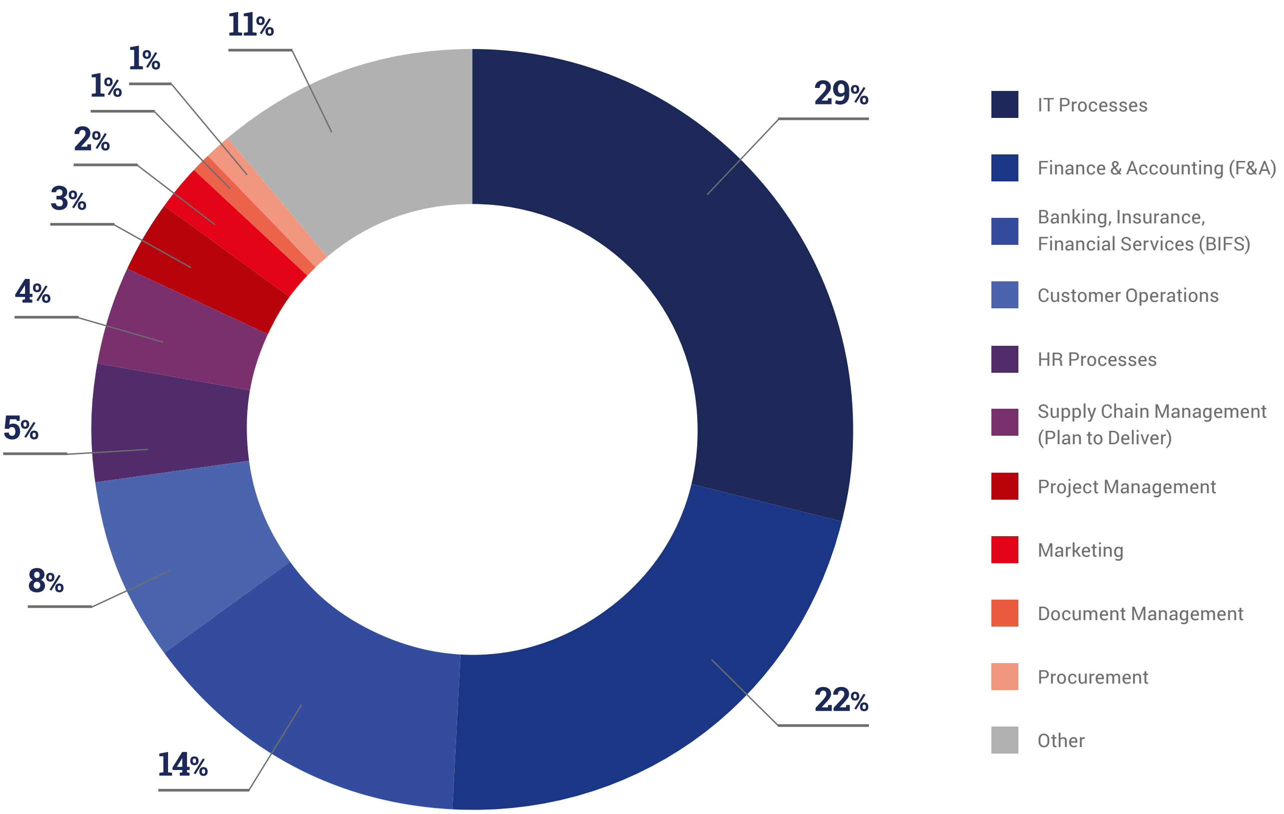



**Figure 11**
**Structure of employment in service centres by supported process**
*Source: ABSL own study based on service centres survey results (n=37,680)*

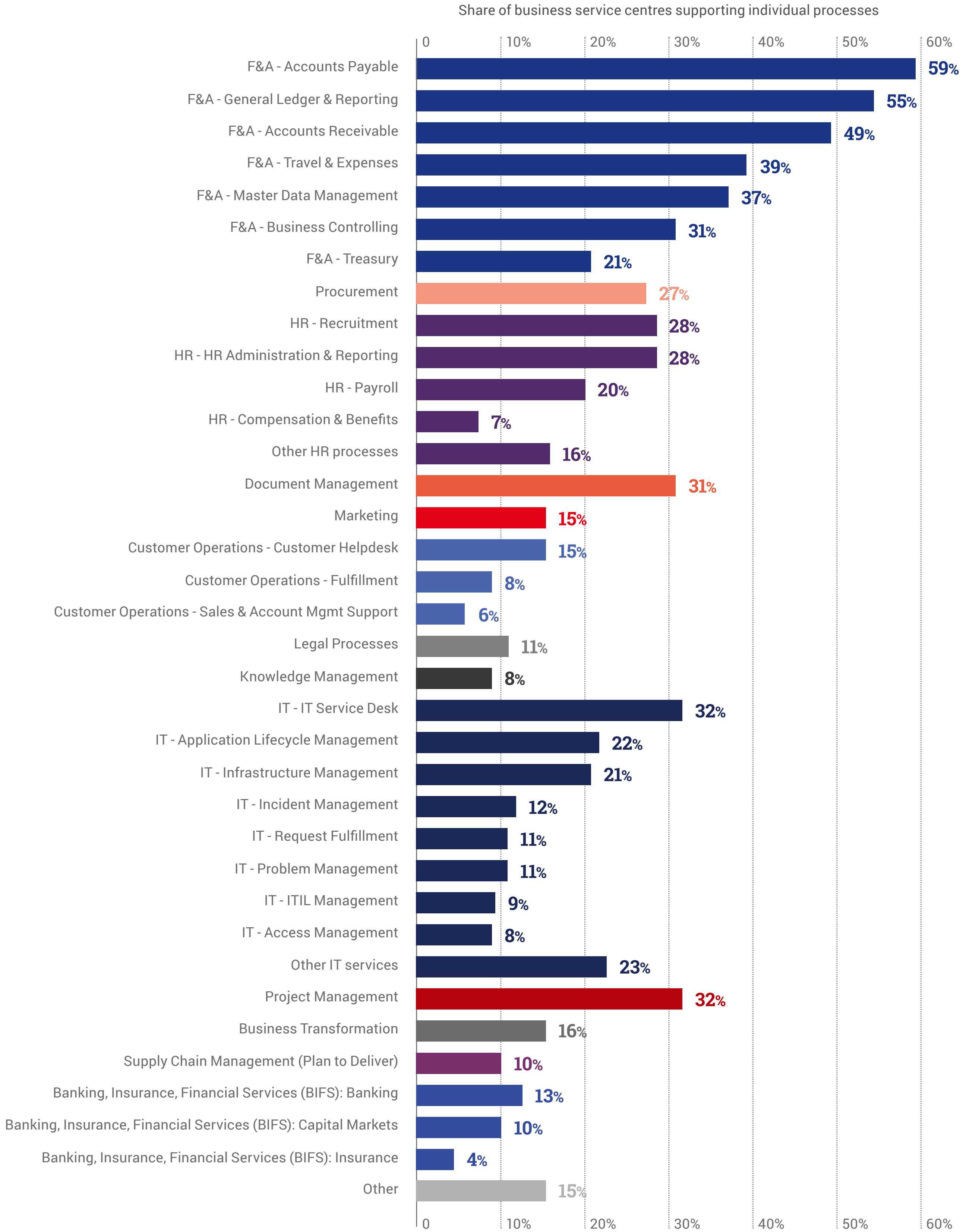



**Figure 12**

**Processes supported in service centres in Poland**

*Source: ABSL own study based on service centres survey results (n=97)*

Nearly all centres analyzed (nine out of ten) provided services to customers in Western Europe. Of course, this applies both to external and internal customers (parent companies). 63% of the centres supported entities operating in Poland and 60% provided services for enterprises in Central and Eastern Europe. Participation of service centres supporting companies from other areas of the world is much lower. The cited results clearly indicate that the business services sector in Poland specializes in providing for corporate customers from European countries. The geographical range of the services offered by the business service centres usually includes two or three of the areas analyzed. Interestingly, 8% of the analyzed centres operated on a global scale, providing services for companies in all specified areas. For the vast majority of the centres (68%), the main area serviced is Western Europe.

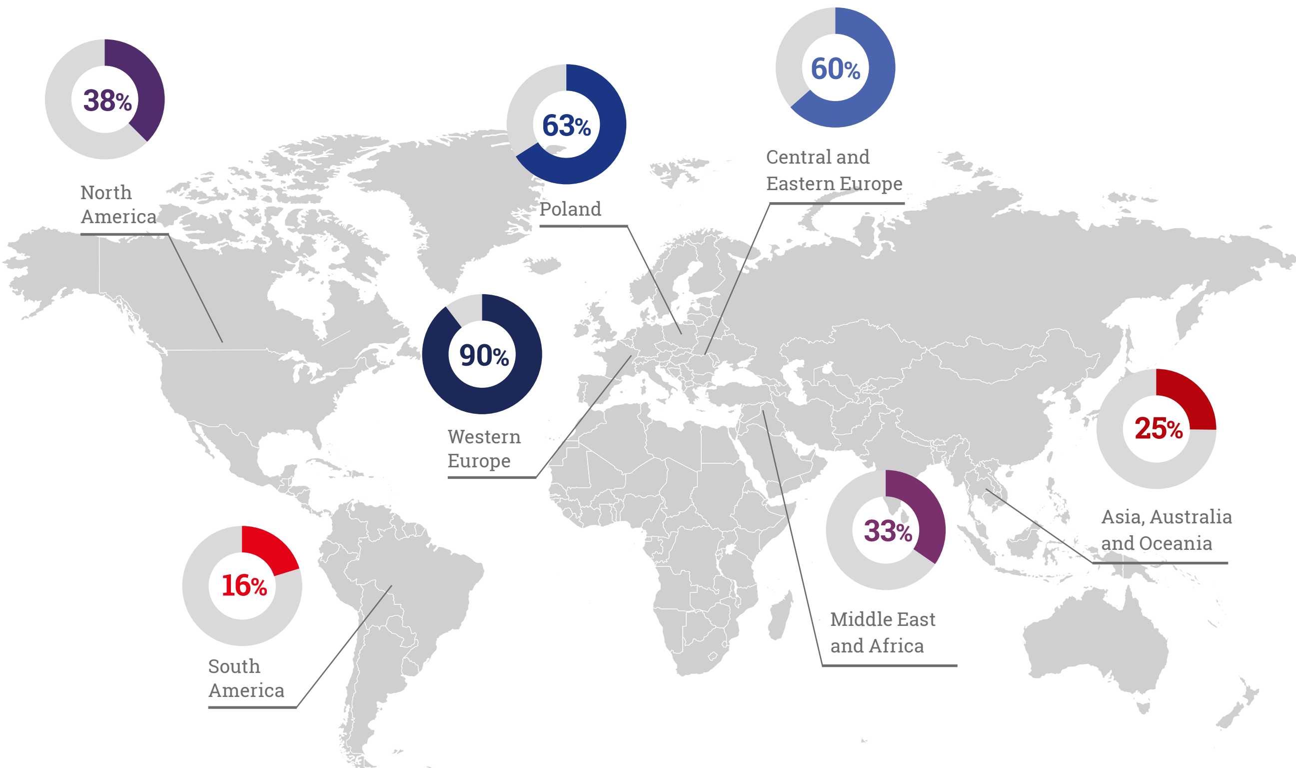



**Figure 13**
**The geographical range of services provided by business service centres with foreign capital in Poland**
*Source: ABSL own study based on service centres survey results (n=101)*

Szczecin


**Szczecin is a city open for science, entrepreneurship and investors.**

It is also a dynamic center of IT services. The development possibilities of the city are caused by its transborder and ideal for logistics location, its scientific and academic potential as well as by cooperation with its neighbors. These assets create natural opportunities for placing centers of modern services (BPO and SSC) and for progressing innovative technologies.

# INVEST in Szczecin

Szczecin is one of leading Polish cities when it comes to supporting the business. Szczecin sets a goal of supporting entrepreneurs who are interested in locating investments in the city. Investors are provided with information and an assistance regarding investment procedures. They can also make use of other ways of the support, which helps with starting and advancing the business in Szczecin, such as: income tax exemptions, low costs of running the business within the EURO-PARK MIELEC Special Economic Zone, credits guarantees and credits for entrepreneurs. The base of the economic development and competitiveness of Szczecin are modern technologies and an innovation ability. That is why the city invests in science - research centers and the institutions of business environment. Szczecin is a city of young and active people, who can communicate in foreign languages. The intellectual capital of the city is built by more than 48 000 students and 13 200 graduates yearly, for example in computer science, mechatronics or nanotechnology. The city that has Polish and German history unites three elements - water, greenery and buildings into a unique integrity, which is very attractive from the tourism perspective. The character of a port city, which is historically connected with the sea, harmonizes with one of the most important for the city development sectors: the renewable energy.

The current resources of commercial buildings in Szczecin are approximately 145 000 m2. Additional 65 000 m - of modern office space of the A class will be constructed in the near future. The Fitch Rating company, which is one of the biggest and most reputable rating agencies in the world, granted the City of Szczecin the BBB+ rating (as for VII 2013). The rating describes the stable financial policy and high standards of financial management in the city.

The huge potential, beneficial conditions for investments and entrepreneurs-friendly climate – these are the main characteristics mentioned by the international companies that choose Szczecin as the place for their investments.

Discover _ Szczecin for good

ʃtʃɛ'tʃin 2050 szczecin floating garden project

www.szczecin.eu
www.invest.szczecin.eu

# 1.4 Industry structure of companies supported by business service centres in Poland

The results of the analysis indicate that those business service centres that were located in Poland are generally involved in support for operators in the financial sector (Figure 14). One in every two business service centres worked for these entities. The leading industries include production of industrial and consumer goods (39% of responses), followed by technology and telecommunications (38%).

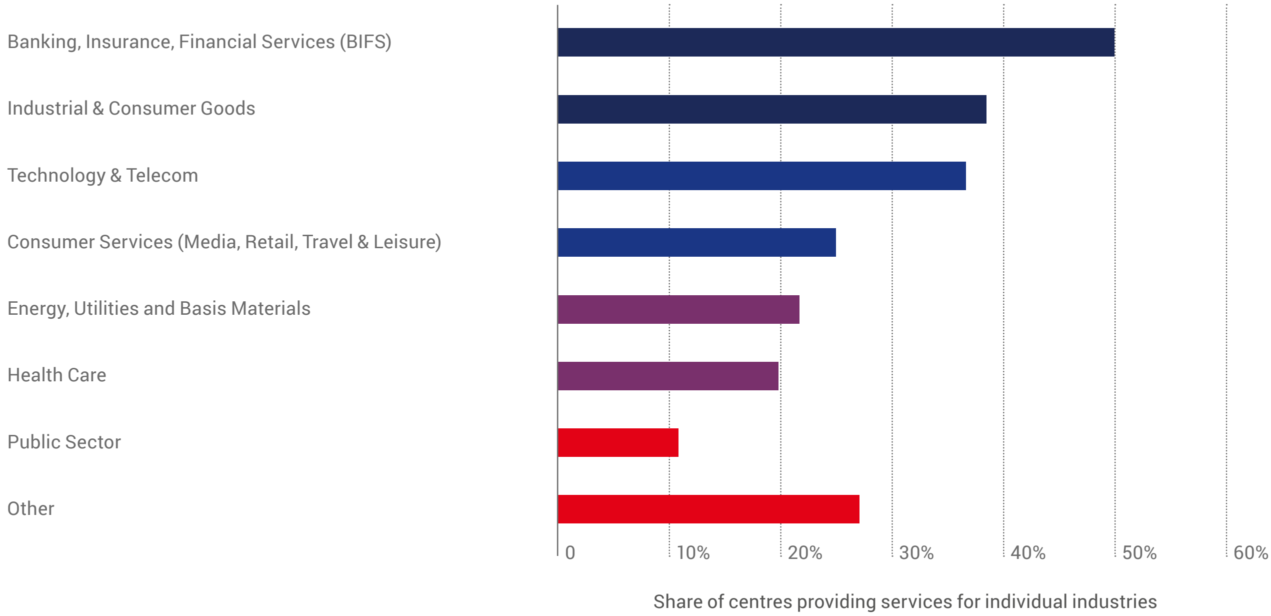



**Figure 14**
**Industry structure of companies (external and internal customers) supported by business service centres in Poland**
*Source: ABSL own study based on service centres survey results (n=96)*

Figure 15 presents the structure of employment in service centres by (internal and external) customer industry. The list was based on responses from companies employing 44,236 people. The biggest share in the employment structure of the analyzed entities belongs to such industries as technology and telecommunications, production of industrial and consumer goods and financial services (especially banking). Each of these industries accounts for more than 20% of the business centres' employees. Services for other industries, not listed in the chart, are provided by 14% of the centres' workforce. Customers (internal or external) of the entities analyzed in this case include those engaged in the provision of legal, consulting and marketing services.

