BUSINESS SERVICES SECTOR IN POLAND 2016

ABSL

Report prepared by
the Association of Business
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in cooperation with:
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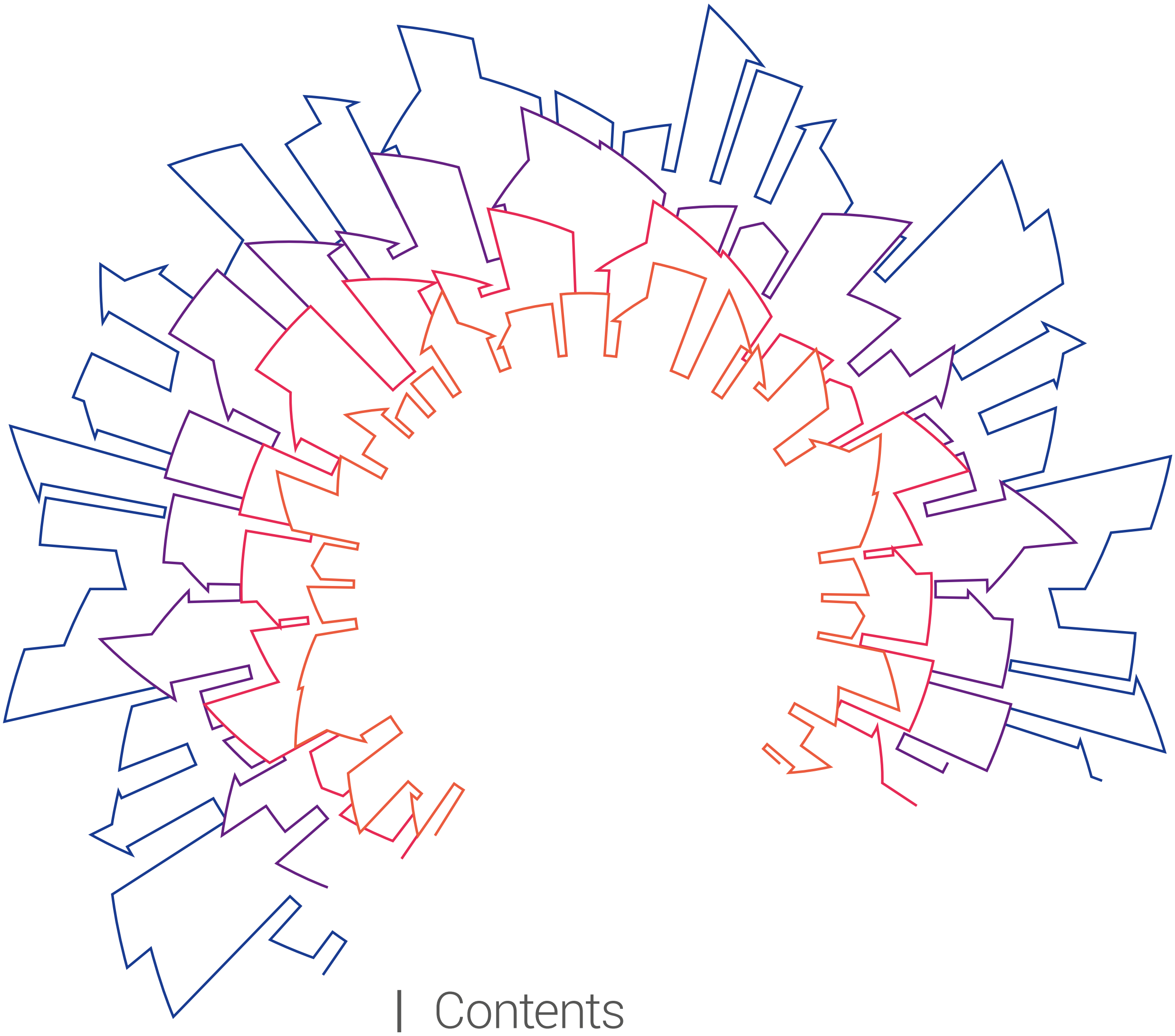

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Foreword

The business services sector in Poland has been one of the country's best-kept secrets for many years. The sector's growth was somewhat overshadowed by the construction of new highways and shining stadiums.

Yet, in a way, it has helped reduce migration westwards and has attracted more than 200,000 talented people, thanks to which Poland has become a recognizable strategic brand talked about in the boardrooms of global corporations. Low labor costs, routine tasks and mountains of paper emptied from cardboard boxes onto desks continue to be a popular stereotype of the business services center. But today, these organizations have access to the latest digital technologies and innovations just as quickly as offices in Silicon Valley. I don't know of another place where, over the years, the employee's market has led to the adoption of standards other industries can only dream about.

In this year's survey we decided to expand our analysis to include entities having Polish capital. With pride we see Polish businesses that are entering the business services market, drawing on the best experience of foreign companies in Poland and, in many respects, keeping up with the best of them.

All that remains for me to wish you an enjoyable read; the analyses will no doubt lead you to many new conclusions and reflections about which we intentionally chose not to write extensively in the analytical section of the report.

Please get in touch, we at ABSL are very open to working together with you.

Wojciech Popławski
Vice President, ABSL
Managing Director, Accenture Operations

Chapter content provider: **ABSL**

1 | Characteristics of the Business Services Sector in Poland

Poland's rise as one ot the top locations on the global business services map is made possible due to investors regarding it as a stable and reliable place to do business. The country is now an established part of a network of cross-border relations between international corporations and Polish companies providing business services. They find that having a presence in Poland offers a competitive advantage and boosts their growth potential. This chapter presents some of the key characteristics of the business services sector in Poland. This information provides an overview of the scale of the operations and the characteristics of an industry that is now one of the fastest-growing areas of Poland's economy.

BPO, SSC, IT AND R&D CENTERS IN POLAND IN 2016

212,000

Total number of jobs at business services centers, of which 177,000 are at foreign centers and 35,000 are at Polish centers.

936

Total number of business services centers in Poland, of which 676 are foreign centers.

37

Number of business services centers with at least 1,000 employees.

25%

Employment growth in foreign centers in Poland in the last year (Q1 2015 – Q1 2016) – more than in previous years.

300,000

Number of jobs in the sector in 2020 as forecast by ABSL.

593

Number of investor companies with business services centers in Poland (including 461 foreign investors).

73

Number of Fortune Global 500 investors with business services centers in Poland. Combined, the companies that form part thereof have created 30% of the jobs in the industry.

7

Number of business services locations with business services centers hiring more than 10,000 employees.

9%

Average share of foreigners employed at business services centers in Poland.

Figure 1

Business services sector in Poland – an overview

Source: ABSL own study, Q1 2016 data

About the Report

The purpose of this ABSL report is to provide a comprehensive overview of the business services sector in Poland and discuss selected aspects of the labor market, the office market and the investment incentive system.

An important part of the project involving the publication was the gathering of information about business services centers in Poland directly from their representatives. The ABSL survey was completed by members of 170 companies with a total of 120,000 employees in Poland, which represents the majority of the jobs in the sector. The information obtained through the survey was added to the database about the sector and was used to prepare collective statistical studies on the operations of the entities in question (thematic analyses).

170

Companies which took part in this year's ABSL survey.

120,000 employees

Work for respondents of the ABSL survey in their business services centers in Poland.

All figures concerning the centers are as at the end of Q1 2016. It is worth noting that due to different research methodology used, the figures contained in the report should not be compared to ABSL studies prepared before 2016.

The study adopts a broad definition of the industry, which also covers research and development. The sector discussion relies on an analysis of foreign and Polish capital business services centers: business process outsourcing centers (BPO), shared services centers (SSC), IT centers and research and development centers (R&D). It should be noted that some centers serve both the parent company and external customers (hybrid delivery model). However, the report does not make a special distinction for mixed-purpose BPO/SSC centers, but assigns each entity to one of the primary types (BPO, SSC, IT, R&D), taking into account the dominant profile of its operations. Contact centers providing services to external customers were classified as BPO. IT centers are entities that outsource IT solution services (e.g. system, application or infrastructure maintenance, technical support) and/or develop and sell (implement) software for external customers (software development).

The studies do not include companies that provide services only in Polish for customers in Poland. This applies in particular to centers established by financial institutions such as banks and insurance companies. This restriction does not apply to IT and R&D centers that offer software development. This process, as a rule, requires that the product be developed in English.

The publication used the geographic criterion. Each business services location is treated as a separate unit of analysis if it is located in a different city / agglomeration. The report takes into account centers with a headcount of over 25. This does not include companies in the process of creating jobs, with an anticipated target headcount of over 25. The minimum headcount criterion does not apply to IT and R&D centers.

I would like to thank all the members of companies and institutions who took the time to complete the survey or assemble information used in this publication.

Janusz Górecki
Head of Research, ABSL

Introduction

The number of jobs in the business services sector is consistently rising, placing the industry among the major players on the job market in Poland. In the past year (Q1 2015 – Q1 2016), foreign capital business services centers alone added as many as 35,000 jobs. Thus, these entities' headcounts increased by a quarter, from 142,000 to 177,000. Alongside these figures, we should also mention the increase in jobs created by Polish companies, i.e. thousands of new jobs added.

Combined, in Q1 2016, Poland was home to 936 (Polish and foreign) business services centers employing 212,000 people. Given the industry's growth to date, we can estimate that by 2020 business services centers in Poland will be employing at least 300,000 people.

Out of almost six hundred companies with business services centers in Poland, 73 are investors featured on the Fortune Global 500 (2015) list, with 64,000 employees at 123 business services centers (30% of the jobs in the industry). 21 investors with a presence in Poland and a combined headcount of 29,000 at 40 business services centers are featured in the top 100 of the Fortune Global 500 list.

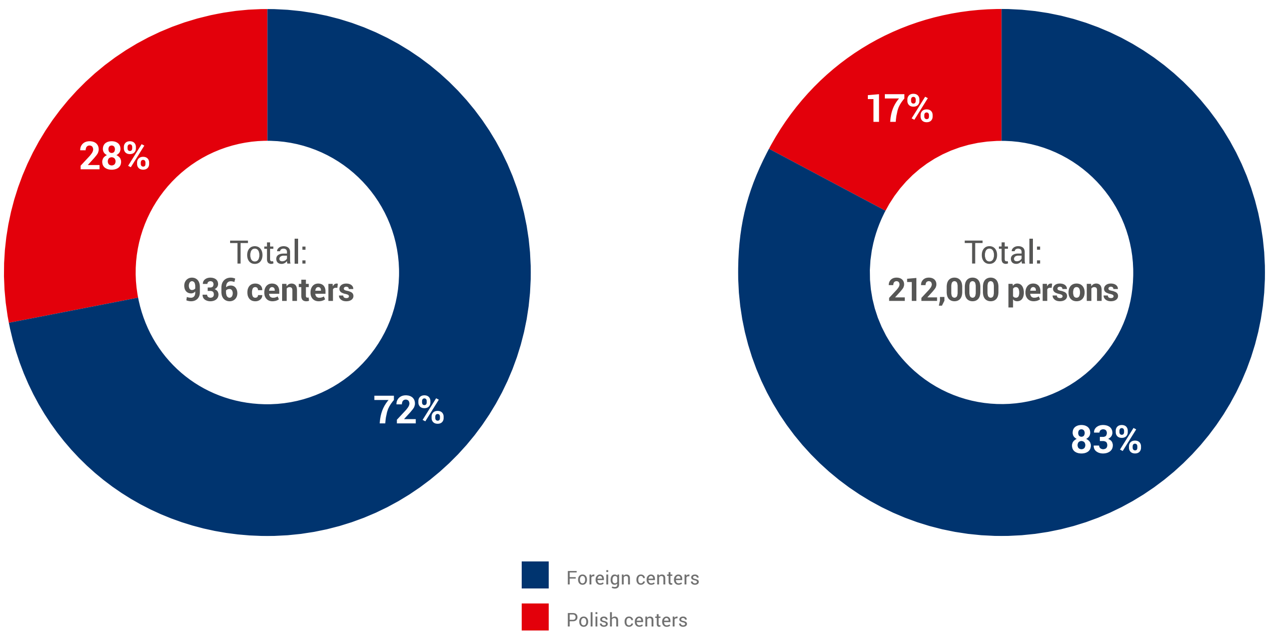


Figure 2
Structure of business services centers by Polish and foreign entities
Source: ABSL's own study

Figure 3
Employment structure of business services centers in Poland by Polish and foreign entities
Source: ABSL's own study

The largest share of jobs in the sector (34%) is generated by shared services centers (SSC), followed by IT centers, outsourcing centers and R&D centers. It is worth noting that the employment structure by center type is very different when we look at Polish centers and foreign centers. The most noticeable difference is the very low share of jobs at shared services centers of Polish companies[1] and the high share of jobs at IT centers (due to the large number of local IT companies rendering services of interest for the ABSL surveys, including several leading Polish IT companies). Also worth noting is the high share of jobs at foreign R&D centers, which was largely generated by entities such as: Nokia, Intel, GE, Samsung, Motorola (representing nearly 40% of all jobs at foreign R&D centers in Poland combined).

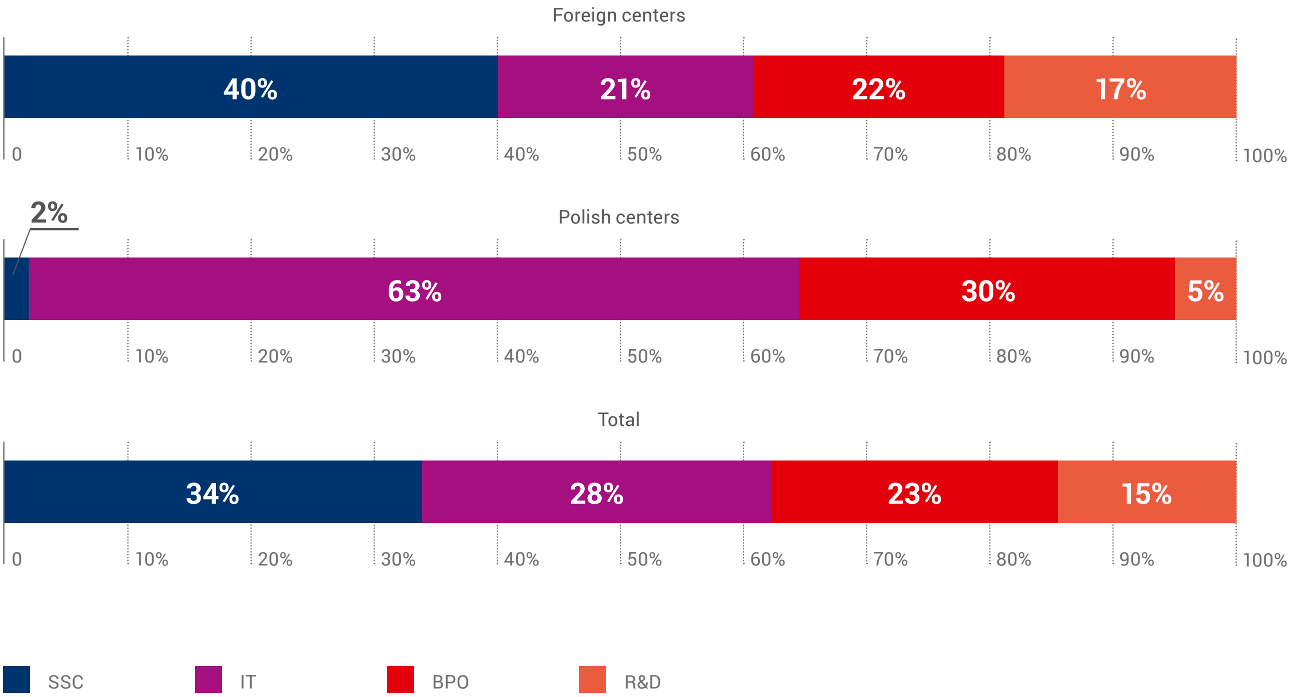


Figure 4
Employment structure at BPO, SSC, IT and R&D centers, by Polish and foreign centers
Source: ABSL's own study

[1] This is due to the manner in which companies were selected for analysis, as the ABSL survey only covered entities that provide services in foreign languages. Thus, any centers that offer services only in Polish to companies in Poland were excluded. Therefore, the share of Polish shared services centers in the employment structure concerns entities providing foreign-language services to foreign branches of Polish companies. However, it is worth mentioning the several dozen Polish shared services centers that work in Polish for their parent companies in Poland. These often include units of major Polish companies such as: Tauron, Poczta Polska, PZU, Enea, Grupa Azoty, Energa, etc. It is estimated that more than ten thousand people are employed by these entities.

Poland has 37 centers with a headcount of at least 1,000. Combined, they employ 74,000 people (which represents 35% of the jobs in the sector). Almost all of the largest centers are owned by foreign entities (35 out of 37).

The average employment level at business services centers in Poland is 227 persons (the median is 100 persons[2]). The highest average headcount is found at shared services centers, with the lowest present at IT centers (which is due, among other things, to the high concentration of small Polish IT companies among business services centers).

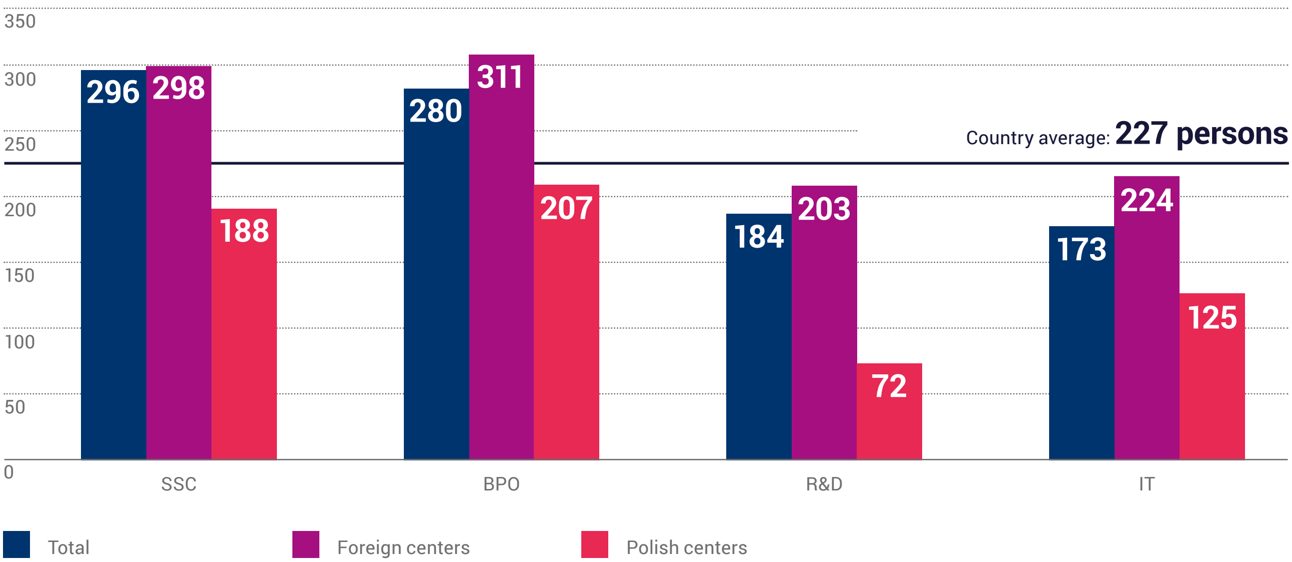


Figure 5
Average headcount at BPO, SSC, IT and R&D centers, by Polish and foreign centers
Source: ABSL's own study

Business services locations in Poland

One of Poland's major competitive advantages for investors planning to open a business services center or expand their activities (if they already have a presence in Poland) is the availability of various locations that can become the site for this type of investment.

When we look at the map of the Polish business services sector, it appears that BPO, SSC, IT and R&D business services centers employ at least 3,500 persons in 11 locations (of which in seven employ over 10,000). Kraków, whose business services centers now have over 50,000 employees, has a strong lead in the number of jobs in the sector in Poland. This also makes it the most important business services location in Central and Eastern Europe.

[2] The median value indicates that half of the business services centers in Poland have more than 100 employees, while the other half have fewer than 100 employees

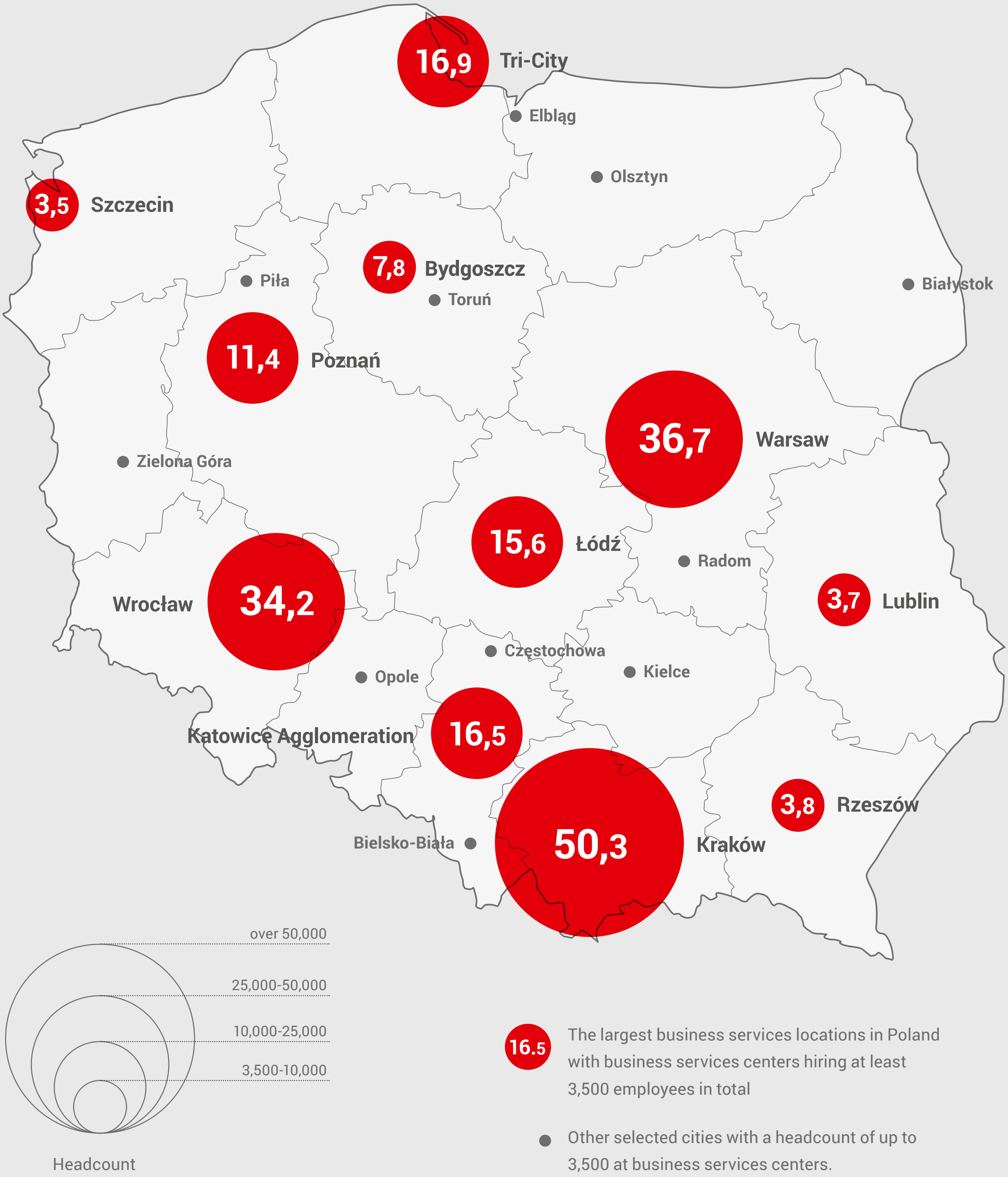


Figure 6
Headcount at BPO, SSC, IT and R&D centers in each business services location
Source: ABSL's own study

Warsaw has the largest number of business services centers in Poland (155). Kraków, Wrocław and Tri-City are each also home to more than 100 centers.

