

Poland: the emerging outsourcing giant

Location, a highly skilled, multi-lingual workforce, lower labour costs, strong municipal support and one of the largest commercial property markets in the CEE region are just a few of the benefits Poland can offer to organizations looking to outsource their IT operations and processes. No wonder Gartner, AT Kearney and FTSE Russell all recognize the country as one of the most attractive IT outsourcing destinations right now.

Poland's current status in the outsourcing market, however, is testimony to a very long journey, starting with the implementation of a government strategy soon after the fall of communism in the 1990s. This forward-thinking strategy put strong emphasis on establishing, growing and strengthening the country's IT skills and infrastructure, and years later we can see the results; Poland now boasts one of the strongest outsourcing offerings in the world.

Just a decade ago, Polish outsourcing was confined to Warsaw and Kraków, but today more than 16 cities throughout the country deliver outsourcing services to major organizations from across the globe. The latest figures show that more than 122,000 professionals work in shared services/IT support centres (SCC) in Poland with Warsaw (155), Kraków (138), Wrocław (111) and Tri-city (104) having the highest number of IT centres



Poland is at the forefront of the Smart Cities 2.0 initiative. **Bartosz Skalski**, head of Soitron Poland, explains the backdrop of the location

in Poland. What's more, Warsaw has made it into the latest European Digital City Index for tech startups, at number 38 in the top 60, further proving its position as a place for digital revolution.

Because of growing competition in the area of human talent in recent years, the country might soon witness a movement of labour to and from cities within Poland, while new outsourcing locations could also emerge as a result. Poland is becoming more attractive as a destination for pursuing IT and telecoms careers, with increasing numbers of IT professionals from neighbouring countries such as Ukraine and Belarus moving to Poland for work.

From emerging to developed

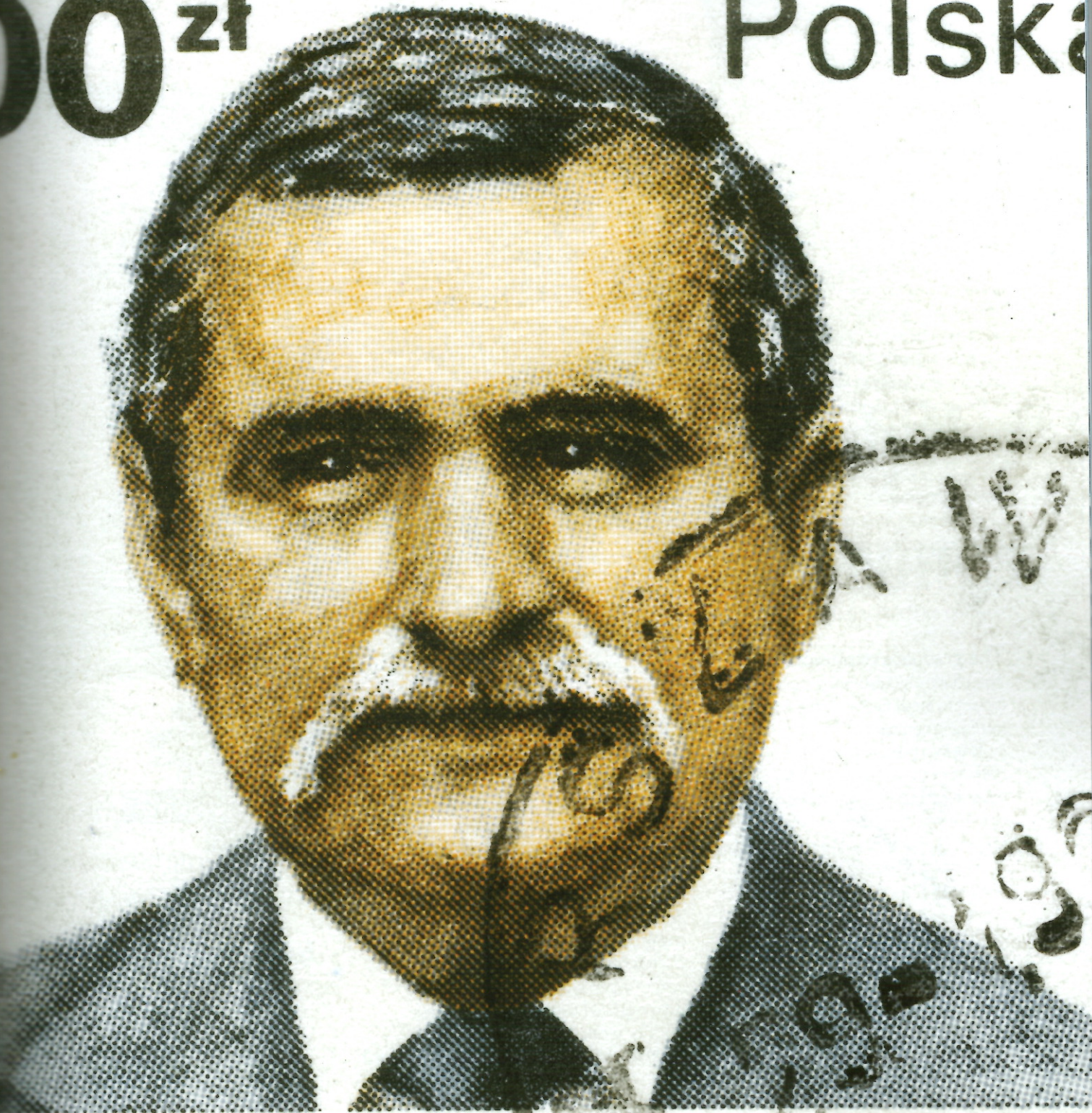
Recently, FTSE Russell promoted Poland from "Advanced Emerging" to "Developed" status for the quality of its outsourcing market, making it the first country from the former eastern bloc to achieve such recognition. Poland is now listed alongside Austria, Germany, Benelux, Scandinavia, France, Spain, Italy, Portugal, Ireland, Switzerland and the UK for trade and investment capabilities.