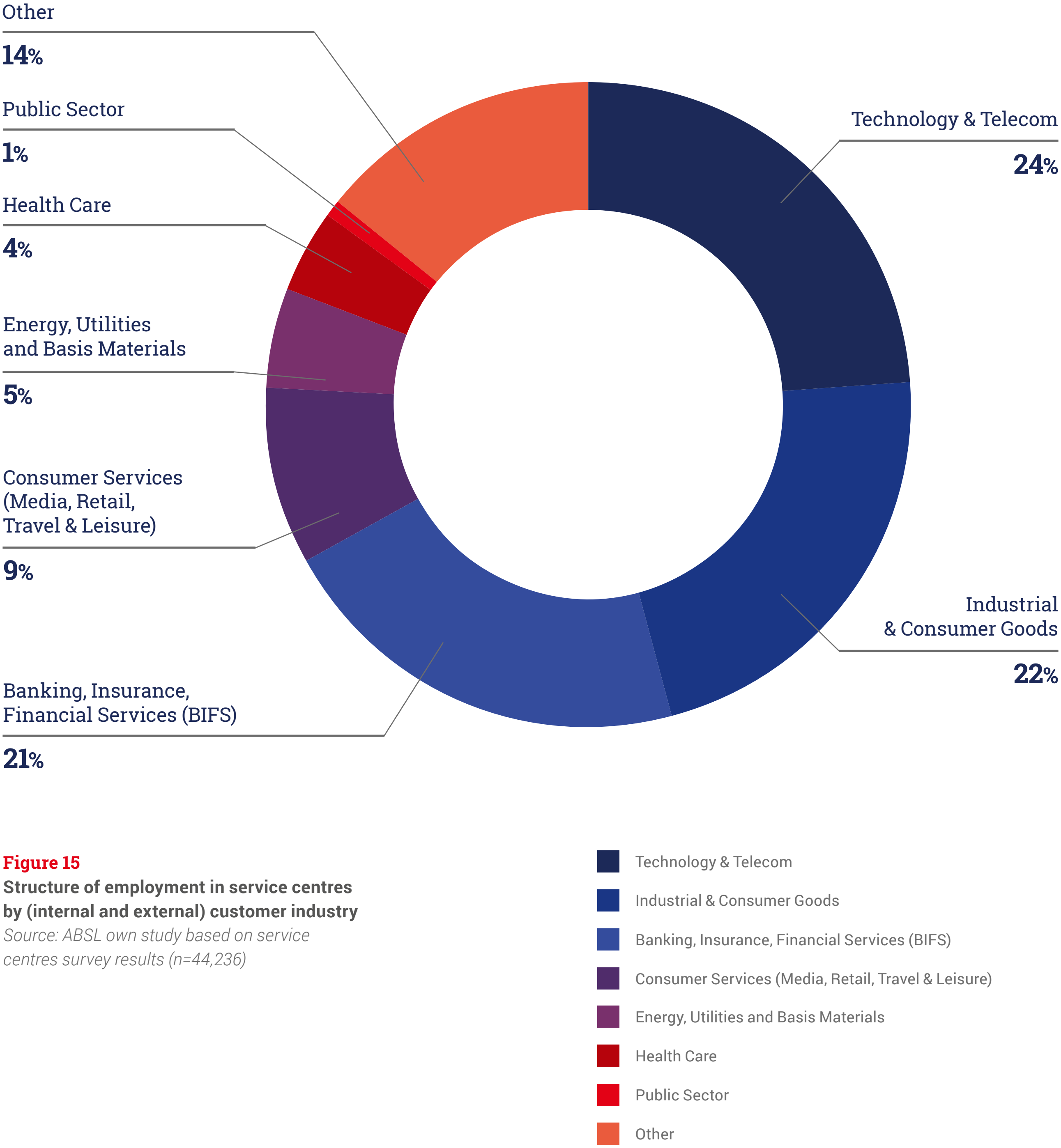



**Figure 15**
**Structure of employment in service centres by (internal and external) customer industry**
*Source: ABSL own study based on service centres survey results (n=44,236)*

# 1.5 Languages used in delivering business services

The services provided in the business service centres in Poland are already delivered in 40 different languages. The most frequently used language to support the customers is English – all the respondents declared its use in their centres. It is followed by German, which is used in 74%, and Polish which used by 70% of the centres. In general, the eight most popular languages are used in at least 1/3 of the centres (Figure 16). It is also worth noting that the languages used in the centres which are listed separately on the chart also include Japanese, Korean or Vietnamese.

First place for the business service centre which used the most languages to render services is held by a centre that makes use of as many as 32 languages. It is worth adding that the larger centres tend to be characterized by a large number of languages spoken, and they offer a wide range of services. Most of the highly specialized centres, generally those with an ITO or R&D profile, use significantly fewer languages.

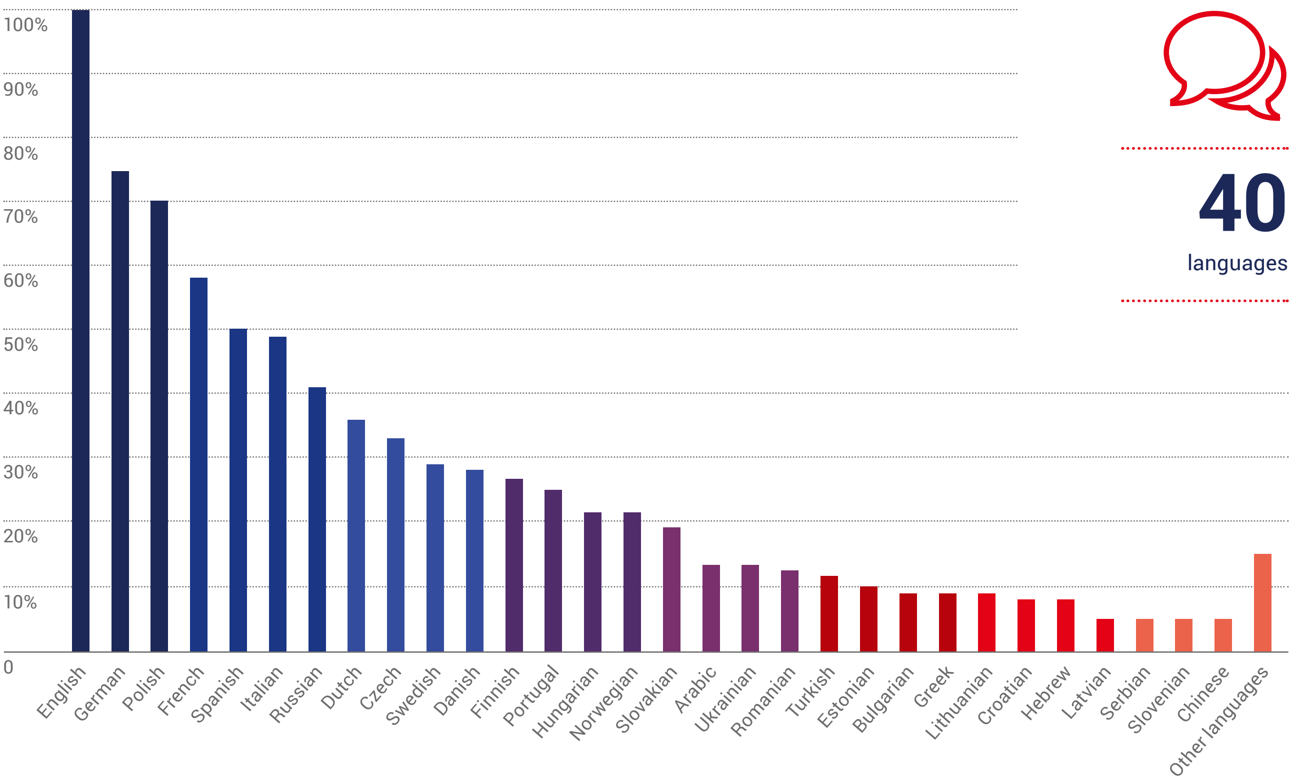



**Figure 16**

**Languages used in business service centres in 2014**

*Source: ABSL own study based on service centres survey results (n=101)*

# 1.6 Non-wage benefits offered by business service centres

The analysis performed shows that almost all the business service centres analyzed offered non-wage benefits to their employees. In most of them, several such incentives are provided (usually 4-5) for the employees to choose from. In the companies that declare they provide such benefits, the most popular type is a healthcare package (88% of the analyzed entities). Employees in 85% of the business service centres are offered benefit cards, and 84% of the employers provide funding for foreign language courses. It should be emphasized that access to some non-wage benefits is sometimes dependent on the position occupied by the employee.

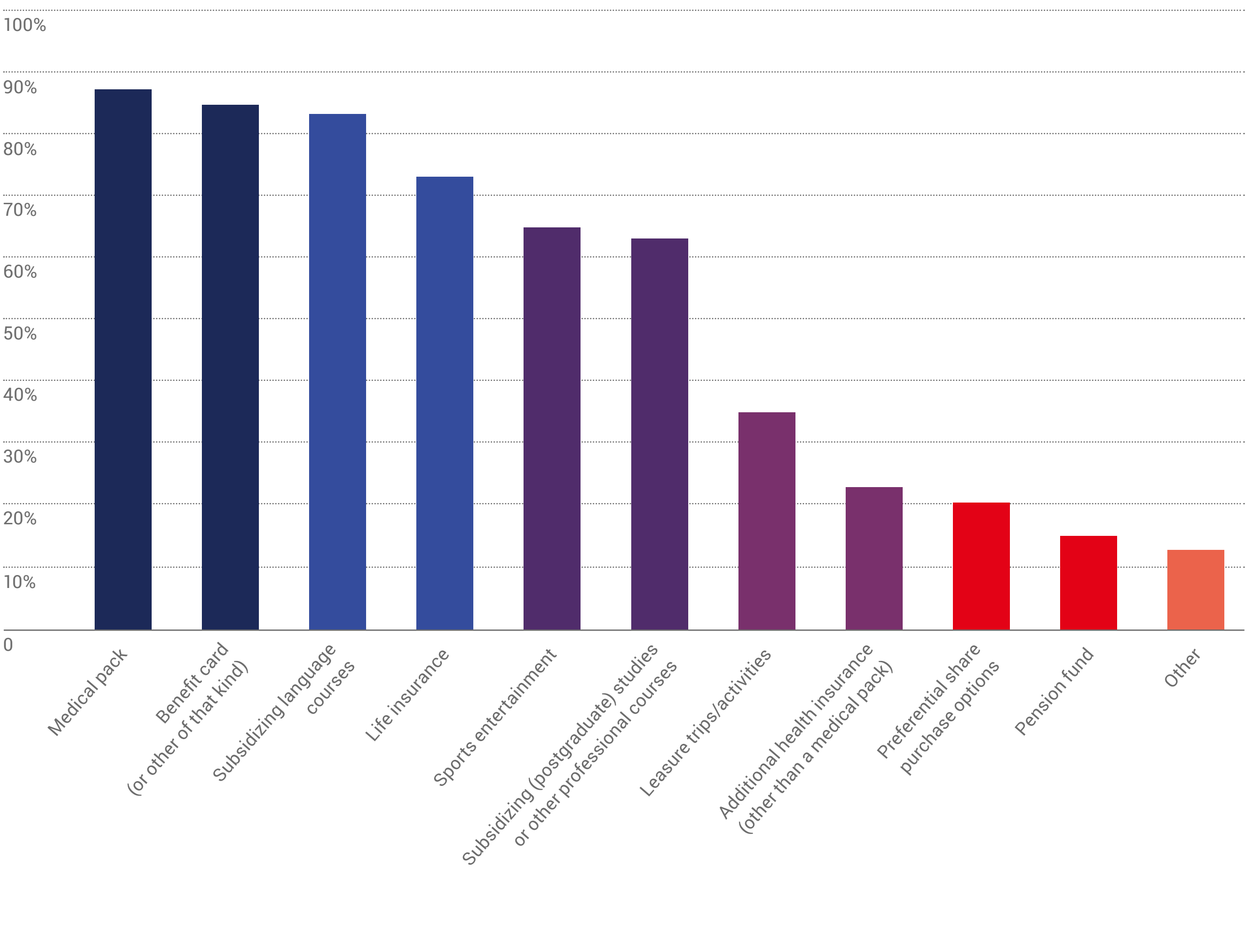



**Figure 17**
**Non-wage benefits offered by business service centres in 2014**
*Source: ABSL own study based on service centres survey results (n=101)*

