

# Why **Poland** Should be Part of Your **Location Strategy**?



**ansr**<sup>®</sup>  
Better Outcomes.

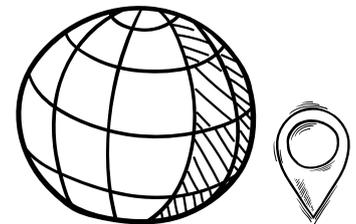
# Near, far, wherever **we are!**

As the pandemic has proved, the tech industry is very adaptable to changes. COVID19 showed that location is not going to be the barrier for innovation, and work is going where talent is.



Distributed **teamwork** is the new norm as the pandemic urged most people globally to work remotely

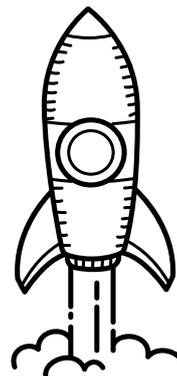
Poland is a home to one of the **most educated youth** in the world with performance in science ranks 2nd in Europe and 4th in the world



It does not matter where the team is located. What matters is where the **talent** is

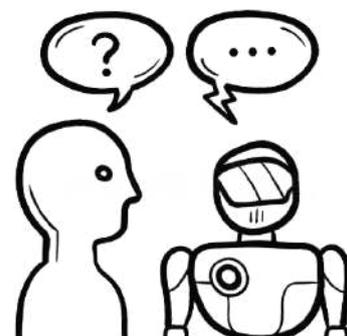


Majority of graduates in **2019** and **2020** studies engineering pointing to advance technical skills



As the need for an agile workforce has intensified, **Poland** has emerged as the top engineering talent hub for global services delivery in Central and Eastern Europe

Companies can easily hire talent for **emerging technologies** such as AI, big data, analytics, app development, augmented reality and virtual reality



# Leading locations for **global services** delivery

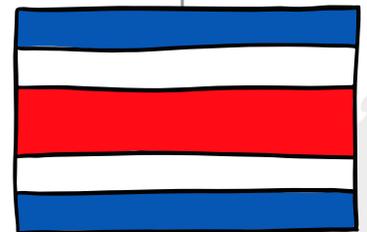


## **Mexico (Mexico City, Monterrey, Guadalajara)**

The low-cost service delivery alternative to US locations. Mexican cities support delivery of both transactional and complex BP and IT processes. However, talent pool for digital skills is small

## **Costa Rica (San Jose)**

Leveraged to deliver majority of IT-BP functions due to stable operating environment, favorable government incentives, and availability of English-speaking talent



## **Colombia (Bogota)**

Leveraged for contact center delivery and other transactional processes e.g., AP, AR. It offers cost competitiveness relative to other major LATAM locations. However, the talent pool is less mature (especially at senior levels)

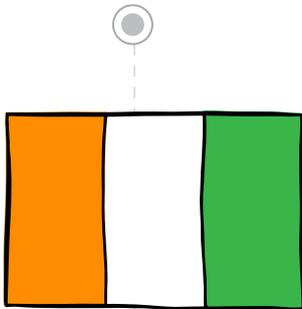


## **Argentina**

Offers a good cost-talent proposition, however, the country has significant macroeconomic concerns



**Central & Eastern Europe (CEE)** offers a value proposition of multiple European language skills delivery. Most CEE locations are leveraged for language-related business process delivery. Along with India and the Philippines, Poland is also one of the leading global services delivery location leveraged for both complex business process and information technology delivery

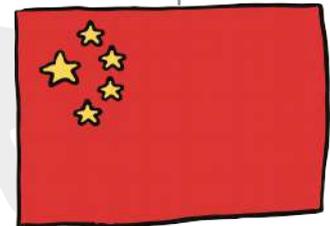


### **Ireland**

Acts a low-cost alternative location to London (UK). It offers talent with several European language skills along with high-end technology capabilities (e.g., AI/ML, analytics)

