

Shared Service & Business Process Outsourcing Centers in SLOVAKIA



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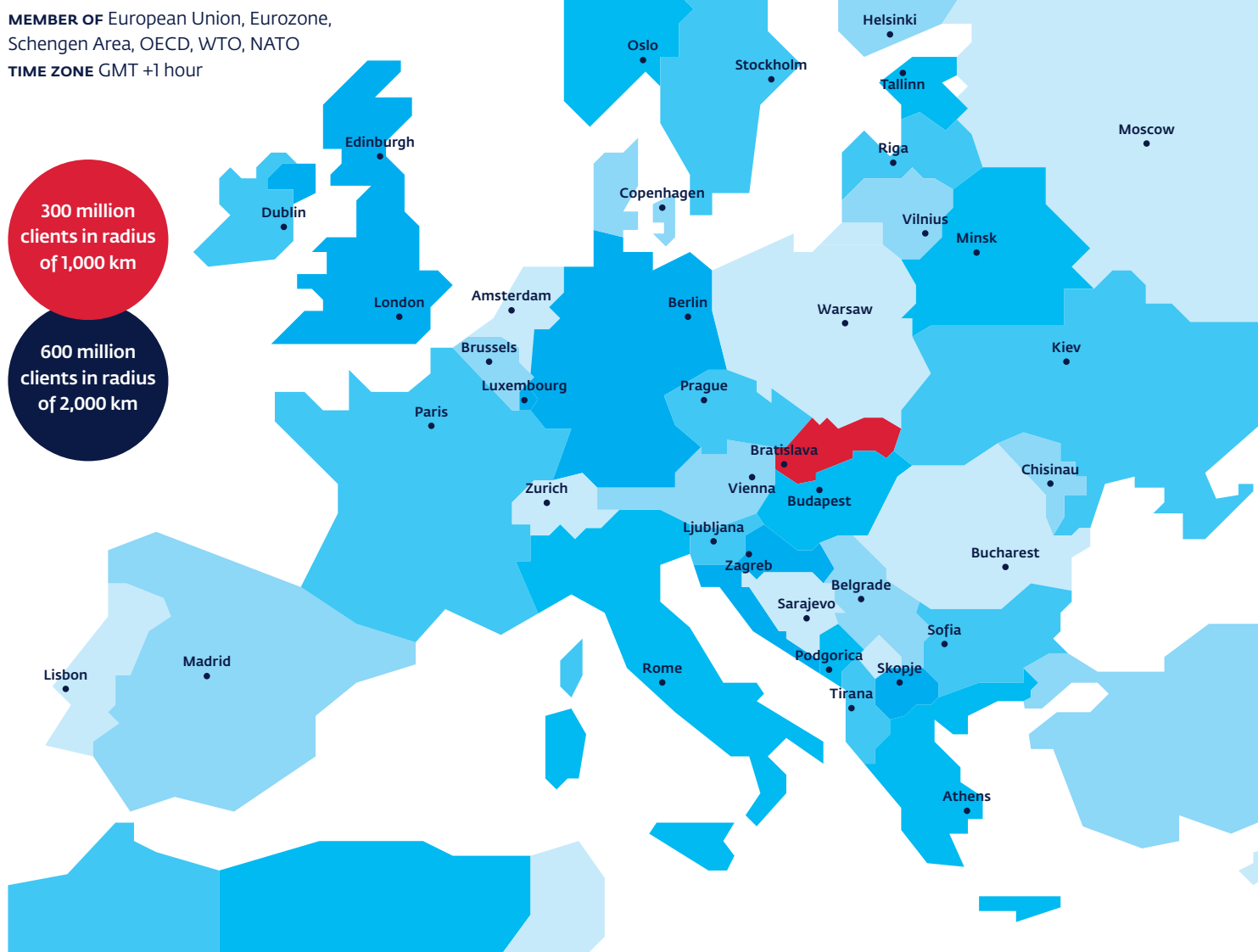
The purpose of this publication is to present Slovakia's dynamically expanding segment of Shared Service & Business Process Outsourcing Centers. SSC & BPOs provide international support services for their parent companies and other subsidiaries or execute specific outsourced business processes for third-parties from abroad.



TOTAL AREA 49,035 km²
POPULATION 5.4 million
CAPITAL CITY Bratislava
MEMBER OF European Union, Eurozone, Schengen Area, OECD, WTO, NATO
TIME ZONE GMT +1 hour

300 million clients in radius of 1,000 km

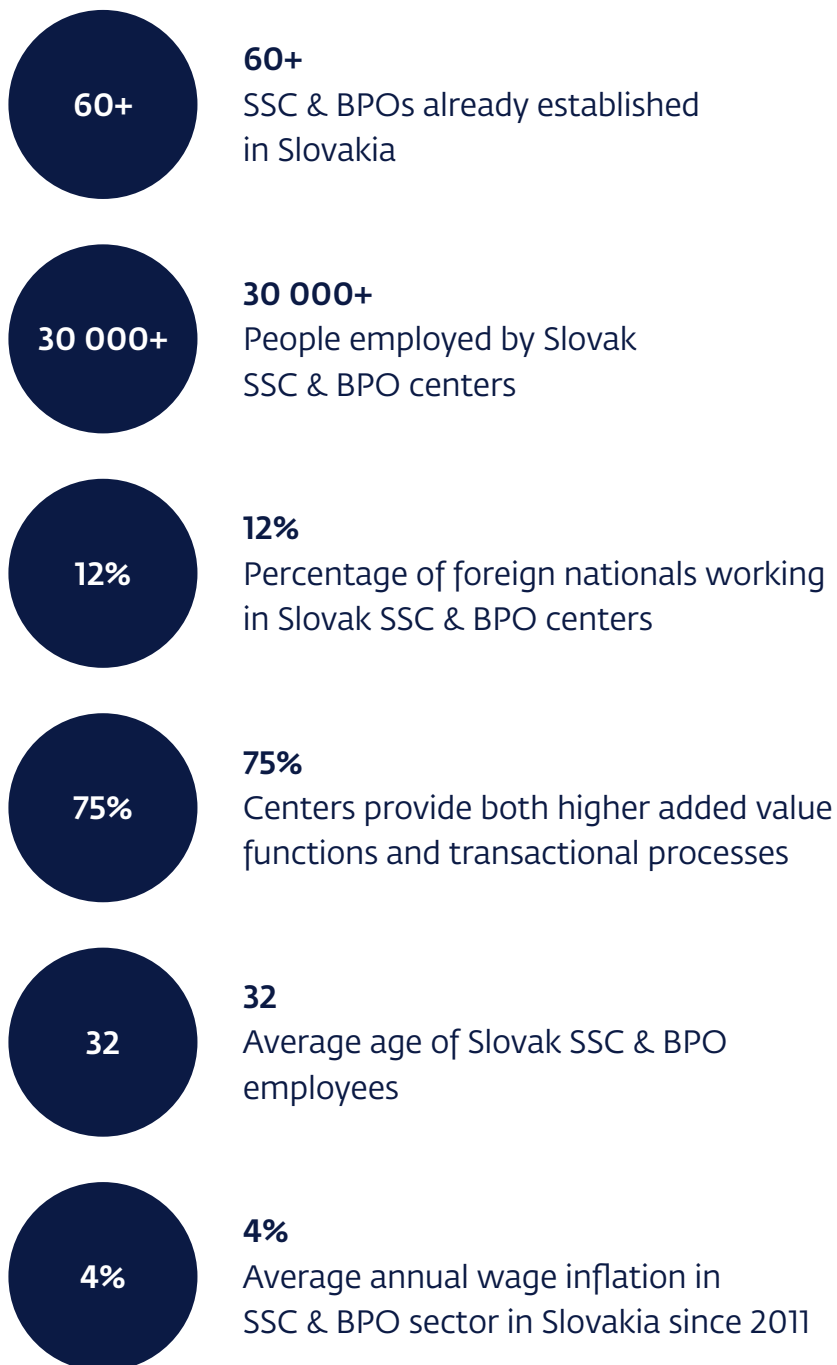
600 million clients in radius of 2,000 km