# 1.7 | Other characteristics of the industry

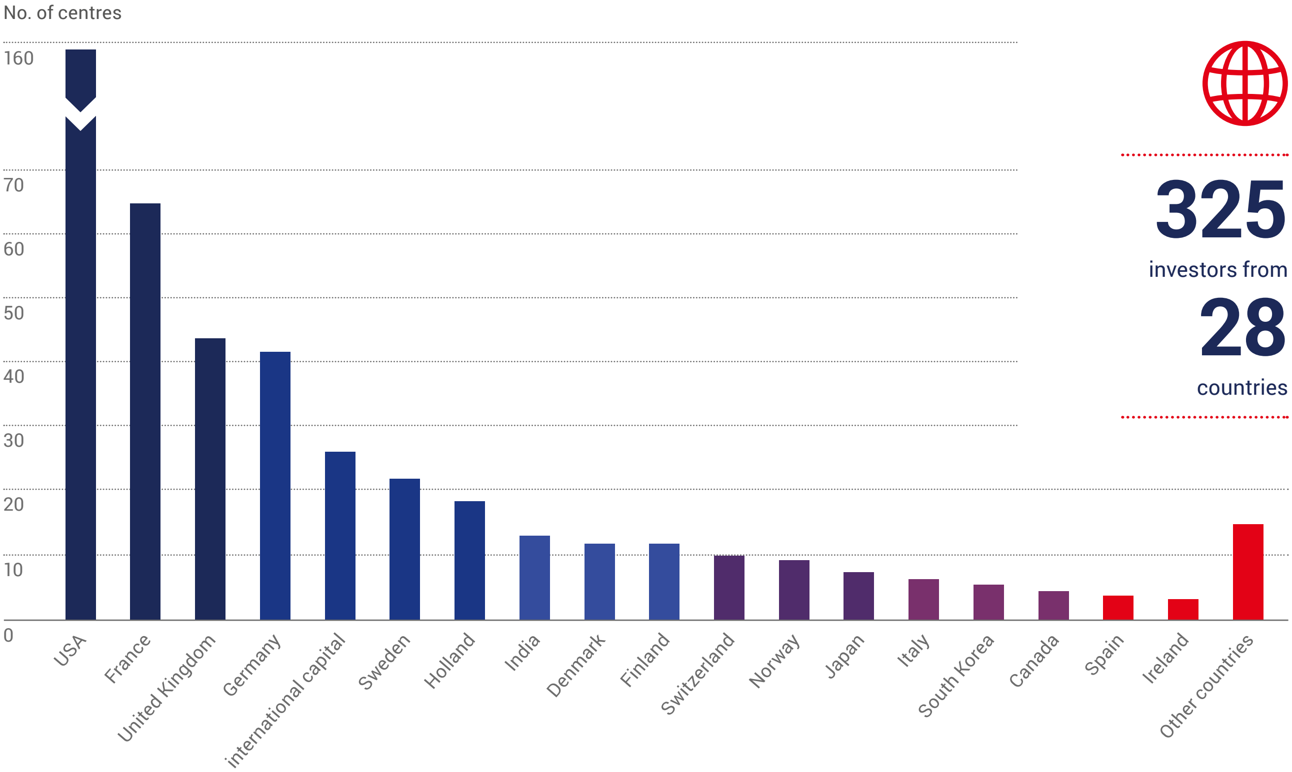



**Figure 18**
**Countries of origin of service centres**
*Source: ABSL own study*

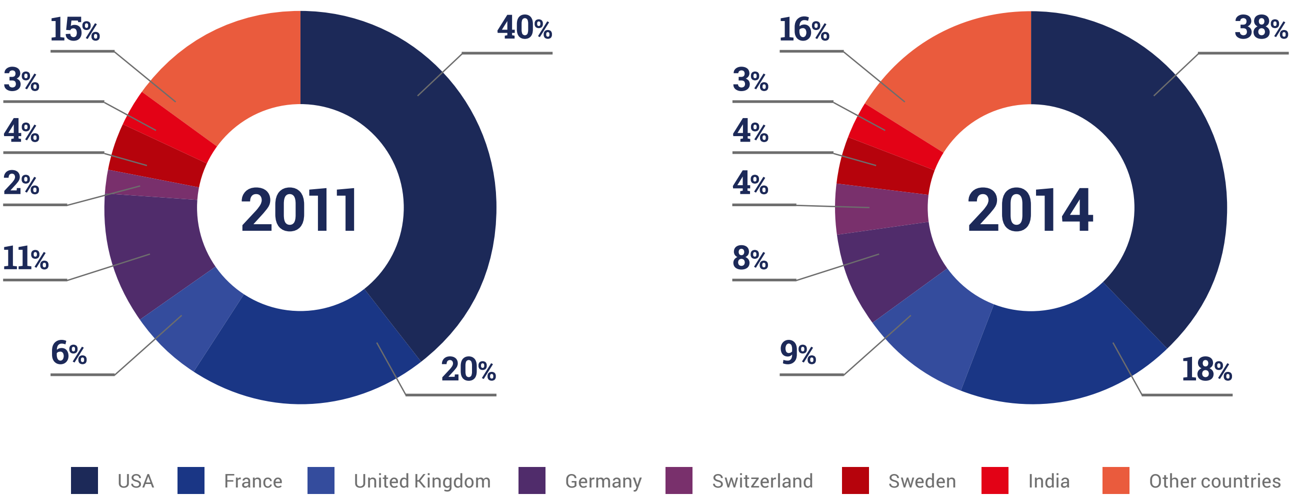
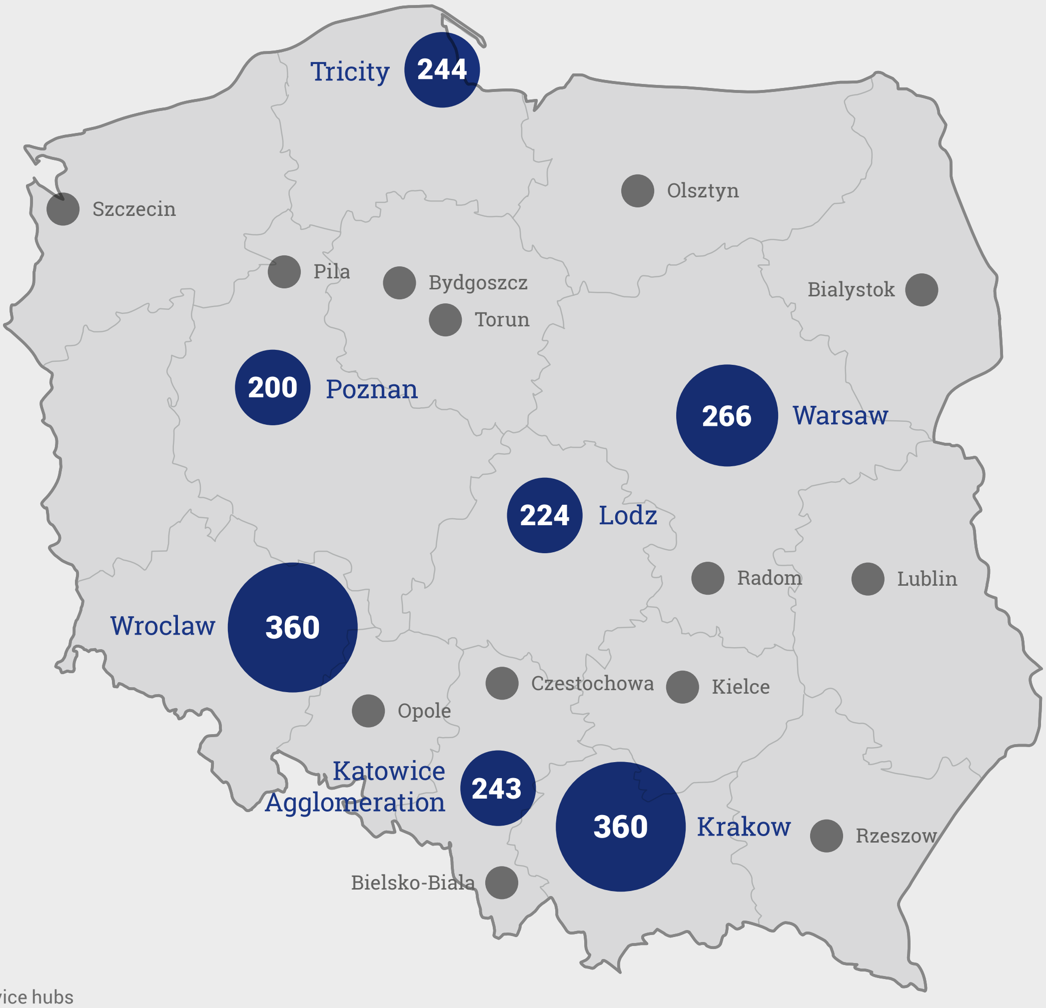



**Figure 19**
**Employment in business service centres by country**
*Source: ABSL own study*

**273**

average employment in service centres in Poland




Typical scale of operations (average no. of employees in business service centres)

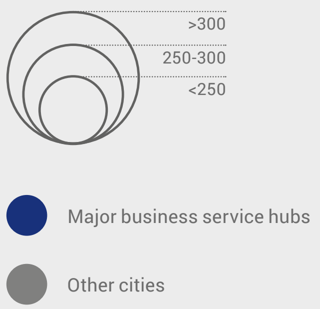



**Figure 20**
**Average employment in service centres in major business service hubs in Poland**
*Source: ABSL own study*


Employment in foreign capital business service centres (BPO, ITO, SSC, R&D) in CEE

**Figure 21**
**Poland as a leader of business services in CEE**
*Source: ABSL own study*

* ABSL estimate (2014)

# LABOUR MARKET
## in Poland 2014

**450,000**

number of graduates in Poland (2012/2013) [1]

**13-18%**

average turnover rate in SSC/BPO centres [3]

**8-13%**

average turnover rate in ITO/R&D centres [3]

**85%**

of SSC/BPO employees will consider moving to another city for work, provided that they receive an attractive employment offer [4]

Annual operating cost per FTE [5]

**25-55** thous. USD

in ITO centres

**25-45** thous. USD

in SSC/BPO centres

Knowledge of foreign languages [2]

| | |
|---|---|
| English | 90% |
| German | 46% |
| Russian | 38% |
| French | 20% |
| Spanish | 15% |
| Italian | 9% |

Data include candidates declaring fluency in a foreign language. The information comes from a database of candidates of Hays Poland and applies to employees with higher education who are interested in changing their job (n=250,000)

Figure 22
**Labour market in Poland 2014**
*Source: (1) Central Statistical Office (GUS) (2013), (2) HAYS Poland, (3) ABSL estimates (2014), (4) HAYS Poland, (5) ABSL estimates (2014)*

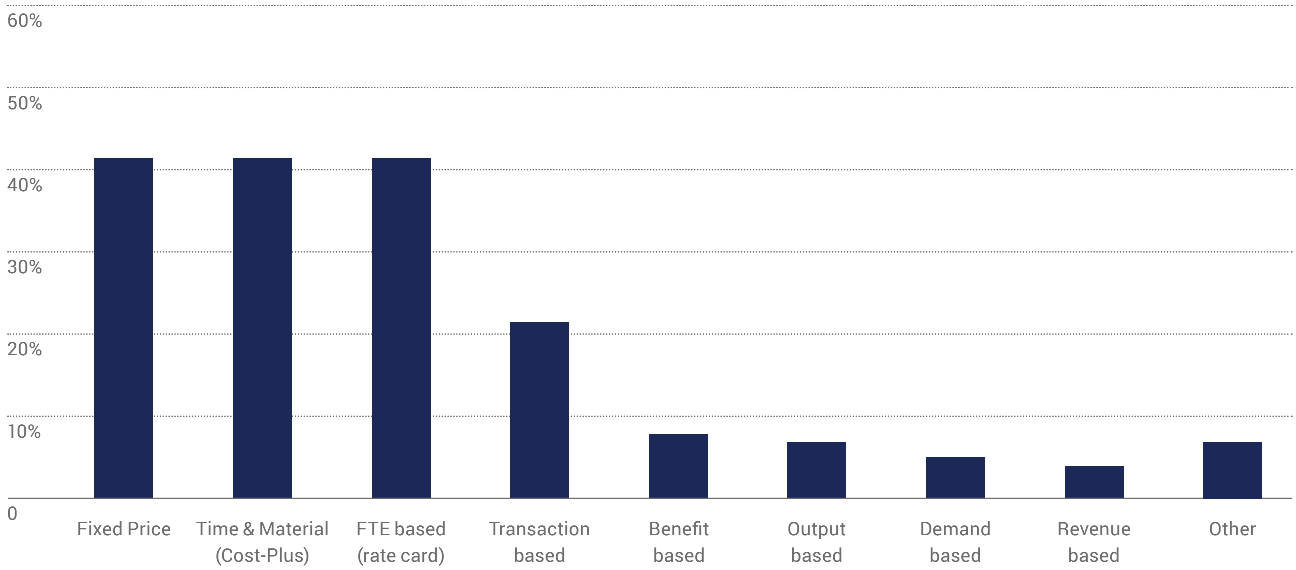



**Figure 23**
**Charging models in business service centres in Poland**
*Source: ABSL own study based on service centres survey results (n=94)*

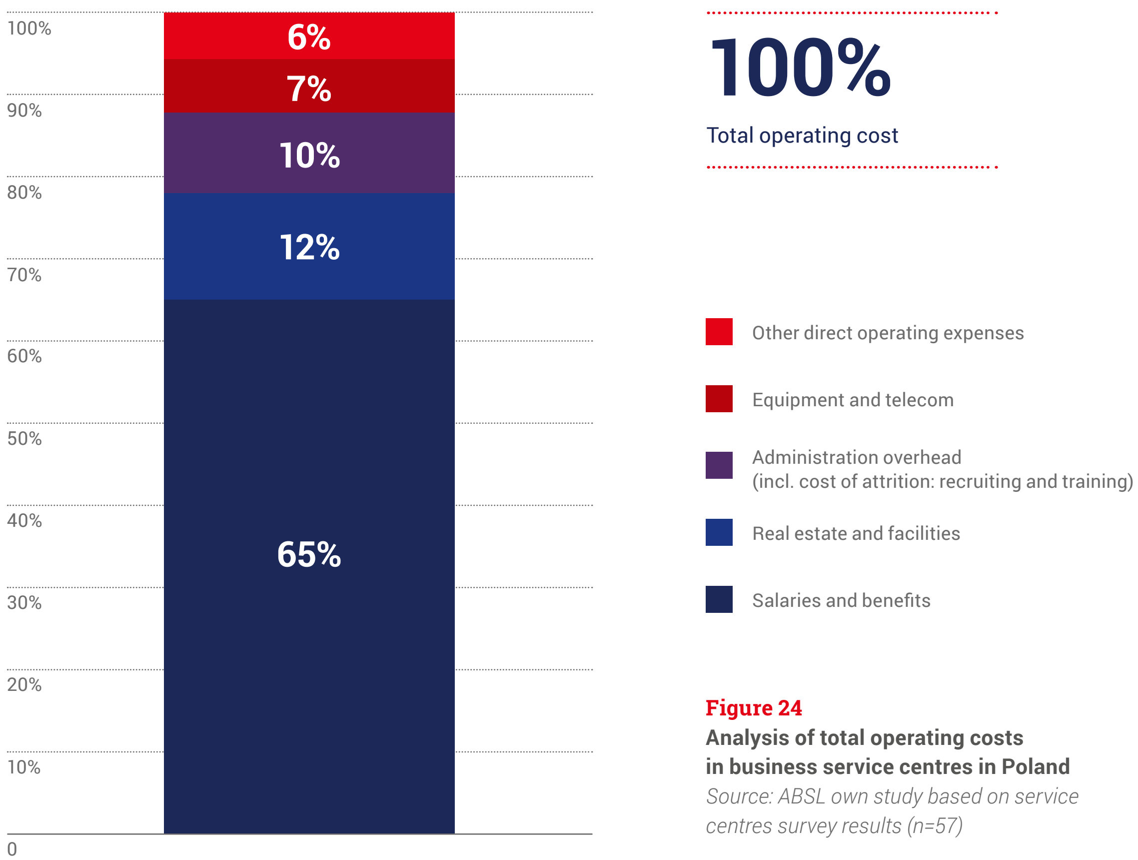



**Figure 24**
**Analysis of total operating costs in business service centres in Poland**
*Source: ABSL own study based on service centres survey results (n=57)*

# 2 | BPOs, ITOs, SSCs and R&Ds with Polish capital

The growth prospects for business service centres with Polish capital are very stable. The growing demand for outsourcing services in Poland is one factor that contributes to this. Despite the fact that the vast majority of enterprises in Poland outsource their services, in many areas of activity outsourcing is still used to only a relatively limited extent. Moreover, enterprises still do not use the full potential of the shared service centre model.

This chapter discusses selected notable examples of activities carried out in service centres with Polish capital.

