BUSINESS SERVICES IN POLAND 2014

KEY FACTS ON THE SECTOR

Marek Grodziński

Vice President of ABSL, Head of European BPO Delivery Centers, Capgemini

POLAND AS A LEADER OF BUSINESS SERVICES IN CEE

Share in employment

100%~320,000*

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

* ABSL estimate (2014)

Source: ABSL own study

KEY INFORMATION ON THE SECTOR IN POLAND

NO. OF FOREIGN CAPITAL SERVICE CENTRES

470

number of service centres with foreign capital

NOTE: All values refer to BPOs, ITOs, SSCs and R&Ds with foreign capital
Source: ABSL own study

KEY INFORMATION ON THE SECTOR IN POLAND

EMPLOYMENT IN BUSINESS SERVICES SECTOR

128 thous.

staff in service centres with foreign capital

NOTE: All values refer to BPOs, ITOs, SSCs and R&Ds with foreign capital
Source: ABSL own study

KEY INFORMATION ON THE SECTOR IN POLAND

CHANGES OF EMPLOYMENT

>50%

increase in employment in the sector since early 2012

NOTE: All values refer to BPOs, ITOs, SSCs and R&Ds with foreign capital
Source: ABSL own study

KEY INFORMATION ON THE SECTOR IN POLAND

AVERAGE SCALE OF OPERATIONS

273 employees

average size of workforce in business service centres in Poland

+33

growth since the beginning of 2012

NOTE: All values refer to BPOs, ITOs, SSCs and R&Ds with foreign capital
Source: ABSL own study

KEY INFORMATION ON THE SECTOR IN POLAND

CHANGES IN THE NO. OF CENTRES

66

new service centres
emerged since April 2013

60%

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

NOTE: All values refer to BPOs, ITOs, SSCs and R&Ds with foreign capital
Source: ABSL own study