Slovak SSC & BPOs

— Key Facts

Over the past two decades, Slovakia experienced dynamic growth of SSC & BPO networks. Encouraged by an increasing high-quality standard of the Slovak business environment, the number of multinational centers is expected to increase further.



Top Reasons to Establish a SSC & BPO in Slovakia

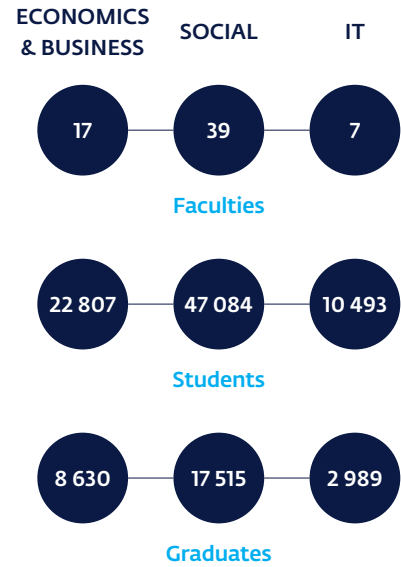
- 1 Excellent multilingual skills
- 2 35 universities providing qualified pool of labour force
- 3 Candidates willing to relocate or commute daily in the radius of 60-80 km
- 4 Dynamically growing real estate market with modern and affordable offices
- 5 High quality data & voice networks
- 6 Attractive investment incentives for SSC & BPO sector
- 7 Political & economic stability
- 8 Strategic time zonation & geographic location
- 9 Euro currency as one of the few in CEE
- 10 Fastest growing Eurozone member within the last 10 years

Source: Grafton Recruitment Slovakia 2016, AmCham Business Service Center Forum Survey, 2016



35 Universities in Slovakia

Thanks to a huge variety of offered study fields, Slovak university graduates are praised for their multidisciplinary skill-set.



Source: The Institute for Information and prognosis in Education 2017, SARIO calculations

Qualified Labour Force

Availability of talented personnel is one of the key elements for SSC & BPOs success. In Slovakia investors can find qualified, multilingual and highly adaptable workforce matched with competitive wage costs.

THE MOST COMMON FOREIGN LANGUAGES TAUGHT AT SLOVAK SECONDARY SCHOOLS

% of all students learning foreign languages



Source: Eurostat, Foreign language learning statistics (2014)

LANGUAGES WITHIN SLOVAK SSCs



Core languages: German, French, Italian, Czech, Bulgarian, Hungarian, Polish, Romanian, Russian, Slovenian, Spanish. Non-core languages: Albanian, Arabic, Croatian, Danish, Dutch, Finnish, Flamish, Greek, Hebrew, Chinese, Japanese, Lithuanian, Macedonian, Norwegian, Portuguese, Serbian, Swedish, Turkish

SSC & BPOs: Academic Partnership Success Stories

SKILLS FOR SUCCESS – FROM UNIVERSITY TO WORKPLACE

First fully accredited course by the Business Service Center Forum (BSCF) for students of Faculty of Business Management at the University of Economics focused on soft skills such as time management, team work, communication skills, conflict resolution and many others.

DUAL EDUCATION

As a pioneer in this field, since the academic year 2013/2014, T-Systems Slovakia implements ICT dual education initiative, where 70% of the program is dedicated to practical training.

INDIVIDUAL PROGRAMS

Many SSC & BPOs have developed individual cooperation platforms with educational institutions at all levels.

AVERAGE GROSS MONTHLY SALARY (SELECTED POSITIONS IN SLOVAK SSC & BPOS, IN EUR)