### **China**

Cities are primarily leveraged for domestic delivery and not leveraged for global delivery due to low proficiency in English language skills



### **India**

The leading global services delivery location, with players delivering a broad spectrum of transactional and complex functions. Many companies have setup multiple centers, achieving over 10K headcount



### **Philippines (Manila)**

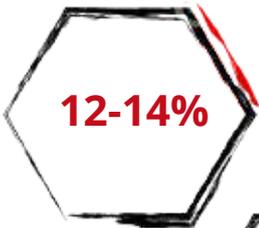
One of the leading global services delivery locations; however, talent pool for digital technologies is relatively smaller compared to India



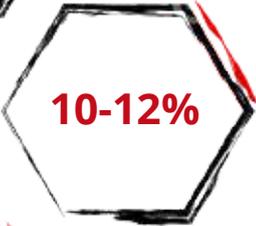
# Central and Eastern Europe (CEE)



Availability of multi-lingual talent, close cultural ties with Western Europe, and favorable business environment – factors attracting **Global 2000 firms** to establish GCCs.



of Global 2000 firms have established GCCs in Central and Eastern European countries

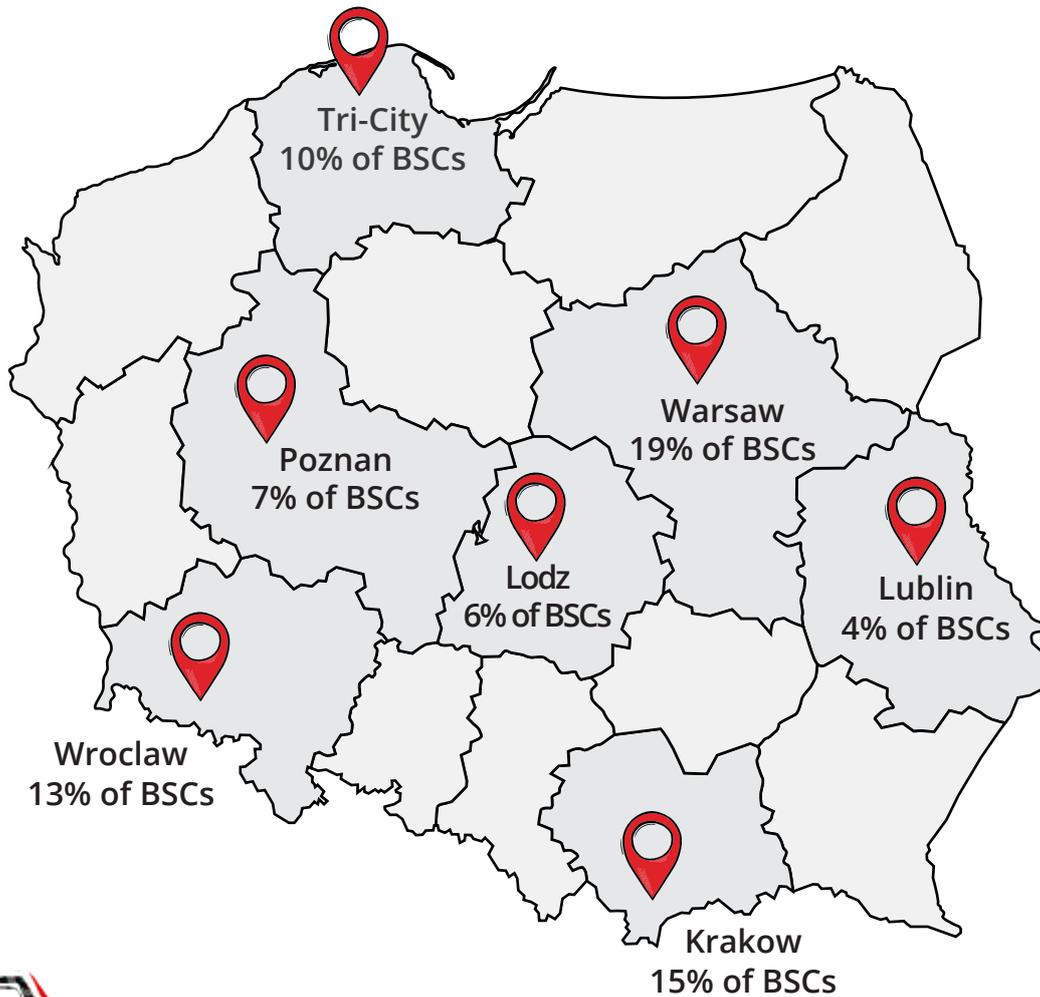


of GCCs established by Global 2000 firms are in CEE countries



people work at GCCs established by Global 2000 firms in CEE countries

# Poland – An established destination for Nearshore delivery



**1602**

Total number of BPO, SSC/GBS, IT, and R&D centers in Poland