Furthermore, AT Kearney's 2017 global index report listed Poland as the top European location for outsourcing, listing the country alongside such outsourcing giants as India, China and Philippines. The country has risen to this position after being listed 38th in 2009, 24th in 2011, 11th in 2015 and 10th in 2016.

The country's outsourcing success is evident in the growing numbers of businesses transferring their IT operations to Poland, with Pearson, Uber, Ocado Technology, PwC and General Motors, to mention just a few taking advantage of the country's rich resources. With a further 30,000 jobs expected to be transferred to Poland in the next year from the UK alone, following the Brexit vote, Polish outsourcing providers are set to experience even greater interest in their service offerings. Interestingly, recent statistics show even German and Italian companies are now looking at Poland ►

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"Poland's status in the outsourcing market is testimony to a long journey and a government strategy starting with the fall of communism."

▶ as an attractive outsourcing destination. Lower overheads, greater flexibility and productivity, as well as the ability to ensure continuous scalability are just a few of the advantages businesses outsourcing to Poland can benefit from. Poland offers great benefits in areas such as skills availability and financial attractiveness, which is particularly appealing to companies looking to reach their IT objectives with ever-shrinking budgets.

Poland's skilled IT specialists have valuable expertise and experience as well as advanced tools to lead and deliver software development projects, provide IT support, finance and accounting, and customer services. There has been a rise in the number of advanced operations being supported by Poland's experts in recent years, including research and development and complex analysis. In fact, today high-end processes account for around 15% of overall operations covered by Polish outsourcing centres.

The graduate explosion

The country's outsourcing capabilities are set to grow further in the future with increasing numbers of Poland's youth looking into pursuing careers in IT. Poland has one of the youngest, highly educated societies in Europe, which distinguishes it from other central and eastern European countries in the sheer number of university graduates. Almost half a million students graduate from Poland's universities every year, of which almost 78,000 students graduate with degrees in technology fields and another 77,000 with economics degrees.

In addition to a strong education background, Polish IT specialists offer organizations an opportunity to tap into advanced linguistic capabilities, with most of the country's population speaking multiple languages. As a result, most outsourcing providers in Poland are able to combine their specialists' IT expertise with linguistic skills and deliver services in four different languages, on average. In most cases, this includes all major European languages such as English (supported by 100% of centres), German (75%), French (59%), Italian (48%)



and Spanish (49%). However, the most advanced centres in the country can offer services in about 30 languages, and include languages from Asia, Scandinavia and others.

Poland's location is yet another lure to businesses looking to outsource their IT processes. Many western enterprises find Poland one of the easiest places in Europe to do business with, thanks to many cultural similarities. Many Polish citizens have been exposed to Western culture when growing up, and many have migrated throughout Europe for study or work. Subsequently, most of Poland's population has developed a great understanding of different cultural settings as well as business environments. Poland's outsourcing centres can therefore offer enterprises an opportunity to build extremely comfortable business relationships, making it almost impossible to tell that the outsourced staff is working in another country, thousands of miles away.

Poland, as a member of the EU, adheres to EU's strict data protec-

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► tion laws, guaranteeing that the data from companies outsourcing to Poland is secured and protected following the latest protocols. In May 2018, EU will introduce even tougher data laws. Once the General Data Protection Regulation (GDPR) comes into play next year, all organizations dealing with personal data will have to prove compliance with the new set of rules to further improve data protection in EU countries, and Poland's outsourcing providers will be able to deliver even greater data protection to enterprises they work with.

Poland is also proving to be one of the prime locations to achieve higher ROI, thanks to the country's fast-growing GDP, despite average wages remaining static for years. With currently \$469.5bn GDP, Poland country is now ahead of Belgium, Austria and Norway.

Smarter Polish cities

Poland's universities and education forums are actively discussing digital transformations and the concept of smart cities in order to further improve

the quality of life there. Ensuring more efficient use of modern technologies, smarter management of municipal waste, better heat and electricity management and smart grids, as well as transport and infrastructure, are just some of the topics often raised and discussed. Most Polish cities are now part of the Smart City 2.0 model, where cities focus on ways to ensure energy, transport, infrastructure and technology work seamlessly together for the comfort of all residents.

Poland has been investing in building the infrastructure to support technological developments and growth. It has undergone intense developments in commercial property, positioning Poland as the largest, fastest-growing market in the entire central and eastern European region. Currently, there are more than 8 million square metres of modern office space, and approximately 1.5 million square metres under construction. In fact, no other CEE country has a stronger offering to investors in terms of available and soon-to-be-available commercial real estate. It comes as no surprise that Po-

land is quickly gaining global recognition and success in the outsourcing market.

Poland has proven it has all the qualities to be listed among the world's most appealing and attractive outsourcing hubs with the most advanced outsourcing providers able to offer enterprises an opportunity to enjoy best practices, tap into a highly skilled talent pool, while offering lower costs, minimizing risks and ensuring continuous business agility. While finding the right outsourcing partner is easier said than done, service providers that are able to deliver unique and tailored solutions are proving to be the most capable in building successful partnerships and helping global enterprises grow and thrive.

The growth of Poland's outsourcing market shows no signs of abating any time soon. With increasing numbers of global organizations already taking advantage of its rich IT outsourcing resources, and even more enterprises expected to shift their IT processes to Poland in the near future, it's an exciting time for outsourcing providers in the country.