AREA	POSITION	BRATISLAVA		KOŠICE		REST OF SLOVAKIA	
		Min	Max	Min	Max	Min	Max
FINANCE	Accounting Clerk (AP, AR, Fixed Assets, ICO, C&B)	950	1 300	900	1 200	850	1 100
	GL Accountant	1 300	1 600	1 200	1 400	1 050	1 300
	Cash Collector	900	1 400	800	1 200	700	1 100
	TAX Specialist	1 100	1 400	900	1 200	900	1 100
	Financial Analyst	1 200	1 500	1 000	1 300	900	1 300
	Controlling	1 200	1 700	1 100	1 400	850	1 350
	Payroll	1 100	1 700	900	1 400	800	1 350
	Team Leader	1 600	1 900	1 300	1 700	1 200	1 700
	Manager	2 000	3 500	1 800	3 000	1 700	2 500
CUSTOMER SERVICE / SALES	Call center Agent	850	1 000	700	900	700	900
	CC Team Leader	1 100	1 500	1 000	1 300	900	1 100
	Customer Service Agent	950	1 100	800	1 000	750	950
	Telesales Specialist for Inbound	1 000	1 200	800	1 100	750	1 000
	Telesales Specialist for Outbound	1 000	1 300	900	1 200	800	1 100
	Team Leader	1 700	2 100	1 400	1 800	1 300	1 800
	Manager	2 000	3 500	1 700	2 600	1 500	2 000
HR	HR Helpdesk Agent	1 000	1 200	900	1 100	850	1 050
	HR Data Management Specialist	1 200	1 500	1 000	1 250	900	1 200
	HR Coordinator	1 100	1 200	900	1 100	850	1 100
	Recruitment & Selection Specialist	1 300	1 800	1 100	1 500	950	1 300
	Learning & Development Specialist	1 100	1 500	900	1 300	900	1 300
	Team Leader	1 500	2 200	1 400	1 800	1 300	1 700
	Manager	2 300	3 500	1 900	2 500	1 500	2 500
PRO-CUREMENT	Procurement Clerk	1 000	1 300	900	1 200	850	1 000
	Procurement Specialist	1 300	1 600	1 000	1 350	950	1 300
	Team Leader	1 700	2 100	1 400	1 750	1 250	1 750
	Manager	3 000	3 800	2 500	3 150	2 200	3 000
IT	IT Helpdesk	1 200	1 600	950	1 200	1 000	1 400
	System Administration	1 300	2 000	1 100	1 550	1 200	1 800
	Application Support (SAP, ERP)	1 500	2 200	1 200	1 700	1 300	2 000
	SW Testing	1 400	2 100	1 100	1 650	1 200	1 900
	SW Development	1 600	2 300	1 400	2 000	1 400	2 100
Language bonus (other than English)		5 – 10%					
2 nd shift bonus		7 – 25%					
Employers costs		35,2%					

Employer's contributions (35,2%) are not included.

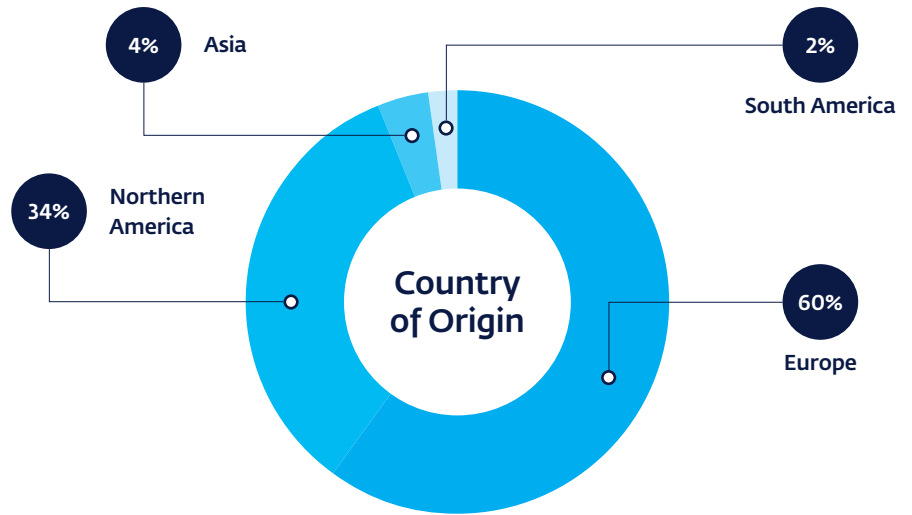
Source: Grafton Recruitment Slovakia, 2017

Slovak SSC & BPOs

Thanks to the availability of qualified labour force and its performance, SSC & BPOs in Slovakia are evolving towards centers with higher added-value with greater emphasis on quality of their services. On top of that more and more SSC & BPOs aim at creating Centers of Excellence with specialized positions.

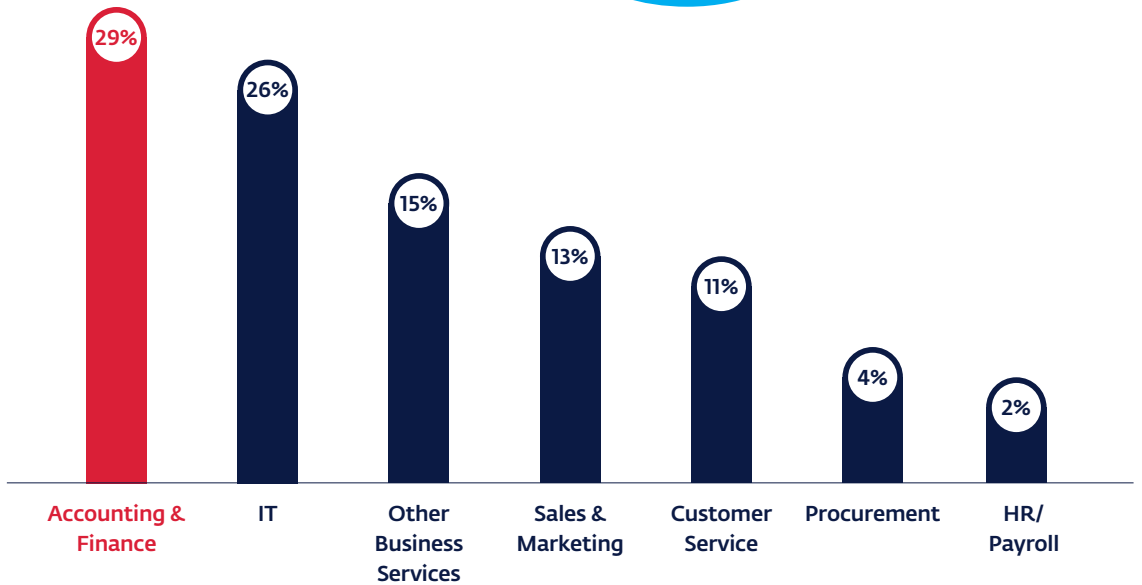
COUNTRY OF ORIGIN

The Slovak SSC & BPOs landscape is dominated by large companies originating from the US and Western Europe.