**25%**

SSC/GBS centers in Poland

**75%**

of business services centers (BSCs) are in top 7 cities

**355,300**

people work at business services centers across Poland

# GBS/R&D Centers in **Poland**



# Value Proposition of **Poland**

## **Talent Availability**

Most Polish cities offer high quality talent with strong technical skills, that can deliver both transactional and complex BP, IT, and R&D services

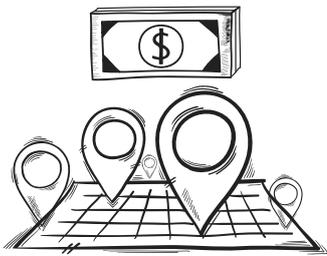
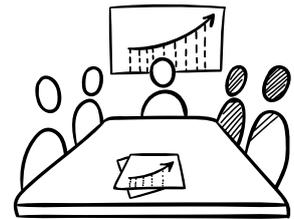


## **Language Availability**

Along with high English language proficiency, Polish cities offer significant talent for European languages, as high as 37 languages. Almost ~29% business services centers support at least 10 languages

## **Strong Investment Incentives**

To attract investment even during the pandemic, the Polish Investment and Trade Agency adopted a 2021-2030 revised investment support program



## **Established Innovation Hub in CEE region**

Poland has over 3,000 startups and more than 130 VCs. Polish cities are extensively leveraged for next-gen technologies. Almost 93% centers have implemented RPA, ~48% centers use machine learning, and ~35% use chatbots