KEY INFORMATION ON THE SECTOR IN POLAND

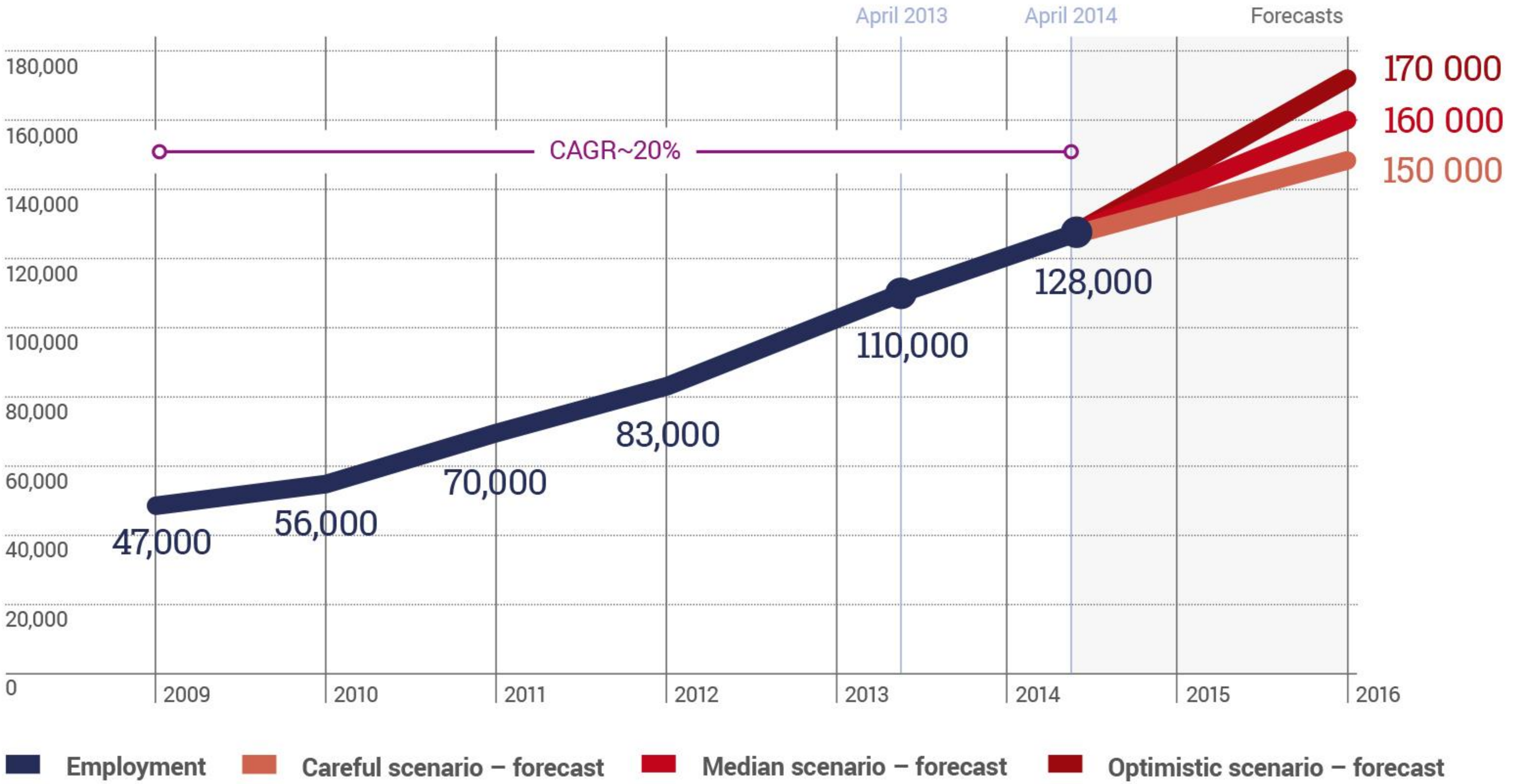
CHANGES IN THE SCOPE OF SERVICES

87%

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

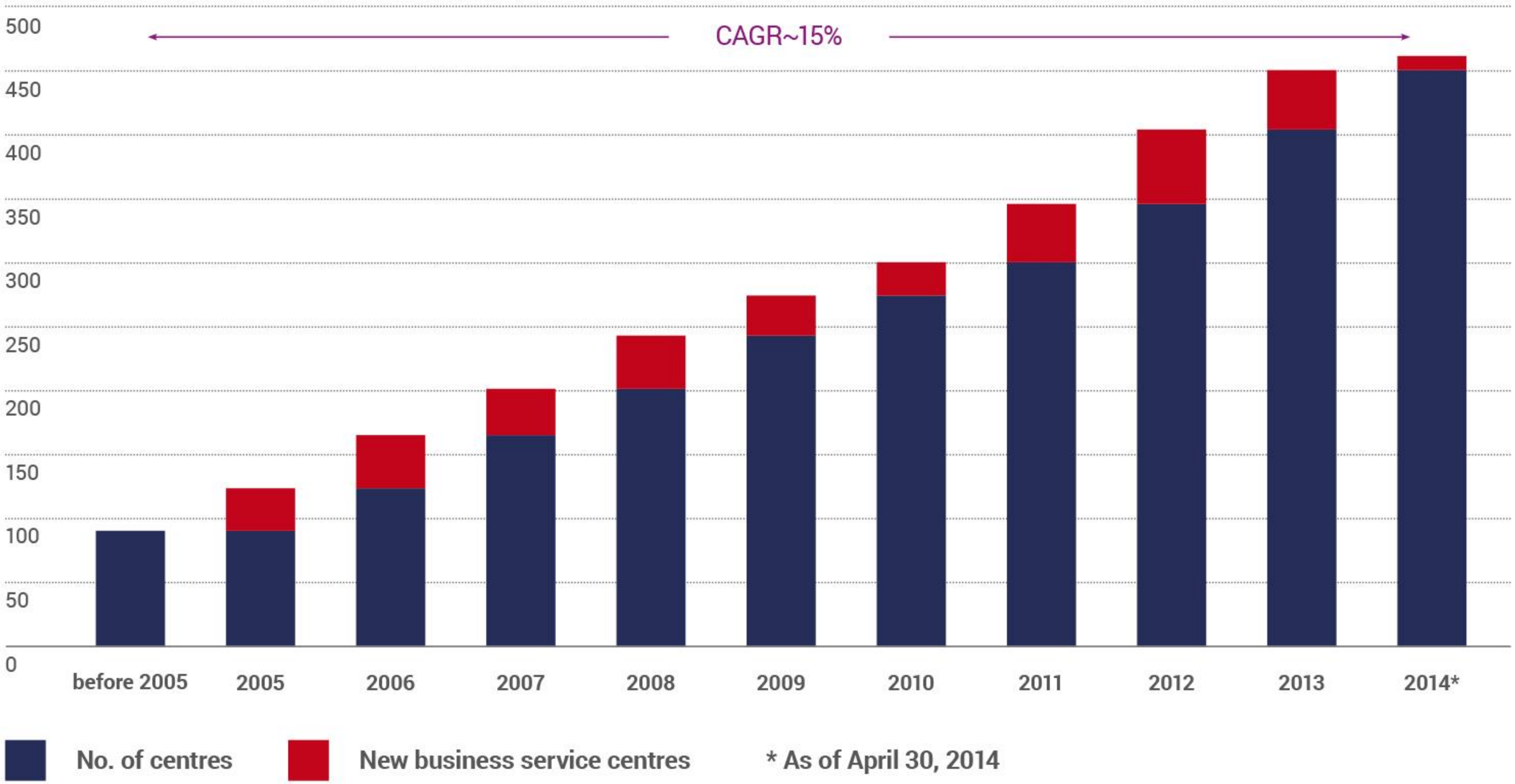
NOTE: All values refer to BPOs, ITOs, SSCs and R&Ds with foreign capital
Source: ABSL own study

EMPLOYMENT CHANGES IN BUSINESS SERVICES SECTOR IN POLAND



Source: ABSL own study

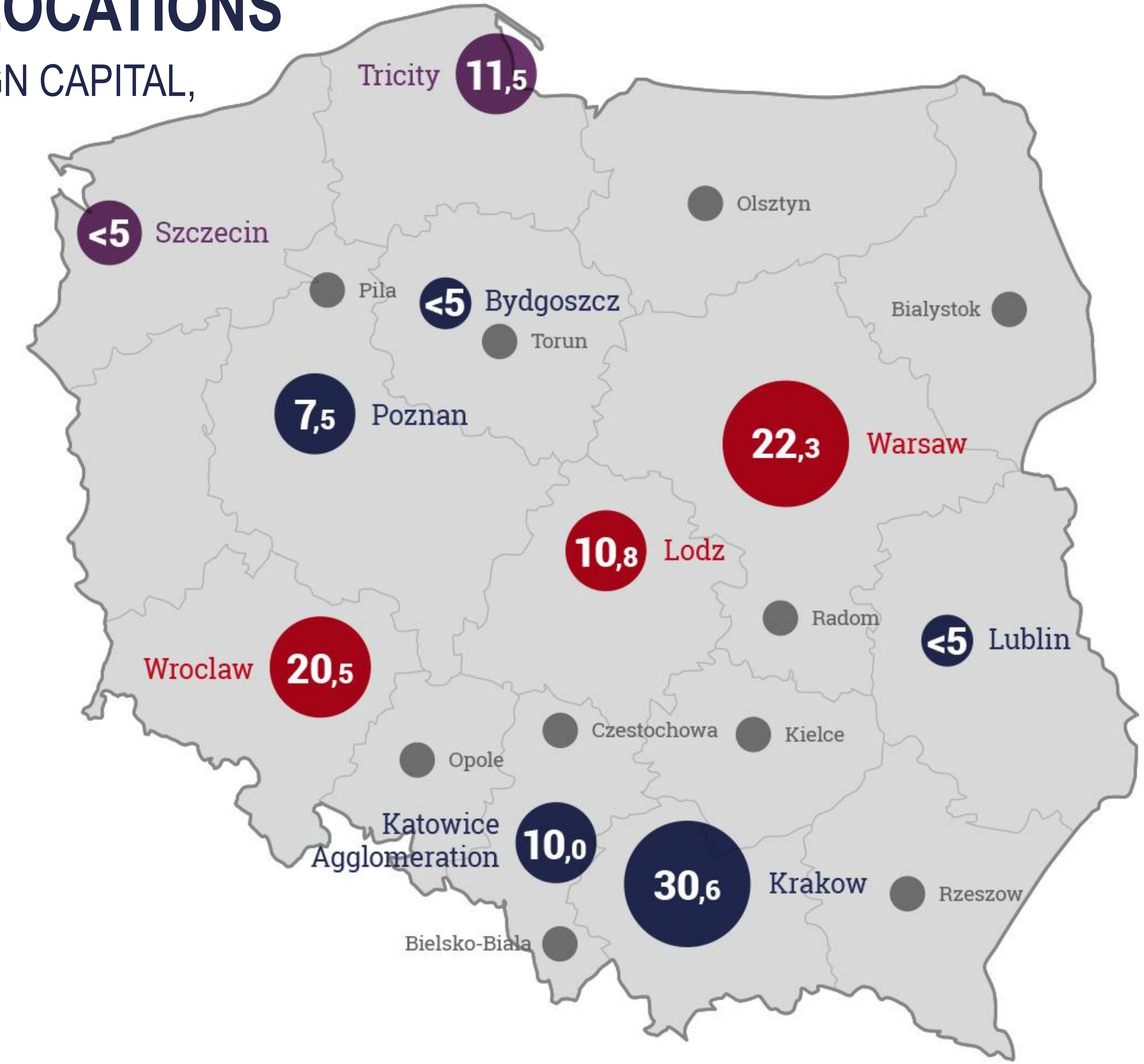
NUMBER OF FOREIGN CAPITAL CENTRES AND ITS GROWTH