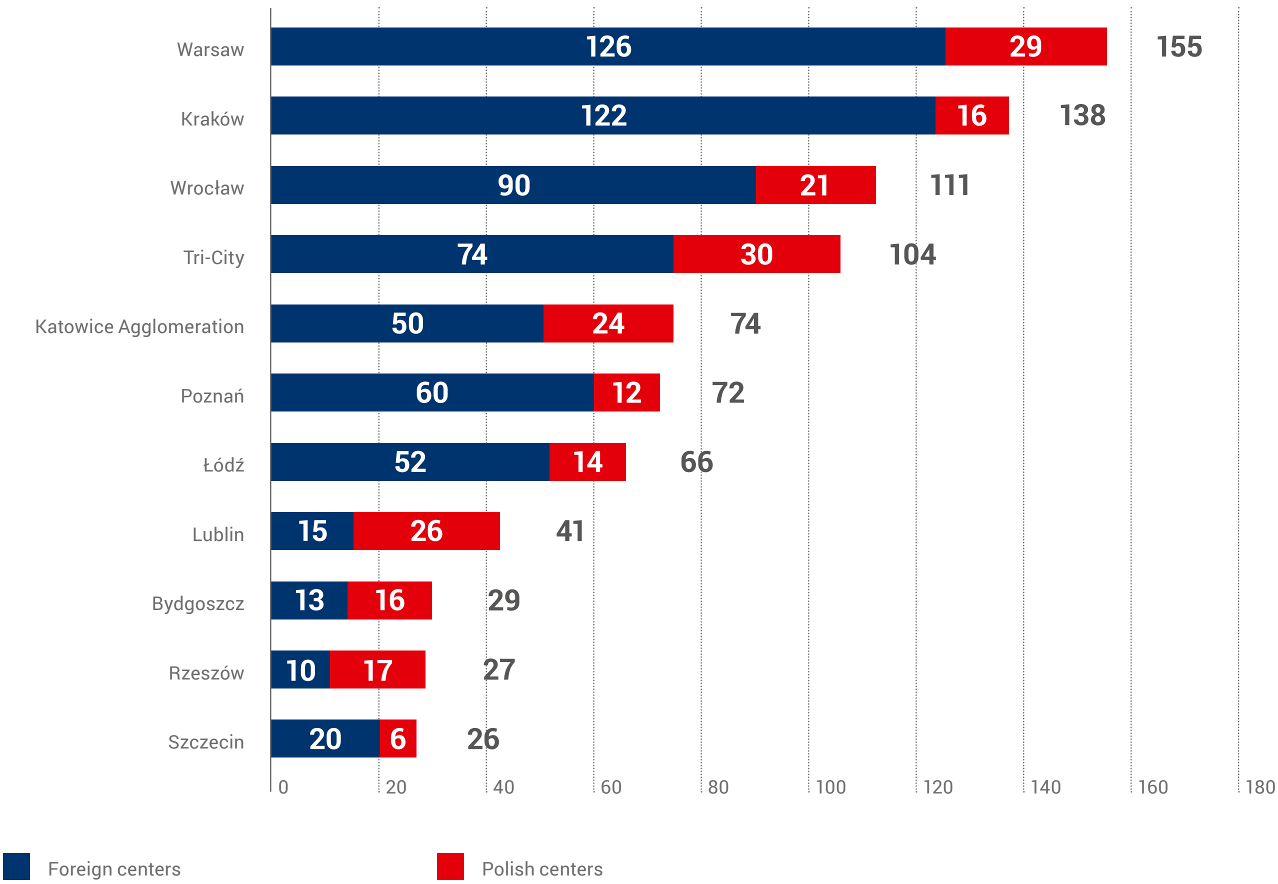


Figure 7
Number of business services centers in the largest business services locations in Poland
Source: ABSL's own study

Business services centers operate in more than 40 cities across Poland, the majority of which are also home to investments by foreign entities in the industry. The seven major business services locations in Poland (Kraków, Warsaw, Wrocław, Tri-City, Katowice Agglomeration, Łódź, Poznań) account for 86% of all jobs in the sector (of which 89% are at foreign centers and 68% are at Polish centers).

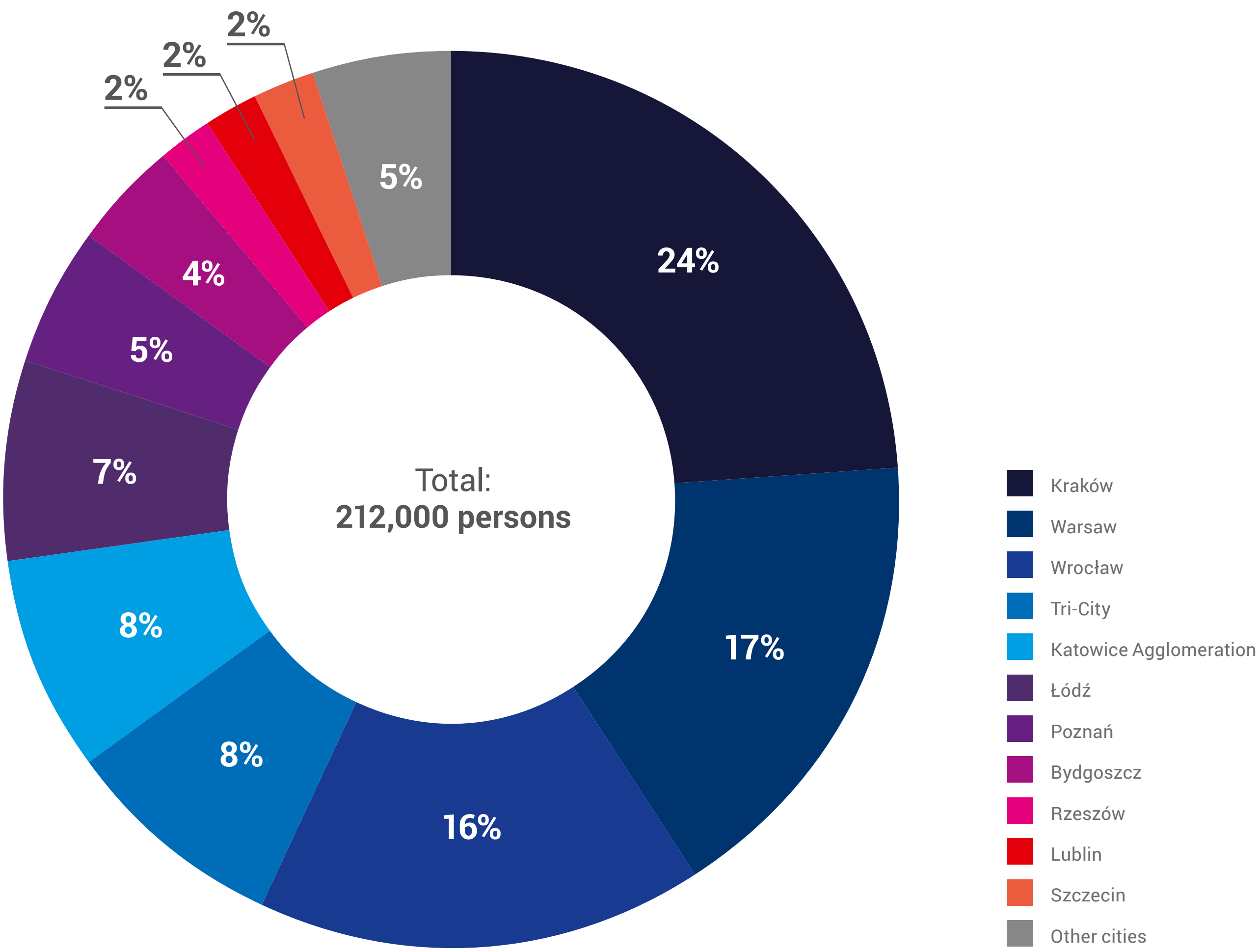


Figure 8
Share of individual locations* in the total headcount at business services centers in Poland
Source: ABSL's own study
* It should be noted that the unit of analysis in the report is an agglomeration. For instance: Kraków is analyzed together with the suburban area of Zabierzów, and the Tri-City is deemed to comprise Gdańsk, Gdynia and Sopot. The rank of the Katowice Agglomeration on each list is the result of collating data from the business services centers operating in Katowice, Gliwice, Dąbrowa Górnicza, Sosnowiec, Ruda Śląska, Tychy and Bytom.

The highest average headcount (among the seven major business services locations) is found at the Kraków centers. This is due to the fact that Kraków is home to the largest number of entities with a headcount of at least 1,000 – there are 17 of them there, which represents nearly half of all such entities in Poland. Large-scale operations also apply to the largest centers in Wrocław (with four entities employing over 2,500 persons), which helps explain the city's number-two rank on the above list.

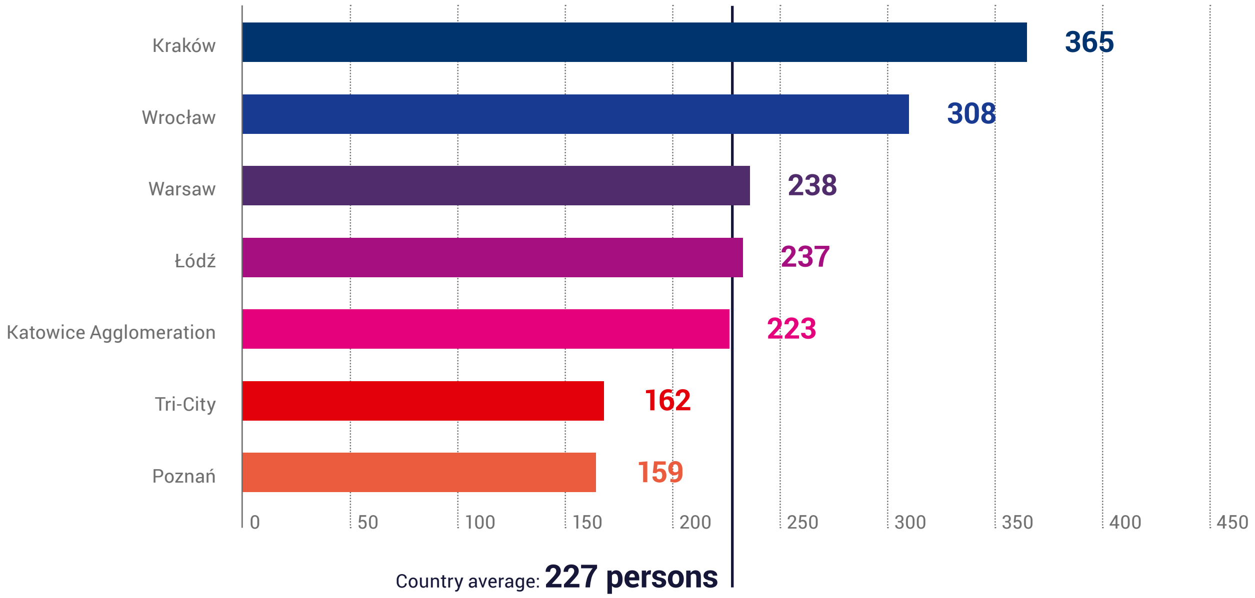


Figure 9
Average headcount at business services centers in major business services locations in Poland
Source: ABSL's own study

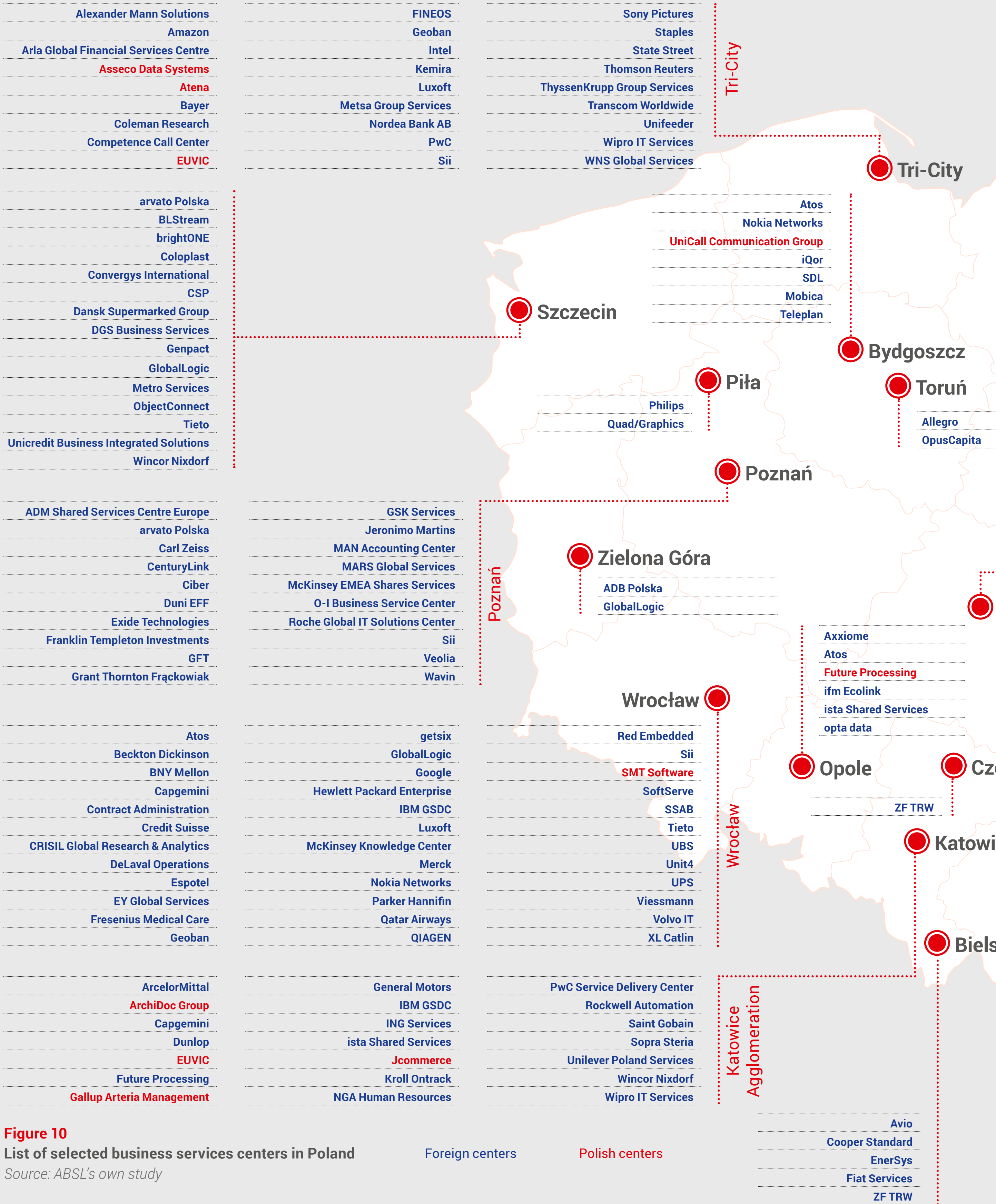
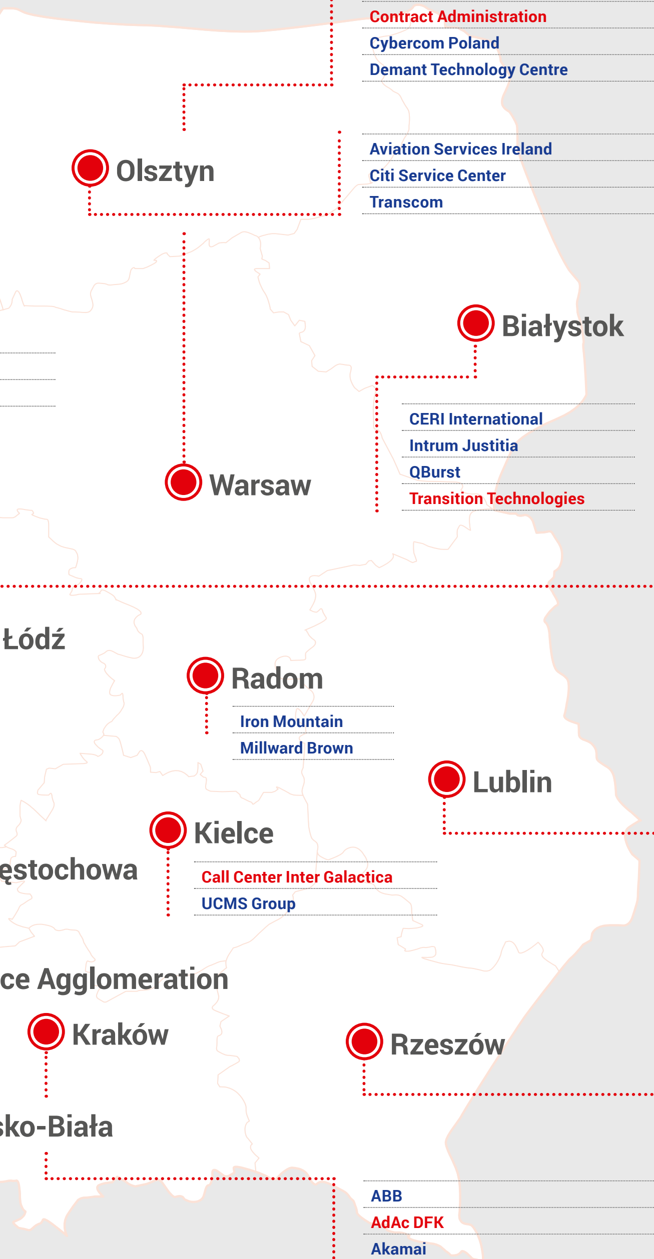


Figure 10

List of selected business services centers in Poland

Foreign centers   Polish centers

Source: ABSL's own study



Warsaw

- Accenture
- ArchiDoc Group
- ASTEK Polska
- AVON Global Shared Services
- Beckton Dickinson
- BNP Paribas Securities Services
- CBRE Corporate Outsourcing
- Citi Service Center
- Coca-Cola Poland Services
- CONNECTIS
- Contract Administration
- Cybercom Poland
- Demant Technology Centre
- DSV International Shared Services
- GFT
- Google
- Hewlett Packard Enterprise
- IT Kontrakt
- ITMAGINATION
- JDA Software
- Jones Lang LaSalle
- Linklaters
- Lionbridge
- Mercer
- MoneyGram
- OEX Business Services
- Oriflame
- Pandora Jewelry Shared Services
- Procter & Gamble
- ProService Agent Transferowy
- Raya Contact Center
- RBS Global Hub Europe
- Roche Global IT Solutions Center
- Schneider Electric
- Siemens
- Sii
- VELUX
- Wincor Nixdorf
- Xerox

Olsztyn

- Aviation Services Ireland
- Citi Service Center
- Transcom

Białystok

- CERI International
- Intrum Justitia
- QBurst
- Transition Technologies

Łódź

- Accenture
- ArchiDoc Group
- Business Support Solution
- CERI International
- Citi Service Center
- Clariant Plastics & Coatings
- Cybercom
- DHL Express
- Ericpol
- Flint Group
- Fujitsu Technology Solutions
- GFT
- Harman International
- Hewlett Packard Enterprise
- Infosys
- McCormick & Co
- Nordea Bank AB
- Takeda SCE
- TomTom
- UPS GLOBAL BUSINESS SERVICES
- Veolia
- Xerox

Radom

- Iron Mountain
- Millward Brown

Lublin

- Asseco Business Solutions
- Britnet
- CompuGroup Medical
- Convergys
- DataArt
- EOS KSI
- Genpact
- Infinite
- Mobica
- MTBC – EUROPE
- Orange
- Sii
- Transition Technologies
- Trimetis AG

Kielce

- Call Center Inter Galactica
- UCMS Group

Rzeszów

- UniCall Communication Group
- Asseco
- Ailleron
- BorgWarner
- Carlson Wagonlit Travel
- Deloitte
- G2A.COM
- Hamilton Sundstrand
- Mobica
- MTU Aero Engines
- Nestlé
- OPTeam
- Pratt & Whitney
- SoftSystem

Kraków

- ABB
- AdAc DFK
- Akamai
- Alexander Mann Solutions
- ALK-Abello
- Aon Hewitt
- Brown Brothers Harriman
- Capgemini
- CH2M Hill
- Cisco
- Electrolux
- EPAM Systems
- Ericpol
- Euroclear
- FEV Polska
- Hays Centre of Excellence
- Heineken
- Hitachi Data Systems
- HSBC
- IBM BTO
- IG Knowhow
- International Airlines Group
- International Paper
- kCura
- Lufthansa Global Business Services
- Luxoft
- Mota-Engil
- Motorola Solutions
- Nokia
- PerkinElmer
- Philip Morris International
- RWE
- Sabre
- State Street
- TeleTech
- UBS

Assessment of the location as a place to do business

How do business services centers feel about each location as a place to do business? This is a question we asked in the ABSL survey. For companies with centers in more than one city, the assessment concerned the market in which the company has the most employees. Generally speaking, the respondents ranked the factors affecting business in Polish cities as good and very good. The highest scores were awarded to: the availability of modern office space (average of 8.2 on a scale of 1 to 10), availability of transportation, and the business image of the location in question (average of 8.1).

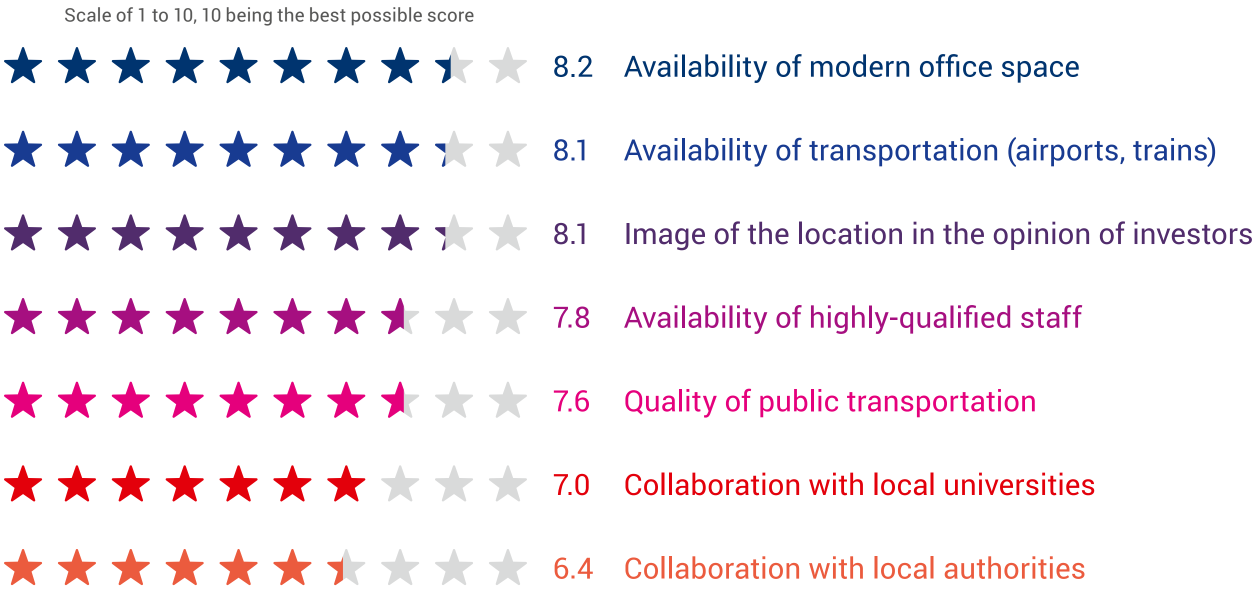


Figure 11
Assessment of the location as a place to do business (average of the scores for Kraków, Warsaw, Wrocław, Tri-City, Katowice, Łódź and Poznań)
Source: ABSL's own study based on the results of a survey addressed to business services centers (N=134 companies)

Overall, the highest scores were given to: Wrocław (average of 8.0 on a scale of 1 to 10), Tri-City (7.9) and Warsaw (7.9). In terms of assessments of individual factors, the top scores went to the cities presented in Table 1.

Assessment of competition among BPO, SSC, IT and R&D centers on local labor markets: 7.5 out of 10 points (where 10 is very strong competition).

Table 1
Ranking of business services locations in terms of the location's assessment as a place to do business by BPO, SSC, IT and R&D* centers

Factor	1	2	3
Availability of modern office space	Tri-City	Katowice	Warsaw
Availability of transportation (airports, trains)	Katowice	Tri-City	Warsaw
Image of the location in the opinion of investors	Wrocław	Kraków	Tri-City
Availability of highly-qualified staff	Warsaw	Wrocław	Kraków
Quality of public transportation	Tri-City	Warsaw	Katowice
Collaboration with local universities	Wrocław	Katowice	Kraków
Collaboration with local authorities	Łódź	Wrocław	Poznań

Source: ABSL's own study based on the results of a survey addressed to business services centers (N=134 companies)
* because the study had to be based on a sufficiently large number of respondents, it analyzes the scores for: Kraków, Warsaw, Wrocław, Tri-City, Katowice, Łódź and Poznań

15%

Average employee turnover rate at business services centers. Smaller entities, with <200 employees, have a slightly lower employee turnover (13%). In addition, turnover rate at commercial providers (16%) is higher than at internal units / captive centers (14%).