## **Geographical Proximity and Cultural Affinity**

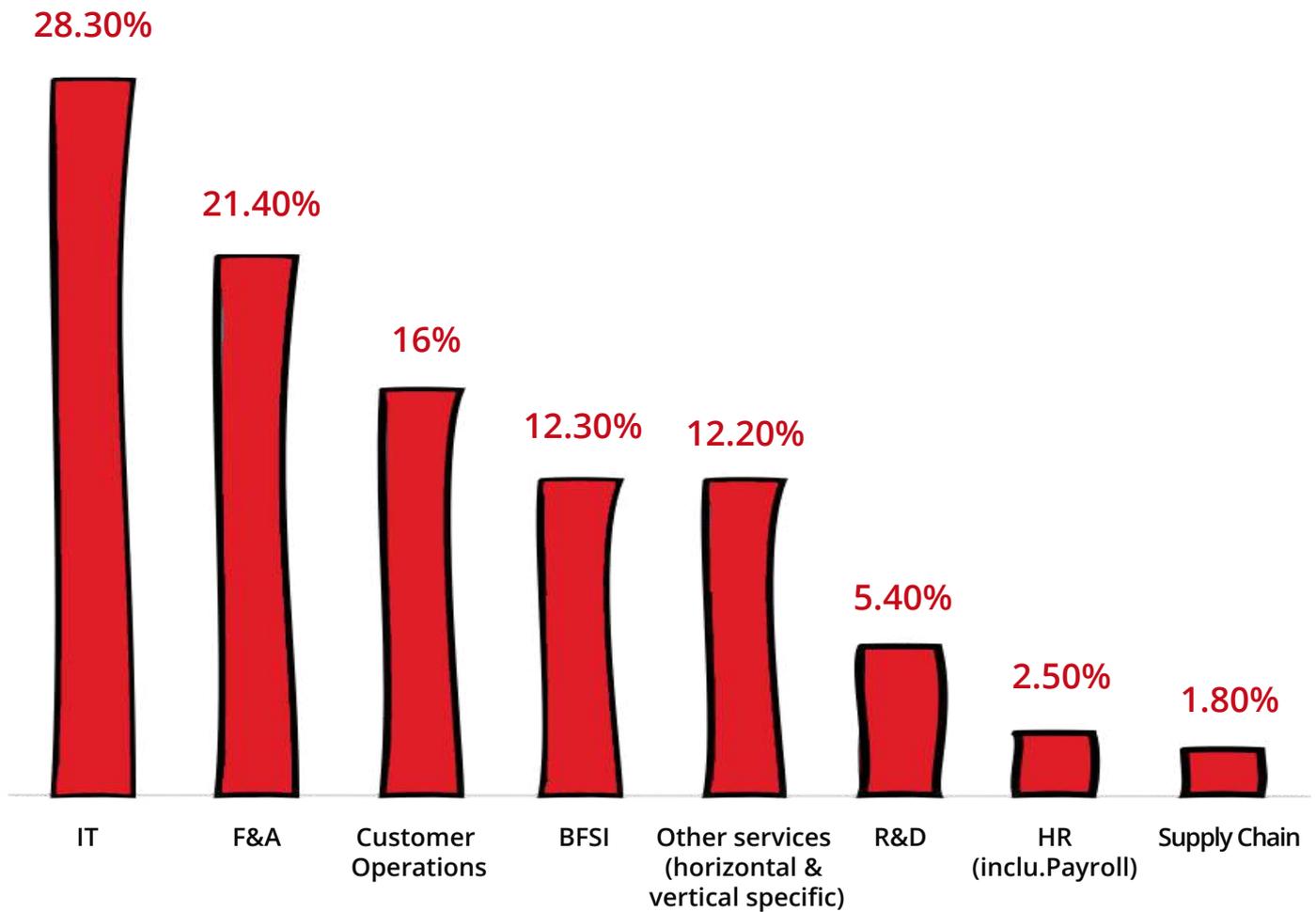
Western European firms typically leverage CEE locations for regional delivery driven by time zone overlap, strong cultural ties, and ease of travel due to geographical proximity