Source: ABSL own study

MAIN BUSINESS SERVICE LOCATIONS

THE NUMBER OF CENTRES WITH FOREIGN CAPITAL, EMPLOYMENT AND ITS CHANGES



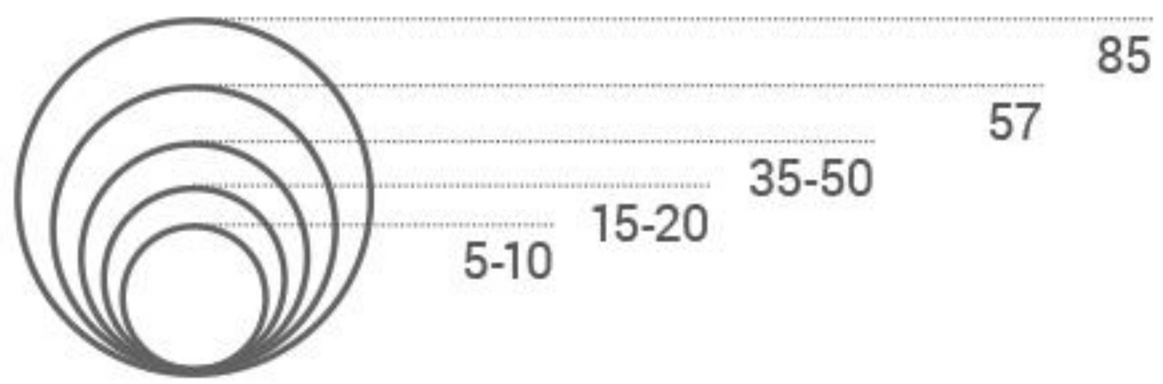
Employment growth (%) [April 2013 - April 2014]

10-15% 15-20% >20%

Selected other cities with foreign capital service centres

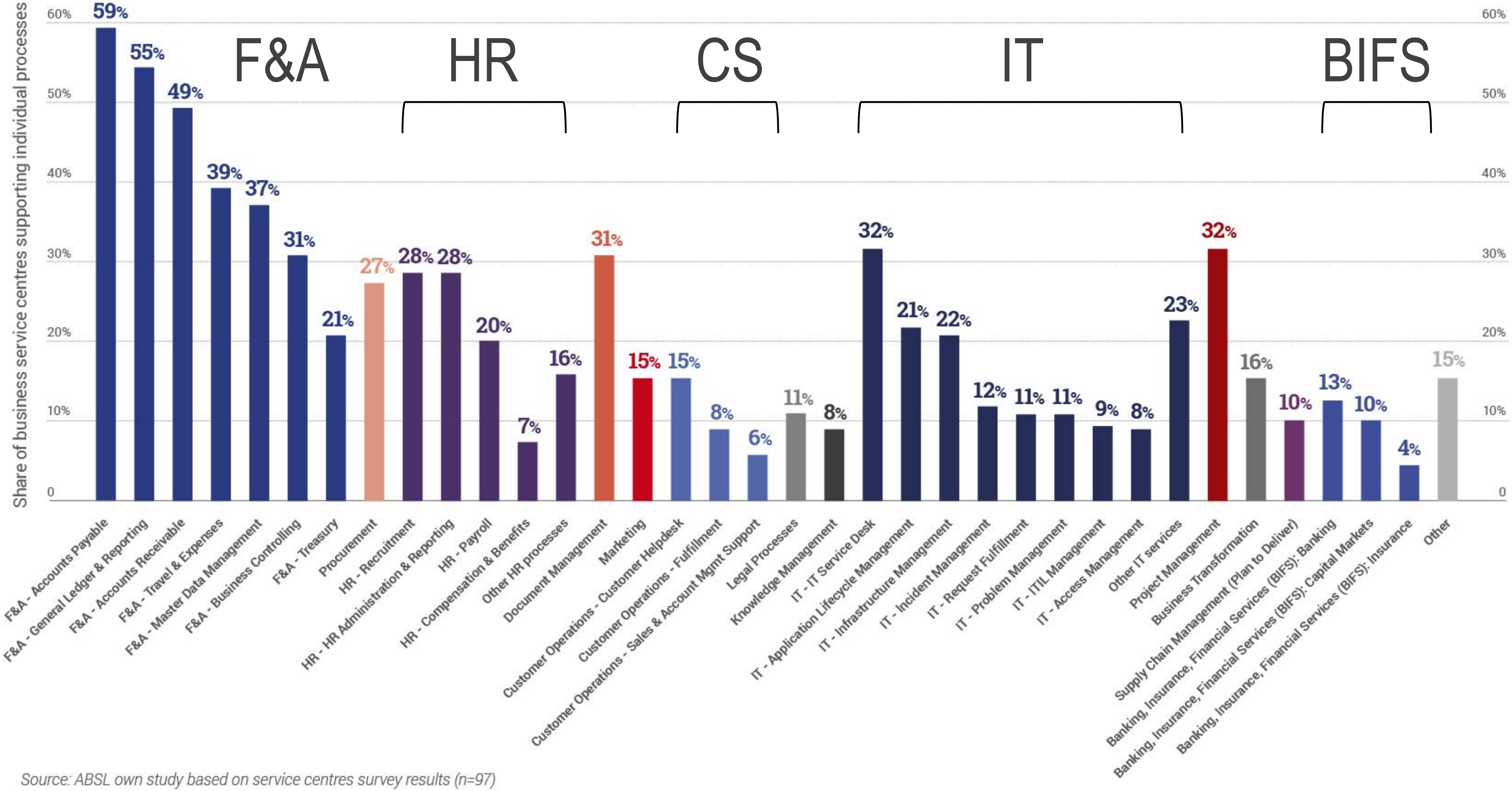
10,0 Number of employees [thous.] in foreign capital service centres