55%

Average number of female employees at business services centers in Poland. For management, the figure is 43%.

Companies from the sector assess the level of competition on local labor markets as 7.5 on a scale from 1 to 10, where 10 means very strong competition between the centers. Generally speaking, this means that rivalry among centers is perceptible, but is far from 'draining' the available pool of employees in most cities. Poznań, Katowice and the Tri-City rated the highest in this respect. The respondents mostly noted that these locations' potential allows them to continue to invest in business services centers without noticeably affecting the existing entities in the sector. The companies stated that the most fierce competition on the labor market is in Kraków.

The average employee turnover rate at business services centers (in 2015) was 15%. The turnover rate at Polish centers (12%) was lower than at foreign centers (16%). Given the centers' organizational models, we can note that shared services centers had a lower rate of employee turnover than outsourcing centers and hybrid organizations.

Employment structure in the sector by year center was established

Since early 2013, 27% of the centers operating in Poland were established and already created over 25,000 jobs (as at Q1 2016). This means that the vast majority (88%) of the jobs in the sector were created by entities established before the end of 2012.

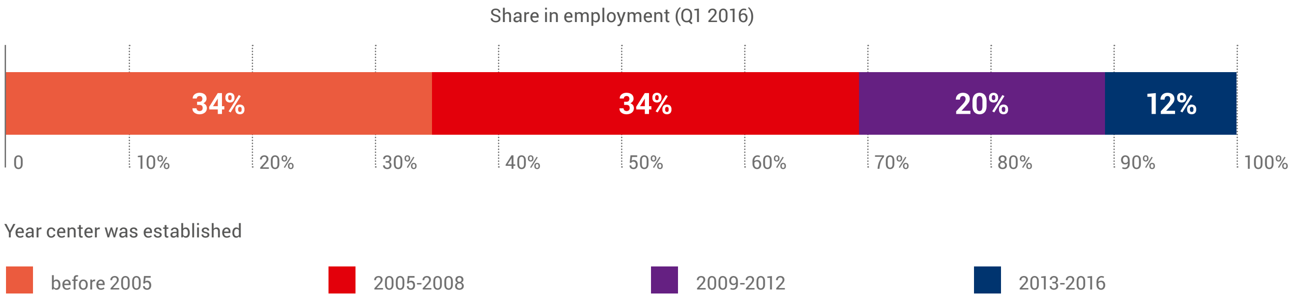


Figure 12
Employment structure in the sector by period
Source: ABSL's own study

Employment structure of business services centers by parent company industry

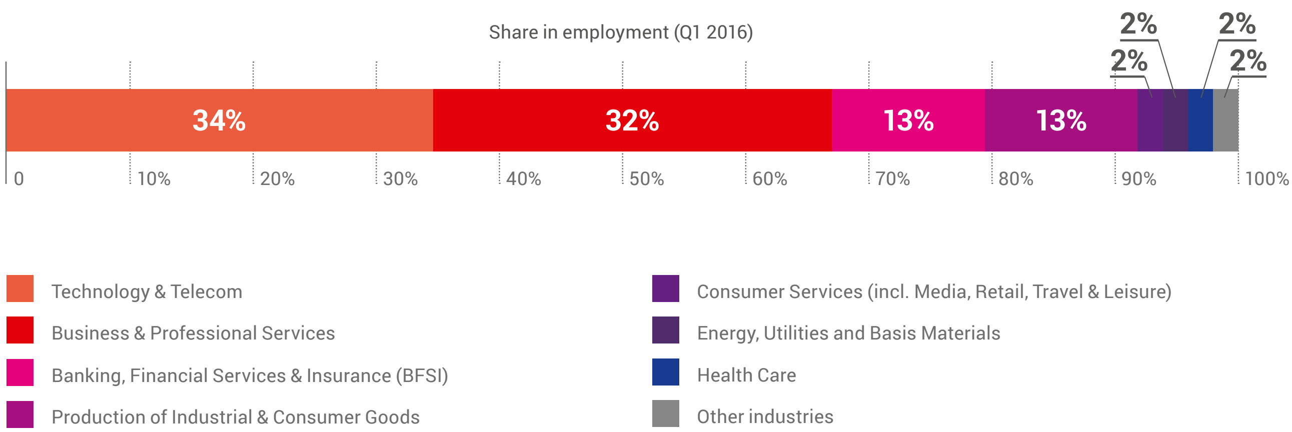


Figure 13
Employment structure of business services centers by parent company industry
Source: ABSL's own study

Foreign investments

The 676 foreign centers in Poland employ 177,000 persons (Q1 2016). This means that foreign capital accounts for 83% of the jobs in the sector, managing the vast majority (72%) of the business services centers. In the past three years (Q1 2013 – Q1 2016), foreign entities created 77,000 jobs in the sector, as a result of which the annual average growth in the period amounted to 21%. A conservative estimate based on job growth to date would suggest that in 2017, the foreign services centers in Poland will be employing 200,000 persons.

Foreign services centers located in Poland employ an average of 261 persons (i.e. significantly more than Polish companies, where the average is 136). The figure continues to grow every year (up by a total of 41 since 2013). The average stated target headcount of newly-established centers (2015-2016) is lower and amounts to 134 persons. However, it is important to remember that in most cases, the number of jobs tends to subsequently grow compared to the investors' assumptions.

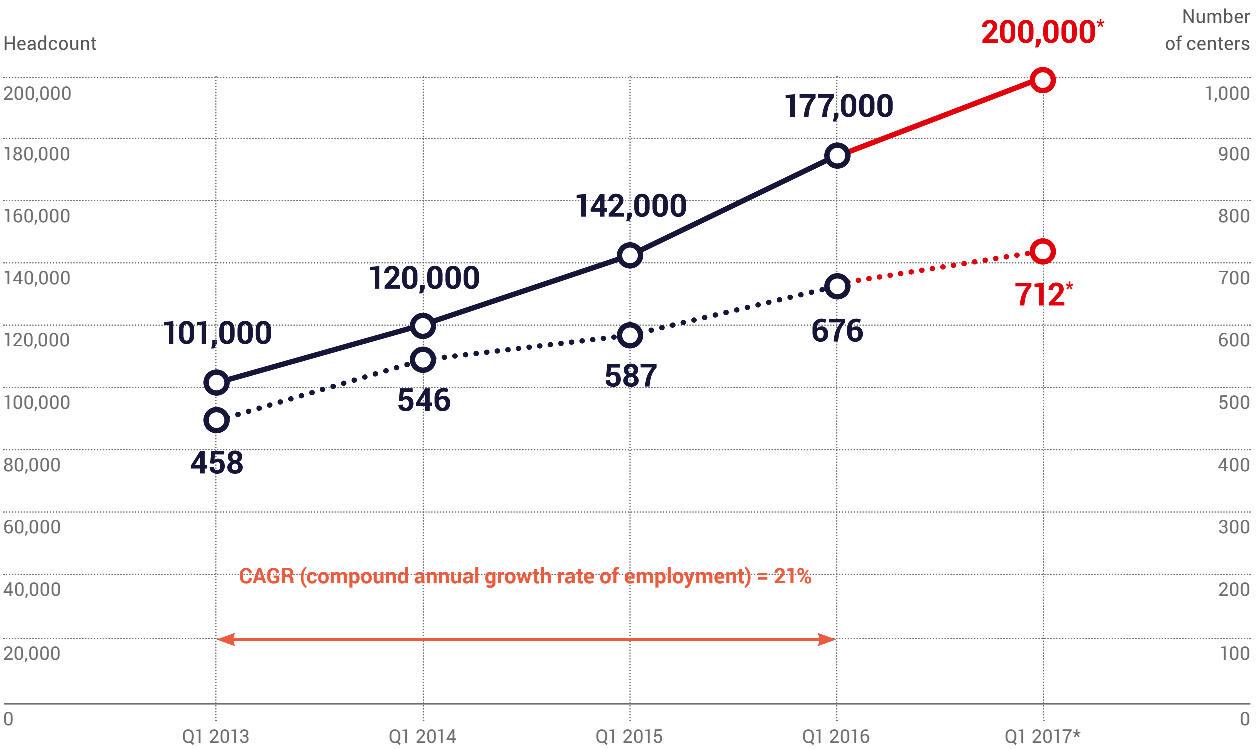


Figure 14
Headcount at foreign business services centers in Poland
Source: ABSL's own study
* forecast

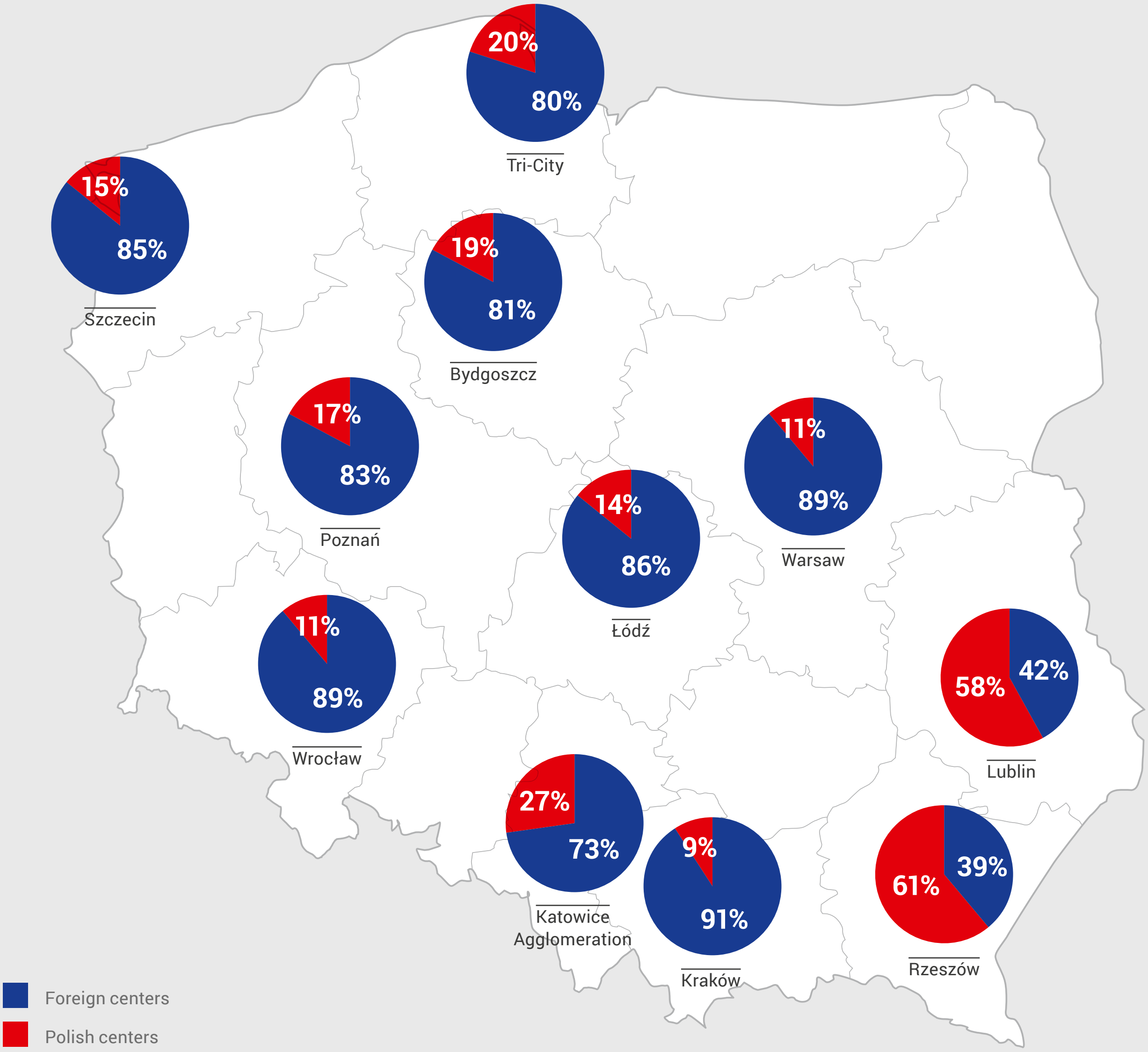


Figure 15
Share of foreign centers in the employment structure of the largest business services locations in Poland
Source: ABSL's own study

At almost all major business services locations, foreign centers account for the majority of the jobs in the sector. The exceptions on the map are Lublin and Rzeszów, where Polish centers dominate the employment structure mainly due to the strong standing of Polish IT companies. Cities with the largest number of jobs generated by foreign centers are Kraków, Wrocław and Warsaw.

The past three years also saw a considerable rise in the number of new business services centers of foreign companies. On a yearly average basis, 73 entities were established during that period.

Table 2
Examples of new investments in selected business services locations in Poland (2015-2016)

Kraków	Cathay Pacific, Guidewire Software, IG Knowhow, Pearson, Uber, Zurich Insurance Group
Warsaw	Bain & Company, DLA Piper, F5 Networks, Groupon, KMD, Raya Contact Center, William Demant
Wrocław	3M, Axiom Law, DataArt, Ocado Technology, Ryanair (Travel Labs), Toyota, UBS
Tri-City	Alexander Mann Solutions (AMS), Ciklum, Coleman Research, Luxoft, PwC, Staples, State Street
Katowice Agglomeration	Dunlop Conveyor Belting, General Motors, Sapiens
Łódź	Barry Callebaut, Flint Group, Lumileds
Poznań	A. Schulman, Archer Daniels Midland Company (ADM), John Deere

Source: ABSL's own study

Interestingly enough, over ten new business services centers that opened in 2015 and Q1 2016 (or that are scheduled to open later in 2016) represent reinvestments by companies successfully operating in other Polish cities. Examples include new centers of AMS, Luxoft, State Street and PwC in the Tri-City, Luxoft and Credit Suisse in Warsaw, GlobalLogic (REC) in Kraków, UBS in Wrocław, Atos in Opole, CERI International in Białystok, Capgemini in Poznań or Wincor Nixdorf in Szczecin. Such a large number of reinvestments could be deemed the start of a new trend that will enrich the business services landscape in Poland as long as the tendency is maintained in the coming years.

In the past three years (since Q1 2013), the employment level at foreign centers in each of the eleven largest business services locations increased by at least 40%. Record growth was reported in Lublin, Rzeszów and the Tri-City, where the number of jobs in 2016 was over 100% higher than in 2013. The Katowice Agglomeration and Kraków also reported a large (80-100%) increase in the number of jobs. In the period in question, Kraków had the highest growth of jobs at foreign capital centers (over 20,000).

In light of the above, it is worth noting that despite the large increases in major cities, medium-sized cities are asserting their presence on the Polish business services map. Of particular note are the cities of Lublin, Bydgoszcz and Rzeszów, whose combined share in the employment structure at foreign centers in Poland increased from 4.6% to 5.3% compared to 2013. Despite numerous new investments, a more noticeable growth in the structure in question will be difficult to achieve due to the lower average employment level at new centers compared to the scale of investments at the largest cities. We must not forget about smaller towns that in recent years welcomed business services centers of foreign companies, in particular, Opole with a handful of new investments.

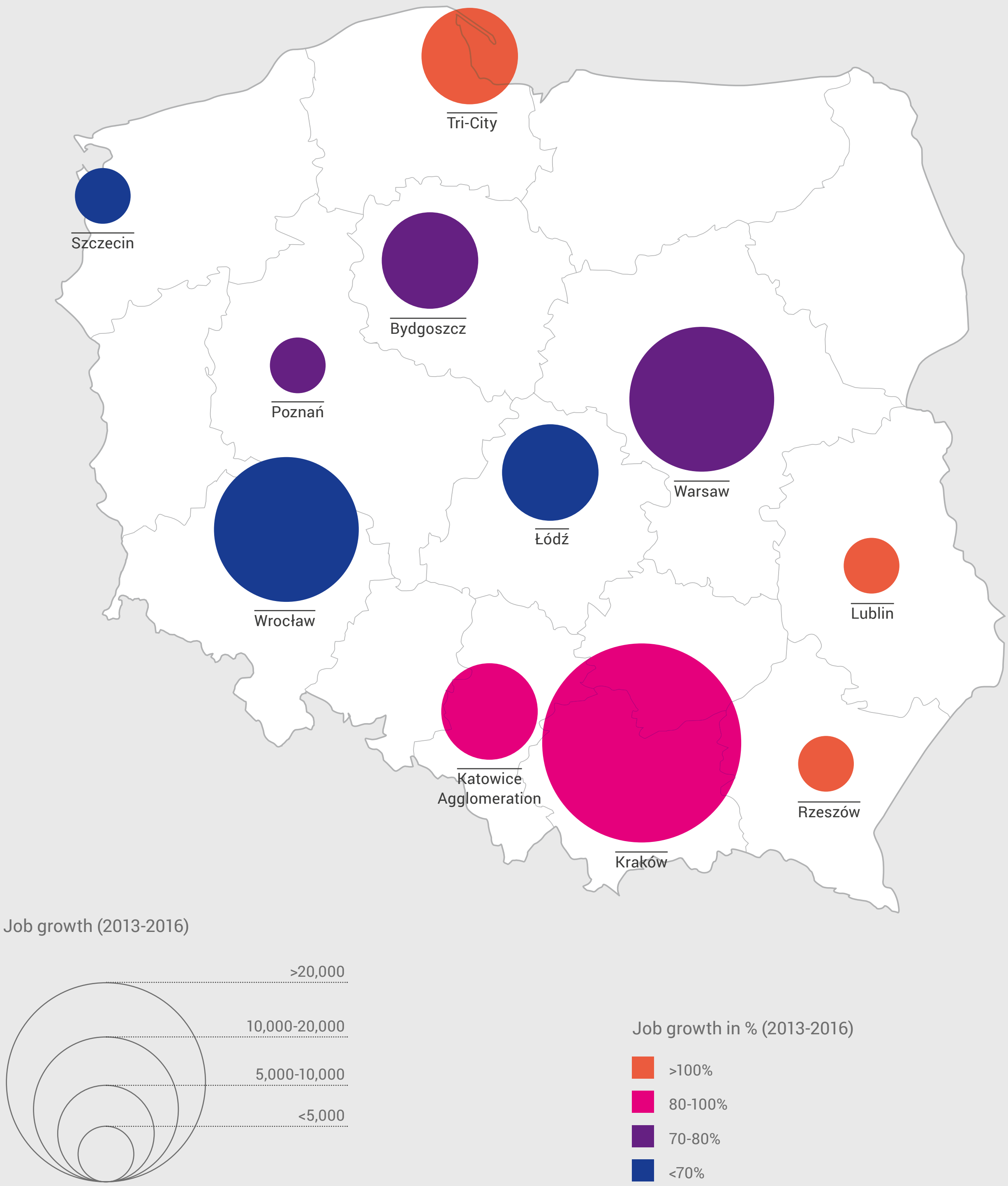


Figure 16

Changes in employment level at foreign services centers in Poland in the years 2013-2016

Source: ABSL's own study

Countries of origin of business services centers

Polish capital services centers constitute the largest group of entities in the centers' structure (28% of all entities). However, in terms of headcount, US centers have the largest share (32%). Centers from the Nordic countries are in third place both in terms of entity headcount structure (11%) and employment (10%).

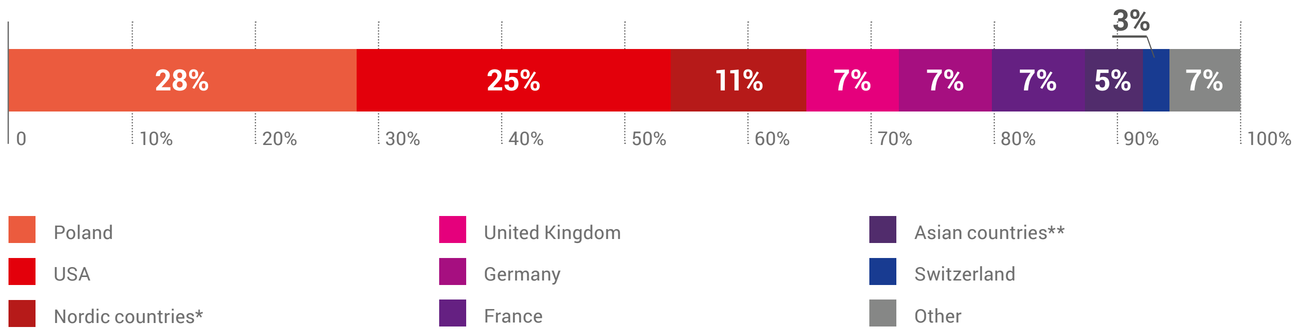


Figure 17
Structure of business services centers by parent company headquarter location
Source: ABSL's own study
* Nordic countries: Sweden, Finland, Denmark, Norway
** Asian countries: India, Japan, South Korea, China, Israel, Qatar, Turkey, Singapore, Australia

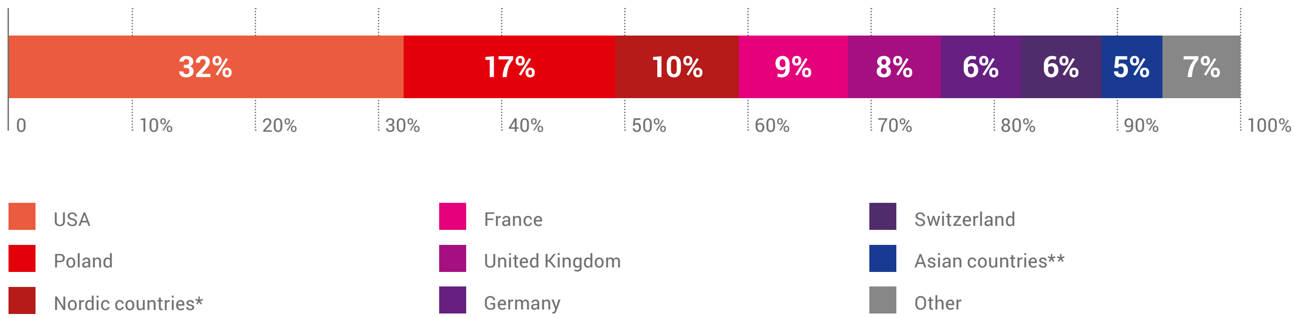


Figure 18
Structure of employment at business services centers by parent company headquarter location
Source: ABSL's own study
* Nordic countries: Sweden, Finland, Denmark, Norway
** Asian countries: India, Japan, South Korea, China, Israel, Qatar, Turkey, Singapore, Australia

US companies have the largest share in the employment structure of business services centers at four of the seven major business services locations (in Kraków, Warsaw, Wrocław and the Tri-City). The highest share is reported in Warsaw, where they employ 47% of the sector's workforce. Polish companies are in first place in the employment structure in the Katowice Agglomeration (27%), Asian companies are in the lead in Łódź (24%) and German companies lead the pack in Poznań (24%). It is worth noting the significant share of centers from the Nordic countries in the number of jobs in the Tri-City (18%), Wrocław (17%) and Łódź (16%), of Swiss centers in Wrocław (17%) and of French centers in the Katowice Agglomeration (17%).