The leading business service centres with Polish capital – whether in outsourcing (BPO, ITO), Shared Services (SSCs) or Research and Development (R&D) – employ more than 50,000 people. Depending on which criteria are adopted (in terms of business profile and size of enterprise), in particular in the context of outsourcing, this market can be considered from a much wider perspective. E.g., considering the numerous internal customer service centres and all outsourcing service providers (not necessarily typical SCs), the size of the domestic business services sector, or the employment in companies with Polish capital, can now be estimated at more than 200,000 employees.

The Polish market for outsourcing centres is characterized by dynamic growth. In the last three years, many takeovers and mergers have taken place. Due to the presence of large capital groups, Polish companies are able to offer comprehensive and complementary solutions for the largest companies, not only in Poland but also abroad. Some service centres build their strategies based solely on the development of supranational markets.

According to an Outsourcing Institute study done by Millward Brown SMG/KRC, the dynamic of the Polish outsourcing market is stable, found to be about 15 percent per year.[1]

**The development of Polish enterprises in the business services sector is facilitated by the presence of foreign service centres, leading to mutual exchange of knowledge and specialists between these two groups.**

The scale of activity of Polish outsourcing centres is indicated by the range of supported markets. More than 81% of domestic outsourcing companies support both Polish and foreign customers[2]. The diversification of target markets is beneficial to companies, as it promotes their development and stabilizes their operations.

[1] "Polski rynek BPO jest wart prawie 4 miliardy złotych", 2011, http://www.instytut-outsourcingu.pl/raporty-i-badania,polski-rynek-bpo-jest-wart-prawie-4-miliardy-zlotych.html.
[2] "Polski rynek BPO jest wart prawie 4 miliardy złotych", 2011, http://www.instytut-outsourcingu.pl/raporty-i-badania,polski-rynek-bpo-jest-wart-prawie-4-miliardy-zlotych.html.

**OEX Business Services** stands out among Polish outsourcing companies (BPOs) in respect of its size and the complexity of its operations. The company scans 36 million pages of documents and its archives manage 300 kilometres of current documents annually. Services offered by the company include office support, electronic archiving of documents, registration of data in customers' systems, electronic document services, paper document management, back office process consulting and the circulation of documents and information. OEX's customers include the largest companies in the telecommunications industry (including Netia – back-office processes for sales network), banking (Bank Millennium, ING Bank Śląski – secretarial services for banks), insurance services (external rebranding for branch network and branch offices for a large number of companies of the sector), production and trading services. OEX Business Services also offers outsourcing of sales and marketing support. The company maintains more than 1,200 outdoor displays, more than 500 traditional stores and 100 large and 250 small e-stores. In addition, OEX Business Services has more than 700 call contact centre workstations and handles 20 million calls per year.

**The Arteria Group** provides a full outsourcing model. Its services are addressed to corporate customers and include customer service and maintenance using a multimedia contact centre, telephone sales, sales via distribution and sales network, and technological and operational support, including document management and back-office services. It provides specialized IT systems and operational consulting, and designs business processes, as well as implementing marketing campaigns, loyalty programmes, etc.[3]. The Arteria Group has a contact centre that maintains operations in four service centres (Ruda Śląska (2), Warsaw, Sosnowiec), with 1,100 telemarketing workstations[4]. Their investment in Sosnowiec is developing especially fast, where the newly created centre for telemarketing services employment is expected to provide jobs for nearly 1,000 people. The most important customers served by Arteria in the area of call centre services are companies in the telecommunications and publishing sectors[5].

**Target BPO Poland**, employing over 800 staff, offers sales outsourcing, accounting, financial controlling and human resources services. The company specializes in creating and managing sales structures in the FMCG and services sector[6]. Target BPO Poland serves more than 70,000 stores throughout the country. Target BPO's customers include large corporations, e.g. Polkomtel (pre-paid sales support), Mars (sales network support), FoodCare and Tchibo. For five years, the company has also provided its accounting services in the Scandinavian market[7].

[3] Jednostkowy raport roczny z działalności Arteria S.A na dzień i za rok obrotowy zakończony 31 grudnia 2013 roku, 2014 [Annual report on the activities of Arteria SA for the year ended December 31, 2013].

[4] Jednostkowy raport roczny z działalności Arteria S.A na dzień i za rok obrotowy zakończony 31 grudnia 2013 roku, 2014 [Annual report on the activities of Arteria SA for the year ended December 31, 2013].

[5] Jednostkowy raport roczny z działalności Arteria S.A na dzień i za rok obrotowy zakończony 31 grudnia 2013 roku, 2014 [Annual report on the activities of Arteria SA for the year ended December 31, 2013].

[6] Target BPO, 2014, www.targetbpo.pl.

[7] Target BPO, 2014, www.targetbpo.pl.

# INVEST IN OLSZTYN

## – IT PAYS OFF!

### ENTERPRISE ZONES AROUND UKIEL LAKE

In the very centre of the city, in the immediate vicinity of the most beautiful basin of the Warmia and Mazury capital, we have prepared for you attractive investment locations. They are located in three enterprise zones.

### I IN THE NEIGHBORHOOD OF "SUNNY GLADE"

**(two plots of total surface area 5.79 ha)**
**UT18 – 7,295 m² • UT17 – 50,645 m²**

### II IN THE NEIGHBORHOOD OF "NICE BAY"

**(three plots of total surface area 1.73 ha)**
**UT9 – 11,640 m² • US2 – 3,620 m² • UT16 – 2,090 m²**

### III IN THE NEIGHBORHOOD OF "CITY BEACH"

**(five plots of total surface area 3.84 ha)**
**UT5 – 962 m² • UT6 – 4,500 m² • UT24 – 4,885 m²**
**UT8 – 18,080 m² • UT7 – 10,050 m²**

The plots are intended for tourist, sport and recreation services. They are prepared with regard to roads, parking lots and infrastructure, including in particular the following utility networks: water supply, electrical power, IT, sanitary sewage and rainwater draining system.

Sport and recreation infrastructure around the Ukiel lake is being built in the immediate vicinity of enterprise zones; completion of this infrastructure is planned for Autumn 2014. This is going to include, among others: a canoing base, a beach volleyball hall, squash gyms, floating equipment facilities, pitches, a snow park/skate park, water and winter sports infrastructure, sporting equipment rental facilities, parking lots and catering establishments.

**Data Contact** is a provider of call and contact centre services. The company employs 800 individuals in four locations. Compared with others, Data Contact has a very long history and market experience (over 18 years). The company is very active in delivering services to markets outside Poland. Data Contact created a Customer Service Centre for Wizz Air, which handles airline ticket reservations and sales, provides information on flights and manages e-mails from customers (including complaints). The services are provided in 10 languages: Polish, English, German, Czech, Latvian, Italian, French, Bulgarian, Serbian and Spanish. A dedicated 30-strong team of Data Contact employees works seven days a week and handles customer requests for German publishing company AZ Direkt[8].

Founded in 2007, the dynamically developing **Casus Finance Group** manages receivables, specializing in the areas of business intelligence, debt monitoring and recovery – both in Poland and abroad. The group includes the following companies: Casus Finance, Casus Detektyw, Casus Zarzycka & Wspólnicy Kancelaria Prawna and BPO Management (offering call centre services, mail merge management, and HR and payroll processes). With complementary company specialization, the group offers full debt management for companies, from monitoring claims, through amicable collection and business intelligence, to pre-enforcement and court collection management[9].

**Business Support Solutions (BSS)** belongs to the Pelion Healthcare business group (earlier: Polska Grupa Farmaceutyczna) and employs more than 300 staff. The company provides services in accounting, finance, controlling, billing and payroll, in addition to legal and tax counselling. BSS supports more than 200 companies, including wholesalers and retail companies in the pharmaceutical sector. The number of entities supported by BSS outside the Pelion Healthcare group is growing. BSS is developing its model of international outsourcing, cooperating with foreign customers from countries such as including Belgium and the Netherlands[10].

**Telmon** provides services in sales support, building relationships with existing customers and aftersales activities. Its call centre offers full service for customers, e.g. handling complaints as well as reservation and procurement systems. Telmon's customers include mBank, Benefia and Netia[11].

**Holicon** offers call and contact centre (e.g. help desk) services, back office, personalized marketing, sales centre (including cross-selling and up-selling), payment monitoring and IT solutions. The company has operational centres in Poznan and Ostrów Wielkopolski. Holicon's customers are Polish companies in the telecommunications, banking, energy and automotive sectors[12].

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[8] Call Center, Bazy danych, Telemarketing - DataContact, 2014, www.datacontact.pl.

[9] Casus, 2014, casus.com.pl.

[10] BSS Business Support Solution, 2014, www.bssce.com.

[11] Telmon, 2014, www.telmon.pl.

[12] Holicon Contact Center, 2014, www.holicon.pl.

**PIKA** provides a wide range of services in traditional information archiving, from business process automation (digitization of documents), auditing internal circulation of information and information exchange systems implementation. PIKA's customers include Nordea, Energa, Skanska, Bank BPH, Credit Agricole and Meritum Bank[13].

Employing more than 1,800 people, **Ericpol** has operated in the market since 1991. The company offers outsourcing of advanced ICT solutions and provides dedicated solutions in the field of telecommunications, M2M (*machine to machine*) communications, and applications for the medical, finance and banking sectors. Ericpol stands out among other companies in the sector as the largest provider of IT solutions and services for telecommunications in the country, and as a leader in dedicated software development (Teleinfo report, 2013). In late 2013, Ericpol received the prize "Sława Polski" ("Fame of Poland"), an award given to leaders in Polish exports, and a prize for the largest Polish IT exporter. Ericpol also operates abroad, including in Sweden, Ukraine and Belarus. At the end of 2013, the company received the title of "Good Company" and was recognized as one of the twenty fastest growing and most innovative companies in the List of 2000 biggest companies by the newspaper *Rzeczpospolita*[14].

**Future Processing** is involved in design, implementation, testing and integration of software. The company provides outsourcing services as well as its own products, which include algorithmically advanced medical imaging systems, intelligent video surveillance and video inspection systems, data acquisition and analysis software for control of physical access and transport, in addition to system tools and applications for the financial and insurance sector (e.g. the insurance pricing system for the Irish company Adran Solutions)[15]. Future Processing customers include mainly British and American companies and institutions.

**SMT Software** operates in seven Polish cities and outsources IT services. It also has offices abroad. SMT specializes in the outsourcing of IT professionals, dedicated project teams and entire projects. Services are provided onsite (carried out by an SMT team on the customer's premises), offsite (tasks performed in the provider's home office) and according to a mixed model[16]. SMT Software offers dedicated solutions for mobile applications, games, and both inter- and intranet websites. The company also carries out tests and audits of advanced IT solutions. SMT Software has a large group of customers, which includes financial (including Warta and Meridian Bank), logistics and transport (solutions for localization and GPS monitoring, mobile applications) and manufacturing companies. The company's customers also include foreign entities, such as Saudi Aramco and the armed forces of Senegal. SMT group subsidiaries operate in the Netherlands, France, Russia, Germany, Turkey, Indonesia and the United States. This is part of SMT's internationalization strategy, consisting in building a group with an international scope of operation[17].

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[13] Pika, 2014, www.pika.pl.

[14] Ericpol, 2014, www.ericpol.pl.

[15] Future Processing, 2014, www.future-processing.pl.

[16] SMT Software, 2014, www.smtsoftware.com/pl/modele-wspolpracy.

[17] SMT Software, 2014, www.smtsoftware.com.

With over 400 staff, **REC Global** offers research and development services, including software engineering of new products and solutions for software companies. The company also delegates engineers to customer facilities. REC's R&D centres operate in Poland, Croatia and Slovakia. It also has sales offices throughout North America and Europe (especially in Germany and the Nordic countries). The company has experience in the field of embedded systems and systems for the automotive, telecommunications and telematics industries, as well as M2M solutions and web applications. REC's customers include Siemens, ComArch, the Polish Ministry of Foreign Affairs, the German Continental Automotive, the Swiss Delta Institute, and the Norwegian Hatteland Display[18].

**Hicron** is a systems integrator. The company specializes in the implementation of complex IT projects for large and medium-sized companies. Hicron also designs its own IT solutions. The company is active in the Polish and foreign markets, including Germany, Sweden, Switzerland, Austria, the Netherlands, Russia and the United States. Hicron's customers include Kompania Piwowarska, Grupa MAN, Volvo CE, Netia, Nestle and AmRest[19].

**Connectis** offers outsourcing professionals (including programmer hiring), dedicated IT teams, and IT projects. The implementation of projects covers all stages of software development, from analysis through implementation, deployment, training and ongoing maintenance. Connectis also provides testing and helpdesk processes. The company offers cooperation according to the IT pool model for preventing under- or over-employmen[20].

Founded in 2011, **IT Works** offers IT solutions and outsources IT services (complete or partial takeover of IT processes). The scope of these includes user support (desktop computing), providing infrastructure, systems and applications administration, monitoring and supervision, hosting and co-location (data centre). Its 250 customers include Zelmer, GDF Suez Energia Polska, Danone, Wyborowa, Nowa Itaka, Play, Netia, Agora and GFK Polonia. The company administers and manages approximately 1,000 servers and supports more than 40,000 users in Poland and across the world[21].

In addition to the Polish outsourcing companies or R&D centres described above, a number of Shared Service Centres also operate in Poland. The largest include those belonging to corporations where the State Treasury is a shareholder, including PZU, Poczta Polska, Tauron, Katowicki Holding Węglowy and PGNiG (PGNiG Serwis).

[18] Rec GLOBAL, 2014, www.pl.rec-global.com.
[19] Hicron, 2014, www.hicron.com.
[20] Connectis, 2014, www.connectis.pl.
[21] it WORKS, 2014, www.itworks.pl.