No. of foreign capital service centres



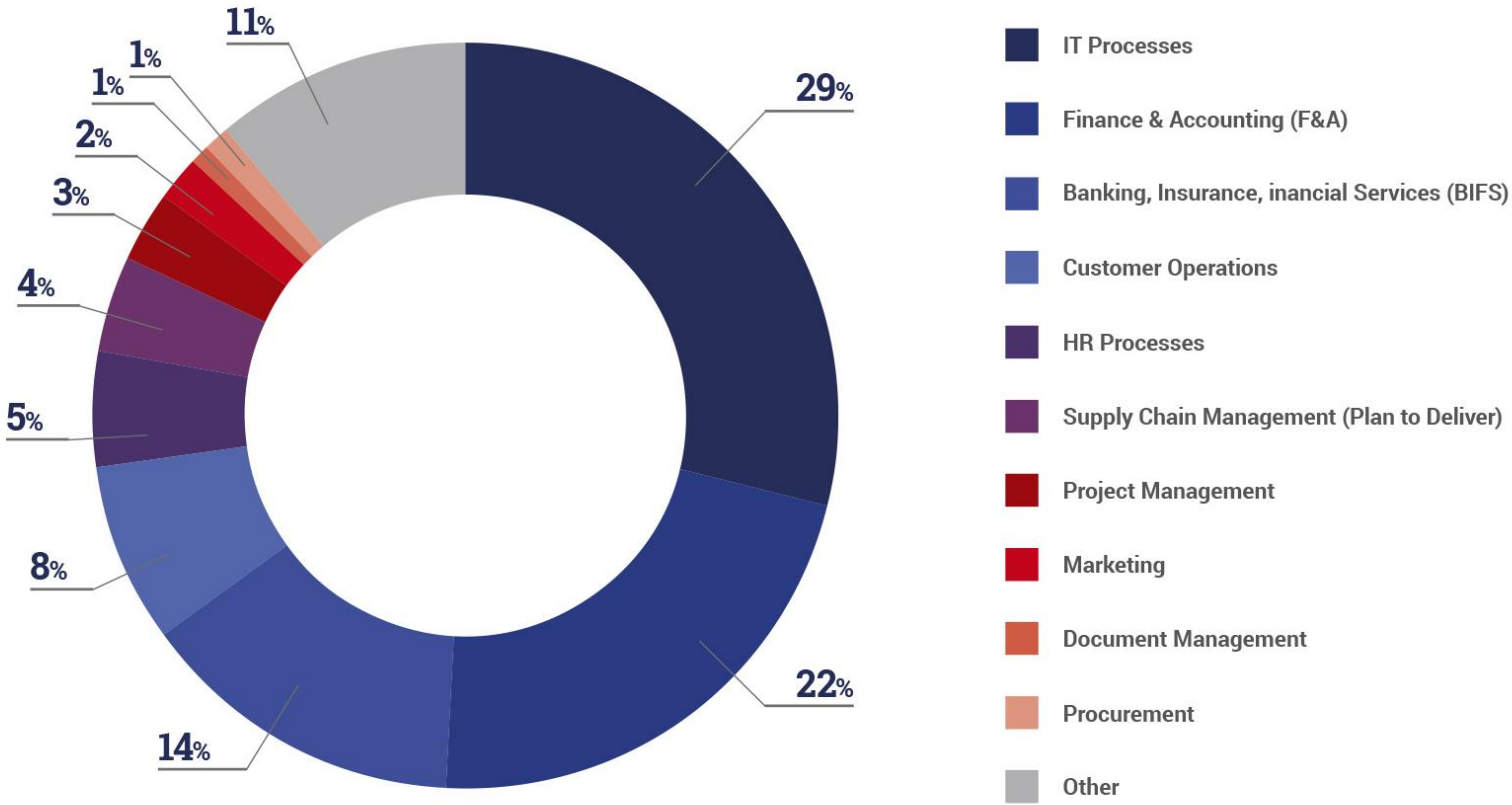
Source: ABSL own study

PROCESSES SUPPORTED IN SERVICE CENTRES IN POLAND



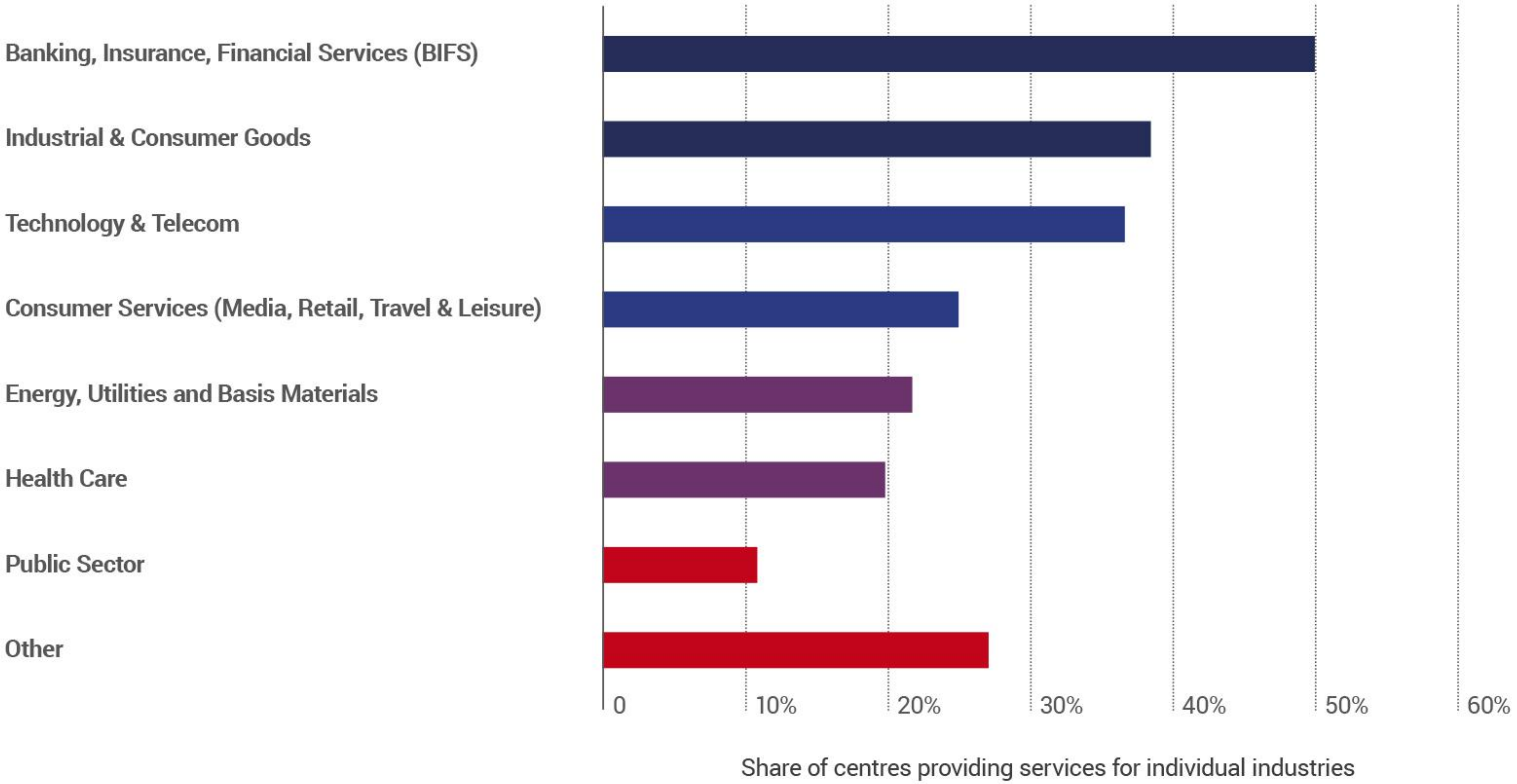
Source: ABSL own study based on service centres survey results (n=97)