AREA OF OPERATION

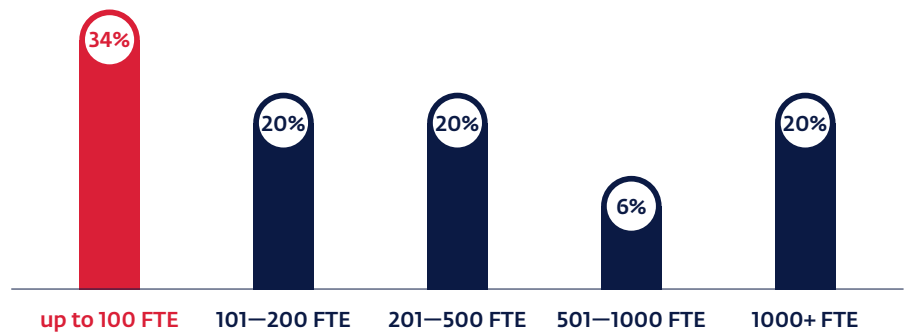
SSC & BPOs are expanding their business activities and move beyond the function of mere support centers. Increasing number of centers provides more complex and higher added-value activities.



NUMBER OF EMPLOYEES

There are several SSC & BPO companies with employees exceeding 1000 FTE. The majority of centers in Slovakia employ up to 200 FTE.

Source: Grafton Recruitment Slovakia, 2016, Operations are calculated as a percentage of assigned employees



SSC & BPOs Success Stories in Slovakia



AT&T Global Network Services Slovakia | Bratislava

"AT&T has operated in Slovakia since 1999. We have four centres in two cities, with a workforce of more than 3 000 that support high-quality communication services and solutions for our multinational customers. In Slovakia, we continue to find great opportunities to match the requirements of global clients with a highly motivated and skilled workforce."

GABRIEL GALGÓCI, Slovak Country General Manager



DELL | Bratislava

"Dell came to Bratislava for the cost but stayed for the quality. The branch was established in early 2003 to support European operations. The ability to hire qualified and professional people, a strong track record of successful transitions combined with a stable economic environment lead us to build the Global Support Center with 1 800 employees supporting various functions across the world."

MARTIN BEDNÁR, Executive Director



Embraco GBS | Košice

"We decided for Kosice based on several factors including the position of the city as a promising hub services, its infrastructure and the people readiness through their educational institutions. Embraco in Kosice, just like around the world actively participates in building strong ties and long-term partnerships with local communities. Up till now as a center of services and innovation we have been highly satisfied with our local presence."

RAUL MOREIRA, Global Business Support Director



IBM International Services Centre | Bratislava, Košice

"The broad range of missions we support, through Business Process Services, CIO services, Digital Sales, Finance & Accounting, Sales Support and more, requires well educated employees with perfect foreign language and IT skills, and Slovakia has enabled IBM International Services Centres to grow from 100 to 5 000 employees over the last 12 years."

PAUL BURT, IBM ISC Location Leader & Managing Director



LafargeHolcim

LafargeHolcim European Business Services | Košice

"EBS started to provide its services from January 2014 and is currently supporting group companies in 13 countries in Europe. The key factor for choosing Košice was a combination of qualified, educated and available labour force, high potential of local universities and the overall government support of this sector in Slovakia. Now, we are a member of LafargeHolcim Group with the vision for further growth."

