

**SARIO**

Slovak Investment  
and Trade Development Agency

# Shared Service & Business Process Outsourcing Centers in Slovakia

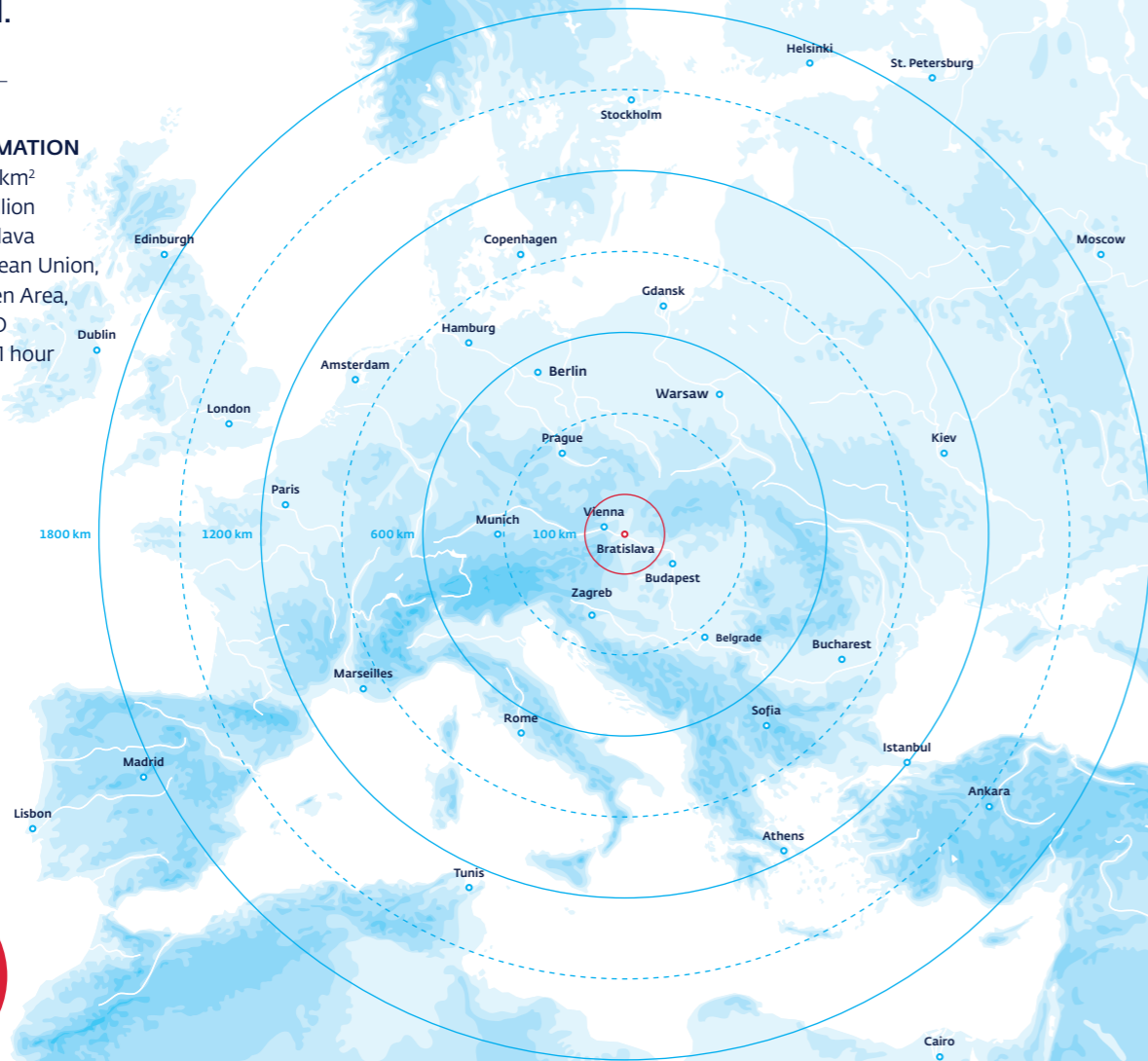


# Shared Service & Business Process Outsourcing Centers in Slovakia

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.