STRUCTURE OF EMPLOYMENT BY SUPPORTED PROCESS



Source: ABSL own study

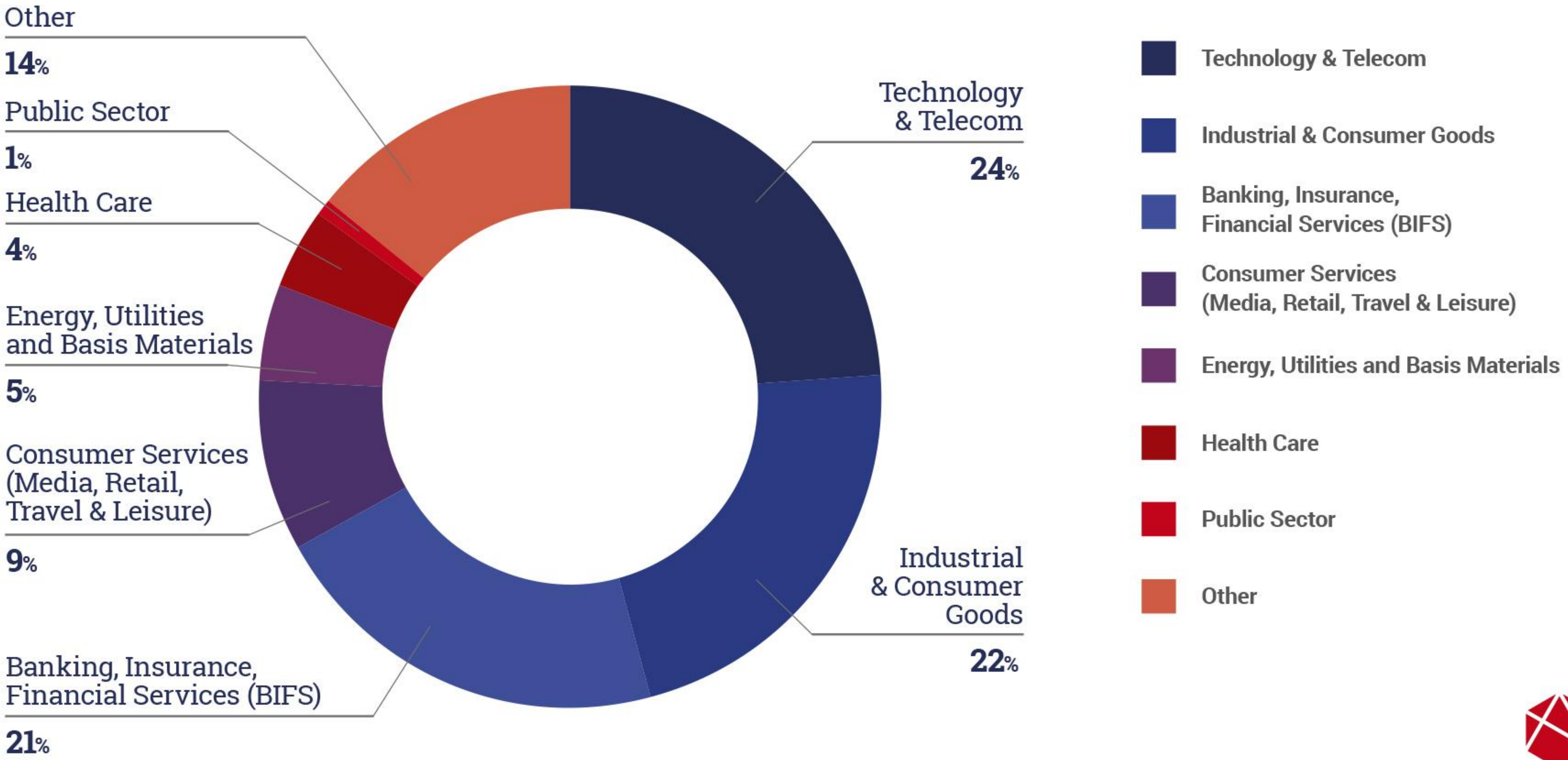
INDUSTRY STRUCTURE OF SUPPORTED COMPANIES



Source: ABSL own study based on service centres survey results (n=96)

