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VIII Polish Outsourcing Forum – India 2013

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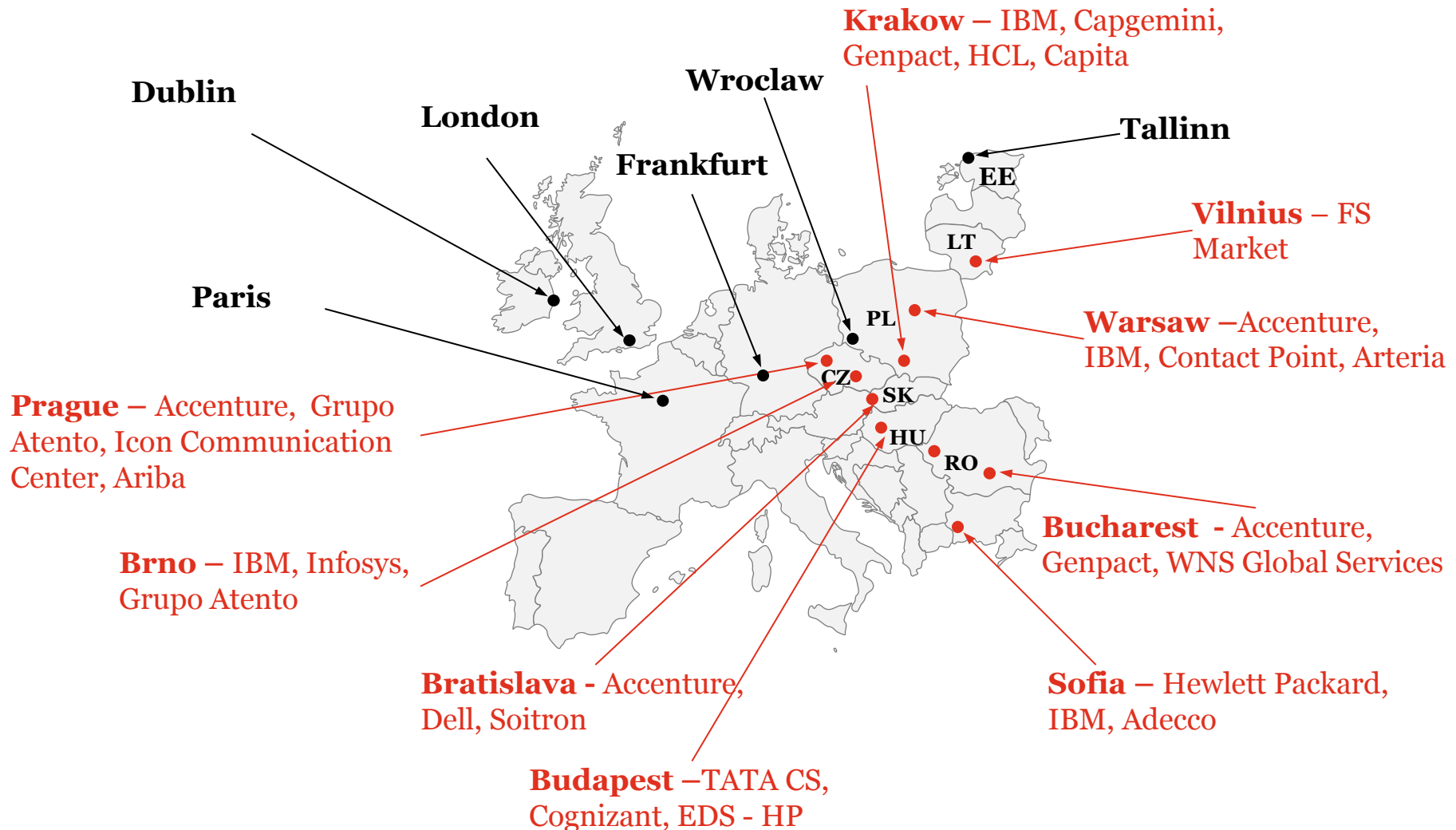
Economic outlook

- CEE consists of 17 countries of which the majority are **EU members**
- While Western Europe in general faces recession, some CEE countries experience **economic growth**
- Generally viewed as **stable** both economically and politically
- Most countries closely pegged to EURO – relative **FX stability**
- **Outsourcing market is growing** significantly across CEE
- Main reasons behind CEE's success are **highly skilled workforce** and **competitive cost**

	<i>UK (London)</i>	<i>Germany (Berlin)</i>	<i>Poland (Kraków)</i>
Gross annual labour cost in EUR	65,000	36,840	16,320

* Internal PwC source (2012)