BYDGOSZCZ

# YOUR BUSINESS DESTINATION

- Eighth largest city in Poland - over 360 000 residents
- Over 1 million residents within 50 km
- Young society, average age – 36 years
- Located at the crossroads of national roads and railway routes
- International airport located within 3.5 km from the city centre
- Two prestigious universities and several higher education institutions
- Over 42 000 students in the city and more then 80 000 in the region
- Nearly 5 000 students in IT related fields
- Moderate labour costs
- Availability of modern office space
- Good business environment proven through success of international companies operating in the city

www.bydgoszcz.pl
www.fb.com/bydgoszczpl
www.investin.bydgoszcz.eu


BYDGOSZCZ REGIONAL DEVELOPMENT AGENCY

**Table 2**
**Selected Polish PBO, ITO, R&D centres and SSCs**

| Company/Group | Employees | Selected locations | Profile |
|---|---|---|---|
| **Business Process Outsourcing centres (BPOs)** | | | |
| **OEX Business Services** | >3000 | Dozens of branches throughout the country, including Warsaw (headquarters), Katowice, and the Tricity | Outsourcing document management and back office services, support for sales and marketing, call and contact centre |
| **Arteria Group** | >1000 | Warszawa (headquarters), Ruda Śląska, Sosnowiec | Telemarketing services (including customer service and maintenance, telephone sales and sales via distribution and sales networks), technological and operational support, providing specialized IT systems, operational consulting and designing business processes, implementation of marketing campaigns and loyalty programmes |
| **Data Contact** | 500-1000 | Warsaw, other Polish offices | Call and contact centre services |
| **Target BPO** | 500-1000 | Lodz | Sales structures, accounting, personnel and payroll support |
| **Holicon** | 500-1000 | Poznan, Ostrów Wielkopolski | Sales and marketing activities support, building relationships with customers, IT solutions and personalized marketing services |
| **Casus Finance (including BPO Management)** | 500-1000 | Wroclaw | Debt maintenance (including business intelligence, debt monitoring and recovery), HR and payroll processes, mail merge management and call centre |
| **BSS** | 250-500 | Lodz | Services in accounting, finance, controlling, billing and payroll, law and taxes* |
| **Impel Business Solutions** | 250-500 | Wroclaw | HR management, accounting and tax services, ICT services |
| **Telmon** | 250-500 | Lodz (HQ), Torun | Sales support, telemarketing, call centre |
| **PIKA** | <250 | Gdansk (HQ), operational centres: Gdansk, Warsaw, Lodz, Katowice, Wroclaw | Document-based information and knowledge management |
| **IT outsourcing (ITO) and Research and Development (R&D) centres** | | | |
| **Ericpol** | >1000 | Lodz (HQ), Krakow, Warsaw. Subsidiaries in Sweden, Ukraine and Belarus | Dedicated solutions for telecommunications, M2M (machine to machine) and applications – different sectors |
| **Future Processing** | 500-1000 | Gliwice (HQ), Opole, commercial office in London | Design, implementation, testing and integration of software |

| Company/Group | Employees | Selected locations | Profile |
|---|---|---|---|
| **SMT Software** | 500-1000 | Wroclaw (HQ), Warsaw, Poznan, Krakow, Bialystok, Gliwice and Katowice). Many offices abroad. | Outsourcing professionals, teams and projects (including dedicated solutions, mobile solutions, online solutions, GIS systems, tests and security audits) |
| **PKP Informatyka** | 500-1000 | Warsaw (headquarters), offices across the country, Lodz (helpdesk) | IT services dedicated to companies operating in the transport and logistics market |
| **REC Global** | 250-500 | Wroclaw (HQ), Koszalin, Zielona Gora | R&D services in software engineering for new products; solutions for software companies |
| **it Works** | <250 | Krakow, Warsaw | IT department management |
| **Connectis** | <250 | Warsaw | Outsourcing IT professionals, teams, projects, helpdesk process |
| **Hicron** | <250 | Wroclaw (HQ), Poznan, Warsaw, offices abroad (Switzerland, Sweden) | IT integration, dedicated IT solutions design |
| | | **Shared Services Centres (SSCs)** | |
| **Poczta Polska** | 250-500 | Katowice | Operational processes and back-office billing, book-keeping and payroll services, scanning and archiving paper documents |
| **Tauron** | 250-500 | Katowice, Gliwice | Financial and accounting services, customer support services, HR and IT |
| **PZU (PZU Group Client Centre)** | 250-500 | Bydgoszcz | Customer service across all contact channels (mail, internet, telephone, office) |
| **Katowicki Holding Węglowy** | 250-500 | Katowice | Financial and accounting services, customer support services, HR and IT |
| **PGNiG Serwis** | <250 | Warsaw | Finance and accounting, human resources, information and purchasing |
| **PZU Operations Centre** | No data | Operational centres are found in several localizations, e.g. Warsaw, Lodz, Opole | Telephone customer service, keeping records, bills and settlement of investment and pension funds, IT services, mass printing, processing and archiving of documents |

* The company operates in a mixed/hybrid model both as a shared service centre and an outsourcing centre for the Pelion group.

*Source: ABSL own study*

# 3 | Advanced processes at service centres in Poland

The key to succeeding within the current flux in the business services market is understanding the unique needs of market verticals for which the services are provided, and having access to the necessary expertise.

As the business services sector in Poland has matured, its range of client services – horizontal and vertical – has broadened, including in geographical scope, and deepened – in terms of sector competencies. Business services centres in Poland have moved from servicing only single processes to also influencing and transforming global operations and markets. In this section of the report we provide some examples of activities in the area of advanced services delivered from business service centres in Poland.

**RBS Group's global competence centre (RBS Global Hub Europe)** in Warsaw provides services that support banking processes, link banking operations, finance, business processes, technologies, and information security. Standardised, shared processing for multiple locations across the Group means that changes need only be delivered once in RGHE for the benefit to be felt in every location served, whether that change relates to process efficiency or risk management. The mixture of geographies and stakeholders results in there being few areas of the Group that are not directly or indirectly served by the activities of RGHE in Wroclaw[1].

The **Brown Brothers Harriman** centre in Krakow provides corporate banking services, investment management, consulting in M&A processes, asset management, investment services, and technical support for customers. Notably, the Brown Brothers Harriman (BBH) centre in Krakow is the only BBH centre in Central Europe and the only centre in Europe, out of five, to provide technical support to clients[2].

The **BNY Mellon** unit in Wroclaw also drives support services for branches of the company worldwide, in its case relating to investment funds accounting and order management. Meanwhile, Krakow's UBS centre supports all UBS branches with data analysis, operational services, risk analysis and HR services. The centre also engages in software development, quality control, system analysis and IT risk analysis[3].

**Citi Service Center Poland** coordinates anti-money laundering monitoring, and handles banking operations including those involving securities and investment funds, settling receivables and payables, technological control functions and servicing telecom/IT infrastructure entities. Anti-money laundering is one of the largest and fastest growing departments in Citi Service Center Poland. The Polish team is one of three teams in the world involved in AML monitoring of transactions and provides services to over 50 countries[4].

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[1] www.rbsbank.pl/en/rbs-global-hub-europe

[2] www.tvp.pl/krakow/aktualnosci/agroregion/bbh-zatrudni-300-pracownikow-w-krakowie/8030856

[3] Business Services for Financial Sector: Success Story of Poland, ABSL, May 2013.

[4] www.citibank.pl/csc_poland/csc-poland.htm

**First Data Global Services**, located in the Tricity, also supports financial institutions with solutions preventing financial fraud, and those relating to online and mobile trade, it also can help with issuing and handling cards and ATM management. Credit card activation services are also delivered by OEX Business Services; the Polish-owned outsourcer also provides correspondence services for banks, signature sample digitisation for bank branches, loan application handing, sales of financial products in commercial centres, damage liquidation process support, and can manage document archiving.

**The Credit Suisse** centre in Wroclaw provides private and investment banking services, while Krakow's State Street manages investment fund bookkeeping, enterprise asset valuation (including securities), index fund and other derivatives valuation, investment analyses and services for funds. Xerox Business Services, in Warsaw, Krakow and Lodz, provides equity solutions, mortgage loan services, stock exchange investment advisory[5].

**Atos**, through its five locations in Poland, provides clients with a central banking and insurance system, claims management, the IT and analytical systems necessary to streamline reporting and supervision, and also provides advanced transaction processes. A noteworthy realignment took place at the end of 2013 for the Polish – as well as European – operations of this UK-based outsourcer, when Atos SI Solution Local Factory in Slovakia became part of the organizational structure of the Global Delivery Centre (GDC) in Wroclaw. This was the first step in the transformation of the Polish unit from SI GDC Wroclaw into SI GDC Europe with responsibility for the coordination of IT projects and services delivered from Central and Eastern Europe[6].

## Business and IT solutions under one roof

The timely processing of intense flows of information demands innovative and tailored software and complex IT architectures. Not surprisingly the provision of business services and the development of IT solutions for business often go hand in hand.

**Chatham Financial** provides strategic consulting, risk management services and also develops software for the financial sector. Meanwhile, Fineos specializes in the development of software solutions for institutions in the insurance sector. Thomson Reuters provides financial data management, as well as software development for products dedicated to risk management on financial markets. BMS Bankruptcy Management Solutions of Lodz develops software that optimises management of bankruptcy cases[7].

[5] Business Services for Financial Sector: Success Story of Poland, ABSL, May 2013.
[6] www.pl.atos.net/pl-pl/home/o-firmie/news/press-release/2013/pr-2013_10_01_01.html
[7] Business Services for Financial Sector: Success Story of Poland, ABSL, May 2013.

**ProService Agent Transferowy** renders transfer agent services to Polish and foreign investment funds. The company's core services encompass maintenance and management of fund registers, money settlements, and distribution of investment funds. Based on extensive experience and recognizing the need, the company implemented its own solution – KIIDService. The application combines several functions: a text editor, an advanced fund risk calculator, and a server that supports automatic distribution and direct online uptake of KII documents[8].

**arvato Poland**, engaged in delivering complex outsourcing solutions, has developed a tool to support e-shop logistics called "communications platform". The solution connects all users by integrating the e-shop systems with the client's ERP system. It also supports email functionality, thus making it possible to manage communications and planning via the platform, to access complex orders and personal data, manage customer complaints, returns and transport. The platform also provides advanced reporting[9].

Software developers at **Sabre's** centre in Krakow specialise in designing, developing and testing products for the travel and air transportation industry. One of Sabre's proprietary, web and mobile solution, called TripCase, and developed by a team co-located in Krakow and Dallas, won the Best Mobile Solution title in 2013[10]. The free-of-charge Trip Case app uses data about the trip itinerary, so it can always tell at which stage of the trip the passenger is. That means that the app verifies the itinerary plan online, with current time and position of user, sends all necessary reminders and updates, offers alternative routes and recommends worthwhile stops. Users can share their comments and suggestions through social media.

**Samsung Electronics Poland R&D Center** focuses on advanced digital television systems, platform convergence, mobile systems, intelligent technologies and business solutions. In the area of the latter, Samsung Poland engineers develop systems specialising in the integration of mobile and multimedia solutions, focused in particular on automation and monitoring of business processes, integration of data and analysis tools, creation of intermediary layers for enterprise management systems[11].

**IBM's Poland Software Laboratory**, headquartered in Krakow with a branch office in Warsaw, is part of a worldwide network of over 40 software development sites[12]. The lab employs several hundred software engineers, advanced customer support professionals and consultants. Their capabilities range from SW development and QA for a worldwide market to customer and services engagements focusing on Europe and Middle-East Africa. The IBM engineers in Krakow and Warsaw lead or participate in many globally distributed projects. Their core competencies are Smarter Analytics and Big Data warehouses, Cloud Computing with focus on Virtualization and Provisioning, and management of large IT infrastructures.

[8] www.psat.com.pl/udostepnilismy-pierwsze-kiid-y/

[9] www.arvato.pl/p/e-commerce

[10] www.sabre.pl/newsreader/items/tripcaseknowsbest.html

[11] www.rd.samsung.pl

[12] www-05.ibm.com/employment/pl/sw-lab/index.shtml

# The sky is the limit in business services

Business services centres located in Poland support processes that are increasingly more complex and increasingly reliant on specialist know-how.

**Rule Financial**, with teams in Lodz and Poznan, provides consulting and technology services, relating to risk management, trade in securities, commodities and derivatives, liquidity management and asset management. Over the last three years Rule Financial has also grown to become one of the leading specialist providers of User Centred (or just UX) design services to capital market organisations. Rule Financial's global UX team consists of over fifty designers and developers, spread between New York, London and Poland. Rule Financial deploys analysts and designers who work directly with sponsors and end users to craft solutions that support business cases, working from business concepts to produce an end solution across multiple platforms and channels. Rule Financial's HTML5 architects advise clients about the delivery of large-scale high-performance trading platforms in HTML5/JavaScript, and HTML5 development teams based in Poland provide a scalable implementation option while allowing for lower budget[13].

The **McKinsey Knowledge Center** for Europe, Middle East and Africa in Wroclaw is part of a global network of highly integrated knowledge hubs. The knowledge professionals based at the centre focus on delivering practice-dedicated research across the industry and functional knowledge domains to engagement teams worldwide. The Wroclaw-based analytics group carries out complex data analysis and modelling in order to create the foundations for sound recommendations for client studies and internal projects. The analysts support consultants and clients with expertise in analysis and methodology by creating complex mathematical and economic models, evaluating large data sets, and creating optimization models. Often projects involve the entire analytical process – from task definition to the implementation and interpretation of results to the delivery to the client[14].

Some Polish centres are entrusted with a broad range of marketing related functions and responsibilities. The Polish branch of **Accenture** is home to a Digital Media Monitoring team which analyses, tags and summarizes digital news items (newswire articles, newspaper articles, online news channel articles, television clips, radio clips). The team is responsible for interpreting news items, assessing importance and sentiment, and writing editorial summaries of selected news items[15].

[13] www.rulefinancial.com/delivery/delivery-disciplines/user-experience.aspx

[14] https://mckinsey.secure.force.com/EP/search?Role=Knowledge%20and%20Research&Region=

[15] http://careers.accenture.com/pl-pl/jobs/Pages/jobdetails.aspx?lang=pl&job=00231860&carsec=10240

Meanwhile, **Axciom** harnesses the concept of data mining to extract knowledge from sets of data, which is not readily visible or clear without proper data processing. To a large extent, data mining entails searching for links between different facts in order to reach a specific outcome. For example, a client has a database of consumers, in which it has collected certain pieces of information about them, some of which seemingly do not have any connection with the industry the company is in. Exploring the data may help the company find out what connects it to its clients and also define the profile of its "perfect consumer". A narrower and clearer "target" means lower marketing and advertising expenditure relative to the number of won customers. Axciom also develops tools that effectively support the mining of data and selection of client groups for the needs of individual marketing campaigns[16].

Another noteworthy example of co-creation of a global market image is Employer Branding, developed by **Capgemini Poland**. The concept, developed by an internal creative team in Krakow, was adopted as the global employer branding campaign of the Capgemini Group. It was selected after a pilot roll out in Sweden precipitated a 100% jump in the number of job applications. Currently, the team is supporting the Paris HQ in the global roll out of the campaign, country by country.

[16] www.acxiom.pl/o-acxiom/opisy-stanowisk/

The global crisis has effected long-term consequences and changes on the financial market. One of these was the introduction of comprehensive regulatory monitoring of the OTC derivatives market. Observance of the new regulatory obligations has been a challenge for financial institutions, in particular, with respect to the integration of the new requirements into their existing IT platforms. For many financial institutions, meeting this challenge meant implementing new, innovative IT solutions.

In this context, Luxoft was approached by a leading global investment bank to create a strategic platform to support the bank reporting its OTC market transactions to the regulators.

The reporting platform had to meet many requirements and conditions, such as flexibility in reacting to dynamically changing legislative requirements and industry standards, ability to integrate with a variety of internal departments within the bank, and technical alignment with market standards. Luxoft developed a unique solution dedicated specifically for this client; the provided automated reporting helped to lower operating costs, while the close alignment of the platform to the various regulatory requirements meant it could be used universally by the bank's different departments.

**Capgemini: innovating a solution**

In response to market demand, Capgemini harnessed its experience to develop an innovative service called "Contract Compliance and Optimization"(CCO), to manage clients' contracts and obligations throughout the contract lifecycle. CCO provides document retention for all contract-related documentation, full search capability of all the documents in the system, as well as advanced monitoring and reporting, including interactive reporting dashboards. The CCO team manages contracts on behalf of clients for the duration of contract term, to assure efficiencies and profitability.

The Capgemini team in Poland coordinates the delivery of the service worldwide, in seven languages. Most CCO staff have a financial and legal background, which gives them a good understanding of the legal complexities within the international business context.