## GENERAL INFORMATION

Total area: 49,035 km<sup>2</sup>  
 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 1000 km

## Slovak SSC & BPOs — Key Facts

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

- 40+** SSC & BPOs already established in Slovakia
- 25 000+** People employed by the Slovak SSC & BPO centers
- 13%** Percentage of foreign nationals working in Slovak SSC & BPO centers
- 75%** University educated employees in SSC & BPOs
- 32** Average age of Slovak SSC & BPO employees
- 4%** Average annual wage inflation in SSC & BPO sector in Slovakia since 2011



## Top Reasons to Establish 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, 2015



## Qualified Labour Force

Availability of talented personnel is one of the key elements to 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: The Institute for Information and prognosis in Education 2015, SARIO calculations

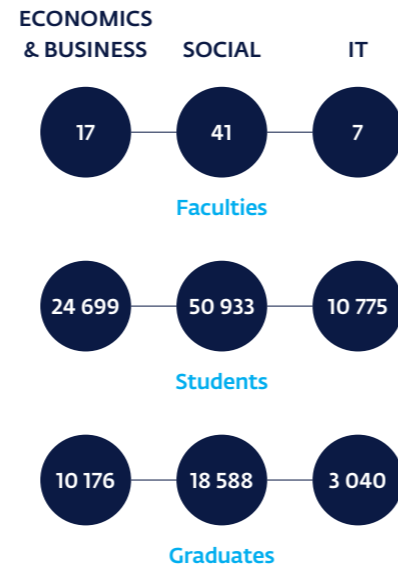
### LANGUAGES WITHIN SLOVAK SSCs



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, Ukrainian  
Source: Grafton Recruitment Slovakia, 2015

## 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 2016, SARIO calculations

## SSC & BPOs: Academic Partnership Success Stories

**UNIVERSITY COOPERATION**  
Research Center for Data Analysis and Protection is a Center of Excellence by IBM International Service Center, Slovak Technical University and DWC Slovakia. The aim is to simulate system disruptions and enhance protection of the mobile phones data.

**DUAL EDUCATION**  
As a pioneer in this field, since the academic year 2013/2014, T-systems 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)	850	1100	800	1000	650	950
	GL Accountant	1000	1400	900	1300	750	1200
	Cash Collector	850	1100	800	1000	650	950
	TAX Specialist	1000	1200	900	1100	900	1100
	Financial Analyst	900	1200	800	1100	750	1000
	Team Leader	1400	1900	1300	1700	1200	1700
	Manager	2000	3500	1800	3000	1700	2500
CUSTOMER SERVICE / SALES	Call center Agent	750	1000	700	900	600	800
	CC Team Leader	1000	1400	1000	1300	900	1100
	Customer Service Agent	850	1100	800	1000	650	950
	Telesales Specialist for Inbound	900	1200	800	1100	750	1000
	Telesales Specialist for Outbound	1000	1300	900	1200	800	1100
	Team Leader	1400	1900	1300	1700	1200	1700
	Manager	2000	3500	1800	3000	1700	2500
HR	HR Helpdesk Agent	850	1100	800	1000	650	950
	HR Data Management Specialist	900	1200	800	1100	750	1000
	Recruitment & Selection Specialist	1000	1200	900	1100	900	1100
	Learning & Development Specialist	1000	1200	900	1100	900	1100
	Team Leader	1500	2000	1400	1800	1300	1700
	Manager	2000	3500	1800	3000	1700	2500
PRO-CUREMENT	Procurement Clerk	850	1100	800	1000	650	950
	Procurement Specialist	1000	1400	900	1300	750	1200
	Team Leader	1400	1900	1300	1700	1200	1700
	Manager	2500	3500	2000	3000	2000	2700
IT	1 <sup>st</sup> Level Specialist	1200	1500	1100	1500	1000	1500
	2 <sup>nd</sup> Level Specialist	1400	1700	1400	1700	1100	1600
	SAP Specialist	1800	2300	1600	2000	1400	2000
	Business Analyst	1400	1800	1400	1800	1200	1600
	Developers	1600	2700	1500	2300	1300	2300
Language Bonus for knowledge of other than English language		5-10%					