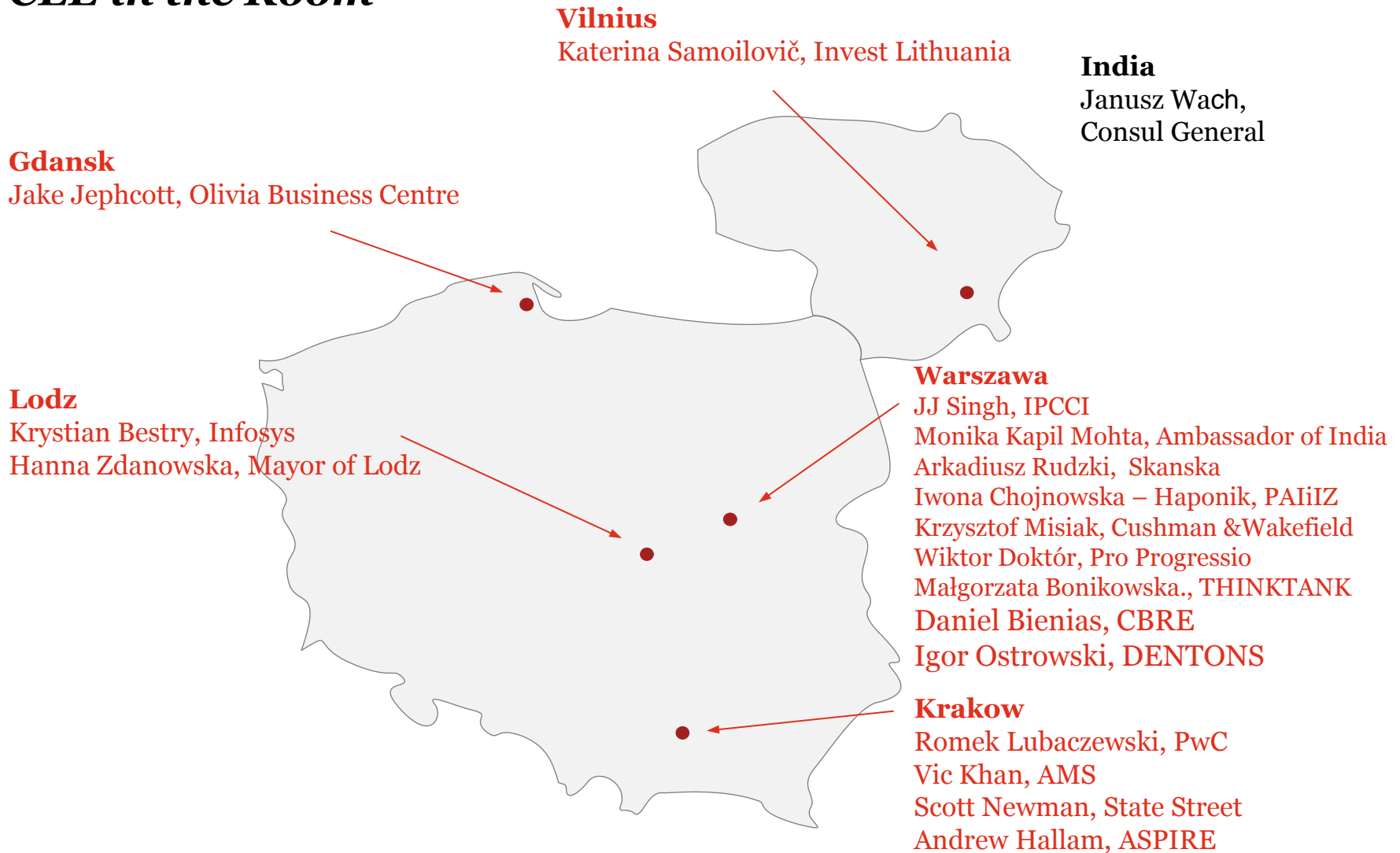
CEE – SSC/BPO hubs and hotspots



Thollons Report extract

<i>Rank 2013</i>	<i>Movement from Last Year</i>	<i>Region</i>	<i>Country</i>	<i>City</i>
1	-	South Asia	India	Bangalore
2	-	South Asia	India	Mumbai
3	+1	South Asia	Philippines	Manila (NCR)
4	-1	South Asia	India	Delhi (NCR)
5	-	South Asia	India	Chennai
6	-	South Asia	India	Hyderabad
7	-	South Asia	India	Pune
8	+1	Southeast Asia	Philippines	Cebu City
9	-1	Western Europe	Ireland	Dublin
10	+1	Eastern Europe	Poland	Krakow
17	+3	Eastern Europe	Czech Republic	Prague
28	-1	Eastern Europe	Hungary	Budapest
30	+1	Eastern Europe	Czech Republic	Brno
36	+2	Eastern Europe	Poland	Warsaw
44	-	Eastern Europe	Romania	Bucharest
47	+3	Eastern Europe	Slovakia	Bratislava
50	+1	Eastern Europe	Bulgaria	Sofia

CEE in the Room



Who goes to CEE?

CEE is not a competitor for India – if you can go to India, you go to India

- **European** companies
- **Mid size** companies – largest market this last 12 months
- Global multinationals as one of the **regional centres** (Europe + Americas + Asia + China)
- **Not India**
- **Knowledge based** processes is the new catch phrase....is it true?
- About 35% of the SSC + BPO growth in the last 3 years has come from **expansion** of existing centres – success has led to growth

Why CEE?

- **Low cost** for Western Europe
- Large **pool of skilled labour**
- **Language** availability
- Great **work ethic**
- **Geographical** proximity
- Good selection of cities of **various sizes** (circa 1/2 mln – 1mln pop)
- Strong perceived **control/risk**
- Fewer **cultural** differences
- More stable – **lower attrition**
- Relatively easy to attract **expats**
- **No time differences** within Europe

Why should CEE be interesting to you?

- CEE is **not competition to India** but it is an extension to Western Europe
- CEE can offer a **wider client service coverage** than India due to language availability
- Even though it is more expensive than India, it is still **cheaper than most of Western Europe**
- Benefits that arise from **diversity** and the front window/back office model
- Companies that limit themselves to Indian operations do not leverage the full potential that lies in **combining the strengths of both regions**
- **If you want to be in Europe, you have to be in CEE**

Romek's view on 2018

- More complex Target Operating Models – **new processes**
- More **multifunctional** SSC's
- **Higher value** processes
- **Mid size companies** will continue to explore outsourcing options
- **Public sector** – it is needed, but are they really ready?
- **Greater efficiencies** through process improvement initiatives
- Why not **Ukraine?**

Thank you. Questions?

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