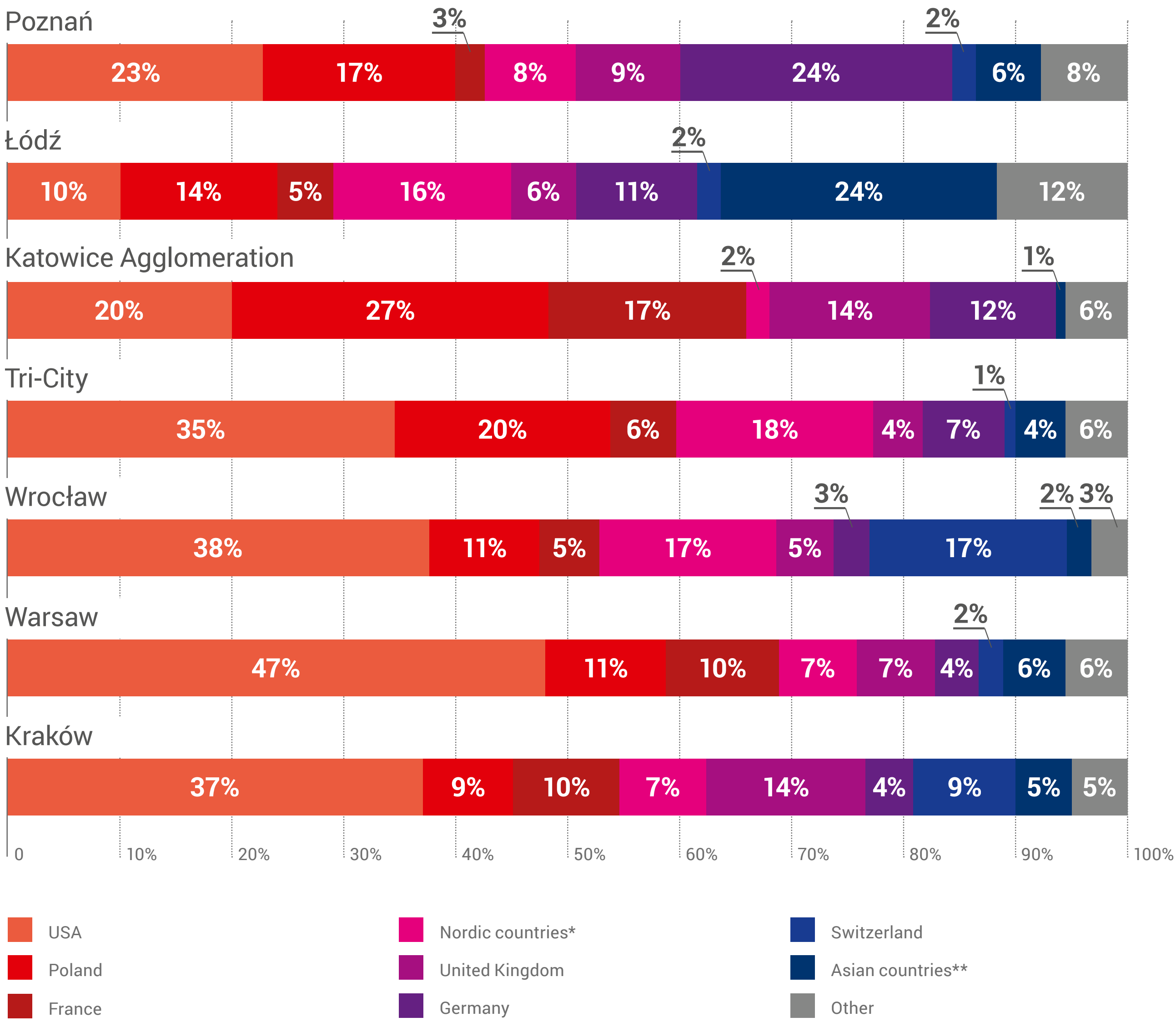


Figure 19

Employment structure of business services centers in the main business services locations by parent company headquarter location

Source: ABSL's own study

* Nordic countries: Sweden, Finland, Denmark, Norway

** Asian countries: India, Japan, South Korea, China, Israel, Qatar, Turkey, Singapore, Australia

Types of services delivered by business services centers

The structure of business services provided at the centers in Poland is highly varied. Companies from this sector support a wide range of processes for customers from all over the world representing various industries. The vast majority of entities offer services in more than one business process category. Figure 20 presents the employment structure of business services centers by process category supported. The list is based on the responses from companies employing 110,000 persons combined. IT services, provided by 37% of the employees, have the largest share in the employment structure of the entities in question. Finance and accounting generates 19% of the jobs, with financial services (banking, insurance, investment) at 11%. An important role, with a 10% share, in the employment structure is also played by customer operations. In total, the above four process categories create over ¾ of the jobs in the sector.

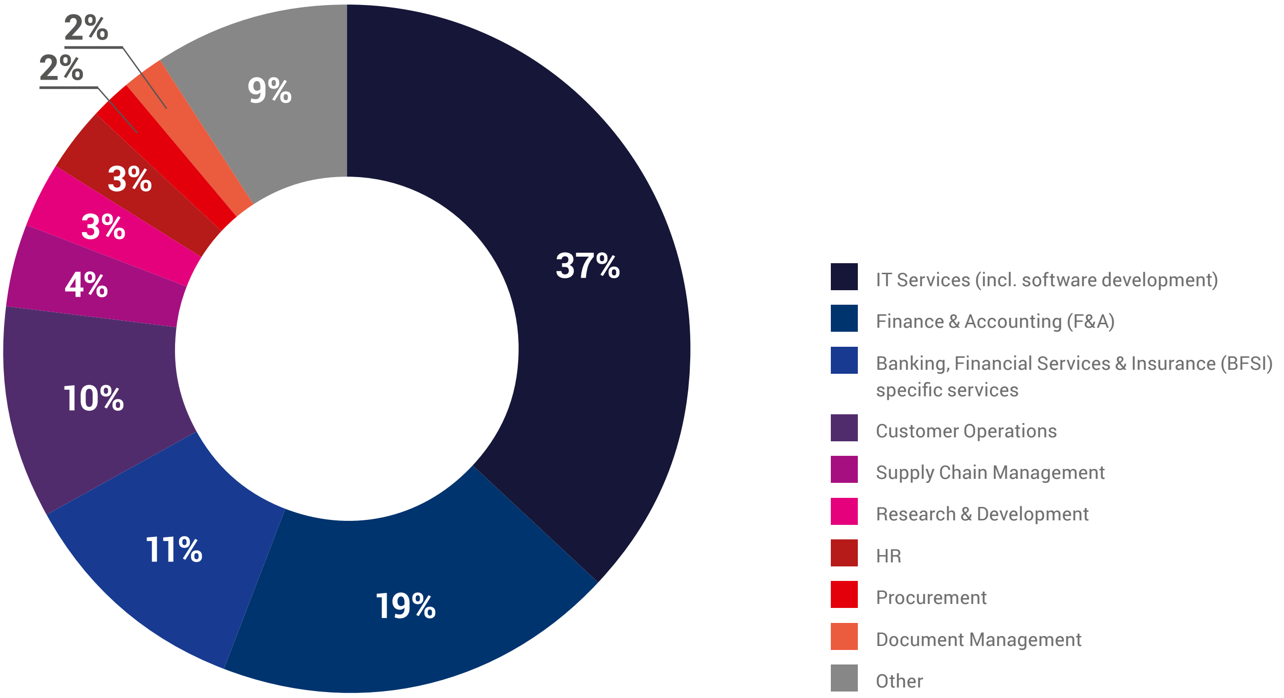


Figure 20

Employment structure of business services centers by process categories supported

Source: ABSL' s own own study based on the results of a survey addressed to business services centers (N=169 companies employing 110,000 people)

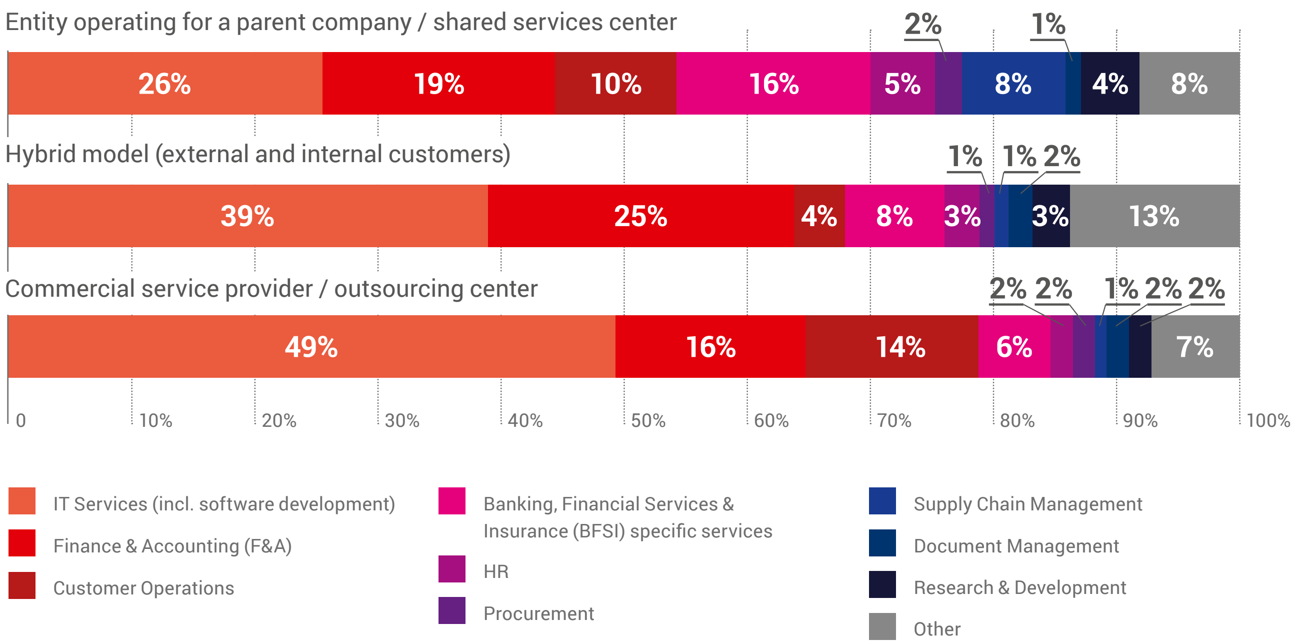


Figure 21

Employment structure of business services centers by process categories supported at center organizational models

Source: ABSL's own study based on the results of a survey addressed to business services centers (N=169 companies employing 110,000 people)

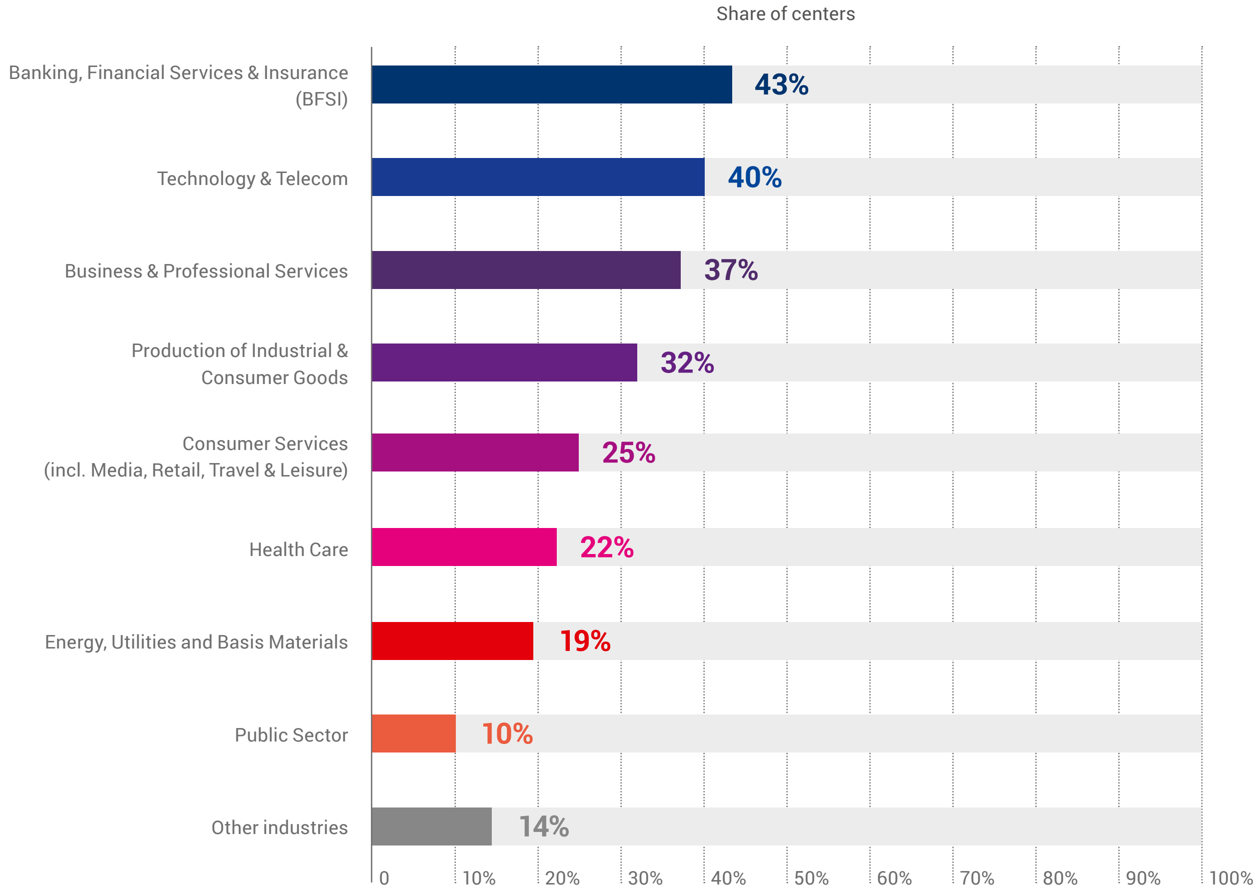
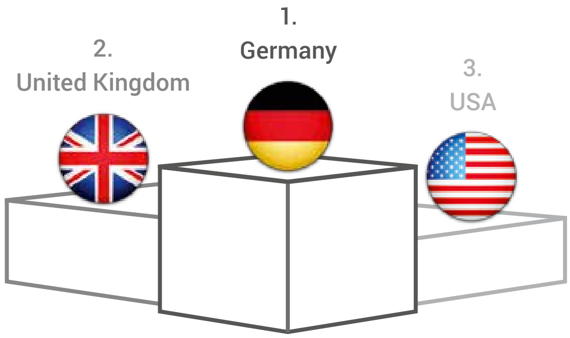


Figure 22

Industry structure of companies (external and internal customers) supported by business services centers located in Poland

Source: ABSL's own study based on the results of a survey addressed to business services centers (N=170 companies)



The majority of the centers analyzed provide services to customers in Germany (68%). Aside from Germany, the United Kingdom and the USA, business services centers most frequently serve customers from Poland, France and Switzerland.

Figure 23

Main countries of origin of the (internal and external) customers supported by centers in Poland

Source: ABSL's own study based on the results of a survey addressed to business services centers (N=154 companies)

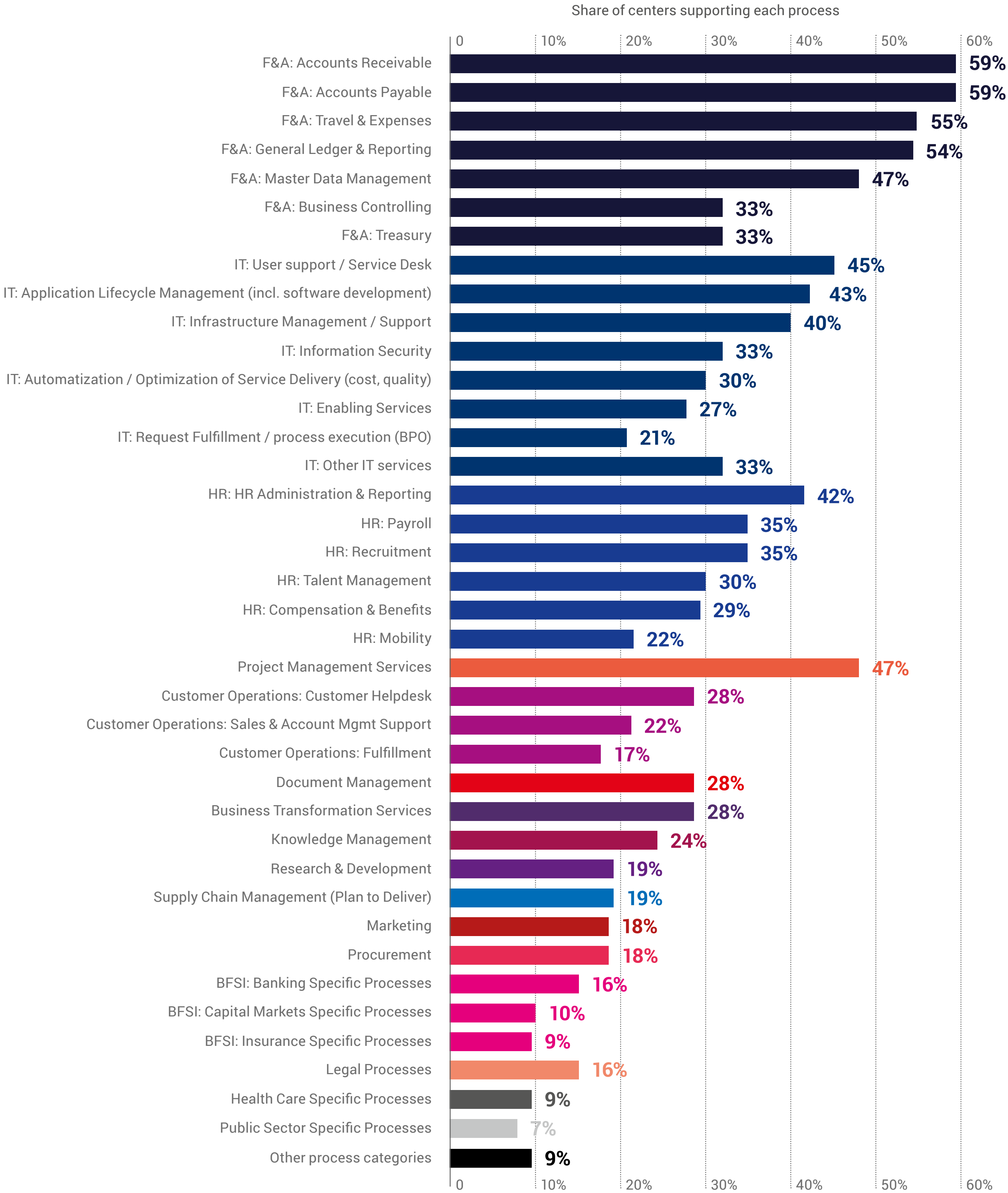
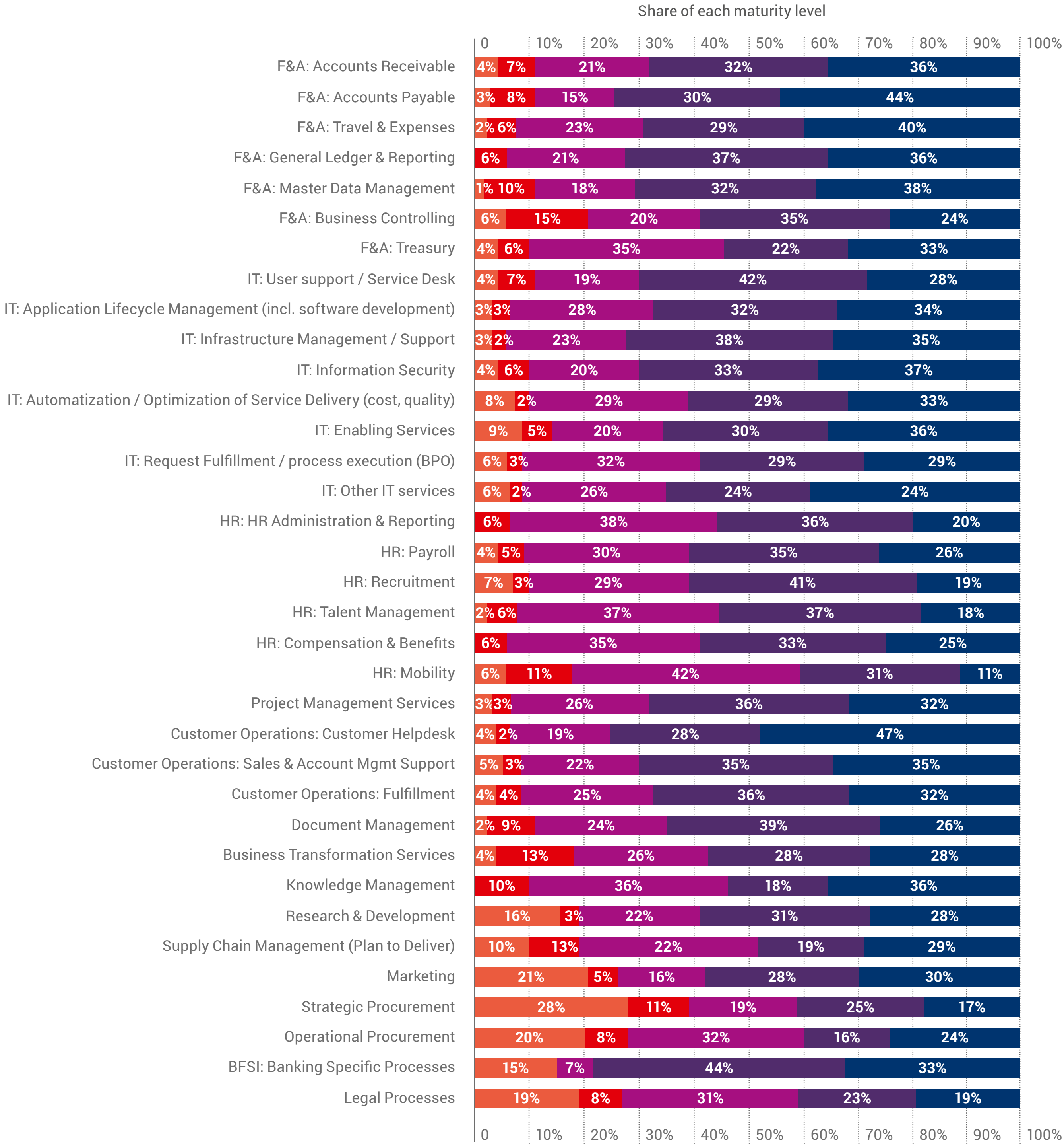


Figure 24

Process categories supported by business services centers in Poland

Source: ABSL's own study based on the results of a survey addressed to business services centers (N=164 companies)



Initial
Processes are informal, disorganized and practiced on ad hoc basis, however intuitively understood. Success is based on individual heroic effort.

Repeatable
Some processes for individual areas are known/ defined. Success is largely unpredictable and due to management support.

Defined
Processes are standardized across all areas and resources are committed to obedience. Success is predictable with improved cost and schedule performance.

Managed
All processes are well-defined and leave no doubt with metrics established and used by management in decision making. Success is uniform.

Optimizing
Feedback on processes enables continuous improvement. Success is a norm and cost/ schedule performance is improving.

Figure 25
List of selected process categories at business services centers by Capability Maturity Model (CMM) maturity level
Source: ABSL's own study based on the results of a survey addressed to business services centers (N=164 companies)

Trends in the business services sector in Poland

The business services sector has become an important employer on the Polish market, each year creating attractive jobs mainly based on employment contracts for highly-qualified personnel. The high growth in employment within the industry in recent years has made business services the most rapidly growing industry in Poland.

An expanding portfolio of services and the share of advanced, knowledge-intensive tasks in the structure of services performed in business services centers points to the evolution of the sector and the increasing role centers play in the global strategy of their parent companies.

The majority of business processes supported by business services centers feature a high degree of maturity, which points to a significant increase in the level of transformation of work organization and to the complexity of tasks performed based on knowledge acquired in recent years. The development of those competencies and further investment in human capital will certainly have an impact on the growth of the Polish economy and on innovation through knowledge transfer.

Around the business services sector there has formed a stable ecosystem of relations and cooperation with the commercial real estate industry, recruitment firms, key city administrations, academic centers and innumerable start-ups and micro-businesses. Fears about low durability of investments in business centers in Poland and an exodus of jobs to Asia are not borne out in reality.

The progress made in the automation of simple processes or such tasks being moved to Asian countries has not resulted in a significant reduction in jobs in business services centers.

The increasing use of robotics on a large scale (also in the context of new technologies in the environments in which they function) is leading to a redefinition of certain positions and centers' areas of activity. RPA tools are also opening the doors to new kinds of tasks such as the automation management, data interpretation, etc.

Competition over talent is growing (including knowledge of foreign languages) in all key agglomerations, with the problem being most severe in Kraków. This will affect migration of workers among cities and the possibility of an increasing number of new staff coming from neighboring countries. Also important will be initiatives by academic centers aimed at increasingly adapting the competencies of graduates to those jobs for which there is most need. The share of foreigners in the employment structure (currently 9%) will go up in the coming years.

An increasing number of entities with domestic capital are organizing their own business services centers. Talent transfer, the implementation of new organizational models and drawing on the experience of foreign centers in Poland may have a significant role to play in modernizing and improving the competitiveness and innovativeness of Polish companies.