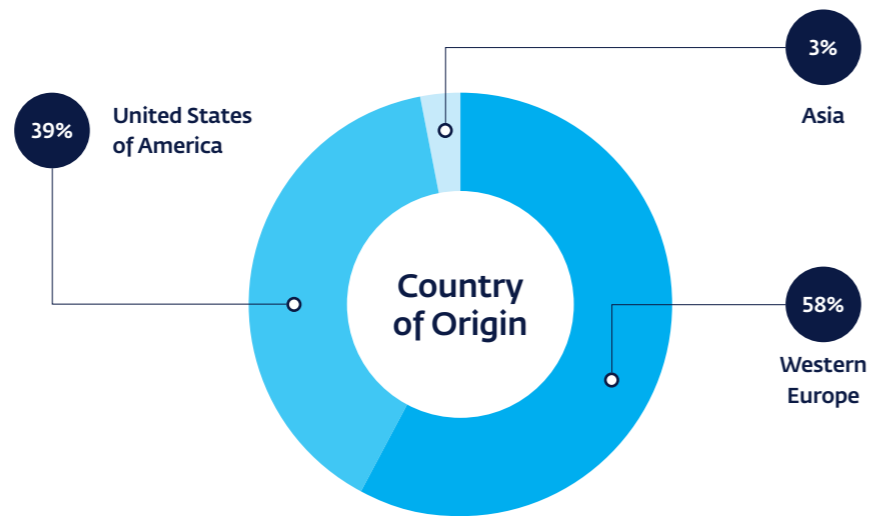
Employer's contributions (35,2%) are not included.  
Source: Grafton Recruitment Slovakia, 2016

# 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.

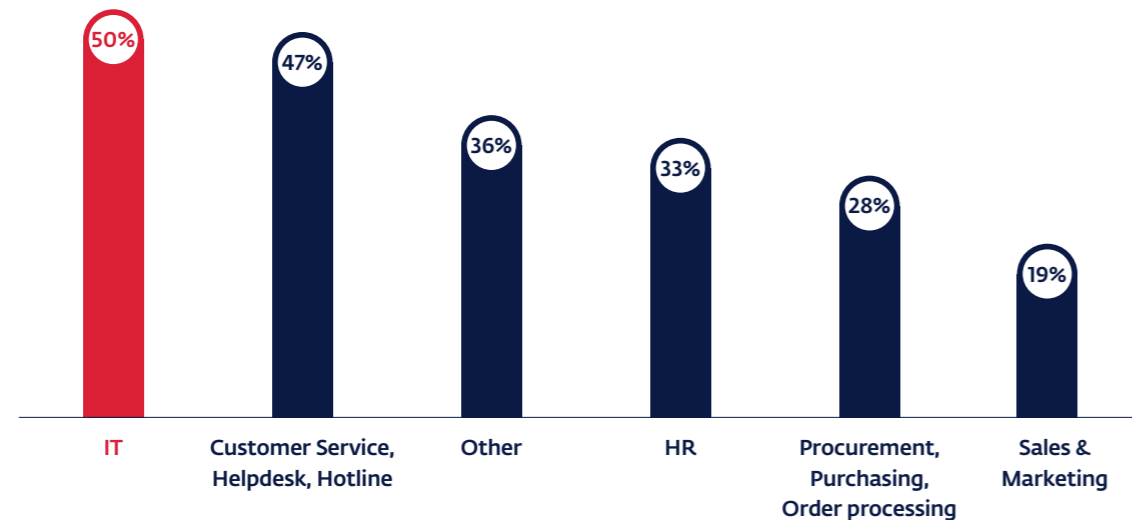
## COUNTRY OF ORIGIN

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



## AREA OF OPERATION

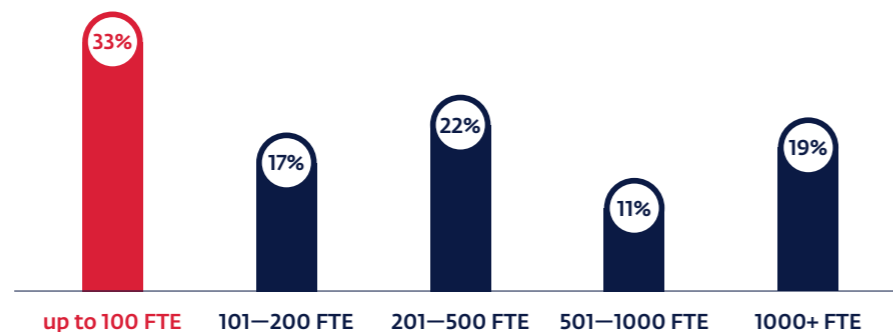
SSC & BPOs are expanding their business activities and move beyond the function of mere support centers. Increasing number of centers provides more complex and higher added-value activities.



## NUMBER OF EMPLOYEES

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

Source: Grafton Recruitment Slovakia, 2015



# 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. Branch was established in early 2003 to support European operations. Ability to hire qualified and professional people, strong track record of successful transitions combined with stable economic environment lead us to build Global Support Center with 1 800 employees supporting various functions across the world."