BLAIR CLEMES, Head of LafargeHolcim European Business Services



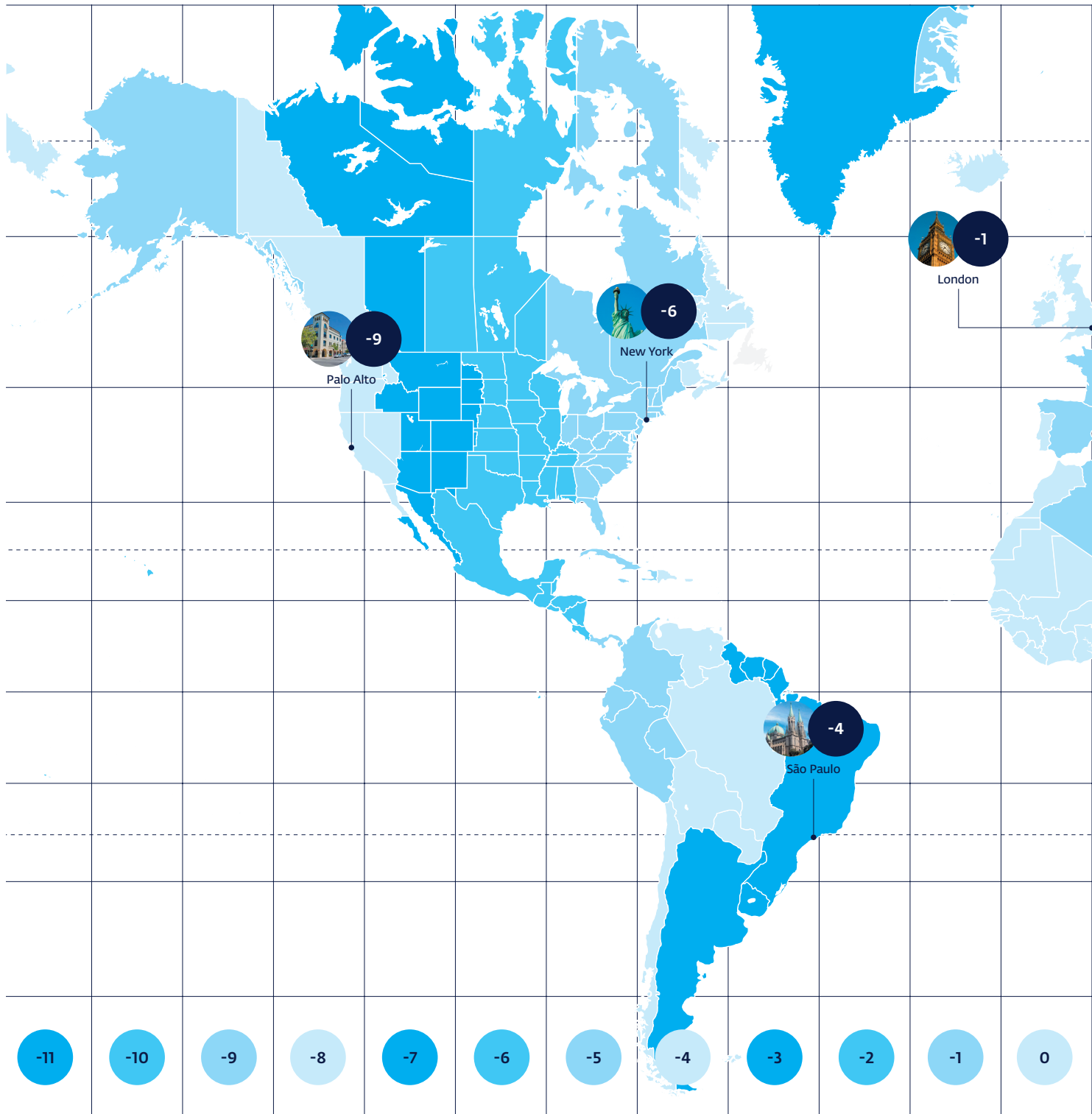
T-Systems Slovakia | Košice

"January 2016 sees 10 years of T-Systems Slovakia presence in Košice and we have no regrets about making this city our home in Slovakia. We exceeded initial business case approximately tenfold, reaching 3 600 highly qualified employees in both IT operations and business process outsourcing. We are particularly happy with a very close and productive partnership with the region, local middle schools and universities, who helped to propel us among largest ICT shared centres in Slovakia and the one with fastest growing value added."

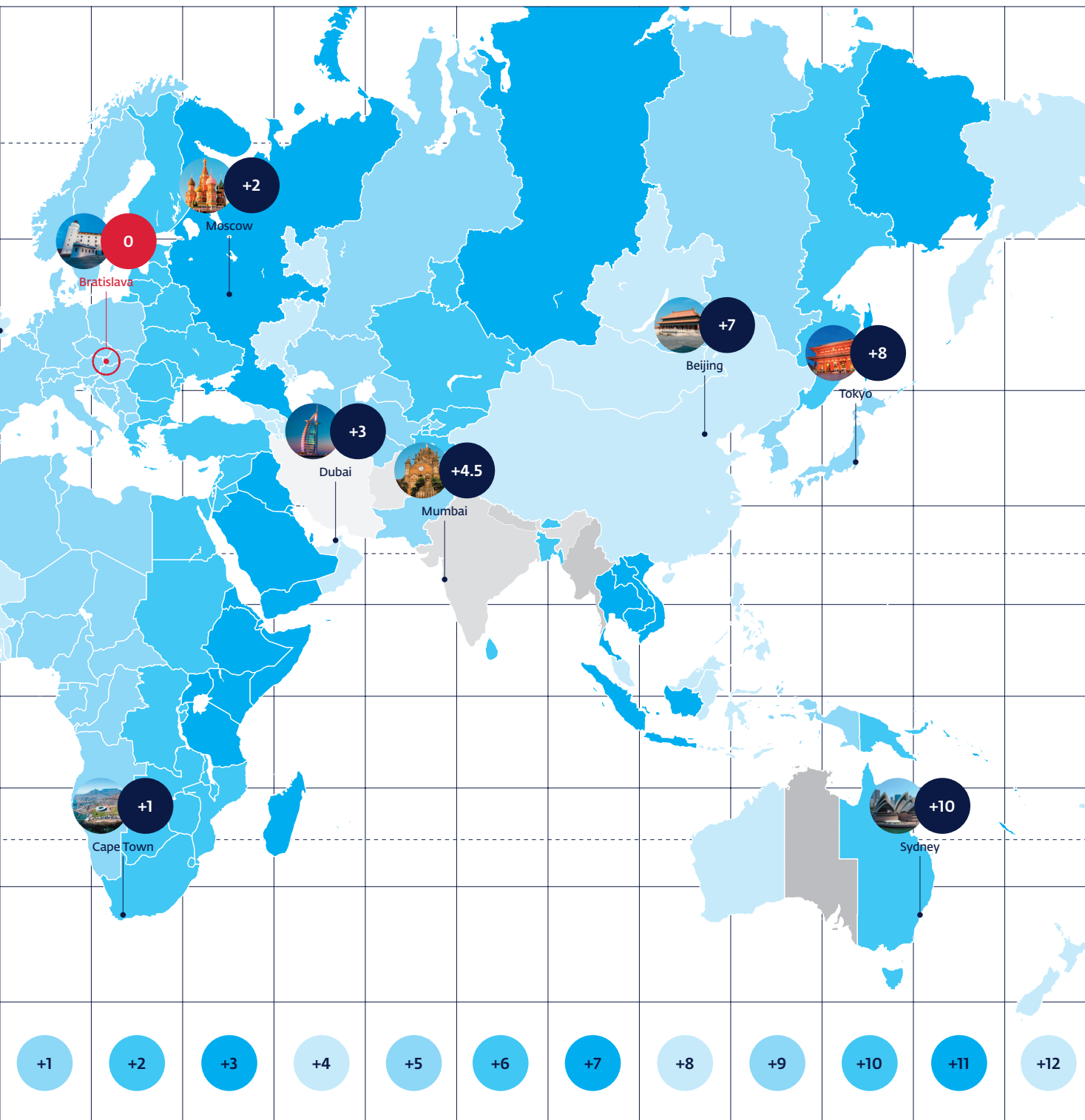
MARTIN DŽBOR, Director, Strategy & Innovation, T-Systems Slovakia

Time Zone Map

Slovakia's strategic location in the Central European Time zone (CET) makes it an outstanding destination for flexible delivery of offshore support.