## **Low Business and Operating Risks**

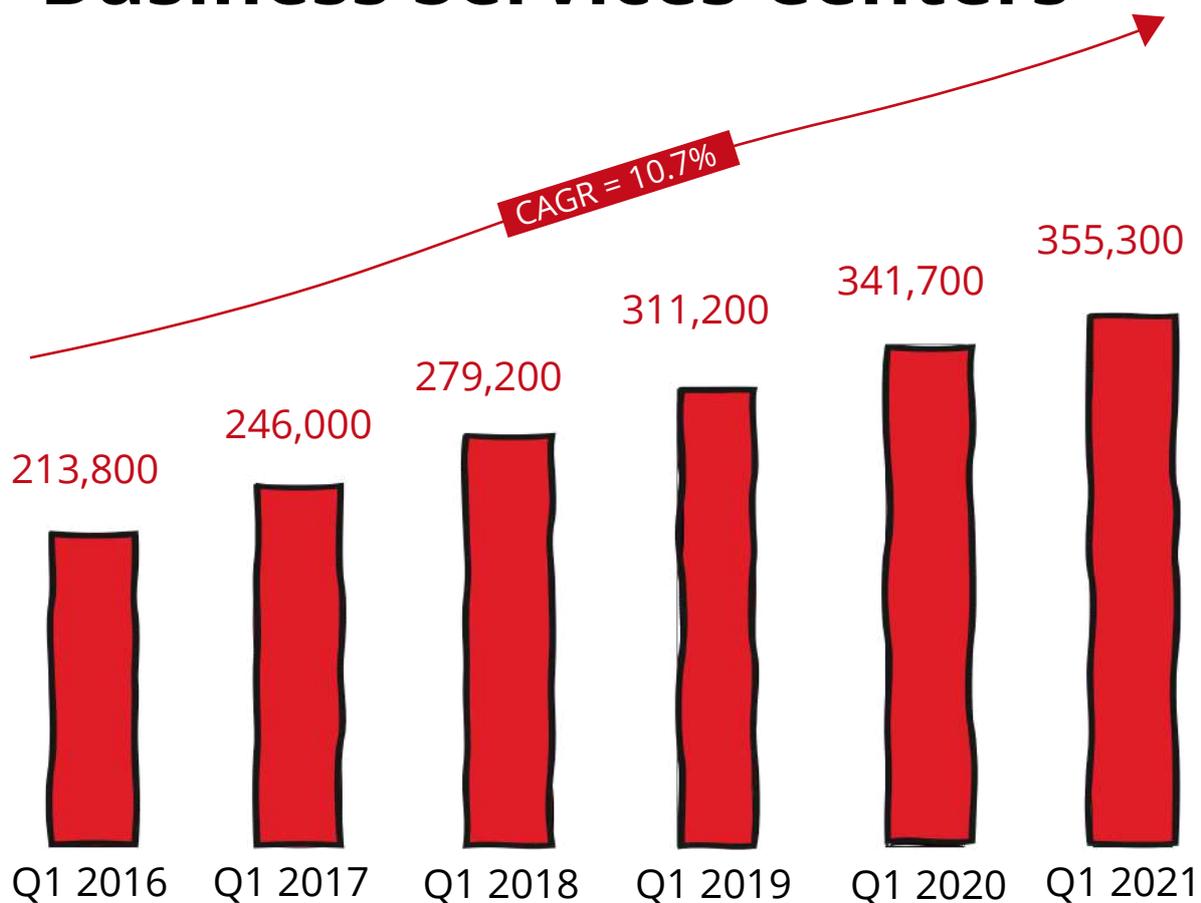
Poland has not suffered from any major terrorist attacks, natural disasters, thereby making itself a secure investment destination

# Employment Structure by Functions



- The largest number of jobs (36.3%) were created by GBS centers, followed by IT centers (31.0%), BPO centers (17.2%), and R&D centers (11.5%)
- In Q1 2021, headcount in GBS and R&D centers grew 6% and 4.3% YoY, respectively, faster than other centers (IT, BPO, Hybrid)

# Growth in Employment At Polish Business Services Centers



The number of employees at centers in Poland in Q1 2021 was 355,300. In comparison with Q1 2020, it represents an increase of 13,500 (3.9% growth), of which 68% was in the three main locations (Kraków, Warsaw, Wrocław). The employment growth rate is declining, which is a symptom of the sector entering a mature phase. The CAGR for the period 2016-2021 was 10.7%.