Geographic scope of services delivered

Figure 26
Geographic scope of the services delivered by business services centers in Poland (1)
Source: ABSL's own study based on a survey addressed to business services centers (N=170 companies)

The majority of the companies surveyed operate globally, serving entities from all the areas specified. 45% of the entities support specific countries or regions. 4% of the companies support customers in a single country. The largest number of centers focus on serving customers in Western Europe and Poland. It is worth noting that global reach support is offered primarily by large centers, whose headcount in Poland exceeds 500.

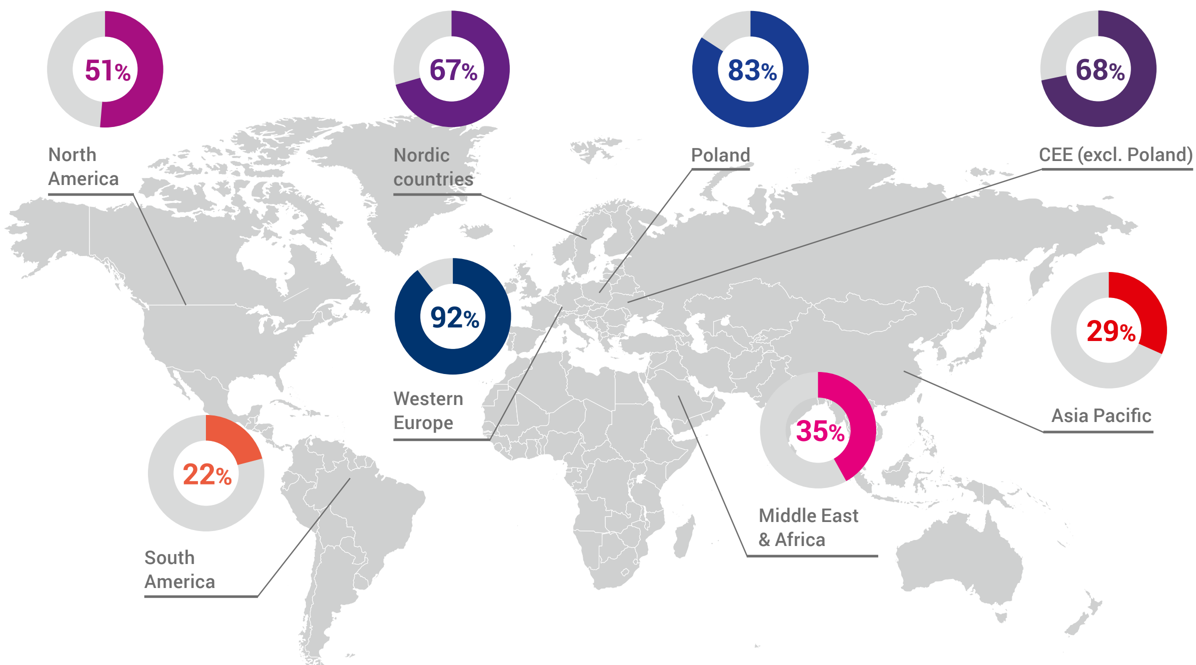


Figure 27
Geographic scope of the services delivered by business services centers in Poland (2)
Source: ABSL's own study based on a survey addressed to business services centers (N=170 companies)

Companies' plans Concerning their operations

88%

companies that extended the scope of supported processes in the past year (N=168)

91%

of the surveyed business services centers plan to increase employment (Q1 2016 vs Q1 2017)

The vast majority (92%) of the surveyed business services centers plan to expand their activities in the next year.

Of note among the forms of reducing the activities of the centers is the low usage of service offshoring (5%). Business process automation, as part of a plan to reduce activities, was noted by 11% of the respondents. In view of the fact that it is used by a vast majority of the centers (see next subchapter), this means that it should be considered not so much in terms of attempts to reduce the supported process portfolio, but as a means of enhancing the effectiveness of the services provided by the companies.

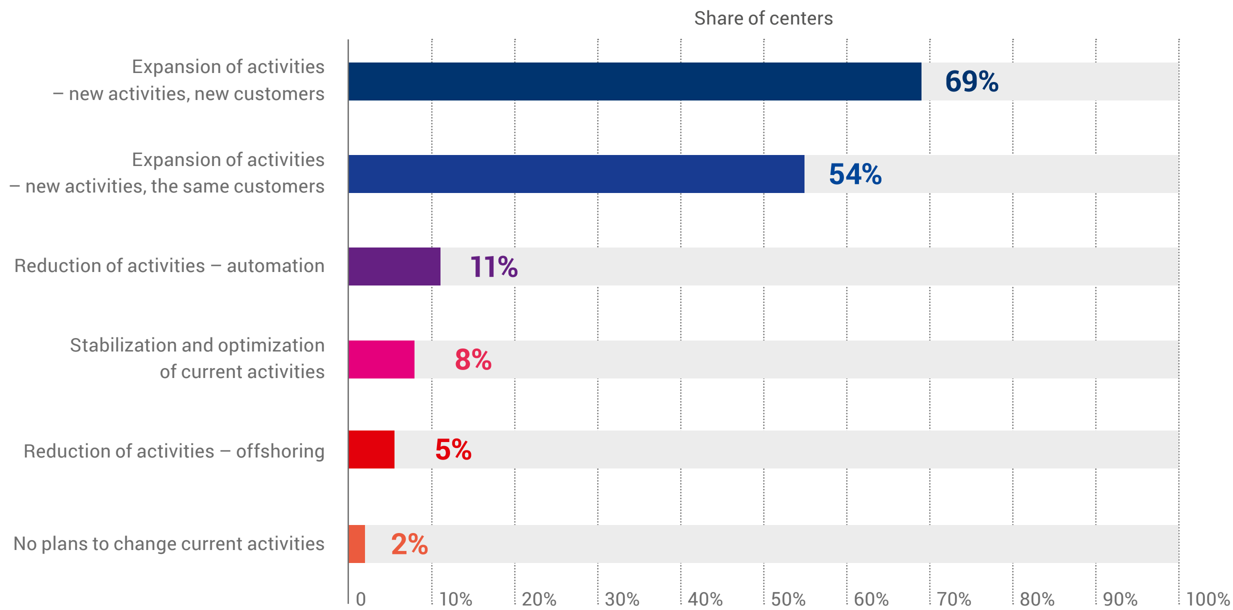


Figure 28
Business services centers' plans to change their activities in the next year*
Source: ABSL own study based on a survey addressed to business services centers (N=169 companies)
* The respondents were able to select multiple answers.

Business process automation

The vast majority of business services centers (81%) use business process automation in their operations. The level of process automation in the companies in question varies: from basic automation involving simple VBA scripts, spreadsheet based, to more sophisticated automation involving complex VBA forms, RPA tools (such as Blueprism and Automation Anywhere), to the most advanced forms using cognitive solutions, among other things. It is worth noting that more advanced automation is present at larger centers with a headcount of more than 500.
For companies with fewer than 200 employees, basic automation is the most common.

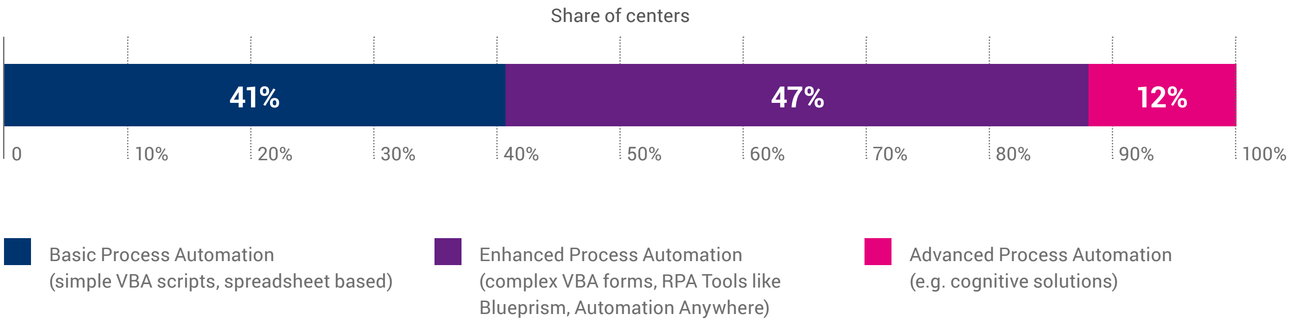


Figure 29
Level of process automation at the business services centers
Source: ABSL's own study based on a survey addressed to business services centers (N=162 companies)

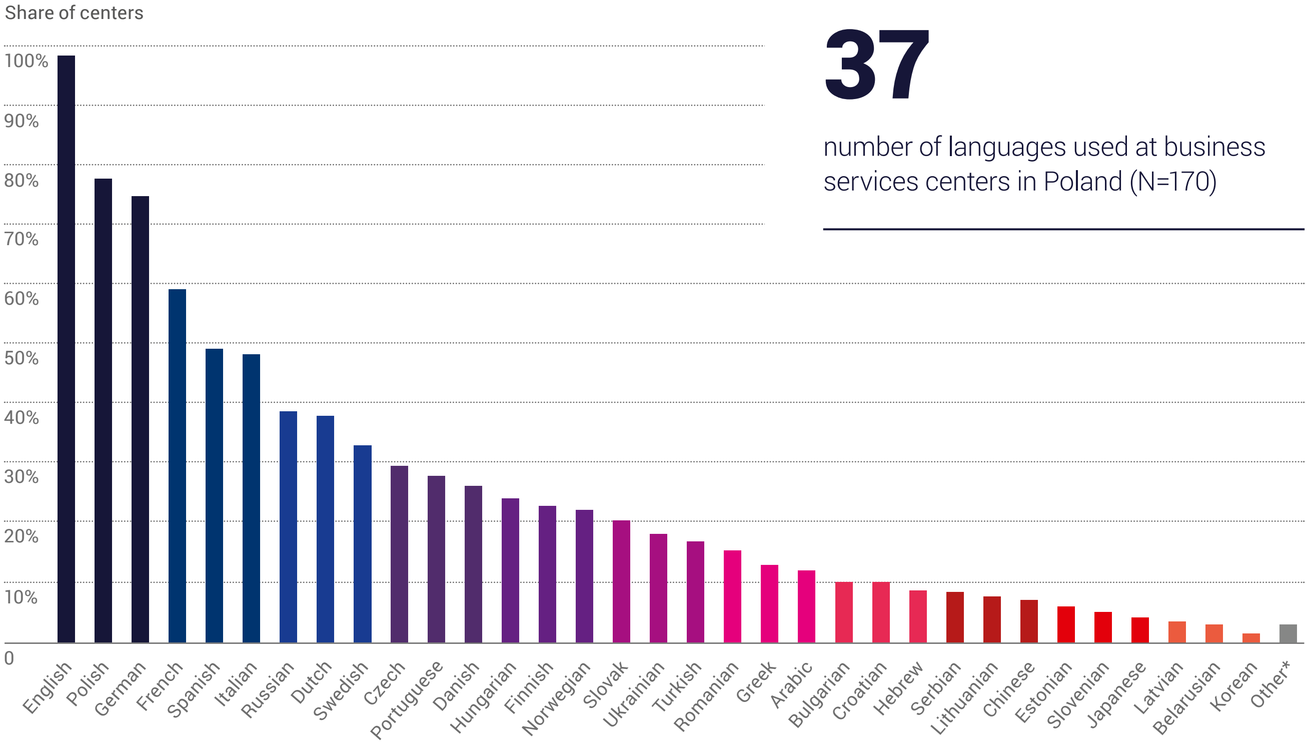
Languages used at the business services centers

30
highest number of languages used at a single business services center

8
average number of languages used at business services centers

38%
of the business services centers use at least 10 languages

62%
of the business services centers use at least 5 languages



37

number of languages used at business services centers in Poland (N=170)

Figure 30

Languages used at the business services centers

Source: ABSL's own study based on a survey addressed to business services centers (N=170 companies)

* "other" includes: Hindi, Swahili, Urdu, Vietnamese, and language varieties: Flemish, Brazilian Portuguese and Latin American Spanish

Foreigners employed at business services centers

86%

of the business services centers employ foreigners (N=166)

80%

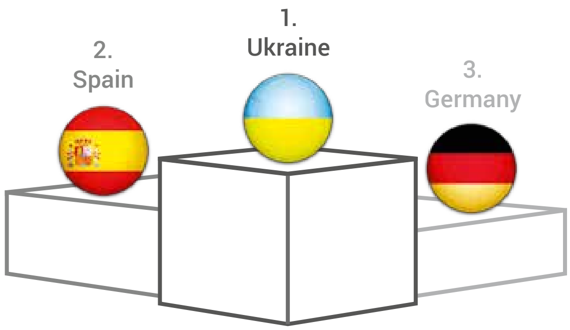
maximum share of foreign employees at a single business services center

9%

average share of foreigners among all business services center employees (12% at commercial providers / BPO, 7% at internal units / captive centers)

34%

share of business services centers where foreigners represent at least 10% of all employees



The country named most frequently as the place of origin of the foreigners employed at the business services centers is Ukraine. It appears that Ukrainians are the largest group of foreigners at nearly half the companies.

Figure 31
Major countries of origin of foreigners working at business services centers
Source: ABSL's own study based on a survey addressed to business services centers (N=137 companies)

Employee training offered by business services centers

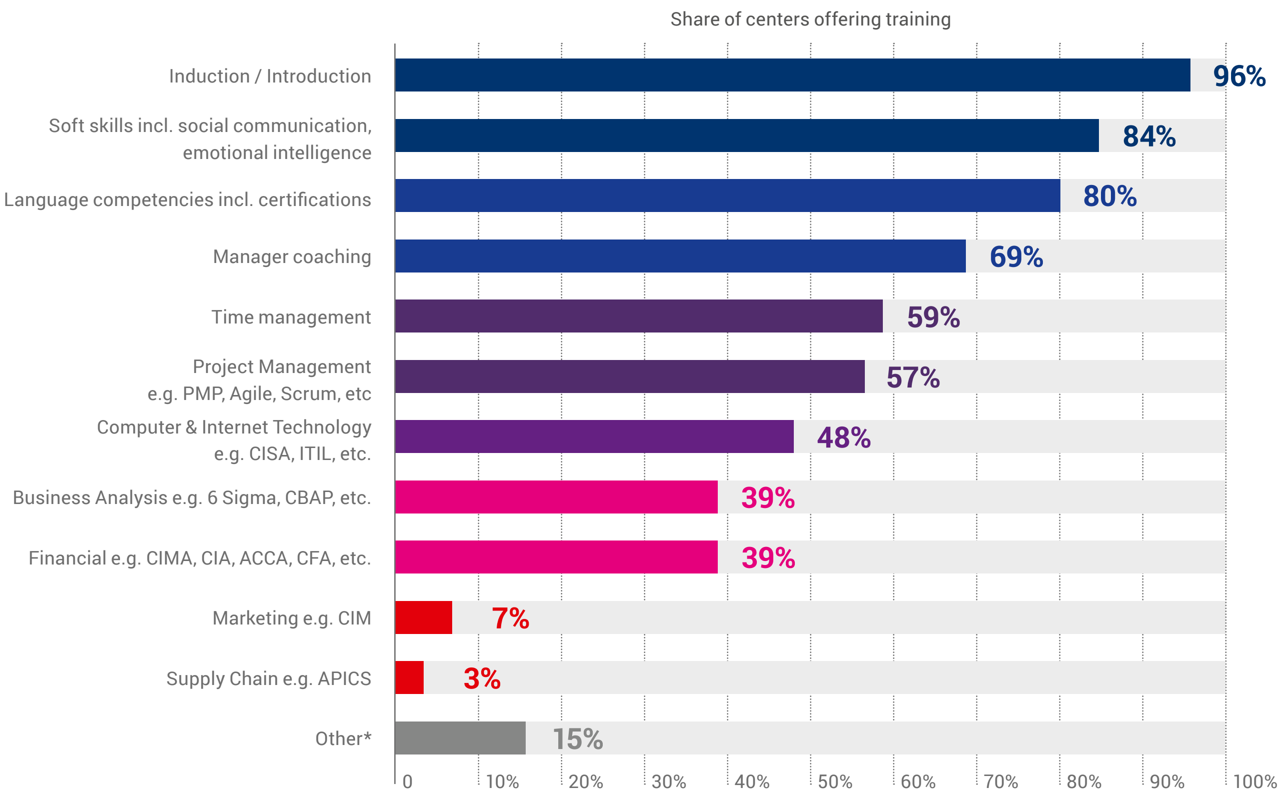


Figure 32
Employee training offered by business services centers
Source: ABSL's own study based on a survey addressed to business services centers (N=169 companies)
* some of the training listed as "Other" include: IFRS (International Financial Reporting Standards), accounting certifications, RPO classes, copy-writing classes, testing (ISTQB certification), Microsoft Office classes, negotiation and leadership trainings

90%

average share of business services center employees with a university degree (N=160)

92%

average share of business services center employees employed on a full-time basis (N=163)

70%

share of business services centers where at least 90% of the employees have a university degree (N=160)

85%

of business services centers employ at least 90% of their employees on a full-time basis (N=163)

Disabled employees

Business services centers employing disabled persons list the following facilities and accommodations: handicapped parking spaces, accessible workspaces and toilets (e.g. with wider entryways), accessible building layout to allow disabled employees to move about comfortably, software solutions for visually-impaired employees, additional paid time off, flexible working hours, additional breaks during the workday, medical examinations and support from other employees for their disabled colleagues.

45%

of business services centers employ disabled persons (N=162)

2%

the average share of disabled employees among all business services center employees (for companies that employ disabled persons) (N=57)

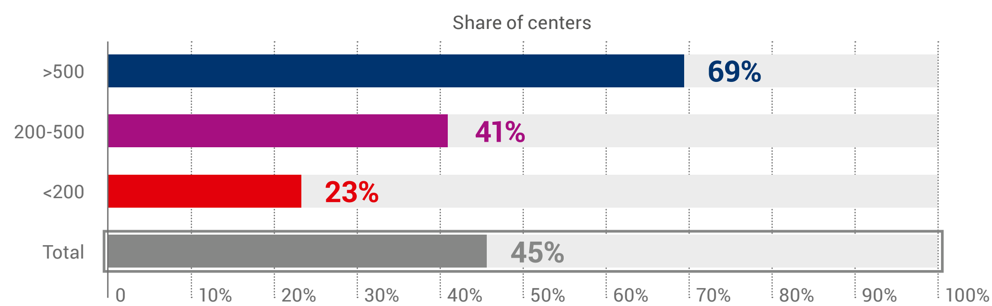


Figure 33
Business services centers employing disabled persons by headcount
Source: ABSL's own study based on a survey addressed to business services centers (N=162 companies)

Non-wage benefits

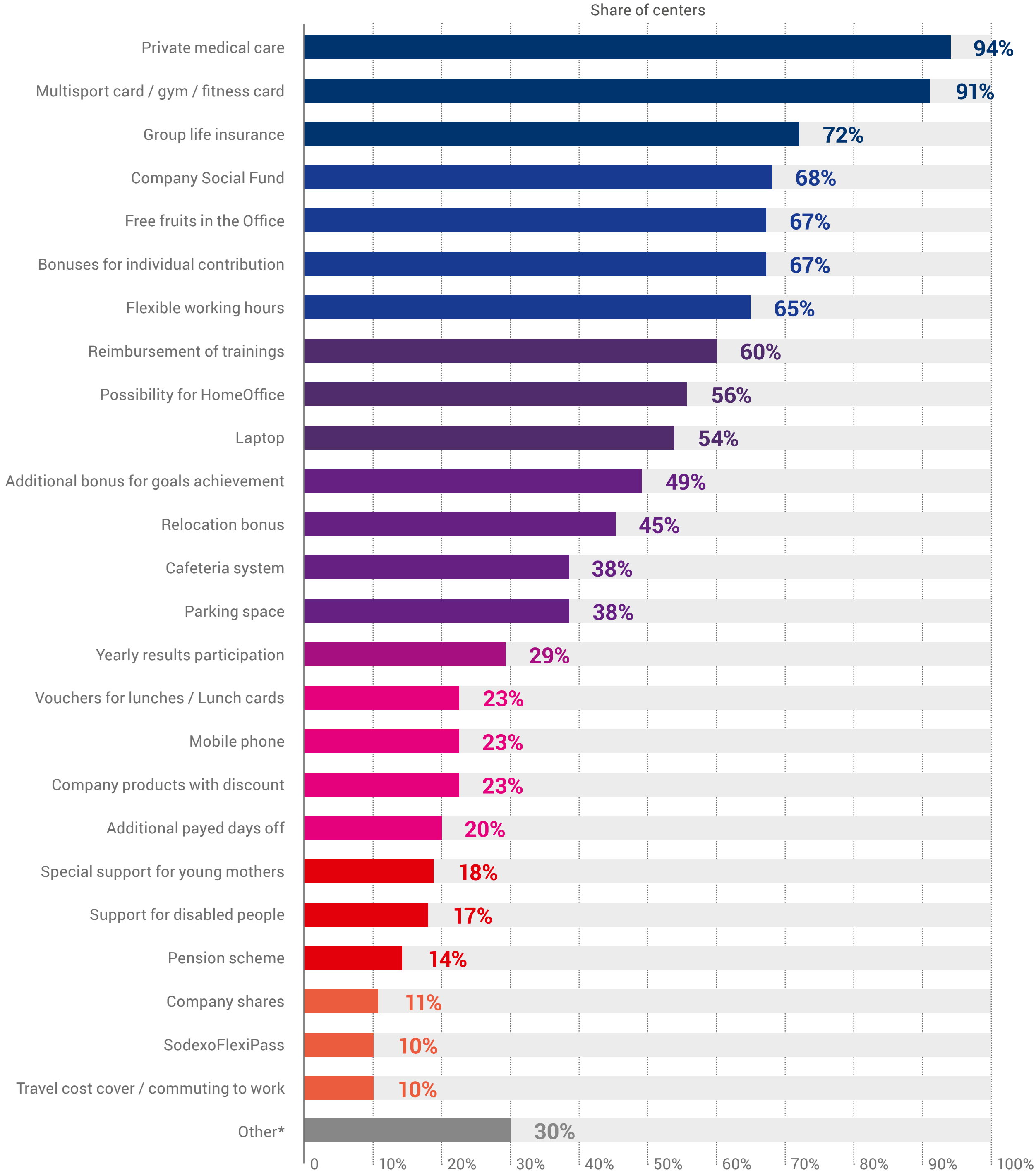


Figure 34

Non-wage benefits offered by business services centers (available to all employees)

Source: ABSL's own study based on a survey addressed to business services centers (N=168 companies)

* among the benefits listed as "Other" were: childcare during the day, 13th salary, free breakfast in the office, four volunteer days per year, accident insurance, additional day off, children's day for employees' children, sports organization support, massages and spa treatments, daycare allowance for employees' children, language classes

Table 3
Benefits most commonly offered by business services centers only to Team Leaders and Managers

Team leaders	Mobile phone (49%) / Laptop (29%) / Parking space (27%) / Possibility for HomeOffice (13%) / Flexible working hours (7%)
Managers	Mobile phone (60%) / Corporate card for personal use (45%) / Parking space (45%) / Laptop (35%) / Possibility for HomeOffice (22%)

Source: ABSL's own study based on a survey addressed to business services centers (N=168 companies)

13%

the share of non salary costs (non cash) per FTE on annual basis (N=112)

Collaboration between business services centers and universities

The vast majority (87%) of business services centers in Poland cooperate with universities. Most commonly, collaboration involve acquiring prospective employees from among a university's students and graduates. Business services centers partner with universities in hosting conferences, seminars and courses as well as educational initiatives. Among less common types of collaborations are joint study programs and research projects.