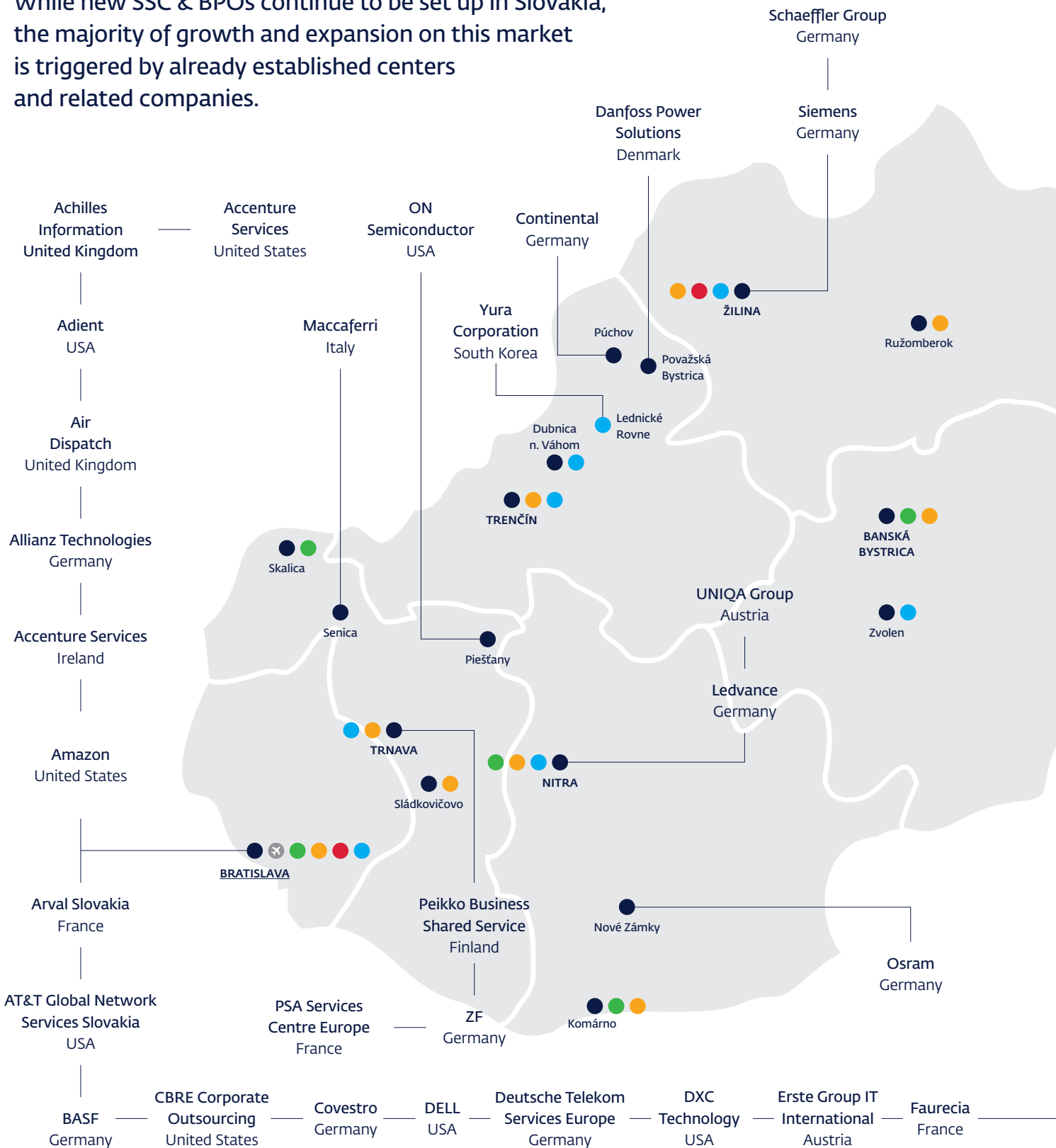


Slovak SSC & BPOs can operate various shifts throughout the day which allow them to support their headquarters or customers in Asia by starting shifts from the early morning hours, then cover the American continent from the afternoon till late evening hours and any other time zones in between.



SSC & BPOs in Slovakia

While new SSC & BPOs continue to be set up in Slovakia, the majority of growth and expansion on this market is triggered by already established centers and related companies.