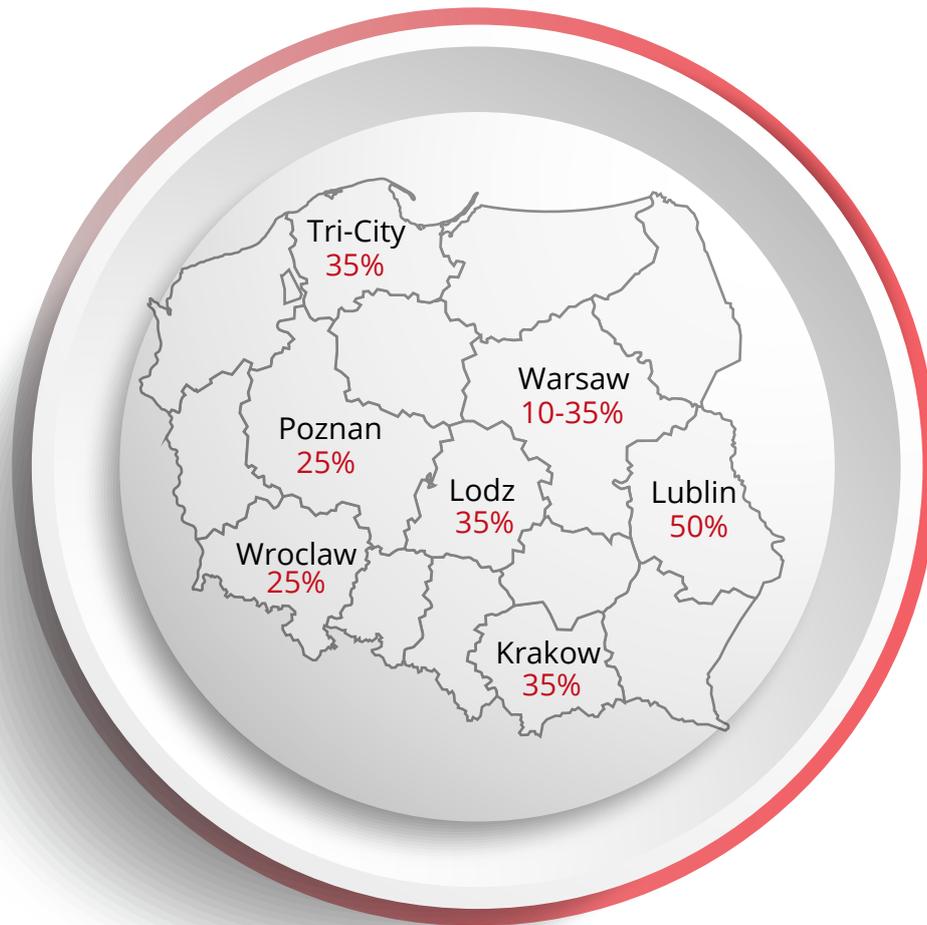
Year on year, the employment growth rate was 15.0% in 2017, 13.0% in 2018, 11.0% in 2019, and 10.0% in 2020. In 2020, the number of new jobs created per day in the business services sector was approximately 37; in previous years that figure was somewhat higher (between 80 and 90). In the difficult year 2020 in which the pandemic began, the employment in the sector grew, however with the decreased dynamics.

## Largest GBS/R&D Centers

| Company       | Employees   |
|---------------|-------------|
| State Street  | 6,000-7,000 |
| Nokia         | 6,000-7,000 |
| Credit Suisse | 5,000-6,000 |
| Citigroup     | 5,000-6,000 |
| UBS           | 5,000-6,000 |

# Investment Incentives

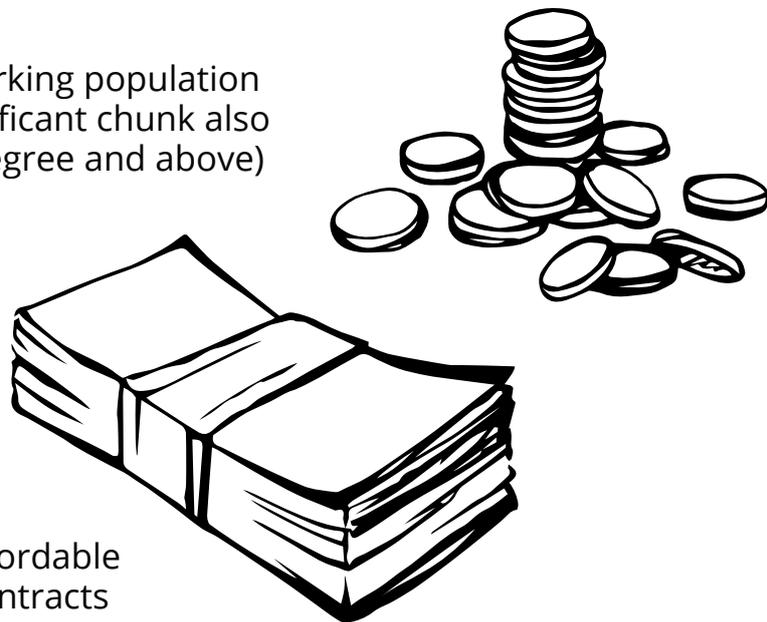
## Regional Aid Intensity (2014-2020) in Major Cities