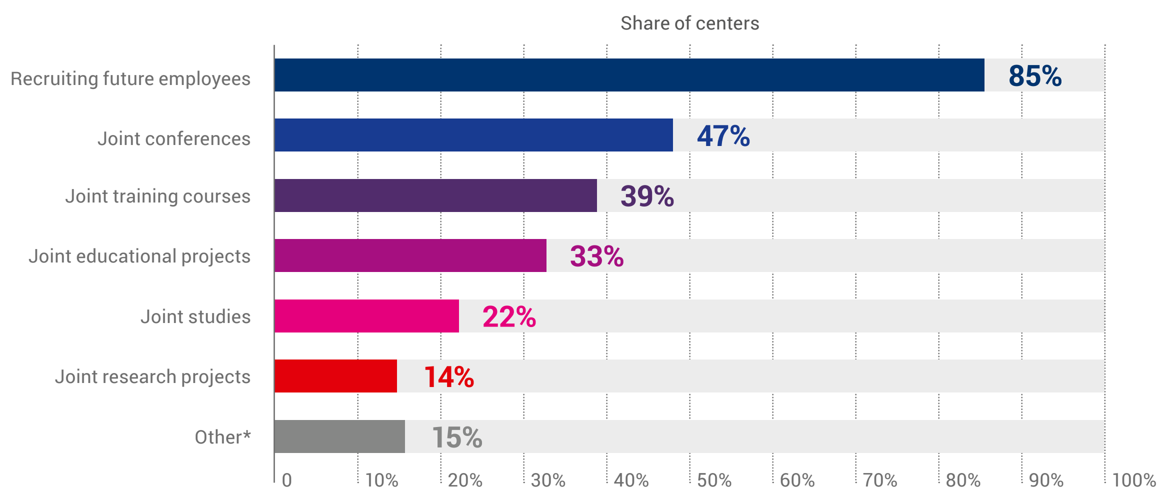


Figure 35
Types of collaboration between business services centers and universities
Source: ABSL's own study based on a survey addressed to business services centers (N=144 companies)
* some of the types of collaboration listed as "Other" include: partnerships, job fairs, ABSL Academy, "Sukienka w biznesie – czyli kobieca droga do sukcesu" [*Women in the Business World: A Woman's Path to Success*], student internships, ambassador programs, collaboration with AIESEC, open days, competitions for students.

Table 4

Selected examples of collaboration between business services centers and universities

Company	Sample activities as part of collaboration between companies and universities
Accenture	» Participated in the Łódź Akademicka Open Days; in educational fairs, e.g. at the Faculty of Mathematics and Computer Science of the Jagiellonian University or the AGH University of Science and Technology in Kraków; in the Warsaw IT Days; in the Consulting Firms' Marathon and the Graduate Programme Day at the Warsaw School of Economics; in the Student Career Fair at the Wrocław University of Technology. » Accenture Academy – training and workshops; lectures at universities. » Internships and training for students and graduates. » Participation in the Młodzi w Łodzi [*The Young in Łódź*] program for Łódź students, which, among other things, involves an internship website, a scholarship program, free training, study visits to companies and a competition for young entrepreneurs. » Together with Łódź IT companies, organized the Łódź IT test for students of the Łódź University of Technology. » Partnership with Kozminski University - lectures and workshops held by Accenture Operations managers as a part of studies program. » Partnership with the Warsaw School of Economics (SGH) - regular workshops and open days for students.

Company	Sample activities as part of collaboration between companies and universities
Alexander Mann Solutions	» Academy of Professionals – a series of free workshops offered by AMS employees to prepare students for recruitment programs. » Internship program for students (2-3 months of internships at 20-30 hours per week). » Participation in job fairs, for example the Bilingual People International Recruitment Fair in Kraków. » Knowledge exchange and training students as part of workshops and dedicated events (such as Open Days), co-developing educational programs.
Atos	» Collaboration with universities in the Kujawsko-Pomorskie Province: Atos's partner schools are the University of Technology and Life Sciences in Bydgoszcz, the Kazimierz Wielki University in Bydgoszcz and the WSB Universities in Toruń and Bydgoszcz. Atos is a strategic partner of the postgraduate "Advanced Project and Program Management" program, offered by the WSB University. A postgraduate program entitled "Managing a Company's IT Infrastructure" was developed in collaboration with Atos, and offered by the University of Technology and Life Sciences in Bydgoszcz. » Collaboration with the Nicolaus Copernicus University in Toruń; the company is, among other things, acting as a consultant for the "IT in foreign languages" postgraduate program. » Ambassador program for students. » Wiosna z Atosem [*Spring with Atos*] – a series of free IT workshops at the University of Technology and Life Sciences in Bydgoszcz. » Atos Academy – free training on IT networks, among other things. » "Atos Poland GDC – kreujemy trendy IT" [*Atos Poland GDC – creating IT trends*] series – meetings with employees. » Atos IT Challenge – a competition for students to develop a personal data protection and management app. » Atos Days – a series of lectures offered by experts from Atos at the Nicolaus Copernicus University in Toruń. » Participation in the Młodzi w Łodzi [*The Young in Łódź*] program for Łódź students, which, among other things, involves an internship website, scholarship program, free training, study visits to companies and a competition for young entrepreneurs. » Together with Łódź IT companies, organized the Łódź IT test for students of the Łódź University of Technology.
Capgemini	» Ambassador program for second-, third – and fourth-year students, with, among other things, an option to complete paid internships at Capgemini and to participate in training. » Capgemini business academy – a training program for students. » Organizing training, lectures and industry events, e.g. Career Meetings with the Capgemini Software Solutions Center for students majoring in IT or other related areas, interested in working in the information technology field. » Szkoła Talentów Capgemini [*Capgemini Talent School*] for students of the University of Economics in Katowice. » Capgemini IT Survival – an event addressed to students, held at the Przemęt Landscape Park. For three days, students have an opportunity, among other things, to learn about Java programming tools, techniques and best practices, and to gain the knowledge and skills needed to develop up-to-date AngularJS apps. » TechTalk with Capgemini – free-of-charge open meetings during which Capgemini experts give lectures to share their knowledge. » Capgemini Challenge – training for students, e.g. on self-presentation management and communication in business » Participated in events addressed to students and graduates, e.g. IT Academic Day Opole, Career Expo, Academic Job Fairs, and Speed Recruiting at the Wrocław University of Technology. » Caseweek – meetings on IT issues held at universities in various cities. » "Przymierzalnia Kariery" [*Career Fitting Room*] meetings for students. » Participated in university academic councils.

Company	Sample activities as part of collaboration between companies and universities
Credit Suisse	» Recruitment programs for students and graduates. » Three-month internship program in the following departments: Chief Risk Officer, Finance, Global Operations, HR, IT, Investment Banking, Private Banking and Wealth Management » Private Banking Academy – 20-40 hours of work per week as part of the Private Banking Academy internship program at the Wrocław Center of Excellence, in the Private Banking & Wealth Management department. » Compliance Academy (General Counsel Academy) – a one-year paid internships offered in Wrocław. » Full Time Analyst Program – entry-level analyst program offered in Wrocław in the following business departments: IT, Operations, Quantitative Strategies.
Ericpol	» Ericpol Science Ecosystem – a platform to facilitate collaboration with universities and scientific institutions, which aims to efficiently combine scientific theories with software development and production practice. » Ongoing collaboration with major Polish universities – Łódź University of Technology, Jagiellonian University, University of Łódź and the AGH University of Science and Technology in Kraków. The company is actively involved in the teaching process for students majoring in telecommunications, applied mathematics and information technology through lectures and seminars offered by Ericpol experts. » The International Stefan Banach Prize – joint initiative of Ericpol and the Polish Mathematical Society. The purpose of the award is both to promote and support financially the most promising new mathematicians holding a doctoral degree in that field. » Ericpol is also the strategic partner of the “Matematyka – moja pasja” [M*athematics: My Passion*] competition, organized by the High School at the University of Łódź and by the Faculty of Mathematics and Information Technology of the University of Łódź, and the main sponsor of the “Zobaczyć Matematykę” [*Visualizing Mathematics*] competition for high school-aged programmers. » Participated in a project titled “Dziewczyny w nowych technologiach” [*Girls in new technologies*] that offers internships with the company for outstanding female students. » Participation in the Młodzi w Łodzi [*The Young in Łódź*] program for Łódź students, which, among other things, involves an internship website, scholarship program, free training, study visits to companies and a competition for young entrepreneurs. » Together with Łódź IT companies, organized the Łódź IT test for students of the Łódź University of Technology.
Future Processing	» Cooperation with the Silesian University of Technology in Gliwice and the University of Silesia. » Funded two computer laboratories for those institutions. » Internships, training and seminars for students. » Organized a series of workshops and lectures titled “Dobre Praktyki Tworzenia Oprogramowania” [*Best Practices in Software Development*] for students of the Silesian University of Technology and the University of Silesia. » Organized the international programming marathon “Deadline 24”. As part of the competition, teams of three compete by solving algorithmic problems for 24 hours. » Prepared and ran the course “Tworzenie oprogramowania w zmiennym środowisku biznesowym” [*Software Development in a Changing Business Environment*] (for IT students of the Silesian University of Technology).
GFT	» Internship program for students » Participated in the Open Day of the Faculty of Electrical, Electronic, Computer and Control Engineering of the Łódź University of Technology. » Employees participated in the Żak Student Radio programs of the Łódź University of Technology, e.g. the “W Łodzi Kultury” [*Łódź Cultural Digest*] regarding ŁódQA – a Łódź group of software testing fans. » Subject-matter expert lectures at the Information Technology Center of the Łódź University of Technology » Together with Łódź IT companies, organized the Łódź IT test for students of the Łódź University of Technology. » Participation in the Młodzi w Łodzi [*The Young in Łódź*] program for Łódź students, which, among other things, involves an internship website, scholarship program, free training, study visits to companies and a competition for young entrepreneurs.

Company	Sample activities as part of collaboration between companies and universities
IBM BTO	» Collaborations with philology and economics departments. » Founded the Modern Business Communications major program at the Pedagogical University. » Lectures for various universities on, among other things, human resource management, working with international customers, ethics in business, CSR strategy, cultural diversity, finance and accounting processes and project management. » IBM Academy – offered in collaboration with the Jagiellonian University – 2 semesters of training for students, upon the completion of which they can intern at IBM BTO. » Internship program for students (1-3 months of internships, 20 hours per week), with a subsequent employment option.
Jcommerce	» Akademia Kompetencji JCommerce [*JCommerce's Competences Academy*] for students. » JCommerce Open Day. » Lectures and workshops at universities, for instance during the IT Academic Day. » The JCommerce Ambassador Program for IT majors at the University of Silesia in Katowice, University of Economics in Katowice and the Silesian University of Technology. » JPoint – a friendly JCommerce office space inside a university; created the space together with students to demonstrate that their future workplace can be a friendly, welcoming environment.
Motorola Solutions	» Participated in a project titled "Dziewczyny w nowych technologiach" [*Girls in new technologies*] that offers internships with the company for outstanding female students. » "Cybersecurity" class on online security, for students of the Silesian University of Technology. » Participated in the ABSOLVENT Talent Days. » Workshops and lectures for students, e.g. the "T3W – MOTOrolowa wiedza praktyczna" [*T3W – MOTOrola Practical Knowledge*] workshop for students of the Jagiellonian University and the Cracow University of Technology; T1 MotoEDU workshop at the Silesian University of Technology. » Lectures during the Academic IT Festival at the Jagiellonian University. » One-year student internship program. » Organized open days. » Collaboration with the Jagiellonian University in offering classes on the general area of software engineering. » Mentorship from experienced programmers, topics covered using cutting-edge technologies and practical projects with a business use in preparing master's theses. » Accounting workshops for students of the Cracow University of Economics.
Philip Morris International	» Internships for university students and graduates: gaining experience by working on issues involving real business and participating in projects carried out by various departments in the company. » Participation in job fairs, for example the Bilingual People International Recruitment Fair in Kraków.
Sii	» Summer Talent Academy – a summer internship program in Gdańsk and Warsaw, addressed to students and graduates with a major in IT or other related subjects and an interest in working in the IT industry. » Intensive IT Internship – an IT internship program with a focus on Java and .Net software development, recruiting year-round. As part of the internship, students can participate in training and workshops organized by Sii.

Company	Sample activities as part of collaboration between companies and universities
State Street	» “Słoneczna kawa” [*Coffee in the Sun*] – a series of meetings between State Street employees and students in Kraków and the Tri-City. » Participated in the 2016 Tri-City BOSS Festival organized by the Tri-City Business Centre Club Student Forum. » Participated in the ABSOLVENT Talent Days in Gdańsk, Kraków and Warsaw. » Akademia State Street [State Street Academy] – a training program for students on the functioning of capital markets, accounting support for investment funds, venture capital funds, derivatives and fund valuation, as well as the features of working in an international environment. Front-runners are offered paid internships with the company. The program is available at the following universities: University of Gdańsk, Gdańsk University of Technology, AGH University of Science and Technology and the University of Economics in Katowice. » Ambassador program at the following universities: Cracow University of Economics, AGH University of Science and Technology, Jagiellonian University and the University of Economics in Katowice. » Option for a three-month internship at 8 departments throughout the year.

Source: ABSL's own study based on the websites of the companies and universities: Accenture.com; facebook.com/Accenture-Lodz-Delivery-Center-116247701825110/timeline; pl.asseco.com; pl.atos.net; pl.capgemini.com; capgeminisoftware.pl; facebook.com/CapgeminiPl; atp.manus.pl/new/pracodawcy; careerexpo.pl; credit-suisse.com/pl; ericpol.pl/firma/nauka; future-processing.pl; facebook.com/KlasterICTLodz; mlodziwlodzi.pl; IBM BTO: presentation about collaborations with universities received from the company; jcommerce.pl; pracawmotoroli.pl/motorola-solutions-w-srodowisku-akademickim; facebook.com/MotorolaSolutionsPolska; pmi.com/pl_pl/careers/Pages/careers.aspx; facebook.com/PwC.Polska; kariera.sii.pl; facebook.com/StateStreetCorp

Chapter content provider: **JLL**

2 | Office Market in Poland

The major Polish agglomerations have shown strong economic growth which has translated into rapid development of the office market – it is currently both the largest market in the entire Central and Eastern Europe (over 8 million m^2 of modern office stock) and the most quickly growing one (around 1.5 million m^2 under construction). No other country in the region is able to offer so many potential locations to the corporates which are seeking quality and efficiency of office space operations, available in several urban hubs, such as Warsaw, Kraków, Wrocław, Tri-City, Katowice, Poznań, Łódź, Szczecin or Lublin.

POLAND OFFICE MARKET IN NUMBERS

8,300,000

m^2 in total of modern office space in Poland. The largest office market in CEE

54%

of take-up was generated by companies from BPO/SSC sector outside Warsaw in 2015

11-14.5 €

monthly rental rates per m^2 in the largest office markets in Poland

1,323

rental agreements in modern office buildings concluded in 2015

1,516,000

m^2 office space leased in 2015

23

rental agreements over 10,000 m^2 concluded in 2015

9

developed office markets

1,500,000

m^2 of office space under construction

900,000

m^2 of office space to be delivered in 2016

374,000

m^2 of space rented in 2015 by companies from business services sector

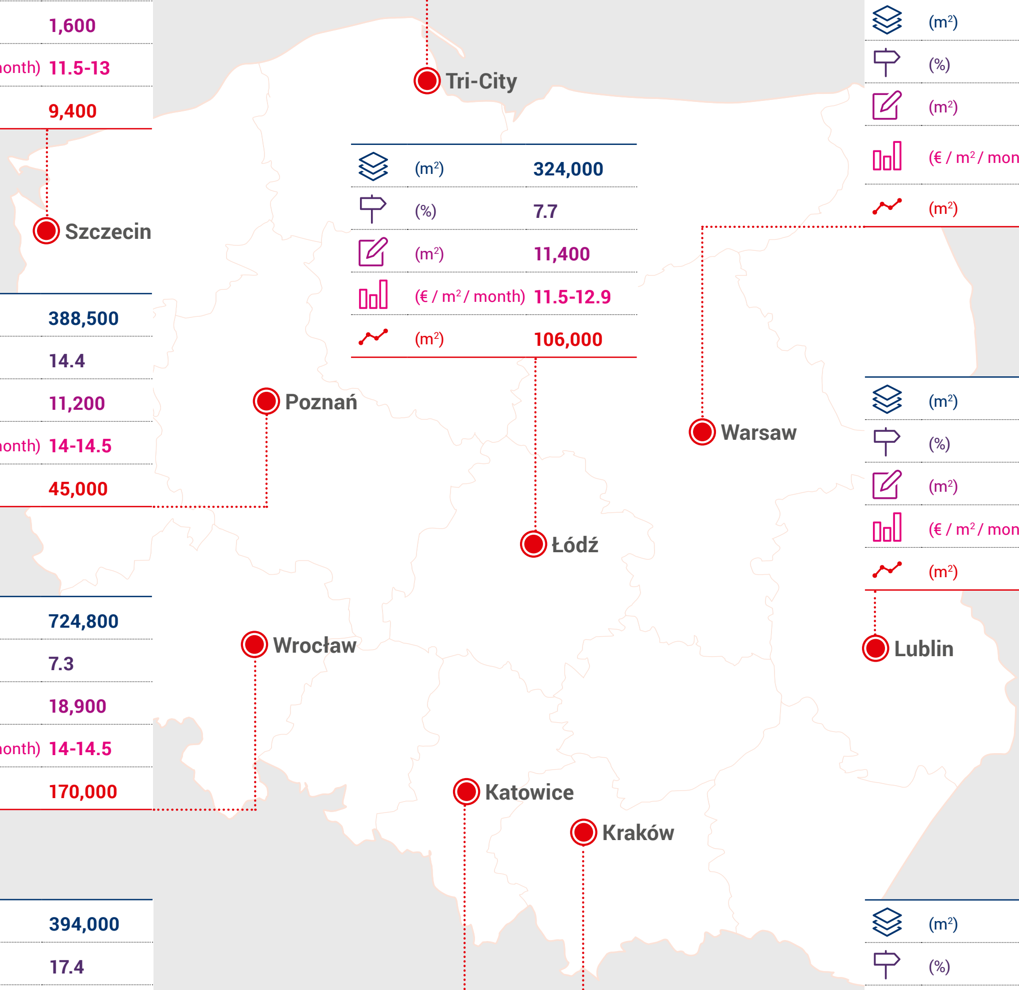
1,050,000

m^2 of existing vacant office space

72%

of registered take-up in wrocław was generated by companies from the business services sector in 2015

Figure xx
Office market in numbers
Source: JLL, Q1 2016



Tri-City

(m^2)	622,200
(%)	14.0
(m^2)	12,200
(€ / m^2 / month)	12.75-13.5
(m^2)	92,600

Szczecin

(m^2)	166,200
(%)	18.3
(m^2)	1,600
(€ / m^2 / month)	11.5-13
(m^2)	9,400

Warsaw

(m^2)	4,751,400
(%)	14.1
(m^2)	142,200
(€ / m^2 / month)	21-23.5 11-18
(m^2)	662,000

Łódź

(m^2)	324,000
(%)	7.7
(m^2)	11,400
(€ / m^2 / month)	11.5-12.9
(m^2)	106,000

Poznań

(m^2)	388,500
(%)	14.4
(m^2)	11,200
(€ / m^2 / month)	14-14.5
(m^2)	45,000

Lublin

(m^2)	129,000
(%)	9.8
(m^2)	1,900
(€ / m^2 / month)	11-12
(m^2)	55,700

Wrocław

(m^2)	724,800
(%)	7.3
(m^2)	18,900
(€ / m^2 / month)	14-14.5
(m^2)	170,000

Katowice

(m^2)	394,000
(%)	17.4
(m^2)	11,200
(€ / m^2 / month)	12.5-13.5
(m^2)	47,000

Kraków

(m^2)	800,800
(%)	5.7
(m^2)	39,400
(€ / m^2 / month)	13.6-14.5
(m^2)	284,000

Stock (m^2)
Vacancy rate (%)
Demand (m^2)
Prime rents (€ / m^2 / month)
Under construction (m^2)

Figure xx
General Data on Office Market in Poland
Source: JLL, PORF, Q1 2016

Introduction

Momentum is building also in the Polish leasing market, with gross take-up levels in Poland's largest regional markets in 2015 reaching 1.5 million m^2 (a spectacular 42% rise y-o-y). The business services sector continued to dominate the occupier activity and contributed to around 54% of all take-up volume registered in the major regional markets outside of Warsaw.

The all-time high take-up was driven by significant under construction volume, and the prevailing downward pressures on rents in Poland's largest office markets, which are more slowly or more quickly approaching the bottom of the rental cycle, or have already done so (in the Tri-City and Łódź).

Currently, prime headline rents for the best office spaces, meeting the requirements of the business services sector are between €11 to €14.5 / m^2 / month in the largest cities in Poland and between €8-12 / m^2 / month in the rising markets.

OFFICE MARKET IN POLAND, KEY DATA

Warsaw

- Warsaw is the largest office market in CEE, with a total stock of approximately 4.75 million m^2. It is expected that in 2016 Warsaw's total office space will cross the 5 million m^2 threshold.
- 2015 proved to be extremely busy for the Warsaw office market. Leasing activity boomed, reaching a record-breaking 834,000 m^2 let, an impressive 36% growth y-o-y. In Q1, tenant demand stood at approximately 142,000 m^2, a 15% drop against a corresponding period of the record-breaking 2015, albeit 10% above the 2014 data. Demand is driven mainly by company headquarters and the business services sector has a marginal share in the take-up structure, however will be gaining on importance in the capital city.
- Q1 2016 saw an uptick in the vacancy rate, which stands at 14.1%. The rate is likely to grow by 1-2 pp, along with the new office completions planned for delivery in Q2-Q4 2016 and 2017.
- Development activity remains sizeable, with more than 662,000 m^2 under construction. It is estimated that nearly 40% of the 291,000 m^2 of office space planned for delivery over the course of Q2–Q4 2016 is pre-leased.
- Prime rents were unchanged over the course of Q1 2016. Currently, prime headline rents in Warsaw City Centre range between €21 and €23.5 / m^2 / month. Non-Central locations lease at €11 to €18 / m^2 / month. The large amount of new office supply coming to the market will exert further pressure on rental levels over the mid-term perspective. This will also apply to older, lower quality office stock.

Kraków

- With 800,800 m^2 of modern office space, Kraków has grown into the largest regional office market in Poland outside of Warsaw. On the back of the robust development activity, the 1 million m^2 threshold should be crossed by 2018.
- The annual demand of 226,000 m^2 in 2015 was the best outcome on record (a 56% increase y-o-y). This also accounted for 33% of total occupier activity registered in major regional cities in Poland outside of Warsaw. In Q1 2016 take-up the city accounted for almost 40,000 m^2 and the modern business services sector was responsible for 74% of total leasing activity. The market is driven mainly by business services companies.
- Kraków continues to be characterized by a low vacancy rate which stood at 5.7% in Q1 2016, translating into only around 45,000 m^2 available for immediate lease. However due to the extensive development activity (284,000 m^2 in the active construction in the city in Q1 2016, the largest amount of office space under construction in any Polish regional city) upward pressures on the vacancy index will be registered as 2016 progresses.
- Kraków compares favourably to other regional office markets in terms of rents, which are at a similar level to those in Wrocław and non-central locations in Warsaw. Currently, prime headline rents in the city range between €13.6 and €14.5 / m^2 / month.

Wrocław

- The current amount of modern office stock in Wrocław is estimated at 724,800 m^2, which makes the city is the third largest office market in Poland (after Warsaw and Kraków).
- Wrocław has continued to strengthen its position on Poland's office map, hitting record-breaking levels of demand last year, with all-time high gross take-up figures reaching over 127,000 m^2, the second highest result from the regional office markets. Once again, business services sector was the most active sector, with a 72% share of total demand. In Q1 2016 occupier demand reached almost 19,000 m^2.

- At present, almost 170,000 m^2 of new office space is under active construction (16% of which is secured by pre-let agreements). We expect that for the full year 2016, almost 134,000 m^2 will be delivered to the market, providing a wider choice for companies looking to change or update their office space.
- Sound demand and balanced supply resulted in the relatively low vacancy rate in Wrocław, which in Q1 2016 amounted to only 7.3%. Nonetheless, the vacancy rate for the entire market is expected to increase along with the strong pipeline coming to the market in 2016. The increase in vacancy is expected predominantly in lower-class developments not meeting current market standards and corporates' expectations both in terms of possible expansion options and technical standards.
- Prime headline rents are currently stable and range between €14 and €14.5 / m^2 / month. Some corrections in the effective rental levels are, however, still possible as 2016 progresses.

Tri-City (Gdańsk, Gdynia and Sopot)

- In 2015 the Tri-City office market hit the 0.5 million m^2 threshold and joined the largest office markets in Poland, alongside Kraków and Wrocław. As of end of March 2016, total office supply in Tri-City totalled 622,200 m^2, making it the fourth largest office market in Poland (after Warsaw, Kraków and Wrocław).
- In 2015, take-up have hit the all-time high volumes with more than 107,000 m^2 leased by corporate clients. This clearly demonstrates the occupier confidence in the Tri-City. New demand for high quality office premises has been generated by expanding companies and newcomers, especially from the business services sector. In Q1 2016 52% of all registered demand came from companies representing modern business services sector.
- Construction activity across the Tri-City area remains high with more than 92,000 m^2 of modern office space under construction, half of which is scheduled for delivery in Q2-Q4 2016. Almost 13% of all office space under development in the Tri-City is already pre-let.
- Along with the completion of the 43,000 m^2 (in three office buildings) in Q1 2016 vacancy rate in the Tri-City have increased over the quarter and now stands at 14.1% (3.3 pp increase q-o-q). The corresponding total unoccupied space (some 87,300 m^2) is spread across 49 developments, out of the 99 existing office buildings in the Tri-City area.
- Prime headline rents in Tri-City are quite stable and range between €12.75 and €13.5 / m^2 / month. With completions expected to be relatively high, the market, as it was in the previous years, will remain occupier favourable throughout 2016 and 2017.