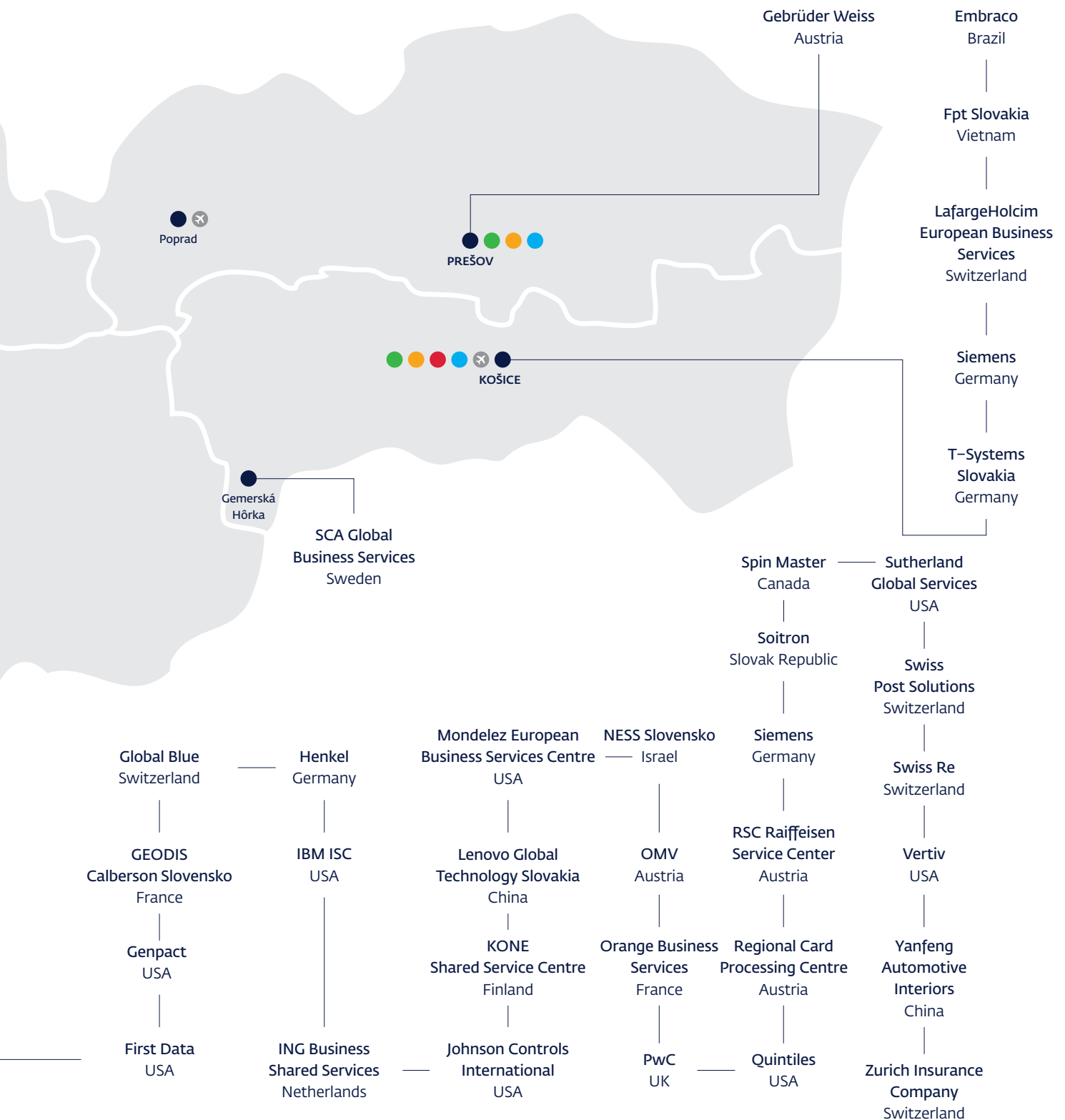


UNIVERSITY FACULTIES

- Economics & Business
- Social
- IT
- Technical

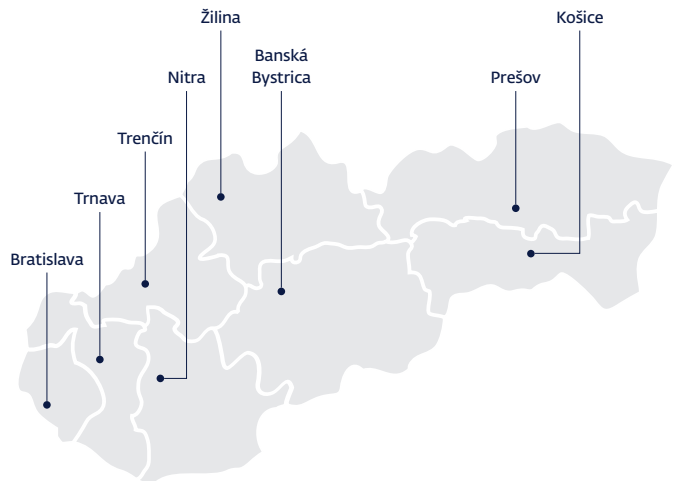
✈ International Airport

Source: Grafton Recruitment Slovakia 2016, Investment Advisory Guide 2015/2016, SARIO. The present list of SSC & BPOs operating in Slovakia is subject to change and does not represent an exhaustive overview. ICT companies with activities only related to telecommunication, computer programming or internet information services are not included.



Hot SSC & BPO Hubs in Slovakia

The majority of SSC&BPOs in Slovakia are mostly located in the capital city of Bratislava or in the second largest city of Košice. Nevertheless, new hubs are gradually developing offering great combination of conditions for doing business in the SSC & BPO sector.



BRATISLAVA

Bratislava is the capital and the most populous city in Slovakia. It is one of the richest regions in the EU in terms of GDP per capita level with dynamically growing and modern A-level office market. At the same time, the city features an outstanding position thanks to its geographical proximity to major CEE cities.



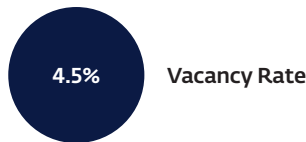
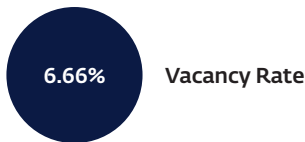
KOŠICE

The second largest city and the capital of Eastern Slovakia offers the highest standard of living in the region. It attracts qualified labour force from surrounding regions and provides potential investors with steadily increasing office market including A-level offices.



EMERGING LOCATIONS — REGIONAL CAPITALS

Banská Bystrica, Nitra, Prešov, Trenčín, Trnava and Žilina are new destinations on the Slovak SSC & BPO map providing excellent conditions for business. The locations combine availability of high quality personnel, reasonable wage levels, competitive prices of real estate market and attractive investment incentives with the intensity up to 35% of total eligible costs. All regional capitals are important academic centers and transportation crossroads with excellent highway connection (D1 and R1).



OPPORTUNITIES IN OTHER LOCATIONS

Companies tend to establish their centers also in smaller cities benefiting from proximity to existing or former production facilities, lower level of wage costs/rent of office space market and availability of attractive investment incentives with the intensity up to 35% of total eligible costs.

Source: CBRE, 2017

Business Service Center Forum

In early 2014 the American Chamber of Commerce in Slovakia (AmCham) launched the Business Service Center Forum initiative with the mission to raise awareness of the BSC sector's role in the Slovak economy and help it grow further in Slovakia.

The Business Service Center Forum (BSCF) brings together shared service centers (SSCs) and business process outsourcing (BPOs) providers operating in Slovakia. Their presence and importance in Slovakia has been growing since 2000.

Nowadays, BSCs represent a significant employment sector within the Slovak economy with more than 30K+ employees, which has specific needs and faces specific challenges.

Every year AmCham Slovakia surveys the business service centers associated in BSCF to gather aggregate data and presents an updated picture of the sector.

This data is published in an information brochure summarizing who works in these centers, where they are located, what services they provide and how they contribute to the state budget as well as local communities, and last but not least, why they are in Slovakia and not elsewhere in the world.

BSC Forum's efforts in the area public policy have focused on labor affairs, education and foreign investment support. These efforts materialize in regular communication with relevant ministries, government agencies, universities and schools as well as engagement in public discussions at conferences and seminars.



The most recent AmCham event was the **BSCF Conference** in November 2016 focused primarily on skills required at shared service centers. BSCF has also been closely cooperating with the Ministry of Economy on the preparation of the **Strategy of the Support of Shared Service Centers in Slovakia**, that was adopted by the Government in July 2016 and amendment to the **Foreigners' Law**.

In the area of education, BSCF is continuously running the **Train the Trainer** workshop series of trainings on soft skills for university teachers and the fully accredited university course for master students entitled **Skills for Success: from University to Practice**.

More information on the BSC Forum is available at the AmCham Slovakia website, on Facebook or at www.bscf.sk.

WHY TO BECOME A MEMBER?