- Tax allowances in Special Economic Zones (CIT exemption)
- Direct budgetary subsidies for a new investment / employment (from **PLN 3,200 (\$830)** to **PLN 15,600 (\$4,065)** for 1 job)
- Support of R&D activities (e.g., Applied Research Program). Grants up to:
  - **50 to 65%** of the eligible costs for industrial research
  - **25 to 40%** of the eligible costs for experimental development
- Minimum criteria for job creation & investments for Global Capability Centers and R&D centers
  - **Global Capability Centers:** creation of a minimum of 250 new jobs, investment outlays of at least **\$1.5 million**
  - **R&D centers:** a minimum of 35 new jobs for employees with a university degree and a minimum of **PLN 1 million (\$260,500)** of capital costs (excluding lease)

# Case Study – HSBC

- HSBC created a GBS (HSBC Service Delivery (Polska)) in 2010 in Krakow, which is one of HSBC's 22 global service centers
- Since its opening, the center has grown ten-fold and currently employs over 3,000 employees across business areas including Operations, Technology, Finance, Risk, and Transformation
  - The Krakow team supports HSBC entities across 27 countries in 11 languages
- Factors that led to HSBC start a global service center in Poland
  - **Talent Pool:** Easy availability of educated, cost effective, multi-cultural, and multi-lingual population aligned to IT and Banking & Financial sector
  - **High Literacy Rate:** ~88% of the working population are minimum graduates, with a significant chunk also having higher education (Master's degree and above)
  - **Presence of Universities:** Krakow has presence of many universities with multiple education streams, thus attracting talent
  - **Real Estate:** Availability of stable, affordable retail estate along with negotiable contracts
- **Future in Poland:** HSBC plans to move to "Cloud Banking" model to further enhance the digital end-customer experience



# Case Study – GSK

- GSK established Business Service Center (BSC) in Poznan in 2005, which currently has 800 employees.
- BSC consists of tech center and finance hub. Tech hub is the part of global IT organization and contribute to a medicine lifecycle from research and development through production to sales.
- Poznan center supports cyber security, R&D IT, monitoring and management systems, operations, data warehouse, group cooperation tools, CRM applications, mobile applications, and multi-channel marketing services.
- The company chose Poznan to set up a center for multitude of reasons – availability of high-quality talent, proximity to London headquarters, and European time zone.
- **Future in Poland:** RPA and automation are top priorities for Tech and Finance teams. BSC has invested in automation technology such as chatbots to improve workforce productivity. The center aims to minimize repetitive work significantly in the next 2-3 years.



# Contact us



[www.ansr.com](http://www.ansr.com)



[info@ansr.com](mailto:info@ansr.com)

The contents of the presentation are for your internal use only.

You may not disclose the presentation or portions or summary thereof externally, including to your affiliates. In the event any such disclosure is necessitated on account of operation of law or any other exigency, you may do so only after obtaining our prior approval for such disclosure. Also, we shall not be responsible for any reliance on our presentation, placed by an external party to whom the presentation or portions or summary thereof are disclosed even if such disclosure is with our prior approval.