**Table 3**
**Examples of services provided by selected BPO, ITO, SSC, R&D centres in Poland**

| | Company Name | Selected examples of services |
|---|---|---|
| 1 | **ATOS** | Central banking and insurance system, claim management, IT and analytical systems necessary to streamline reporting and supervision, outsourcing of advanced transaction processes |
| 2 | **Capgemini** | Process Transformation, PMO as a service, Legal Processes, Marketing Campaigns |
| 3 | **Carl Zeiss** | Corporate Management Reporting, Process Ownership, Transition Management, Notes to Financial Statements |
| 4 | **CenturyLink Technology Solutions** | Innovative managed services for global businesses on virtual, dedicated and colocation platforms |
| 5 | **CERI International** | Transaction banking (executing domestic and foreign payments, automatic identification of mass payments, handling support processes in payment management, handling bank account accounting processes), support services |
| 6 | **Citi Service Center** | Anti-Money Laundering monitoring, Securities and Fund Services (SFS) Operations, critical technology infrastructure support, development and deployment of strategic software applications to Citi entities across the world, Credit Risk Management Services, legal support |
| 7 | **Cooper Standard European Shared Services** | Internal audit services, legal services, controlling and financial planning, treasury, PMO and process development |
| 8 | **Credit Suisse** | QuantStrats - responsible for producing state-of-the-art pricing, trading and risk management models. Product Control - the Financial Guardians of the Bank's sales and trading activities. |
| 9 | **Dalkia Services** | Transfer pricing advisory, financial reporting, business apps, risk management, trade bargaining, publications, multimedia, event management |
| 10 | **First Data Global Services** | Financial planning and analysis, revenue accounting, accounts reconciliations, issuance and handling of cards, ATM management, solutions preventing financial fraud, online trade and mobile solutions |
| 11 | **Franklin Templeton Investments** | Investment management services |
| 12 | **Geoban** | Disputes services, automation projects, loans centre of excellence |
| 13 | **HP Global Delivery Application Services** | IT and applications transformation, modernization, development, testing and management |
| 14 | **IBM Global Services Delivery Centre** | Command centre 24x7, second and third level technical support, change and problem management, project and service management, project and service management, SW distribution and packaging |

| | Company Name | Selected examples of services |
|---|---|---|
| 15 | **Infosys BPO Poland** | Business transformation services, end-to-end F&A, including fiscal & statutory reporting (county specific), preparation of annual financial statement, tax declaration and serving external audits, business controlling services, internal controls |
| 16 | **Kroll Ontrack** | Data recovey services and technologies, information management, content management |
| 17 | **Linklaters** | Chasing terms and conditions of engagements, lateral hires verification, audit letters management |
| 18 | **Luxoft** | IT solutions for shares, derivatives and currency market trading |
| 19 | **Nokia Solutions and Networks** | 5G scenarios and portfolio creating |
| 20 | **Nordea Bank** | Reconciliation of Nostro accounts, international payments, operations concerning foreign cheques and documents collection, reconciliation and adjustment of branding accounts, main ledger, liability management and cash-related services |
| 21 | **Procter & Gamble (GBS)** | Global business intelligence reporting, SAP manufacturing planning systems transformation, global digitial marketing services design and support, EMEA master data managment |
| 22 | **ProService AT** | Transfer agency services, investment fund register management, life insurance product support, fund accounting, fund distribution |
| 23 | **QAD Polska** | Enterprise asset management, analytics, supply chain, customer management, system performance, cloud ERP |
| 24 | **REC** | Embedded systems, automotive systems, M2M / telematics, telecommunications and software solutions, green technologies |
| 25 | **Rockwell Automation** | Financial analysis, advanced software development (R&D) |
| 26 | **Sii** | Server systems for NFC paypass transactions, validation of state-of-the-art hardware technologies, software development and validation for a new generation of chip cards used for personal identification (biometric passports, ID etc.), PLC software development for automotive sector, embedded software development & testing |
| 27 | **UBS** | Data analysis, operational services, risk analysis and HR services, software development, quality control, production support, system analysis, IT risk analysis |
| 28 | **Wincor Nixdorf** | Research and development of complex software |

*Source: ABSL study*

Chapter content provider: **PwC Poland**

# 4 | Poland on the Global Business Services Map – current situation and future outlook

Poland has been recognised worldwide as a mature Business Services destination. Key selection factors such as availability of multi-city options, cultural proximity to Western Europe, and the availability of a high quality talent pool with distinct strengths in language skills continue to attract various investors to Poland.

Poland is currently one of the most important countries on the European & Global Business Services map. In the “2014 Tholons Top 100 Outsourcing Destinations” report, Krakow ranked ninth in the world. For the first time, Krakow is scoring higher than Dublin (currently ranked tenth) and is the highest European location on the list. Other Polish cities – Warsaw and Wroclaw have also made it to the Top 100 list (ranked 32 and 65).

Over the last 6 to 12 months we have observed an increased interest in Poland as a potential SSC location. Numerous announcements were made in recent months of SSCs being opened (e.g. TNT, Kemira, Merck, ThyssenKrupp, Owens-Illinois). More and more investors are not simply looking at Poland as a whole, but also focussing specifically on particular cities in the country. At the same time, investors are not only interested in the main cities, but they are also looking into “emerging” locations in Poland (e.g. Bydgoszcz, Lublin, Radom, Szczecin). Compared to other CEE countries, Poland offers 11 cities with a population over 300 thousand.

The Business Services market has been very dynamic in Poland over the last few years and we have observed the following trends:

» The growing market of Business Services in Poland is becoming very attractive for BPO players of various sizes and geographies. For example, Indian companies, as well as various investors from the Middle East and Africa, are looking at Poland either as a location for their Business Services or a market for potential Merger & Acquisition targets. The large range of SSCs/BPOs that can be found in Poland with different levels of maturity, sizes and scope of services provided, creates a great opportunity for those investors to enter the European BPO market.

» More and more smaller companies are establishing their Business Service centres in Poland, while previously this has generally been carried out by larger enterprises. For many companies, setting up an SSC or other business in Poland often allows more labour flexibility compared to some Western European countries. In addition the “brand”, quality, work effort and innovation of Polish employees are seen as a big advantage.

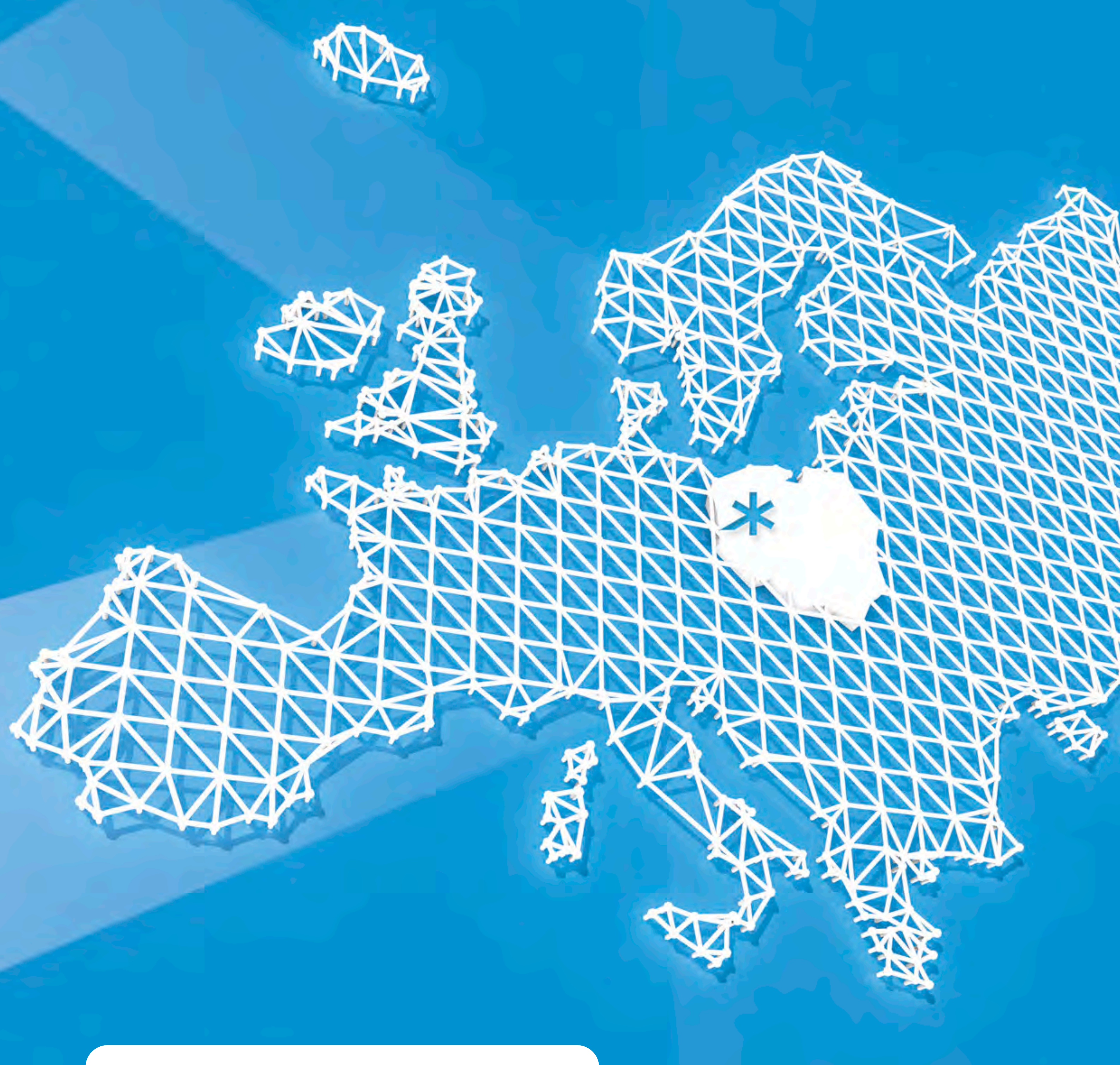
» Well established Business Service centres are expanding their services towards more advanced processes, moving up the ‘value chain’ and adding knowledge based processes, and also bringing new functions into their scope (for instance Marketing, Supply Chain, Legal) to provide multi-functional business support.

Key factors considered by those investors deciding on Business Services location in Poland continue to be cost and the availability of the 'right' talent pool. However, in the last two years, two specific elements are becoming more and more important regarding a particular location: (1) How well are various organisations in the City/Area cooperating, including business/university partnerships as well as networking/cooperation within the Business Services sector, and (2) How strongly is the City Administration supporting the Business Services sector, not only at the moment of attracting the investor and the initial setup, but also in the regular operations and growth phase.

When we look into the future of the Business Services market, we can see that as a result of the world economic crisis, some Western countries, such as Spain, Portugal and Italy, are now more frequently appearing on the long list of potential locations. From this perspective, one could argue that Polish cities are competing (again?) with locations like Barcelona, Lisbon, Porto. Similarly, Western European companies who are considering a SSC may be now wondering whether the labour arbitrage between Poland and countries like Spain, Portugal or Italy is attractive enough. Notwithstanding this issue, costs are only one factor to consider, and Poland has strong advantages in many of the other important criteria.

The overall outlook for the Business Services sector in Poland is very positive. Poland is and will continue to be seen as a mature Business Services destination, attracting new investors. This will include companies opening their captive centres, BPOs/ITOs expanding their footprint or new players trying to acquire existing centres in Poland. Similarly to previous years, centres will continue to expand – acquiring new geographies, moving from a single function to a multi-function service delivery, as well as bringing more advanced activities within already provided scope.

Given that the critical mass of the Business Services sector across the country has already been created, there seems to be no comparable competition from another CEE location that could challenge Poland in the coming years. Polish cities will continue to strengthen their position on the global map of Business Services. A larger range of Polish cities will also start to appear in the overall rankings and location study reports. At the same time, renewed efforts and cooperation need to be continued so that Poland is perceived as a place where more advanced processes and functions can easily be located and where cooperation between public administration, educational sector and business continues to facilitate the market and improve the overall conditions for further growth of the sector as a whole.



Chapter content provider: **JLL**

# 5 | Office market

What distinguishes Poland from other countries in the region is the large number of developed office hubs, including Warsaw, Krakow, Wroclaw, Tricity, Katowice, Poznan, Lodz, Szczecin and Lublin. What is more, new smaller office centres are emerging across the country. Poland's diverse portfolio is a solid foundation for the development of the business services sector.

# Office supply and vacancy rates

**Poland remains the largest office market in Central and Eastern Europe, with office resources at about 7 million m².**

Poland is the most dynamic market in Central and Eastern Europe in terms of construction activity. At the beginning of April 2014, over 1.18 million $m^2$ of modern office space was in construction.

It is worth noting that the large amount of new office space to be delivered to the market in the capital will result in a further slight increase of vacancy rates, providing an even broader choice of new offices, both in terms of location and technical standards. At the end of the first quarter of 2014, the amount of vacant offices in Warsaw hovered at around 12.2%, which translates into 512,000 square metres of vacant office space.

The situation in the largest markets outside Warsaw is quite varied, and so there is no common picture for all of them. However, most markets are seeing high construction activity, which has either already been or soon will be reflected in a greater availability of options for tenants. Altogether, about 570,000 $m^2$ of offices are presently under construction outside Warsaw.

In Krakow, which is the largest office market outside of the capital, the vacancy rate remained at a very low level throughout 2013, between 3-5%. At the end of the first quarter of 2014 it amounted to 4.8%. However, one may expect that in the second half of the year the rate will increase due to the large number of new projects to be delivered (the Krakow market in 2014 will be expanded by about 100,000 $m^2$ of new offices).

The situation is similar in Katowice, which was highly popular among tenants in 2013.
As a result, the vacancy rate in the city dropped to 5.6% at the end of the first quarter of 2014.
It can be estimated that – similar to Krakow – the vacancy rate in Katowice will rise in the second half of the year, due to the large number of office projects planned to be launched.
The highest vacancy rate among developed office markets can be observed in Szczecin, where every fifth square metre of office space is without a tenant. In seven out of nine office markets in Poland, the vacancy rate is above 11%.

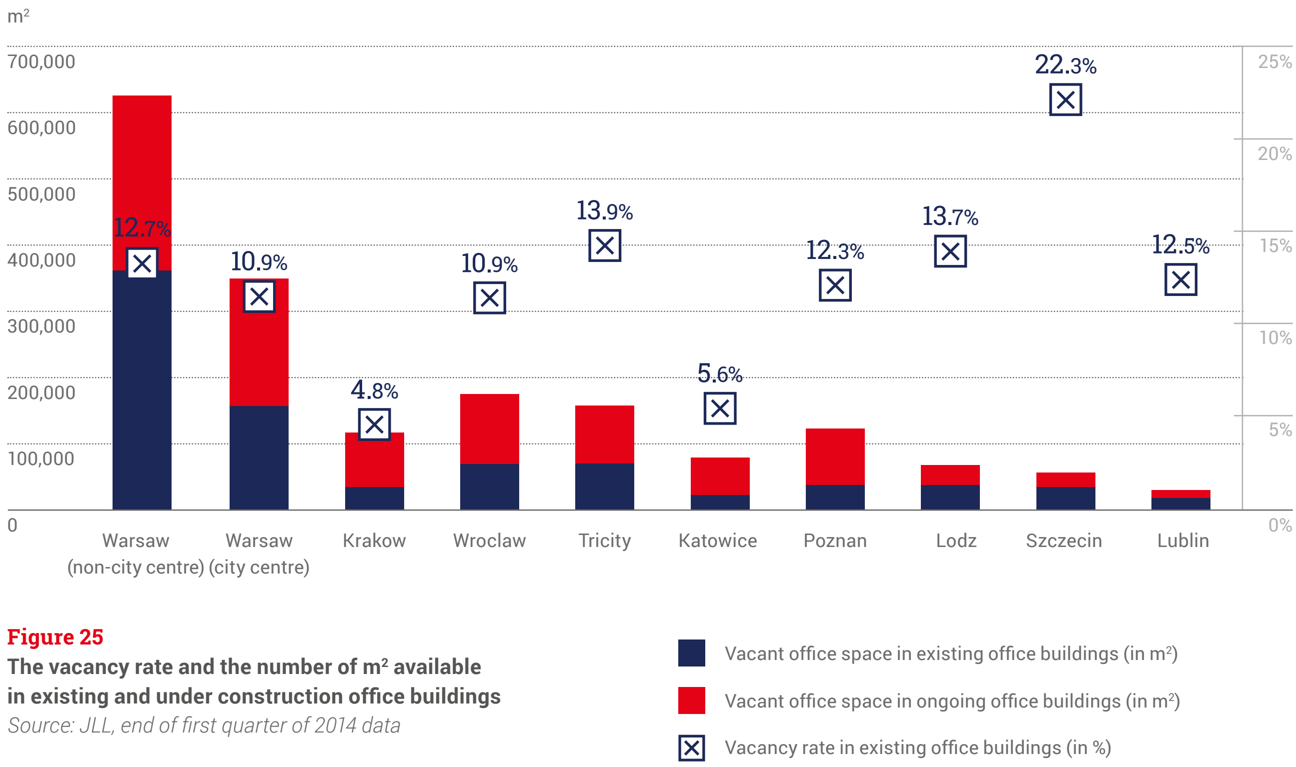



**Figure 25**
**The vacancy rate and the number of m² available in existing and under construction office buildings**
*Source: JLL, end of first quarter of 2014 data*

# Demand for modern office space

International companies from the business services sector rented a total of more than 220,000 m² of office space in Poland in 2013. Almost 200,000 m² of this amount was in locations outside of Warsaw, confirming that this sector is the main driving force behind the demand for offices in regional markets. Altogether, outside the capital, the share of total demand of BPOs/ITOs/SSCs/R&Ds amounted to about 50%.