MARTIN BEDNÁR, Executive 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 member of LafargeHolcim Group with the vision for further growth."

BLAIR CLEMES, Head of LafargeHolcim European Business Services



## T-Systems | Košice

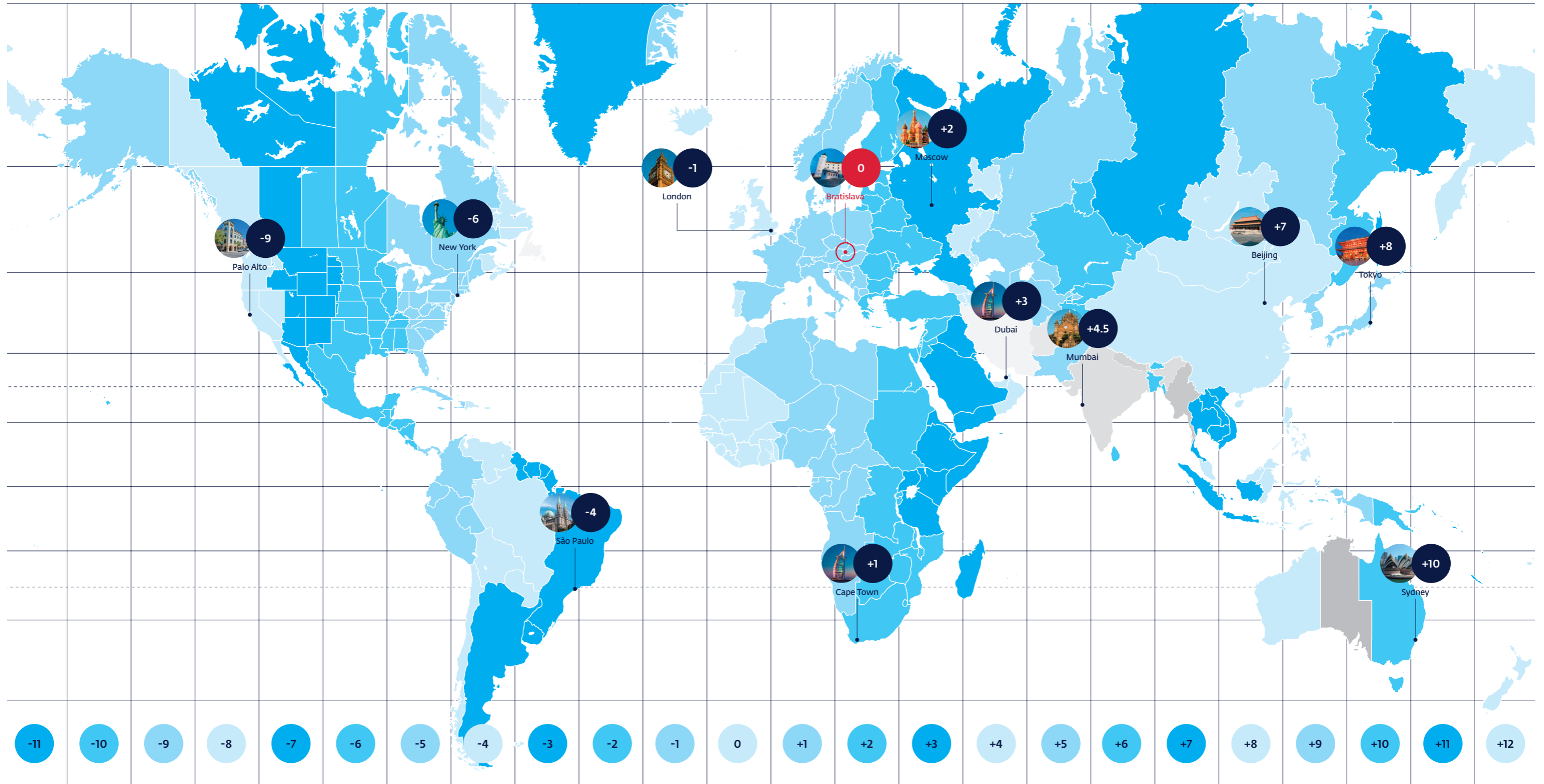
"January 2016 sees 10 years of T-Systems' presence in Košice and we have no regrets about making this city our home in Slovakia. We exceeded initial business case approximately tenfolds, reaching 3 600 highly qualified employees in both IT operations and business process outsourcing. We are particularly 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