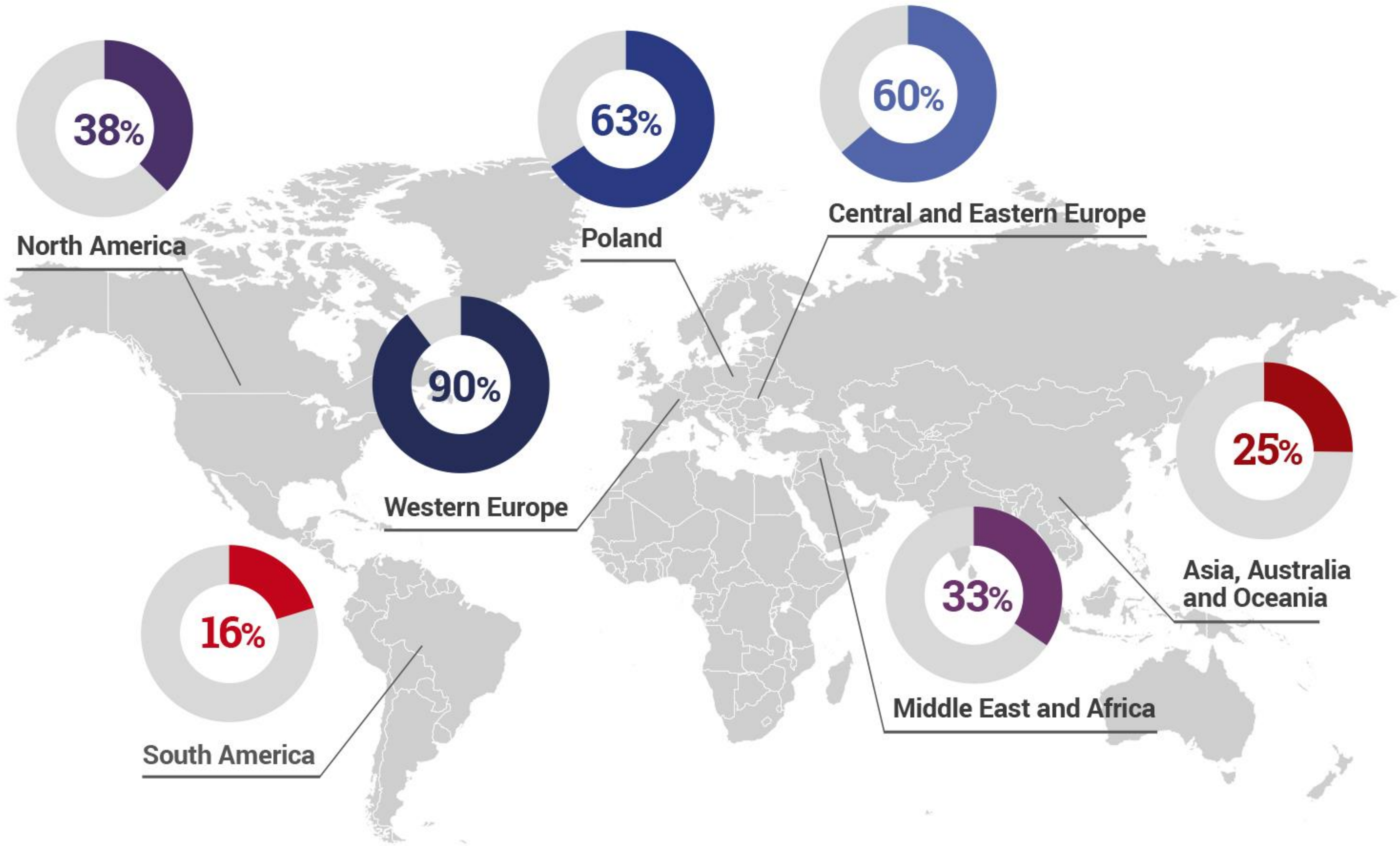
STRUCTURE OF EMPLOYMENT IN SERVICE CENTRES

BY (INTERNAL AND EXTERNAL) CUSTOMER INDUSTRY



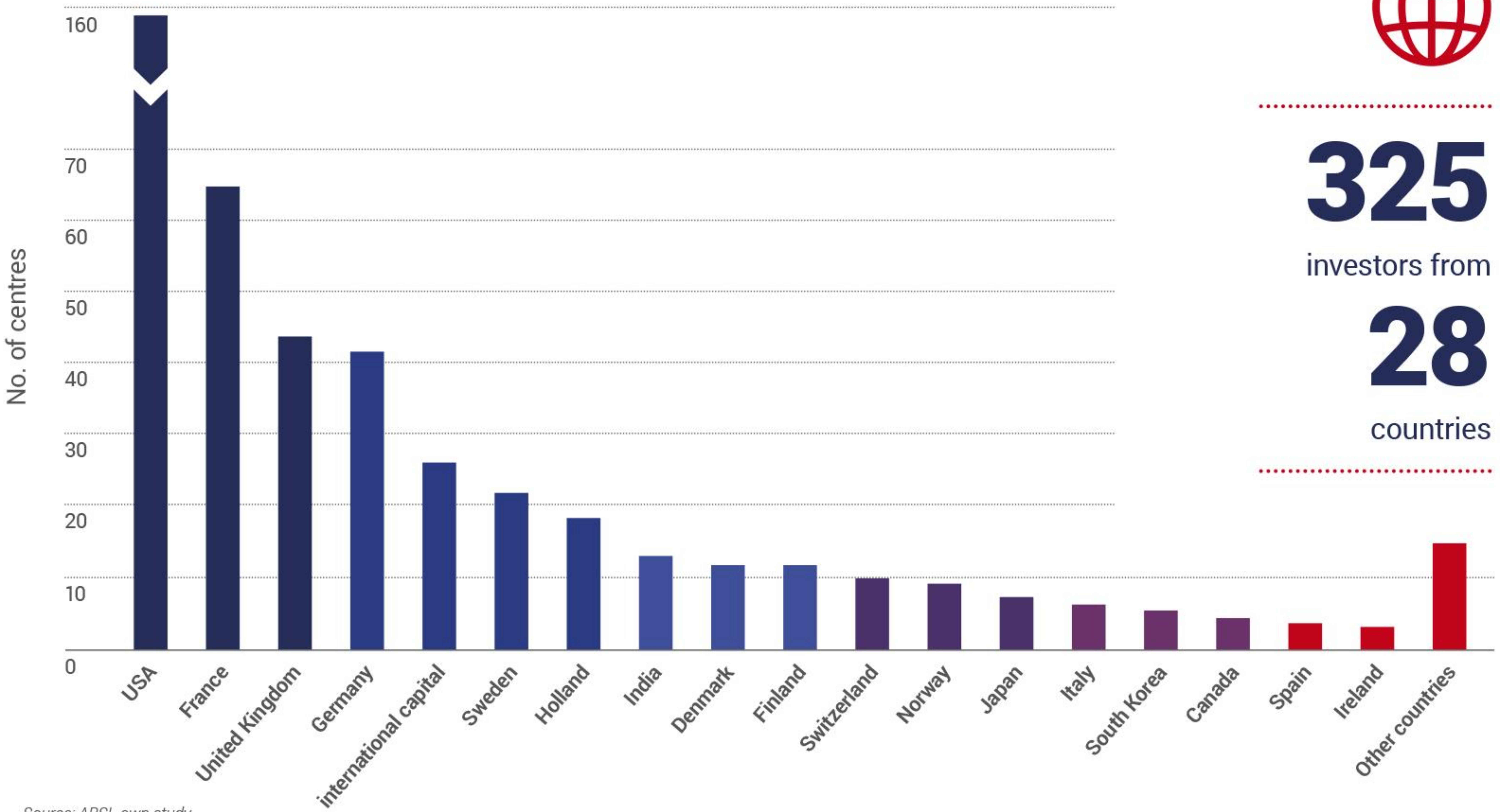
Source: ABSL own study based on service centres survey results (n=44,236)