Total gross demand in Poland in 2013 reached about 1 million m² and was slightly higher than that recorded in 2012. These highly positive levels of demand in the major office markets outside Warsaw are owed to the influx of new companies in the business services sector and development of already existing ones in Poland.

Strong increases in demand in 2013, compared with 2012, were recorded in Poznan, Katowice, Szczecin and Lublin. In other markets, tenant activity remained at a similar or lower level.

Demand volumes in the first quarter of 2014 are also promising, having amounted to about 230,000 m², with 100,000 m² accounting for the largest markets outside of Warsaw. In the first three months of that year, the largest activity of tenants outside the capital was observed – in Krakow, Wroclaw and Katowice.

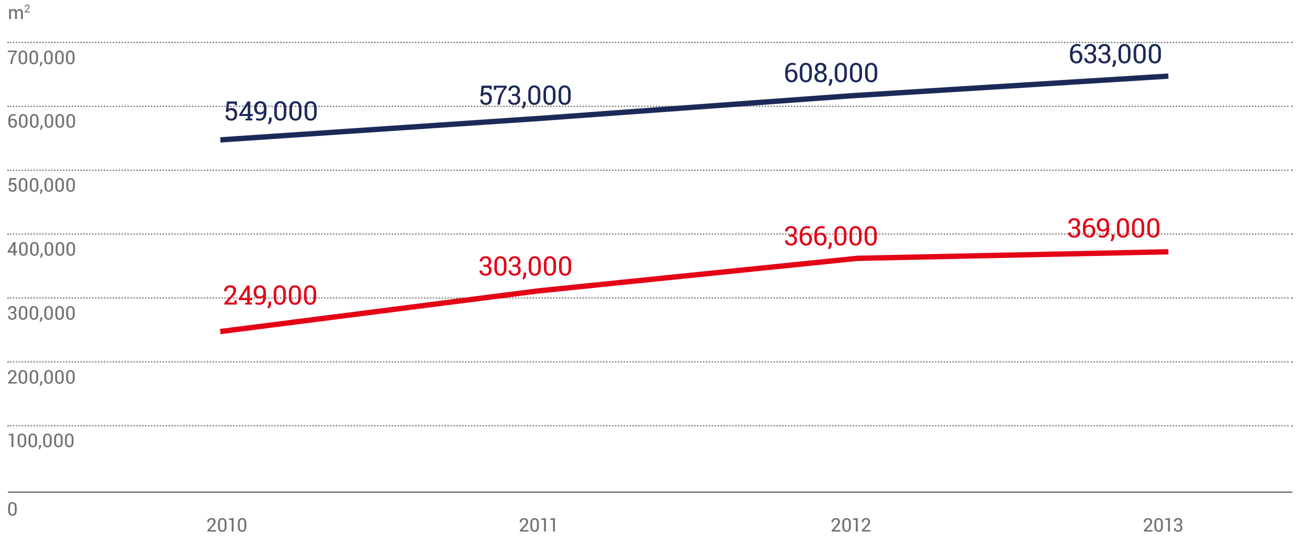



**Figure 26**
**Evolution of gross demand (m²) – Warsaw and largest office space markets outside the capital**
*Source: JLL, end of first quarter of 2014 data*

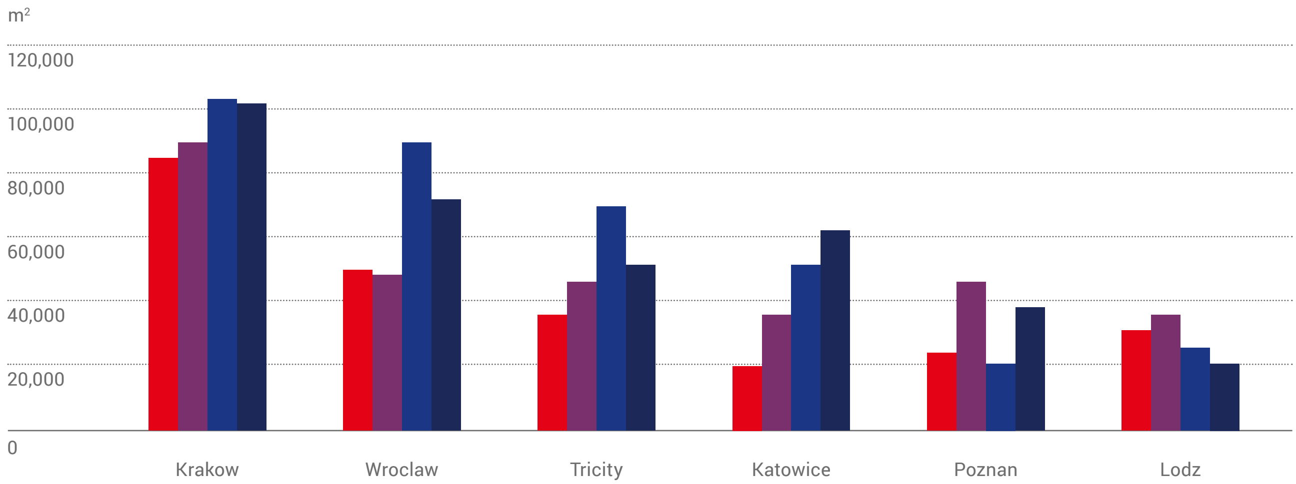



**Figure 27**
**Gross demand for office space (in m², including renewals)**
*Source: JLL, end of first quarter of 2014 data*

# Rent rates

Rents for top class offices in Poland that meet the requirements of the companies from the modern business services sector located in the largest urban centres are presently at a level of 11.00 –15.50 € / m² / month. In emerging markets, rates are lower and fluctuate around 8–12 € / m² / month. In most of the major office markets, one can observe slight downward pressures on office rental rates, especially on effective rents. This is due to strong competition between existing and developing office buildings. Even on markets where vacancy rates are currently low due to the large amount of office space yet to be completed – such as Krakow and Katowice – one can expect an increase in vacancy rates in the second half of the year, along with a reduced likelihood of rent increases on these markets.

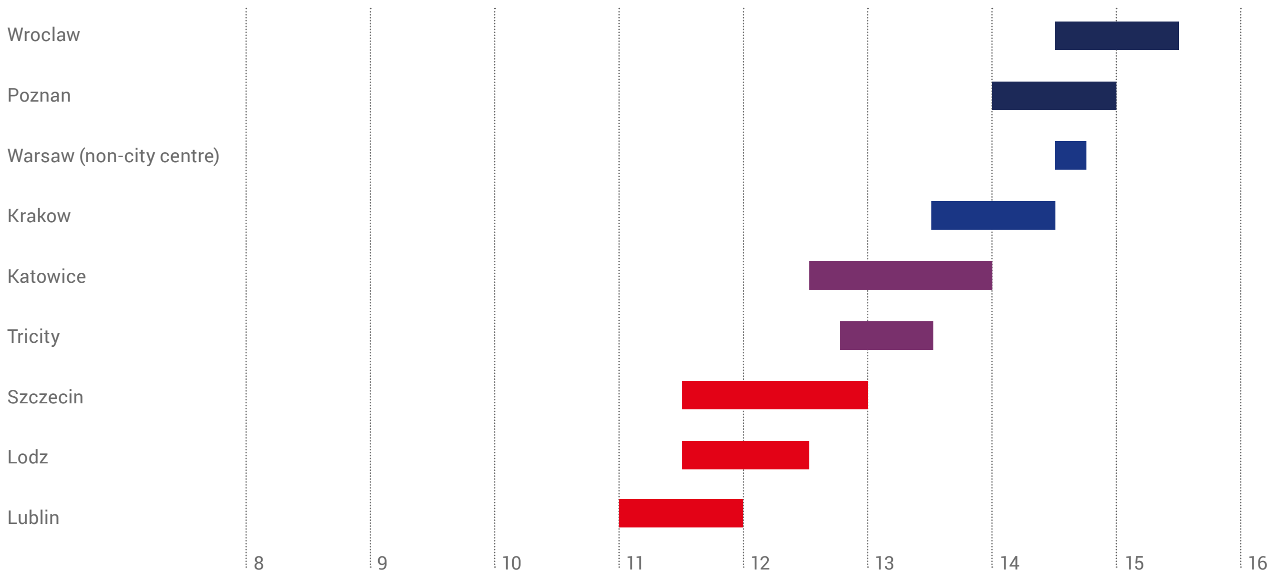
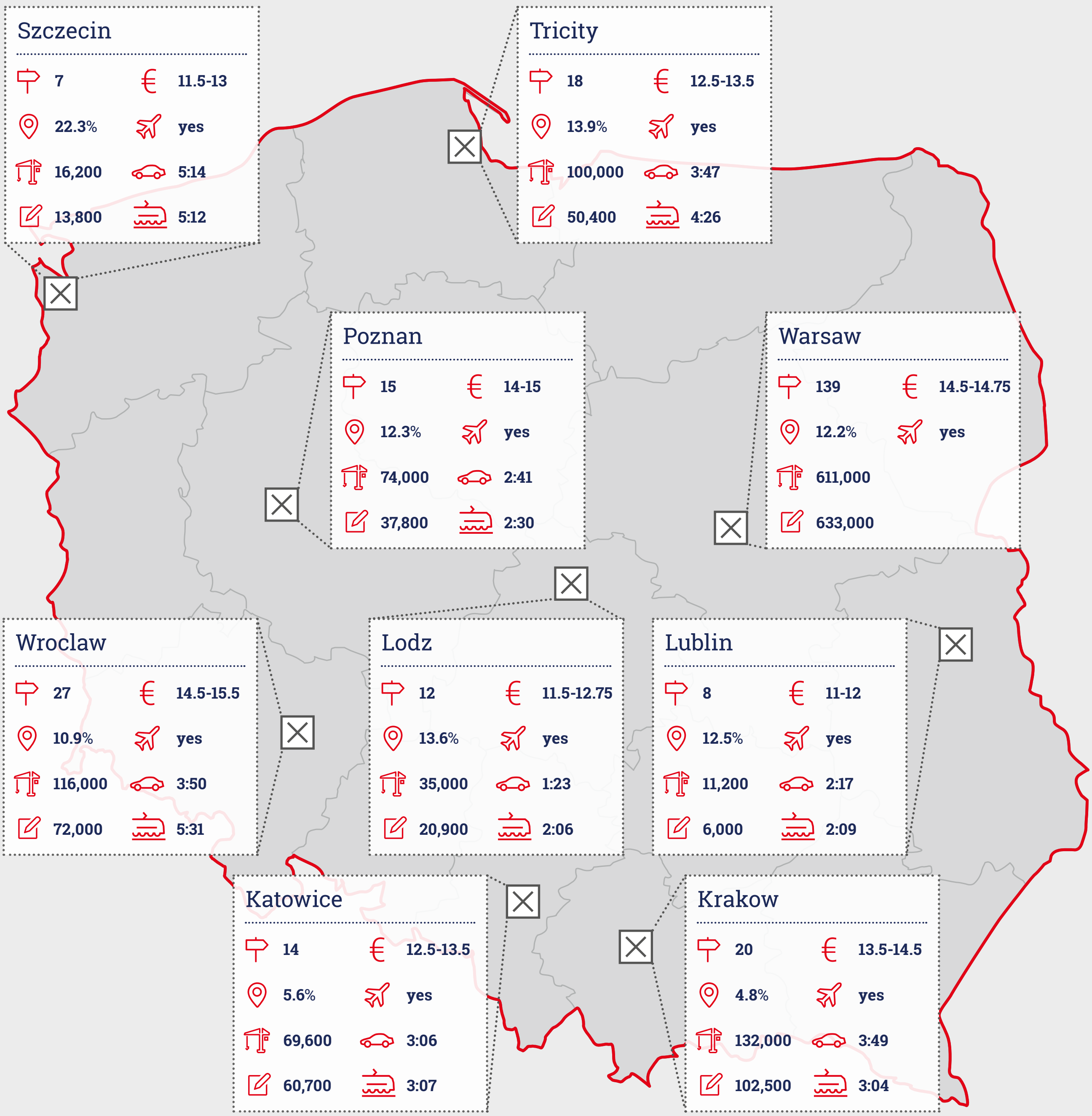



**Figure 28**
**Prime headline rents (€ / m² / month)**
*Source: JLL, end of first quarter of 2014 data*




- Number of leasing options of 1,000 m² available till the end of 2014.
- Vacancy rate
- Number of m² of office space in construction
- Volume of registered leasing contracts concluded in 2013
- Prime headline rents in € / m² / month. For Warsaw, non-central rents are given
- Direct access to airport
- Car travel time to Warsaw
- Train travel time to Warsaw

**Figure 29**

**Office space market**

*Source: JLL, Google Maps, PKP*

*Travel time by train to some cities should be reduced upon completion of the ongoing railway infrastructure and the introduction of Pendolino trains.*

# POLAND Office market in numbers

**7,000,000**
$m^2$ in total of modern office space in Poland

**9**
developed office markets

**8%**
increase in the amount of office space in Poland in the last year

**53%**
of office space in Krakow are used by the business services sector

**1,950**
rental agreements in modern office buildings concluded in 2013

**1,180,000**
$m^2$ of office space in construction

**1,000,000**
$m^2$ of rented office space to 2012

**220,000**
$m^2$ of space rented in 2013 by companies from business services sector

**11-15.50**
monthly rental rates per $m^2$ in the largest office markets in Poland

**660,000**
$m^2$ of office space to be delivered in 2014

**760,000**
$m^2$ of existing vacant office space

Figure 30
**Office market in numbers**
*Source: JLL, 1st quarter of 2014*

Chapter content provider: **HAYS Poland**

# 6 | Salaries in BPO, ITO, SSC

Salaries in business service centres are closely related to the availability of specific employee competences in local labour markets, position specifics, employer profile and a number of other factors determining their diversity.