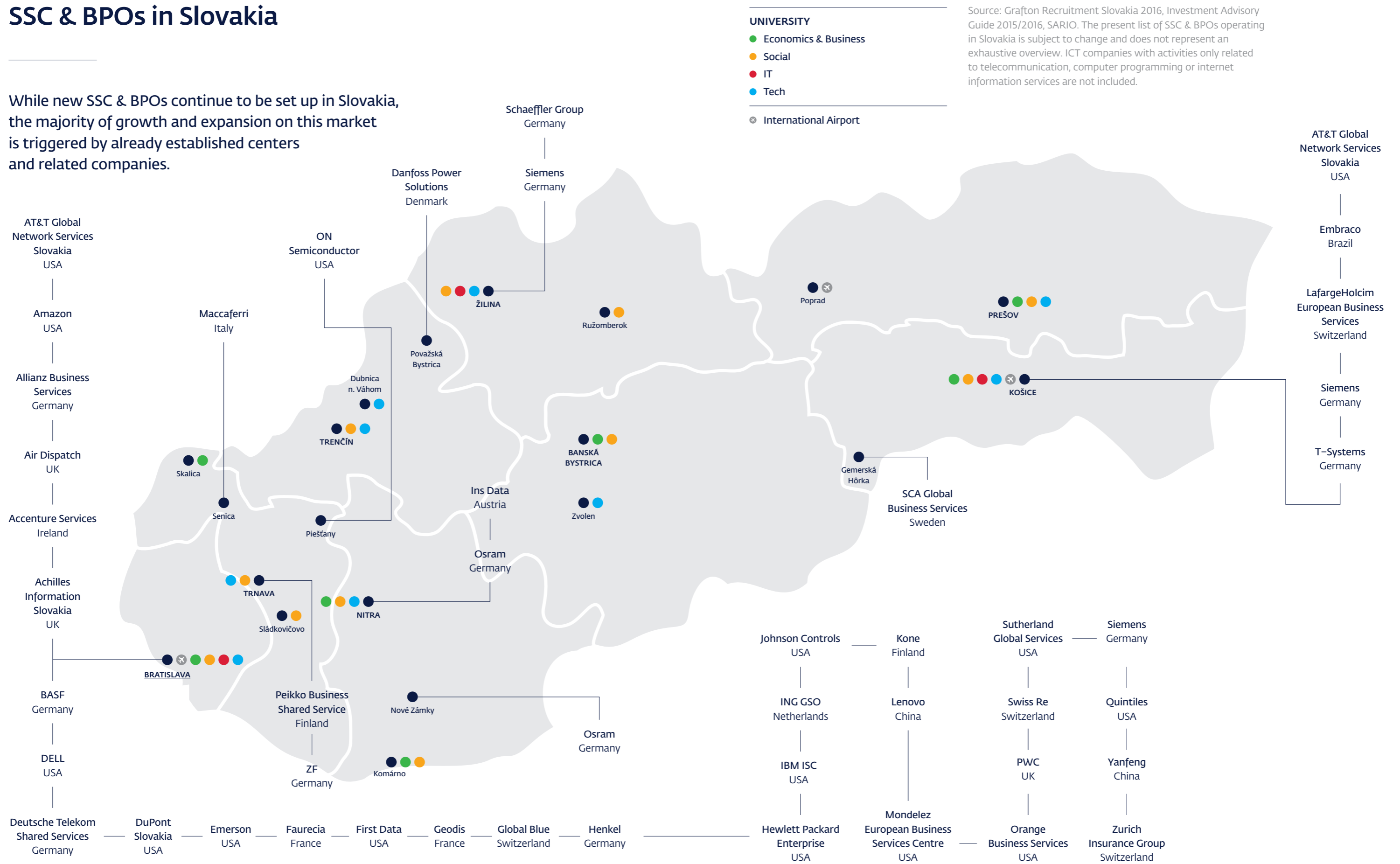
Slovakia's strategic location in the Central European Time zone (CET) makes it an outstanding destination for flexible delivery of offshore support.

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.