Katowice

- Katowice is the largest city within the wider agglomeration of around 2.2 million people and ranks as the fifth regional office market in Poland (after Warsaw, Kraków, Wrocław and Tri-City) and offers around 394,000 m^2 of modern office space for lease.
- Leasing activity in Katowice was up in 2015, with take-up totalling 62,500 m^2 (a level comparable to the 2013 figure and up 29% y-o-y). Registered demand in Q1 2016 amounted to 10,700 m^2, with a 70% share of pre-lets. Between 2010 and today, the market activity has mostly been driven by global shoring and outsourcing services, which now occupy around one third of the entire office stock.
- Vacancy rate in Katowice has been steadily falling since its peak of 18.3% in Q2 2010 and bottomed out at just 5.6% at the end of Q1 2014. The rate has, however, returned to a growth path over the Q1 2015 – Q1 2016 and currently stands at 17.4%, which translates to 69,000 m^2 of vacant space available in 48 office buildings. The medium-term outlook remains tenant-favourable, with around 47,000 m^2 under construction, of which around 30% is currently pre-leased.
- Prime headline rents in Katowice hold firm and as at the end of Q1 2016, ranged between €12.5 and €13.5 / m^2 / month.

Poznań

- Modern office supply in Poznań totalled 388,500 m^2 at the beginning of 2016. In Q1 2016 stock in the city have increased by 1,300 m^2 in one office development.
- The current pipeline of projects under construction in the city reaches 45,000 m^2 and several additional potential new office developments are in the planning stage. Furthermore, over the last five years, developers have completed more than 155,000 m^2 of office space in Poznań, which equates to 40% of the overall stock.

- In 2015 office take-up in Poznań clearly rebounded, with leasing activity more than tripling year-on-year (65,000 m² leased) and seeing the highest figure on record. The beginning of the 2016 was also promising as another 11,000 m² was signed.
- The business services sector have traditionally played a slightly less prominent role in office take-up in Poznań. This has mainly been due to a combination of local business growth (e.g. the banking and finance industry, as well as firms relocating from offices adjacent to manufacturing plants to modern office stock), and the cost element.
- Currently, 14.4% of all office space in Poznań is unoccupied and with relatively low planned completion volume for Q2-Q4 2016 (20,300 m²) vacancy rate should remain stable.
- Prime headline rents in Poznań softened throughout 2015. It is worth mentioning that during 2013-2014 rental levels in Poznań were the highest among regional cities. Currently, prime headlines stand at €14-14.5 / m² / month, levels similar to those found in Wrocław.

Łódź

- In Q1 2016, modern office stock in Łódź amounted to almost 324,000 m², with a further 106,000 m² under construction. This equates to almost one third of the existing office stock. Importantly, more than 55% of the under construction pipeline has been already pre-let.
- Demand for office space in the city continues to be in a sound up-wards trend. Following the strong 2014 underpinned by the vigorous expansion of Infosys, 2015 saw a steady pattern of growth, with 70,000 m² of gross take-up. The leasing activity was due to demand from a broad range of sectors although the business services sector continued to dominate: it accounted for 41% of all take-up in 2015.
- There has been a vast improvement in terms of vacancy in Łódź: the rate fell from 19.1% in Q4 2011 to 7.7% in Q1 2016. That was partially a result of the limited new supply entering the market; however, the sound investment climate and increasing demand for office space has also contributed to such a good result.
- Łódź has competitive rental rates when compared with the remaining major office markets in Poland, at the level seen in Lublin and Szczecin. Prime headline rents have been reasonably stable over the course of the last five to six years, ranging from €11.5 to €12.9 / m² / month. We expect that these rents will continue to be within this band over 2016-2017.

Szczecin

- Szczecin has made enormous progress in the preparation of real estate infrastructure for potential tenants. During the last three years the total supply of office space has increased by 50.4% which is translated into current overall modern office stock amounting to approximately 166,200 m². Currently there is only one office building under construction in Szczecin: Szczecin Odra Park I (9,350 m²).
- 2015 was also very positive in terms of occupier activity. Tenants decided to lease 12,700 m². We also believe that occupier activity in Szczecin will remain at stable, reasonable level for the market of this size. The main tenant groups in Szczecin are companies representing sectors such as: finance, insurance and IT. In recent years companies from the business services sector also started to view Szczecin as a preferred location. Business services may become the main demand driver in upcoming years.
- Vacancy rate of 18.3% in existing buildings and 100% in under construction enables one to assume that Szczecin's office market is currently tenant-favourable and will remain in that condition at least until the end of 2016. In the entire city there are currently ten buildings having more than 1,000 m² of vacant space available for occupiers.
- Prime office headline rents for modern office space in Szczecin currently range from €11.5 to €13 / m² / month. The upper range of this band applies to the highest quality projects such as Brama Portowa I&II and Baltic Business Park. Rents in new office developments are mainly quoted in EUR. Rents in PLN are typical for space in refurbished tenements and older office buildings.

Lublin

- Lublin is one of the emerging office markets in Poland with modern office stock estimated at approximately 128,900 m^2 which ranks it 8 among regional office markets in Poland. At the moment there is around 55,700 m^2 of office space under construction, most of which is declared to be delivered in 2017. Furthermore more than 100,000 m^2 of office space is awaiting the key pre-let in order to start its construction works.
- Demand recorded in Lublin remains moderate. In the entire 2015 the gross take up amounted to 11,470 m^2 which is a 38% increase versus 2014. Important occupiers on the Lublin market constitute representatives of banking, finance and insurance sectors. There is also a growing potential in terms of modern business services sector (both newcomers and companies already operating in the city).
- Vacancy in Lublin remains rather moderate as compared to Q4 2013 when it amounted to 15.9%. At the moment over 12,600 m^2 is vacant across the city (in 17 office buildings) and this translates into 9.8% vacancy rate. Only 4 buildings offer more than 1,000 m^2 for rent.
- Prime office headline rents for modern office space in Lublin currently range from €11 to €12 / m^2 /month. Rents are still often quoted in PLN and the same service charges.

Chapter content provider: **Randstad**

3 | Labor Market and Salaries at Business Services Centers

With a stable market and favorable macroeconomic situation, Poland's labor market is showing a high demand for new hires. As the labor market continues to improve, the business services sector is also looking very strong. The Polish edition of the world's foremost employer branding survey, Randstad Award, shows that from the point of view of potential employees, this sector offers desirable jobs, which translates to a high percentage of persons willing to work within it. The industry can also rely on large numbers of university graduates and a relatively high, for European standards, proficiency in foreign languages among potential employees.

| The labor market

POLAND – MACROECONOMIC INDICATORS | Q1 2016

10.0%

Rate of registered unemployment in Poland

In March 2016, the rate of unemployment decreased by 1.9 percentage points compared to the corresponding period of 2015 and by 3.5 percentage points compared to 2014.

992 EUR

Average gross monthly salary in the business sector in Poland

In March 2016, the average monthly salary was 3.3% higher than in the corresponding period of 2015.

3.8%

GDP growth in 2016

According to the National Bank of Poland, the forecast 2016 GDP growth will be 3.8%, with a CPI inflation of – 0.4.

Source: Central Statistical Office, National Bank of Poland

KEY JOB FACTORS IMPORTANT TO POLISH EMPLOYEES

64%

Salary and benefits

64% employees feel that a proper salary is one of the five most desirable criteria they take into account when selecting a job (Randstad Award 2016).

5th place

Ranking of the business services sector among industries most attractive for potential employees (Randstad Award 2016).

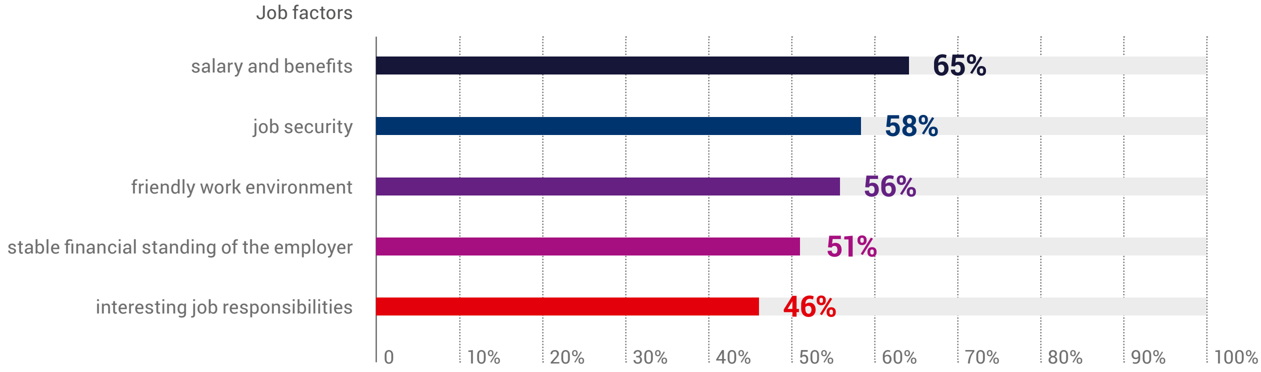


Figure 38
Key job factors for Polish employees
Source: Randstad Award 2016 survey conducted by Randstad in collaboration with research institute ICMA International. Randstad Award surveys are international surveys evaluating employer branding. They help identify the most desirable company from the point of view of potential employees and narrow down the key factors that candidates consider when selecting prospective employers (in Poland, the sample size was 8,000 people).

THE MARKET'S EDUCATIONAL POTENTIAL

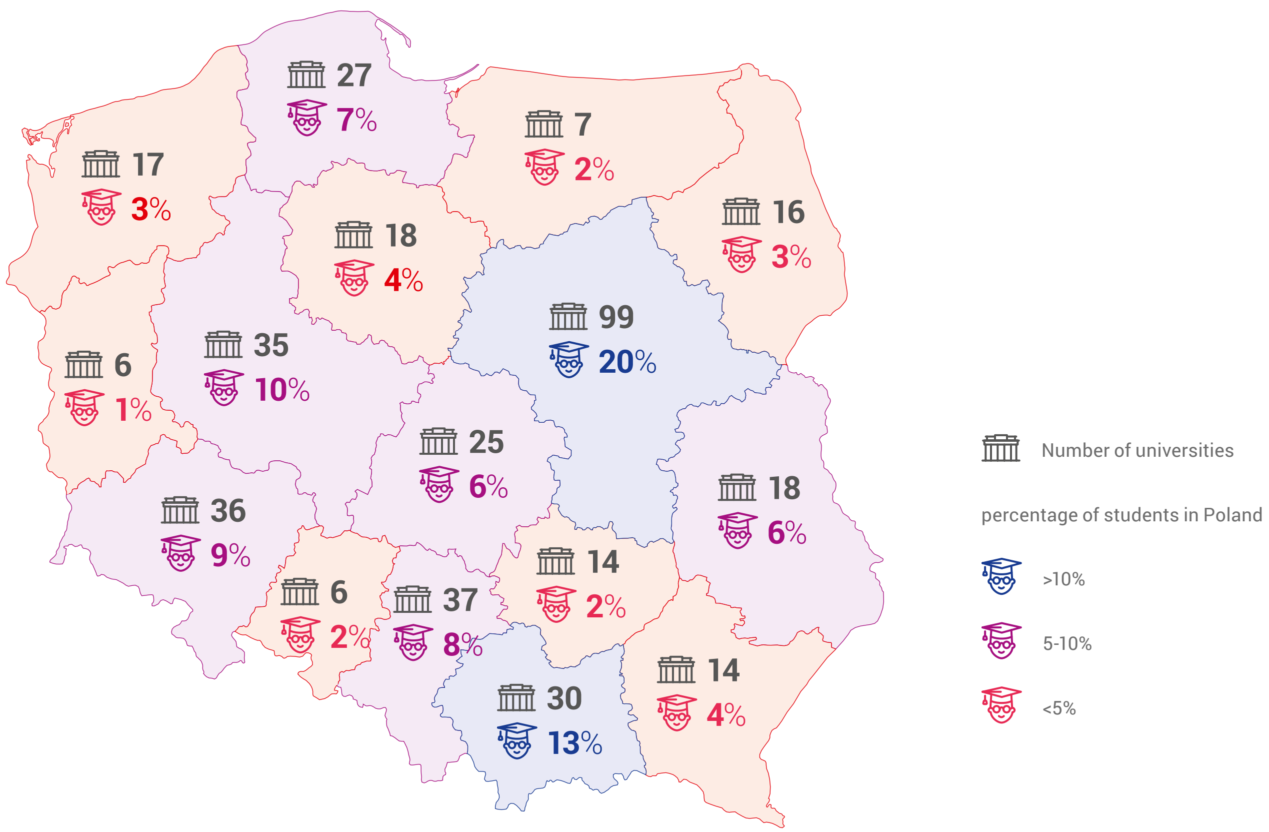


Figure 39
Number of universities and share of students by province (as at 30 November 2015)
Source: own study on the basis of Central Statistical Office data: Preliminary 2015 data about universities

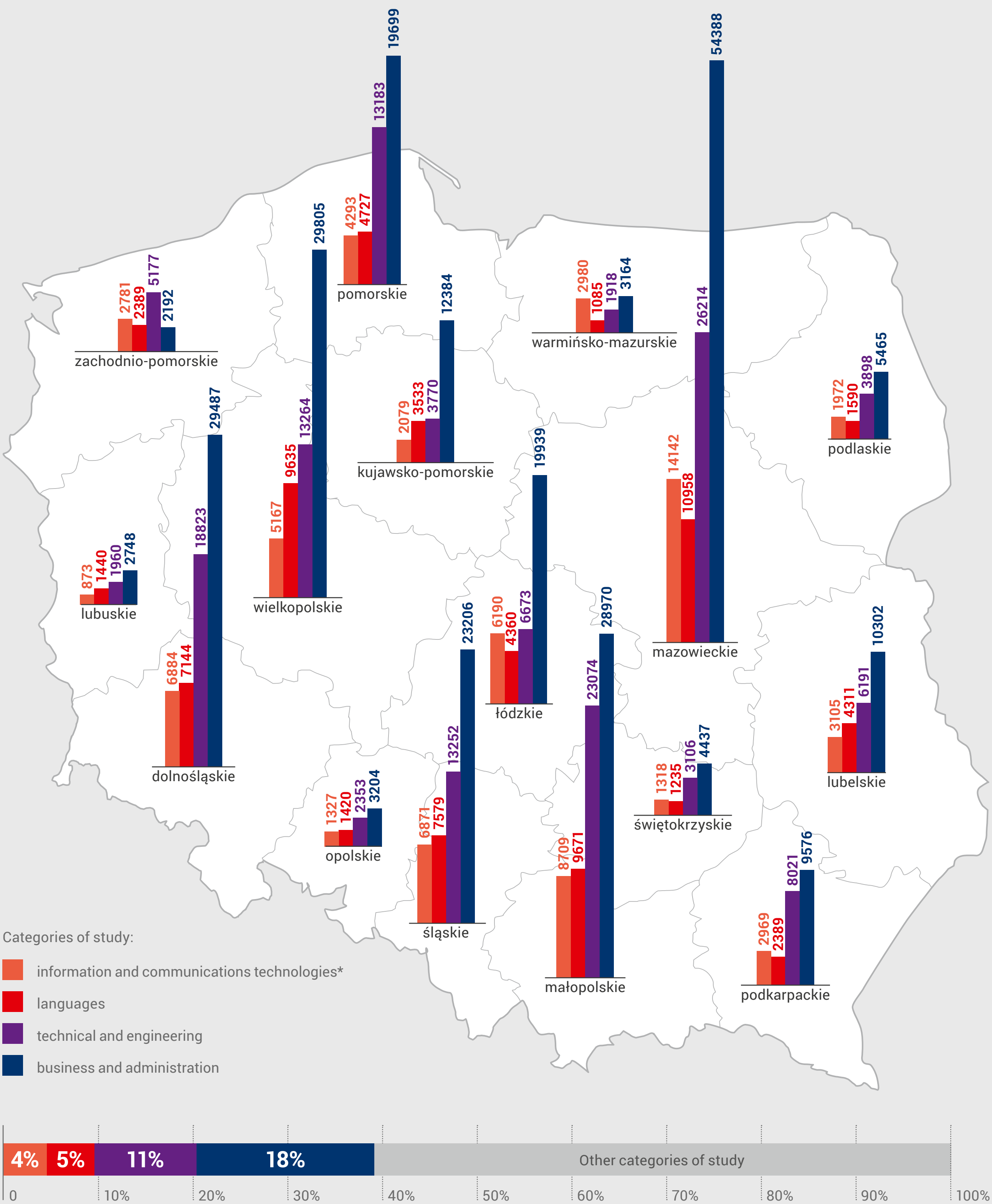


Figure 40

Students of languages, business and administration, information and communications technologies and technical and engineering in Poland (academic year 2015/2016)

Source: own study based on Central Statistical Office data: Preliminary data on university training for 2015 as at 30.11.2015

* together with a subgroup of interdisciplinary programs and qualifications covering information and communication technologies

1,405,000

Number of students in Poland in the academic year 2015/2016 (as at 30 November 2015)

395,000

Number of graduates in Poland in the academic year 2014/2015

Source: own study on the basis of Central Statistical Office data: Preliminary 2015 data about universities

93%

Share of students learning one foreign language as part of a mandatory foreign language program

At universities and lowest-level schools in Poland, the most frequently studied language was English (79%), followed by German (10%).

Source: own study on the basis of Central Statistical Office data: Universities and their finances

9th place

Poland's standing among other European countries in terms of English-language proficiency in the 2015 English Proficiency Index survey

Women tend to score higher than men on the English Proficiency Index. Poles have a better knowledge of English compared to the European average.

Source: English Proficiency Index survey: http://www.ef.pl/epi/regions/europe/poland/

Remuneration in business services centers

The remuneration in business services centers varies geographically, by job level and by processes served. Within the same locations there are, of course, differences between the amounts offered by various employers. Average monthly remuneration falls within +/-20% of the amounts most frequently offered.

The highest remuneration in the business services sector is found in Warsaw, with Kraków in second place. The lowest employment costs among the seven locations analyzed are incurred by employers hiring specialists in Poznań, Łódź and the Katowice Agglomeration[1].

Among the various processes served by business services centers, it is IT and R&D specialists who can expect to receive the highest salaries. In second place are experts in the area of purchasing, and employees responsible for settling the general ledger.

The remuneration offered by employers greatly depends on an employee having command of a second foreign language. The growing need for candidates who speak German or a Nordic language means that such candidates can count on a salary of even 350 euros higher than that of persons who only function in English.

Analyzing payments, it is evident that the remuneration of inexperienced staff (graduates) is usually 20-30% lower than that of persons having 1 or more years of experience – to the extent those positions were not identified separately in the tables (5-11).

[1] The costs of remuneration in smaller cities not accounted for in the summaries (incl. Bydgoszcz, Lublin, Szczecin, Rzeszów and Opole) may be lower than those presented.

KATOWICE AGGLOMERATION

Table 5

Gross monthly remuneration [in EUR] in BPO/SSC/IT/R&D centers for employees who know English (Katowice Agglomeration)
The tables of remuneration were prepared on the basis of conclusions from interviews with candidates and employers and from an analysis of recruitment processes dedicated to the business services sector in Poland. In total, 2,000 recruitment processes conducted by Randstad were analyzed. The figures are for Q1 2016.

F&A: GL	Min	Opt	Max
Junior Accountant (1-2 years experience)	700	810	980
Accountant (2-3 years experience)	1050	1160	1400
Senior Accountant (over 3 years experience)	1280	1510	1860
Team Leader (team of 5-15 persons)	1860	2090	2790
Manager (team of up to 50 persons)	2330	3020	4190

F&A: AP / AR	Min	Opt	Max
Junior Accountant (1-2 years experience)	700	810	980
Accountant (2-3 years experience)	930	1050	1280
Senior Accountant (over 3 years experience)	1160	1400	1740
Team Leader (team of 5-15 persons)	1630	1980	2790
Manager (team of up to 50 persons)	2330	3020	3720

Banking	Min	Opt	Max
Junior Fund Accountant (up to 1 year experience)	700	810	980
Fund Accountant (1-3 years experience)	980	1140	1300
Senior Fund Accountant (over 3 years experience)	1300	1470	1790
AML/KYC Junior Analyst (up to 1 year experience)	700	810	930
AML/KYC Analyst (1-3 years experience)	810	930	1050
AML/KYC Senior Analyst (3-5 years experience)	1050	1160	1510
Junior Analyst (Product Control, Reporting, Business Analysis / up to 1 year experience)	810	930	1050
Analyst (Product Control, Reporting, Business Analysis / 1-3 years experience)	1050	1400	1740
Senior Analyst (Product Control, Reporting, Business Analysis / over 3 years experience)	1630	1860	2210
Team Leader (team of 5-15 persons)	1630	1860	2330
Manager (team of up to 50 persons)	2330	3020	4190

Customer Service	Min	Opt	Max
Junior Specialist (no experience)	580	700	930
Specialist (over 1 year experience)	980	1160	1280
Team Leader (team of 5-15 persons)	1160	1510	1980
Manager (team of up to 50 persons)	1510	2090	2560

Procurement / Order Management	Min	Opt	Max
Junior Specialist (up to 1 year experience)	930	1050	1400
Specialist (1-3 years experience)	1280	1510	1740
Senior Specialist (over 3 years experience)	1510	1740	2090
Team Leader (team of 5-15 persons)	1860	2330	2790
Manager (team of up to 50 persons)	2790	3490	4420

HR processes	Min	Opt	Max
Junior Specialist (up to 1 year experience)	580	810	880
Specialist (1-2 years experience)	810	1050	1280
Senior Specialist (over 2 years experience)	1160	1400	1860
Junior Payroll Specialist (up to 1 year experience)	700	810	880
Payroll Specialist (1-3 years experience)	930	1050	1280
Senior Payroll Specialist (over 3 years experience)	1160	1510	1630
Team Leader (team of 5-15 persons)	1630	1860	2330
Manager (team of up to 50 persons)	1860	2330	3260

IT	Min	Opt	Max
1st Line Support (2 years experience)	810	930	1280
2nd Line Support (2 years experience)	930	1160	1630
3rd Line Support (2 years experience)	1400	1630	1860
IT Administration (3 years experience)	1400	1740	2090
Network / Security (3 years experience)	1400	1860	2790
Business / System Analyst (3 years experience)	1440	1860	2790
Developer (3 years experience)	1400	1860	2790
Tester (3 years experience)	980	1160	1630
Team Leader (team of 5-15 persons)	1630	2560	3260
Project Manager (team of up to 50 persons)	2330	2790	3260

R&D	Min	Opt	Max
Laboratory Specialist (over 2 years experience)	930	1160	1280
Technologist (over 2 years experience)	1050	1280	1630
Design Engineer (2-4 years experience)	930	1510	1860
Senior Design Engineer (over 4 years experience)	1400	1630	2090
Product Development / NPI Engineer (2-4 years experience)	1050	1400	1860
Senior Product Development / NPI Engineer (over 4 years experience)	1400	1860	2330
Quality Engineer (2-4 years experience)	1050	1400	1860
Senior Quality Engineer (over 4 years experience)	1510	1860	2090
R&D Manager (team of up to 50 persons)	2560	3260	3720

Source: Randstad

KRAKÓW

Table 6

Gross monthly remuneration [in EUR] in BPO/SSC/IT/R&D centers for employees who know English (Kraków)
The tables of remuneration were prepared on the basis of conclusions from interviews with candidates and employers and from an analysis of recruitment processes dedicated to the business services sector in Poland. In total, 2,000 recruitment processes conducted by Randstad were analyzed. The figures are for Q1 2016.