**Table 4**
**Average gross monthly salary [EUR] in BPO/ITO/SSC centres for English speaking emloyees**

| | Poland | | | Czech Republic | | | Hungary | | | Romania | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **GL** | Min | Opt | Max | Min | Opt | Max | Min | Opt | Max | Min | Opt | Max |
| Junior Accountant (1 – 2 years of exp.) | 725 | 850 | 1,050 | 775 | 925 | 1,025 | 750 | 1,000 | 1,150 | 400 | 550 | 675 |
| Accountant (2 – 3 years of exp.) | 950 | 1,200 | 1,325 | 850 | 1,100 | 1,350 | 900 | 1,325 | 1,825 | 500 | 625 | 775 |
| Senior Accountant (3+ years of exp.) | 1,250 | 1,475 | 1,675 | 1,350 | 1,625 | 2,000 | 1,000 | 1,500 | 1,975 | 550 | 900 | 1,350 |
| Team Leader (5 – 15 FTEs) | 1,750 | 2,050 | 2,475 | 1,725 | 2,000 | 2,300 | 1,500 | 1,825 | 2,150 | 1,000 | 1,350 | 1,675 |
| Process Manager (up to 50 FTEs) | 2,850 | 3,575 | 4,275 | 2,100 | 2,925 | 3,875 | 2,150 | 2,800 | 3,650 | 1,800 | 2,700 | 3,375 |
| **AP / AR** | Min | Opt | Max | Min | Opt | Max | Min | Opt | Max | Min | Opt | Max |
| Junior Associate (0 – 1 year of exp.) | 625 | 725 | 850 | 700 | 775 | 875 | 650 | 925 | 1,050 | 325 | 450 | 500 |
| Associate (1 – 2 years of exp.) | 750 | 950 | 1,100 | 775 | 850 | 950 | 750 | 1,000 | 1,150 | 400 | 500 | 625 |
| Senior Associate (2+ years of exp.) | 1,000 | 1,150 | 1,325 | 950 | 1,150 | 1,350 | 1,000 | 1,150 | 1,500 | 550 | 775 | 1,000 |
| Team Leader (5 – 15 FTEs) | 1,575 | 1,800 | 2,200 | 1,450 | 1,700 | 2,100 | 1,150 | 1,325 | 1,650 | 900 | 1,225 | 1,575 |
| Process Manager (up to 50 FTEs) | 2,375 | 2,850 | 3,575 | 1,900 | 2,675 | 3,450 | 2,150 | 2,650 | 3,325 | 1,575 | 2,475 | 3,150 |
| **Customer Service** | Min | Opt | Max | Min | Opt | Max | Min | Opt | Max | Min | Opt | Max |
| Junior Specialist (no previous exp.) | 625 | 725 | 850 | 700 | 850 | 925 | 650 | 825 | 1,000 | 325 | 400 | 500 |
| Specialist (1+ years of exp.) | 725 | 900 | 1,000 | 775 | 875 | 1,025 | 825 | 1,100 | 1,225 | 450 | 625 | 775 |
| Team Leader (5 – 15 FTEs) | 1,425 | 1,675 | 1,900 | 1,225 | 1,525 | 2,025 | 1,325 | 1,650 | 1,975 | 775 | 1,000 | 1,225 |
| Process Manager (up to 50 FTEs) | 2,375 | 2,850 | 3,575 | 1,900 | 2,475 | 3,050 | 1,825 | 2,325 | 2,975 | 1,450 | 1,675 | 2,025 |

Exchange rates: 1 EUR = 4.2 PLN, 1 EUR = 27.123 CZK, 1 EUR = 299.82 HUF, 1 EUR = 4.45 RON
*Source: HAYS Poland*

**Average gross monthly salary [EUR] in BPO/ITO/SSC centres for English speaking emloyees**

| | Poland | | | Czech Republic | | | Hungary | | | Romania | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **IT / Technical Support** | Min | Opt | Max | Min | Opt | Max | Min | Opt | Max | Min | Opt | Max |
| 1st Line Support (0 - 1 year of exp.) | 725 | 800 | 950 | 775 | 875 | 1,000 | 750 | 925 | 1,100 | 400 | 550 | 675 |
| 2nd Line Support | 1,050 | 1,275 | 1,625 | 875 | 1,075 | 1,250 | 925 | 1,150 | 1,325 | 550 | 775 | 1,000 |
| Team Leader (5 – 15 FTEs) | 1,675 | 2,000 | 2,375 | 1,450 | 1,650 | 2,100 | 1,500 | 1,825 | 2,150 | 1,000 | 1,675 | 2,125 |
| Process Manager (up to 50 FTEs) | 2,850 | 3 575 | 4,275 | 1,900 | 2,675 | 3,450 | 1,975 | 2,650 | 3,325 | 2,025 | 2,925 | 3,600 |
| **Procurement (Order Management)** | Min | Opt | Max | Min | Opt | Max | Min | Opt | Max | Min | Opt | Max |
| Junior Specialist (0 – 1 year of exp.) | 725 | 800 | 950 | 700 | 775 | 875 | 825 | 975 | 1,075 | 325 | 500 | 625 |
| Specialist (1 – 3 years of exp.) | 950 | 1,100 | 1,275 | 775 | 900 | 1,025 | 975 | 1,175 | 1,375 | 550 | 775 | 1,125 |
| Senior Specialist (3+ years of exp.) | 1,275 | 1,475 | 1,675 | 1,150 | 1,325 | 1,725 | 1,100 | 1,325 | 1,650 | 775 | 1,000 | 1,350 |
| Team Leader (5 – 15 FTEs) | 1,725 | 1,950 | 2,325 | 1,525 | 1,900 | 2,175 | 1,325 | 1,650 | 1,975 | 900 | 1,575 | 1,825 |
| Process Manager (up to 50 FTEs) | 2,850 | 3,575 | 4,275 | 1,900 | 2,925 | 3,875 | 1,650 | 2,650 | 3,325 | 2,025 | 2,800 | 3,375 |
| **HR Processes** | Min | Opt | Max | Min | Opt | Max | Min | Opt | Max | Min | Opt | Max |
| Junior Specialist (0 – 1 year of exp.) | 675 | 750 | 900 | 700 | 825 | 950 | 650 | 825 | 1,000 | 325 | 450 | 550 |
| Specialist (1 – 2 years of exp.) | 850 | 950 | 1,100 | 775 | 925 | 1,075 | 825 | 1,050 | 1,225 | 400 | 550 | 625 |
| Senior Specialist (2+ years of exp.) | 1,100 | 1,250 | 1,475 | 950 | 1,250 | 1,525 | 1,000 | 1,150 | 1,500 | 550 | 675 | 900 |
| Team Leader (5 – 15 FTEs) | 1,575 | 1,850 | 2,250 | 1,450 | 1,825 | 2,300 | 1,500 | 1,650 | 1,975 | 775 | 1,450 | 2,025 |
| Process Manager (up to 50 FTEs) | 2,850 | 3,575 | 4,275 | 1,900 | 2,875 | 3,825 | 1,975 | 2,500 | 3,325 | 2,025 | 2,475 | 2,925 |

Exchange rates: 1 EUR = 4.2 PLN, 1 EUR = 27.123 CZK, 1 EUR = 299.82 HUF, 1 EUR = 4.45 RON

*Source: HAYS Poland*

Chapter content provider: **Baker & McKenzie**

# 7 | Investment incentives

Polish investment incentives policy gives special preferences to the modern business services sector as one for the priority industries. Alongside the traditional instruments of supporting investments, the importance of instruments for funding research and development activities (R&D) has grown recently.

**Investment incentives for the Business Services Sector:**

- **tax allowances in Special Economic Zones (CIT exemption)**
- **direct budgetary subsidies for a new investment / employment (from PLN 3,200 to PLN 15,600 for 1 job)**
- **support of R&D activities (e.g. Applied Research Program) - grants up to 65% of R&D costs.**

**This sector is one of the priority sectors of the economic policy.**

## Special Economic Zones

Special Economic Zones (SEZ) are designated areas on Polish territory within which investors enjoy exemption from corporate income tax.

The exemption is available for investors who have obtained a permit to operate in the SEZ. The permit specifies the minimum level of investment and employment, as well as the maximum level of state aid and the scope of activities that can be performed. Usually, the exemption is available from the moment the first expenses are incurred and covers only activity in line with the scope of activity specified in the permit (activity not mentioned in the permit may be performed, it will not however benefit from the exemption).

Not all areas of activity can be covered by an exemption in an SEZ (see tax section for details) - exclusions include, among other things, activities requiring a licence and financial services. **When considering benefitting from CIT exemptions on business activities in an SEZ, one should therefore to pay attention to the classification of the services/processes to be rendered.**

The exemption limit is calculated on the basis of investment expenditures or 2-year labour costs, with the proviso that the value of the limit depends on the region (in most of the country it is 50% of expenditure, in selected provinces it is 40 or 30%). Starting from July 2014, aid intensity will be significantly reduced in the majority of Poland (to 15% in Warsaw, 25-35% in the majority of regions and 50% only in the Easternmost regions). The investor is totally exempt from CIT in respect of the activity listed in the permit until the limit is used up or the operations of the SEZ end (currently - 2026).

# Government grants

**The System of Supporting Investments of Major Importance for the Economy offers grants for investment and/or creation of new jobs.**

## Conditions for the receipt of grants:

- **Advanced Business Services Centres: creation of a minimum of 250 new jobs, investment outlays of at least USD 2 million (in practice at least twice that grant),**
- **Research and Development Centres (R&D): a minimum of 35 new jobs for employees with a university degree and a minimum of PLN 3 million of capital costs.**

**The amount of support per job ranges between PLN 3,200 and PLN 15,600 and depends on an assessment of the following factors:**

- number of jobs created.
- quality of jobs created, i.e. the number of jobs for employees with a university degree.
- type and degree of sophistication of the accomplished processes.
- investment location.
- involvement in the development of local environment, i.e. cooperation with universities, the investor's brand, uniqueness of the processes, etc.

Support of the programme may not, in principle, be combined with other forms of support, including, in particular, with support from EU funds and exemptions available in an SEZ, with some specific exceptions (e.g. for larger projects)

Grants are provided by the Minister of Economy, while applications are submitted to the Polish Information and Foreign Investment Agency. Obtaining the support is subject to the approval of the European Commission (unless the grant is combined with permit for the activity in an SEZ).

# Financial support for R&D activity

Financial support for R&D activity is playing an increasingly important role in Poland's economic policy, and its share in the mix of investment incentives, both domestic and those financed from EU funds, is growing.

According to the current status of the new financial perspective of EU structural funds, the R&D area is to be practically the only one, in which large enterprises (including advanced business services) may count on financing from EU funds.

Moreover, a large offer of support for R&D activities from domestic funds (i.e. not co-funded from EU) is also realized by the National Centre for Research and Development (NCBiR).

R&D activity can focus on various processes; the key element, however, is that it must achieve an innovative effect with a novel character that helps markedly improve services. Factors that can help classify a given activity as research and development are: engagement of personnel having PhD or higher academic degree, co-operation with scientific institutions in the area of research and development, or incurring certain types of expenses.

**Examples of activities that can obtain financial support as R&D activities in the area of services designed for financial institutions:**

- mathematical research into risk analysis,
- development of new risk models, study of new types or features of insurance risks,
- R&D work into new services or new ways of supplying services electronically,
- R&D work into new or significantly improved financial services,
- development of new consumer survey techniques in order to create new types of financial services, research into social phenomena that impact financial services.

**Examples of activities that can obtain financial support as R&D activities in the area of IT services:**

» development of internet technologies

» development of new methods of software design, development and deployment

» development of new algorithms, research aiming at development on the level of operating systems, data management, etc.

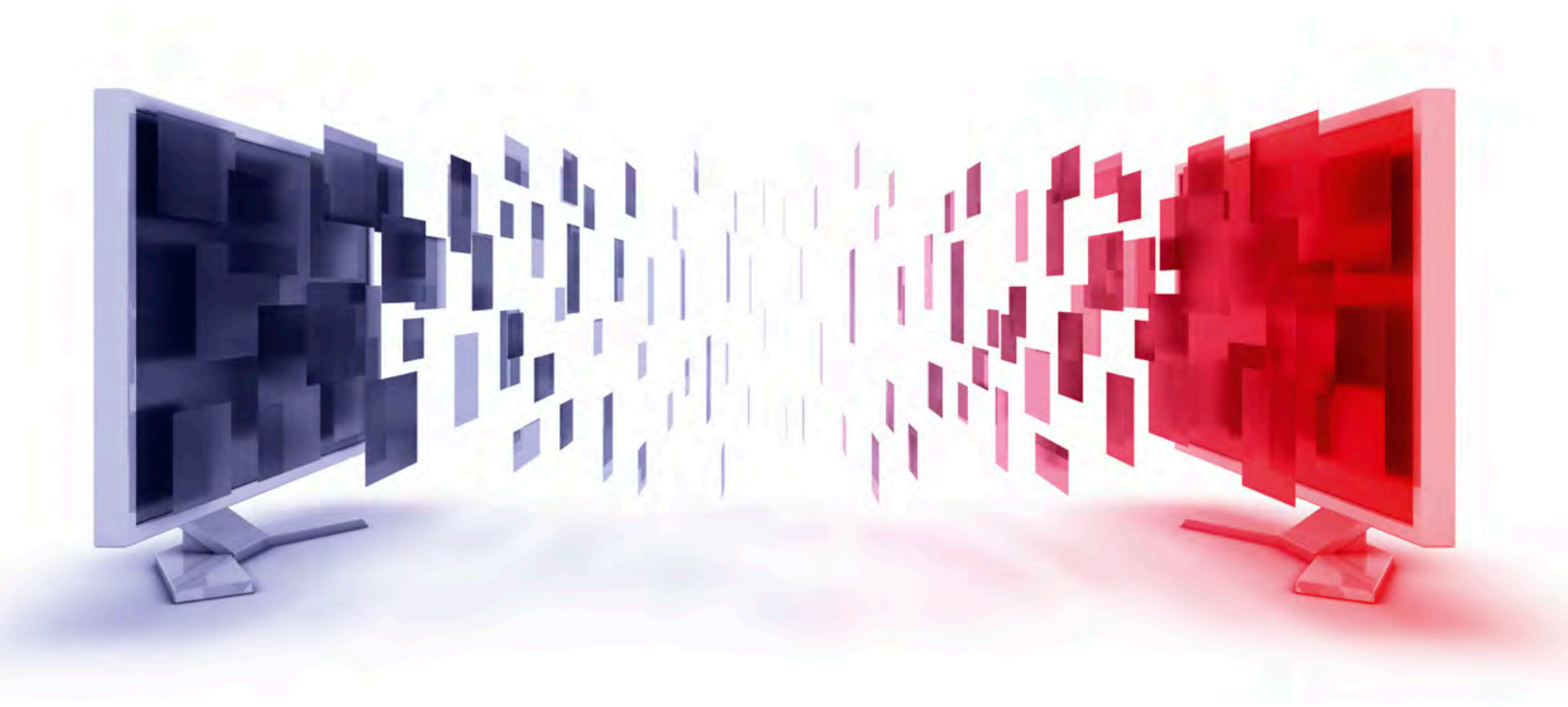
The following will NOT be considered as R&D for these purposes: application software and information system development using known methods and existing software tools, adaptation and maintenance of existing software, debugging, adding functionality to application programmes (including customisation).

**Examples of activities that can obtain financial support as R&D activities in other business service areas:**

» Analysis of the impact of the economic environment on consumer behaviour,

» Development of new methods for consumer research,

» Development of new survey methods and tools.



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