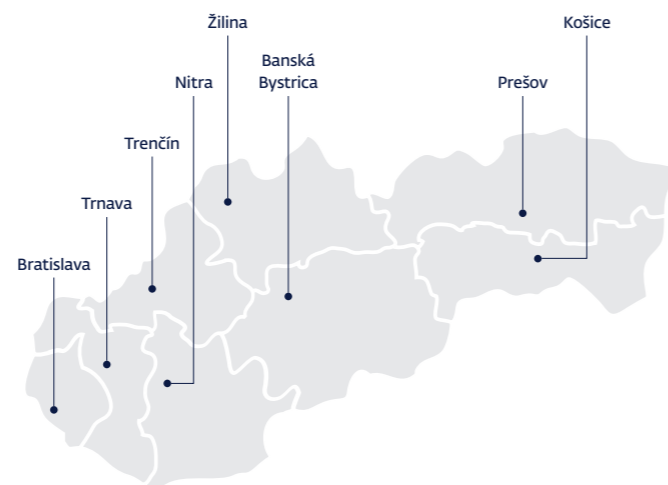
# SSC & BPOs in Slovakia

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.

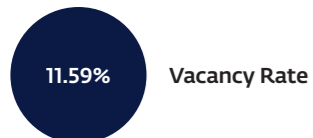


# Hot SSC & BPOs Hubs in Slovakia

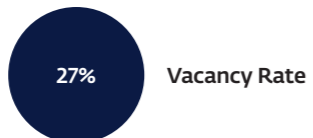
Most SSC & BPOs in Slovakia are concentrated in the capital city of Bratislava or the second largest city of Košice. Nevertheless, new hubs are gradually developing offering great combination of conditions for doing business in SSC & BPO sector.



**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 Slovak SSC & BPO map providing excellent conditions for business. The locations combine availability of high quality personnel, reasonable wage level, competitive prices of real estate market and attractive investment incentives offer 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 facility, 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, 2016

# 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 have been growing for more than a decade. Nowadays, BSCs represent a significant employment sector within the Slovak economy 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 present an update picture of the BSC sector in Slovakia. This data is published in an information brochure that summarizes 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 events were the BSCF Conference in May 2015, Kosice Invest Conference in November 2015 and the Foreign Direct Investment Conference in January 2016. BSCF is also closely working with the Ministry of Economy on the preparation of its new Action Plan for the Support of the BSC Sector. In the area of education, BSCF has run the annual 'Train the Trainer' workshop series on soft skills for university teachers in autumn 2015 and plans to turn it into a semestral program. The next step is to offer this program also to students as a regular subject within their undergraduate study. More information on the BSC Forum is available at the AmCham Slovakia website, on Facebook or at [www.bscf.sk](http://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

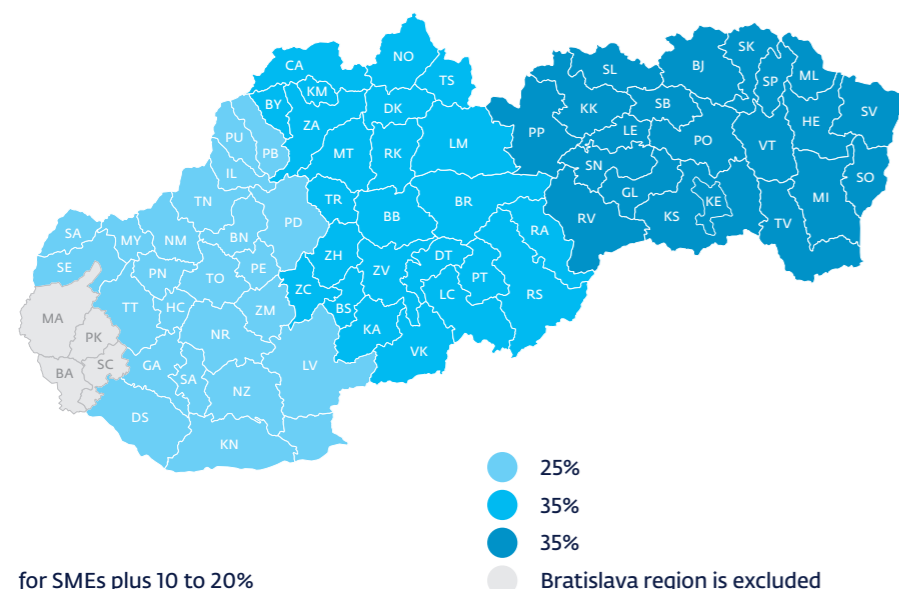


## Investment Incentives

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.).

### 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
- transfer of the state/municipality property to the investor for the discounted price

## 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

439

Number of SARIO Investment Projects from 2002 — 2015

22

number of SARIO investment projects in BSC sector 2002 — 2015

### Our Award



2014 Global Best to Invest 2013 Selection Site magazine

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