GEOGRAPHICAL RANGE OF SERVICES



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

COUNTRIES OF ORIGIN OF SERVICE CENTRES



Source: ABSL own study

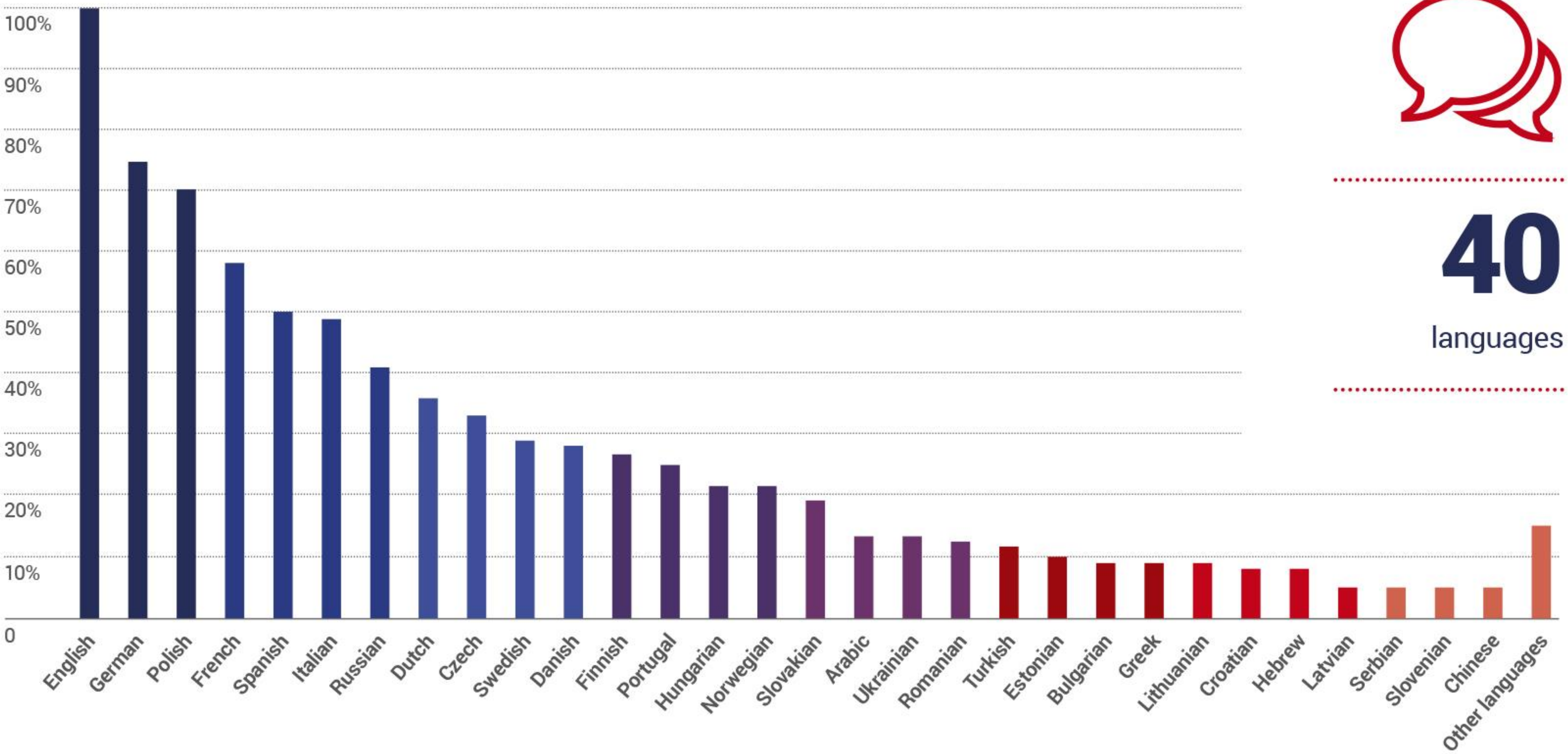
325

investors from

28

countries

LANGUAGES USED IN BUSINESS SERVICE CENTRES

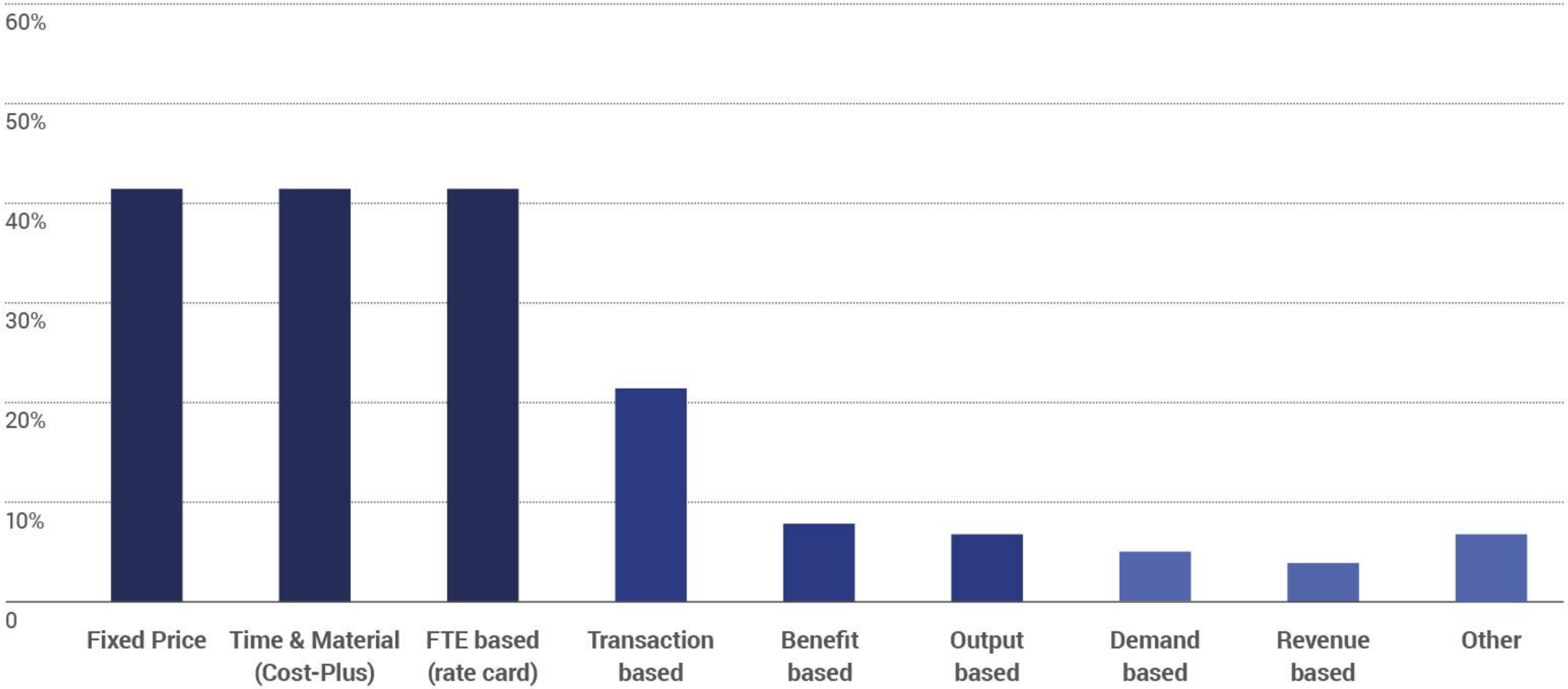


40

languages

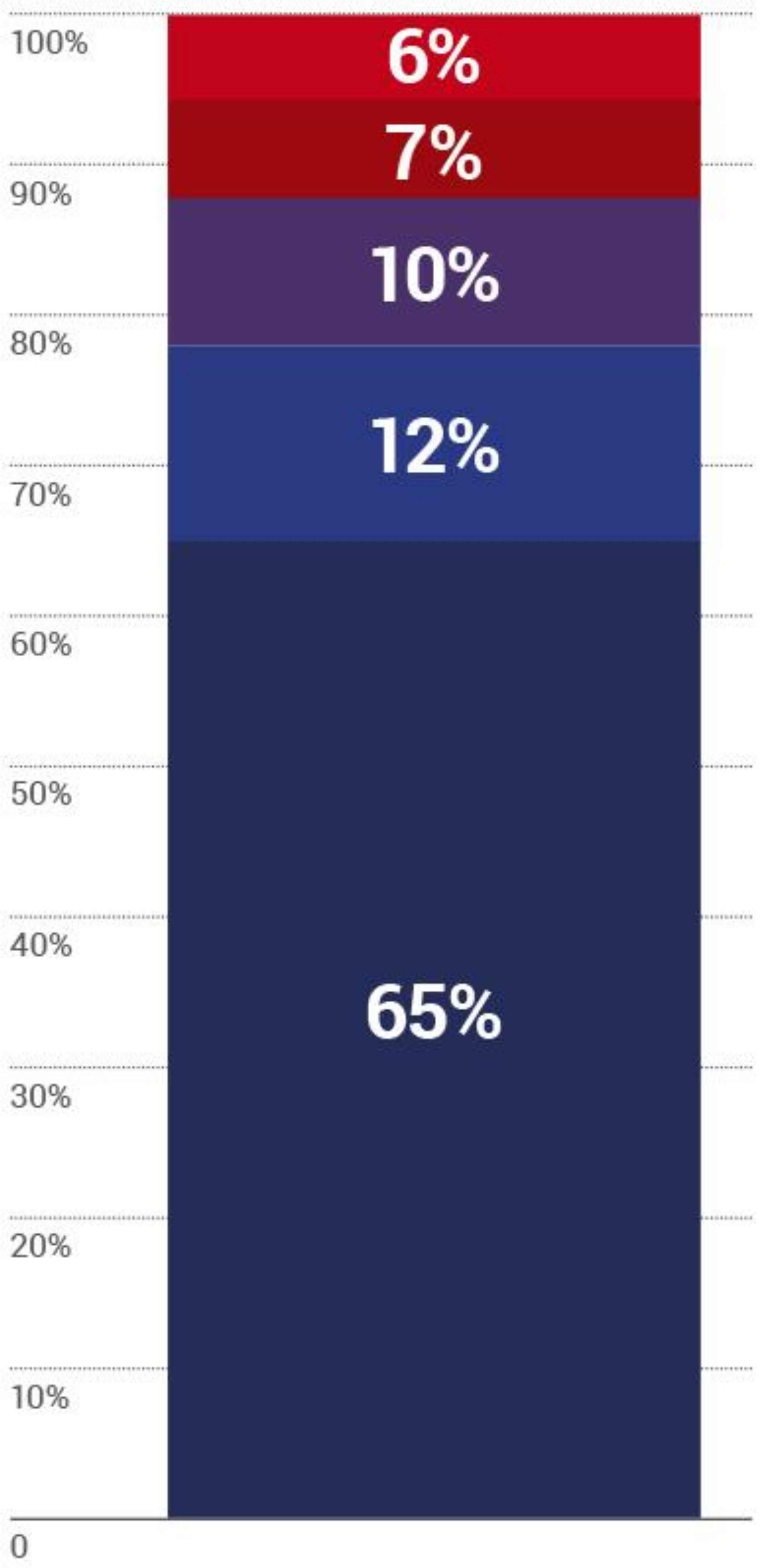
Source: ABSL own study based on service centres survey results (n=101)

CHARGING MODELS IN BUSINESS SERVICE CENTRES IN POLAND



Source: ABSL own study based on service centres survey results (n=94)

STRUCTURE OF OPERATING COSTS



100%

Total operating cost

- Other direct operating expenses
- Equipment and telecom
- Administration overhead (incl. cost of attrition: recruiting and training)
- Real estate and facilities
- Salaries and benefits

Source: ABSL own study based on service centres survey results (n=57)

Average annual operating cost per FTE

25-55 thous. USD

in ITO centres

25-45 thous. USD

in SSC/BPO centres

POLAND'S STRONG COMBINED "VALUE PROPOSITION"

Nearshore advantage with Western Europe as client

Growing complexity of business processes

More advanced services are provided

High number of cities being academic centres

KEY MARKET TRENDS IN POLAND

Global solutions - multi-sourcing, near-shore / far-shore

Desire for process expertise and technology (platforms)

Industry know-how required in traditionally horizontal processes

From enabling functions to core processes

From costs to outcomes / high-end services (value added)

THE KEY TO FURTHER DEVELOPMENT?

TALENT

ABSL REPORTS

BEST SOURCE OF INFORMATION ON BUSINESS SERVICES SECTOR IN POLAND

ANNUAL SECTOR ANALYSIS AND LOCAL / SPECIFIC ANALYSIS

Available for download at:

www.absl.pl

THANK YOU

Marek Grodziński

VICE PRESIDENT OF ABSL

Head of European BPO Delivery Centers, Capgemini

marek.grodzinski@capgemini.com

Janusz Górecki

Head of Business Analysis Unit, ABSL

janusz.gorecki@absl.pl