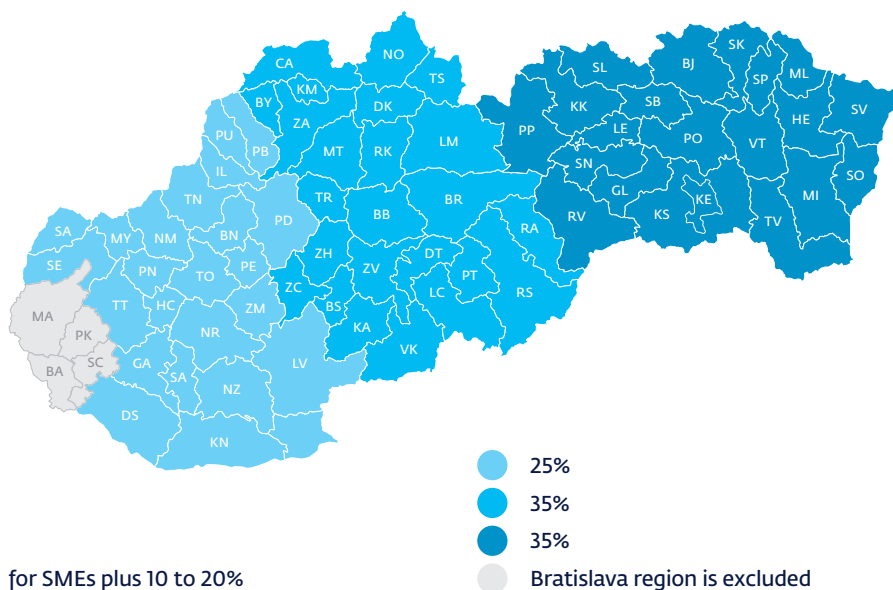
- BSC Forum shares information within the sector about concerns, solutions and best practices
- The platform communicates with national and local authorities: monitors and evaluates legislation, labor market and CSR activities
- The forum interacts with universities and secondary schools to improve the employability of graduates at BSCs



Investment Incentives

The primary role of the investment incentives is to motivate investors to place their new projects in regions with higher level of unemployment. The positive impact of a new investment shall be proved by jobs creation, improved chances for graduates to get a job, as well as by creation of new entrepreneurial opportunities for local companies.

MAXIMAL REGIONAL INTENSITIES OF INVESTMENT AID IN SLOVAKIA



SHARED SERVICES CENTERS

- Minimum investment into long-term assets: 0.4 mil. EUR within 36 months, at least 200 ths. EUR covered by own equity
- Minimum 40 newly created job positions and at least 60% of newly created jobs for employees with university education

ELIGIBLE ACTIVITIES

New establishment or expansion of centers providing services with high added value, and employing qualified experts in: software development centers, expert solution centers, technology customization centers or customer support centers (mainly in the field of IT, human resources, finance, procurement, etc.).

INSTITUTIONAL STRATEGY FOR BUSINESS SERVICE CENTRES DEVELOPMENT IN SLOVAKIA

The government of the Slovak Republic approved institutional support of SSC & BPO centers in Slovakia. The aim of the strategy is to facilitate growth and activities of established centers and strengthen position of Slovakia as preferred destination for new investments in the SSC & BPO sector.

The Institutional Strategy for Business Service Centres Development in Slovakia will be completed through three pillars of the action plan:

- securing qualified labour force through education and training
- creating conditions for sustainable development of the SSC and BPOs sector
- attracting new SSC and BPO investments in Slovakia

For more information please refer to www.mhsr.sk, section Business Services Centres

ELIGIBLE PROJECTS

The Act on Investment

Aid divides the projects which may be supported into four categories:

- industry
- technology centers
- shared service centers/ strategic service centers
- tourism

ELIGIBLE COSTS

- costs of land acquisition
- costs of buildings acquisition and construction
- costs of new technological equipment and machinery acquisition
- intangible long-term assets — licences, patents, etc.

OR

- total wage costs of newly-created jobs for 2 year period

FORMS OF INVESTMENT INCENTIVES

- contribution for the creation of new jobs
- cash grant
- tax relief

SARIO Profile

Slovak Investment and Trade Development Agency (SARIO) is a governmental investment and trade promotion agency of the Slovak Republic. The agency was established in 2001 and it operates under the Ministry of Economy of the SR.

INVESTMENT SERVICES

SERVICES FOR POTENTIAL INVESTORS

- Investment environment overview
- Assistance with investment projects implementation
- Starting a business consultancy
- Sector and regional analyses
- Investment incentives consultancy
- Site location and suitable real estate consultancy

SERVICES FOR ESTABLISHED INVESTORS

- Identification of local suppliers, service providers
- Assistance with expansion preparation and execution
- Relocation assistance, work/stay permits
- Support of innovation and R&D activities
- Social networking

FOREIGN TRADE SERVICES

IF YOU ARE LOOKING FOR

- Slovak supplier or subcontractor
- Information about Slovak export/trade environment
- Sourcing opportunities
- Forming a joint venture, production cooperation or other forms of partnership with a Slovak partner

SERVICES FOR EXPORTERS

- Information on foreign territories
- Customized search for foreign partners
- On-line database of business opportunities
- Export Training Centre
- Subcontracting assistance

INNOVATION SUPPORT

- Support activities for development and popularization of Slovak innovations and R&D environment
- Establishment of relations with domestic and foreign well-established innovative companies
- Interconnection of Slovak R&D capacities with industrial production and investors' needs in order to transfer leading innovative technology processes closer to production praxis
- Encouragement to foreign investors to bring investments with substantial R&D components to the SR
- Ecosystem analysis of local investment opportunities as well as domestic and foreign investors in order to support acquisitions and joint ventures projects
- Specific information from the field, in order to obtain capital and foreign markets penetration

500

nearly 500
successful SARIO
projects since
2002

25

number of SARIO
investment projects in
BSC sector
2002 – 2016

AIM Investment Awards
Dubai 2017

1

CEE & TURKEY REGION
Best Investment Promotion
Agency in 2016

ALL OUR
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**CONTENT
ADVISORS**



**THE AMERICAN CHAMBER OF
COMMERCE IN THE SLOVAK REPUBLIC**

Hodžovo námestie 2
811 06 Bratislava, Slovak Republic
T: +421 2 54 640 534
E: office@amcham.sk
www.amcham.sk



GRAFTON RECRUITMENT

Obchodná 2
811 01 Bratislava, Slovak Republic
T: +421 2 59 208 111
F: +421 2 59 208 119
E: info@grafton.sk
www.grafton.sk

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SARIO | Slovak Investment and Trade Development Agency
Trnavská cesta 100 | 821 01 Bratislava | Slovakia

 GPS +48° 9' 52.77", +17° 9' 20.27"

invest@sario.sk | trade@sario.sk | www.sario.sk

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