F&A: GL	Min	Opt	Max
Junior Accountant (1-2 years experience)	810	930	1050
Accountant (2-3 years experience)	1050	1280	1510
Senior Accountant (over 3 years experience)	1510	1630	1980
Team Leader (team of 5-15 persons)	1980	2330	3020
Manager (team of up to 50 persons)	2790	3490	4650

F&A: AP / AR	Min	Opt	Max
Junior Accountant (1-2 years experience)	810	930	1050
Accountant (2-3 years experience)	930	1160	1400
Senior Accountant (over 3 years experience)	1400	1510	1860
Team Leader (team of 5-15 persons)	1860	2090	3020
Manager (team of up to 50 persons)	2790	3490	4650

Banking	Min	Opt	Max
Junior Fund Accountant (up to 1 year experience)	810	930	1050
Fund Accountant (1-3 years experience)	1050	1160	1400
Senior Fund Accountant (over 3 years experience)	1400	1580	1860
AML/KYC Junior Analyst (up to 1 year experience)	930	1050	1160
AML/KYC Analyst (1-3 years experience)	1160	1280	1510
AML/KYC Senior Analyst (3-5 years experience)	1400	1630	1860
Junior Analyst (Product Control, Reporting, Business Analysis / up to 1 year experience)	810	1050	1160
Analyst (Product Control, Reporting, Business Analysis / 1-3 years experience)	1160	1400	1860
Senior Analyst (Product Control, Reporting, Business Analysis / over 3 years experience)	1630	1980	2330
Team Leader (team of 5-15 persons)	1860	2330	2790
Manager (team of up to 50 persons)	3260	3950	4650

Customer Service	Min	Opt	Max
Junior Specialist (no experience)	580	700	930
Specialist (over 1 year experience)	700	930	1160
Team Leader (team of 5-15 persons)	1160	1510	2090
Manager (team of up to 50 persons)	1630	2330	3490

Procurement / Order Management	Min	Opt	Max
Junior Specialist (up to 1 year experience)	930	1050	1160
Specialist (1-3 years experience)	1050	1400	1630
Senior Specialist (over 3 years experience)	1510	1740	2090
Team Leader (team of 5-15 persons)	2330	2790	3260
Manager (team of up to 50 persons)	3260	4190	5120

HR processes	Min	Opt	Max
Junior Specialist (up to 1 year experience)	580	700	930
Specialist (1-2 years experience)	810	1050	1280
Senior Specialist (over 2 years experience)	1050	1510	1860
Junior Payroll Specialist (up to 1 year experience)	700	810	1050
Payroll Specialist (1-3 years experience)	930	1160	1510
Senior Payroll Specialist (over 3 years experience)	1160	1510	2090
Team Leader (team of 5-15 persons)	2090	2560	3260
Manager (team of up to 50 persons)	3260	3720	4650

IT	Min	Opt	Max
1st Line Support (2 years experience)	930	1050	1400
2nd Line Support (2 years experience)	1160	1400	1860
3rd Line Support (2 years experience)	1400	1630	1860
IT Administration (3 years experience)	1630	1860	2330
Network / Security (3 years experience)	1510	1980	2790
Business / System Analyst (3 years experience)	1510	1980	2790
Developer (3 years experience)	1400	2090	2790
Tester (3 years experience)	1280	1510	1860
Team Leader (team of 5-15 persons)	1860	2790	3490
Project Manager (team of up to 50 persons)	2790	3260	4190

R&D	Min	Opt	Max
Laboratory Specialist (over 2 years experience)	980	1160	1400
Technologist (over 2 years experience)	1050	1400	1740
Design Engineer (2-4 years experience)	1050	1580	1860
Senior Design Engineer (over 4 years experience)	1630	1860	2210
Product Development / NPI Engineer (2-4 years experience)	1160	1740	1980
Senior Product Development / NPI Engineer (over 4 years experience)	1630	2090	2330
Quality Engineer (2-4 years experience)	1050	1630	1860
Senior Quality Engineer (over 4 years experience)	1630	1980	2090
R&D Manager (team of up to 50 persons)	3260	3720	3950

Source: Randstad

ŁÓDŹ

Table 7

Gross monthly remuneration [in EUR] in BPO/SSC/IT/R&D centers for employees who know English (Łódź)
The tables of remuneration were prepared on the basis of conclusions from interviews with candidates and employers and from an analysis of recruitment processes dedicated to the business services sector in Poland. In total, 2,000 recruitment processes conducted by Randstad were analyzed. The figures are for Q1 2016.

F&A: GL	Min	Opt	Max
Junior Accountant (1-2 years experience)	930	980	1050
Accountant (2-3 years experience)	1050	1210	1400
Senior Accountant (over 3 years experience)	1400	1510	1860
Team Leader (team of 5-15 persons)	1860	2330	3020
Manager (team of up to 50 persons)	2790	3260	4190

F&A: AP / AR	Min	Opt	Max
Junior Accountant (1-2 years experience)	810	930	1050
Accountant (2-3 years experience)	930	1050	1280
Senior Accountant (over 3 years experience)	1160	1280	1510
Team Leader (team of 5-15 persons)	1630	1860	2330
Manager (team of up to 50 persons)	2330	3020	3720

Banking	Min	Opt	Max
Junior Fund Accountant (up to 1 year experience)	700	810	980
Fund Accountant (1-3 years experience)	980	1140	1300
Senior Fund Accountant (over 3 years experience)	1300	1470	1790
AML/KYC Junior Analyst (up to 1 year experience)	700	810	930
AML/KYC Analyst (1-3 years experience)	810	930	1050
AML/KYC Senior Analyst (3-5 years experience)	1050	1160	1510
Junior Analyst (Product Control, Reporting, Business Analysis / up to 1 year experience)	810	930	1050
Analyst (Product Control, Reporting, Business Analysis / 1-3 years experience)	930	1160	1400
Senior Analyst (Product Control, Reporting, Business Analysis / over 3 years experience)	1160	1510	1740
Team Leader (team of 5-15 persons)	1630	1860	2330
Manager (team of up to 50 persons)	2330	3020	4190

Customer Service	Min	Opt	Max
Junior Specialist (no experience)	580	810	930
Specialist (over 1 year experience)	810	930	1050
Team Leader (team of 5-15 persons)	1050	1400	1740
Manager (team of up to 50 persons)	1630	1980	2330

Procurement / Order Management

	Min	Opt	Max
Junior Specialist (up to 1 year experience)	810	930	1050
Specialist (1-3 years experience)	930	1160	1400
Senior Specialist (over 3 years experience)	1400	1630	1860
Team Leader (team of 5-15 persons)	1860	2330	2790
Manager (team of up to 50 persons)	2790	3260	4190

HR processes

	Min	Opt	Max
Junior Specialist (up to 1 year experience)	580	650	700
Specialist (1-2 years experience)	770	810	980
Senior Specialist (over 2 years experience)	930	1050	1160
Junior Payroll Specialist (up to 1 year experience)	810	930	1050
Payroll Specialist (1-3 years experience)	1050	1280	1510
Senior Payroll Specialist (over 3 years experience)	1400	1630	2090
Team Leader (team of 5-15 persons)	1860	2090	2560
Manager (team of up to 50 persons)	2790	3490	3950

IT

	Min	Opt	Max
1st Line Support (2 years experience)	740	930	1160
2nd Line Support (2 years experience)	950	1130	1440
3rd Line Support (2 years experience)	1160	1400	1860
IT Administration (3 years experience)	1400	1740	2330
Network / Security (3 years experience)	1450	2050	2910
Business / System Analyst (3 years experience)	1470	1980	2790
Developer (3 years experience)	1510	2210	2790
Tester (3 years experience)	930	1280	1860
Team Leader (team of 5-15 persons)	1630	2560	3490
Project Manager (team of up to 50 persons)	2330	3260	4190

R&D

	Min	Opt	Max
Laboratory Specialist (over 2 years experience)	930	1050	1280
Technologist (over 2 years experience)	1160	1510	1860
Design Engineer (2-4 years experience)	1400	1510	1630
Senior Design Engineer (over 4 years experience)	1630	1740	2090
Product Development / NPI Engineer (2-4 years experience)	1510	1630	1740
Senior Product Development / NPI Engineer (over 4 years experience)	1740	2090	2210
Quality Engineer (2-4 years experience)	1160	1510	1630
Senior Quality Engineer (over 4 years experience)	1510	1630	1860
R&D Manager (team of up to 50 persons)	2790	3260	3720

Source: Randstad

POZNAŃ

Table 8

Gross monthly remuneration [in EUR] in BPO/SSC/IT/R&D centers for employees who know English (Poznań)
The tables of remuneration were prepared on the basis of conclusions from interviews with candidates and employers and from an analysis of recruitment processes dedicated to the business services sector in Poland. In total, 2,000 recruitment processes conducted by Randstad were analyzed. The figures are for Q1 2016.

F&A: GL	Min	Opt	Max
Junior Accountant (1-2 years experience)	700	840	980
Accountant (2-3 years experience)	980	1070	1210
Senior Accountant (over 3 years experience)	1210	1440	1740
Team Leader (team of 5-15 persons)	1980	2560	3020
Manager (team of up to 50 persons)	3490	4190	4650

F&A: AP / AR	Min	Opt	Max
Junior Accountant (1-2 years experience)	700	810	930
Accountant (2-3 years experience)	930	1050	1160
Senior Accountant (over 3 years experience)	1160	1280	1510
Team Leader (team of 5-15 persons)	1740	2090	2790
Manager (team of up to 50 persons)	3020	3490	4190

Banking	Min	Opt	Max
Junior Fund Accountant (up to 1 year experience)	700	810	980
Fund Accountant (1-3 years experience)	980	1070	1280
Senior Fund Accountant (over 3 years experience)	1210	1350	1510
AML/KYC Junior Analyst (up to 1 year experience)	700	810	1050
AML/KYC Analyst (1-3 years experience)	1050	1160	1400
AML/KYC Senior Analyst (3-5 years experience)	1400	1630	1860
Junior Analyst (Product Control, Reporting, Business Analysis / up to 1 year experience)	700	810	1050
Analyst (Product Control, Reporting, Business Analysis / 1-3 years experience)	1050	1280	1510
Senior Analyst (Product Control, Reporting, Business Analysis / over 3 years experience)	1510	1860	2090
Team Leader (team of 5-15 persons)	1860	2090	2560
Manager (team of up to 50 persons)	2790	3260	4650

Customer Service	Min	Opt	Max
Junior Specialist (no experience)	580	700	810
Specialist (over 1 year experience)	700	930	1050
Team Leader (team of 5-15 persons)	1050	1510	2090
Manager (team of up to 50 persons)	1400	1860	2330

Procurement / Order Management	Min	Opt	Max
Junior Specialist (up to 1 year experience)	810	930	1050
Specialist (1-3 years experience)	1050	1160	1400
Senior Specialist (over 3 years experience)	1400	1510	1860
Team Leader (team of 5-15 persons)	1860	2330	2790
Manager (team of up to 50 persons)	3020	3720	4650

HR processes	Min	Opt	Max
Junior Specialist (up to 1 year experience)	700	770	880
Specialist (1-2 years experience)	740	810	980
Senior Specialist (over 2 years experience)	810	980	1160
Junior Payroll Specialist (up to 1 year experience)	700	810	980
Payroll Specialist (1-3 years experience)	930	1050	1280
Senior Payroll Specialist (over 3 years experience)	1160	1510	1860
Team Leader (team of 5-15 persons)	1400	1860	2090
Manager (team of up to 50 persons)	1630	2330	3260

IT	Min	Opt	Max
1st Line Support (2 years experience)	810	1050	1280
2nd Line Support (2 years experience)	1050	1280	1510
3rd Line Support (2 years experience)	1280	1630	1860
IT Administration (3 years experience)	1280	1630	2090
Network / Security (3 years experience)	1400	2050	2790
Business / System Analyst (3 years experience)	1420	1910	2670
Developer (3 years experience)	1510	1860	2560
Tester (3 years experience)	1140	1400	1740
Team Leader (team of 5-15 persons)	1810	2560	3490
Project Manager (team of up to 50 persons)	2670	2790	4070

R&D	Min	Opt	Max
Laboratory Specialist (over 2 years experience)	980	1160	1400
Technologist (over 2 years experience)	1120	1280	1670
Design Engineer (2-4 years experience)	1050	1510	1860
Senior Design Engineer (over 4 years experience)	1510	1860	2330
Product Development / NPI Engineer (2-4 years experience)	1160	1400	1860
Senior Product Development / NPI Engineer (over 4 years experience)	1630	1860	2330
Quality Engineer (2-4 years experience)	1160	1400	1860
Senior Quality Engineer (over 4 years experience)	1740	1910	2090
R&D Manager (team of up to 50 persons)	3020	3720	4190

Source: Randstad

TRI-CITY

Table 9
Gross monthly remuneration [in EUR] in BPO/SSC/IT/R&D centers for employees who know English (Tri-City)
The tables of remuneration were prepared on the basis of conclusions from interviews with candidates and employers and from an analysis of recruitment processes dedicated to the business services sector in Poland. In total, 2,000 recruitment processes conducted by Randstad were analyzed. The figures are for Q1 2016.

F&A: GL	Min	Opt	Max
Junior Accountant (1-2 years experience)	880	1050	1160
Accountant (2-3 years experience)	1050	1280	1400
Senior Accountant (over 3 years experience)	1400	1580	1740
Team Leader (team of 5-15 persons)	2090	2560	3020
Manager (team of up to 50 persons)	3490	4190	5350

F&A: AP / AR	Min	Opt	Max
Junior Accountant (1-2 years experience)	810	980	1160
Accountant (2-3 years experience)	1050	1160	1280
Senior Accountant (over 3 years experience)	1280	1400	1630
Team Leader (team of 5-15 persons)	1740	1980	2330
Manager (team of up to 50 persons)	2560	3260	4190

Banking	Min	Opt	Max
Junior Fund Accountant (up to 1 year experience)	810	880	980
Fund Accountant (1-3 years experience)	980	1120	1280
Senior Fund Accountant (over 3 years experience)	1280	1440	1630
AML/KYC Junior Analyst (up to 1 year experience)	930	980	1050
AML/KYC Analyst (1-3 years experience)	1050	1160	1400
AML/KYC Senior Analyst (3-5 years experience)	1400	1740	2090
Junior Analyst (Product Control, Reporting, Business Analysis / up to 1 year experience)	880	980	1050
Analyst (Product Control, Reporting, Business Analysis / 1-3 years experience)	1050	1350	1630
Senior Analyst (Product Control, Reporting, Business Analysis / over 3 years experience)	1510	1740	2090
Team Leader (team of 5-15 persons)	2090	2560	3020
Manager (team of up to 50 persons)	3490	4190	4880

Customer Service	Min	Opt	Max
Junior Specialist (no experience)	580	700	880
Specialist (over 1 year experience)	740	930	1280
Team Leader (team of 5-15 persons)	1160	1400	2090
Manager (team of up to 50 persons)	1400	1860	2790

Procurement / Order Management	Min	Opt	Max
Junior Specialist (up to 1 year experience)	810	930	1050
Specialist (1-3 years experience)	1050	1160	1400
Senior Specialist (over 3 years experience)	1400	1630	1740
Team Leader (team of 5-15 persons)	1630	2330	2790
Manager (team of up to 50 persons)	3020	3720	4650

HR processes	Min	Opt	Max
Junior Specialist (up to 1 year experience)	700	810	930
Specialist (1-2 years experience)	810	930	1050
Senior Specialist (over 2 years experience)	1050	1280	1400
Junior Payroll Specialist (up to 1 year experience)	700	880	980
Payroll Specialist (1-3 years experience)	980	1230	1400
Senior Payroll Specialist (over 3 years experience)	1400	1560	1740
Team Leader (team of 5-15 persons)	1630	1980	2330
Manager (team of up to 50 persons)	2330	2910	3490

IT	Min	Opt	Max
1st Line Support (2 years experience)	930	1120	1280
2nd Line Support (2 years experience)	1280	1400	1510
3rd Line Support (2 years experience)	1400	1630	1860
IT Administration (3 years experience)	1160	1630	2090
Network / Security (3 years experience)	1400	1860	2330
Business / System Analyst (3 years experience)	1510	1980	2790
Developer (3 years experience)	1510	1980	2790
Tester (3 years experience)	1160	1510	1860
Team Leader (team of 5-15 persons)	1860	2790	3490
Project Manager (team of up to 50 persons)	2790	3260	4190

R&D	Min	Opt	Max
Laboratory Specialist (over 2 years experience)	930	1160	1280
Technologist (over 2 years experience)	1160	1510	1740
Design Engineer (2-4 years experience)	1160	1630	1860
Senior Design Engineer (over 4 years experience)	1630	1980	2210
Product Development / NPI Engineer (2-4 years experience)	1280	1630	1980
Senior Product Development / NPI Engineer (over 4 years experience)	1630	2090	2330
Quality Engineer (2-4 years experience)	1160	1510	1740
Senior Quality Engineer (over 4 years experience)	1630	1860	2090
R&D Manager (team of up to 50 persons)	3020	3490	3950

Source: Randstad

WARSAW

Table 10

Gross monthly remuneration [in EUR] in BPO/SSC/IT/R&D centers for employees who know English (Warsaw)
The tables of remuneration were prepared on the basis of conclusions from interviews with candidates and employers and from an analysis of recruitment processes dedicated to the business services sector in Poland. In total, 2,000 recruitment processes conducted by Randstad were analyzed. The figures are for Q1 2016.

F&A: GL	Min	Opt	Max
Junior Accountant (1-2 years experience)	1050	1280	1400
Accountant (2-3 years experience)	1400	1630	1860
Senior Accountant (over 3 years experience)	1630	1860	2210
Team Leader (team of 5-15 persons)	2090	2790	3490
Manager (team of up to 50 persons)	3260	4190	5350

F&A: AP / AR	Min	Opt	Max
Junior Accountant (1-2 years experience)	930	1050	1280
Accountant (2-3 years experience)	1160	1280	1510
Senior Accountant (over 3 years experience)	1400	1510	1740
Team Leader (team of 5-15 persons)	1630	2210	2790
Manager (team of up to 50 persons)	2790	3490	4650

Banking	Min	Opt	Max
Junior Fund Accountant (up to 1 year experience)	980	1050	1120
Fund Accountant (1-3 years experience)	1120	1280	1510
Senior Fund Accountant (over 3 years experience)	1510	1740	2090
AML/KYC Junior Analyst (up to 1 year experience)	810	930	1020
AML/KYC Analyst (1-3 years experience)	980	1280	1510
AML/KYC Senior Analyst (3-5 years experience)	1280	1630	1860
Junior Analyst (Product Control, Reporting, Business Analysis / up to 1 year experience)	1050	1160	1400
Analyst (Product Control, Reporting, Business Analysis / 1-3 years experience)	1160	1510	1740
Senior Analyst (Product Control, Reporting, Business Analysis / over 3 years experience)	1630	1860	2330
Team Leader (team of 5-15 persons)	1860	2560	3260
Manager (team of up to 50 persons)	2790	4190	4880

Customer Service	Min	Opt	Max
Junior Specialist (no experience)	700	930	1160
Specialist (over 1 year experience)	930	1280	1400
Team Leader (team of 5-15 persons)	1280	1740	2090
Manager (team of up to 50 persons)	1630	2560	3720

Procurement / Order Management	Min	Opt	Max
Junior Specialist (up to 1 year experience)	1050	1280	1400
Specialist (1-3 years experience)	1280	1510	1860
Senior Specialist (over 3 years experience)	1740	1980	2330
Team Leader (team of 5-15 persons)	2790	3490	3950
Manager (team of up to 50 persons)	3490	4190	5580

HR processes	Min	Opt	Max
Junior Specialist (up to 1 year experience)	810	930	1050
Specialist (1-2 years experience)	1050	1280	1400
Senior Specialist (over 2 years experience)	1400	1510	1630
Junior Payroll Specialist (up to 1 year experience)	930	1050	1160
Payroll Specialist (1-3 years experience)	1160	1510	1630
Senior Payroll Specialist (over 3 years experience)	1630	1980	2330
Team Leader (team of 5-15 persons)	2210	2790	3490
Manager (team of up to 50 persons)	3260	3950	4880

IT	Min	Opt	Max
1st Line Support (2 years experience)	930	980	1280
2nd Line Support (2 years experience)	1120	1210	1580
3rd Line Support (2 years experience)	1400	1580	1860
IT Administration (3 years experience)	1400	1740	2330
Network / Security (3 years experience)	1860	2330	3140
Business / System Analyst (3 years experience)	1630	2090	3020
Developer (3 years experience)	1400	1860	3020
Tester (3 years experience)	1160	1280	1980
Team Leader (team of 5-15 persons)	1860	2910	3950
Project Manager (team of up to 50 persons)	2440	3260	4650

R&D	Min	Opt	Max
Laboratory Specialist (over 2 years experience)	1050	1160	1400
Technologist (over 2 years experience)	1160	1510	1860
Design Engineer (2-4 years experience)	1400	1630	1860
Senior Design Engineer (over 4 years experience)	1630	2090	2560
Product Development / NPI Engineer (2-4 years experience)	1630	1860	2090
Senior Product Development / NPI Engineer (over 4 years experience)	1860	2090	2560
Quality Engineer (2-4 years experience)	1280	1630	1860
Senior Quality Engineer (over 4 years experience)	1630	1860	2090
R&D Manager (team of up to 50 persons)	3020	3720	4650

Source: Randstad

WROCŁAW

Table 11

Gross monthly remuneration [in EUR] in BPO/SSC/IT/R&D centers for employees who know English (Wrocław)
The tables of remuneration were prepared on the basis of conclusions from interviews with candidates and employers and from an analysis of recruitment processes dedicated to the business services sector in Poland. In total, 2,000 recruitment processes conducted by Randstad were analyzed. The figures are for Q1 2016.

F&A: GL	Min	Opt	Max
Junior Accountant (1-2 years experience)	930	1050	1160
Accountant (2-3 years experience)	1160	1400	1510
Senior Accountant (over 3 years experience)	1400	1630	1860
Team Leader (team of 5-15 persons)	2090	2560	3020
Manager (team of up to 50 persons)	3260	4190	4650

F&A: AP / AR	Min	Opt	Max
Junior Accountant (1-2 years experience)	810	930	1050
Accountant (2-3 years experience)	1050	1160	1280
Senior Accountant (over 3 years experience)	1280	1400	1510
Team Leader (team of 5-15 persons)	1980	2210	2790
Manager (team of up to 50 persons)	2790	3490	4420

Banking	Min	Opt	Max
Junior Fund Accountant (up to 1 year experience)	810	880	1050
Fund Accountant (1-3 years experience)	1000	1160	1280
Senior Fund Accountant (over 3 years experience)	1280	1400	1740
AML/KYC Junior Analyst (up to 1 year experience)	930	1050	1160
AML/KYC Analyst (1-3 years experience)	1160	1280	1400
AML/KYC Senior Analyst (3-5 years experience)	1400	1630	1860
Junior Analyst (Product Control, Reporting, Business Analysis / up to 1 year experience)	810	930	1050
Analyst (Product Control, Reporting, Business Analysis / 1-3 years experience)	930	1160	1280
Senior Analyst (Product Control, Reporting, Business Analysis / over 3 years experience)	1160	1510	1740
Team Leader (team of 5-15 persons)	2090	2560	3020
Manager (team of up to 50 persons)	2790	3720	4420

Customer Service	Min	Opt	Max
Junior Specialist (no experience)	700	810	930
Specialist (over 1 year experience)	930	1050	1160
Team Leader (team of 5-15 persons)	1400	1630	1860
Manager (team of up to 50 persons)	1860	2330	3490

Procurement / Order Management	Min	Opt	Max
Junior Specialist (up to 1 year experience)	930	1050	1160
Specialist (1-3 years experience)	1160	1400	1630
Senior Specialist (over 3 years experience)	1510	1740	1980
Team Leader (team of 5-15 persons)	2330	2790	3260
Manager (team of up to 50 persons)	3260	4190	4650

HR processes	Min	Opt	Max
Junior Specialist (up to 1 year experience)	650	740	810
Specialist (1-2 years experience)	810	810	980
Senior Specialist (over 2 years experience)	930	1120	1400
Junior Payroll Specialist (up to 1 year experience)	810	930	1050
Payroll Specialist (1-3 years experience)	1160	1280	1400
Senior Payroll Specialist (over 3 years experience)	1400	1630	1860
Team Leader (team of 5-15 persons)	2090	2560	3260
Manager (team of up to 50 persons)	3260	3720	4650

IT	Min	Opt	Max
1st Line Support (2 years experience)	790	980	1280
2nd Line Support (2 years experience)	1160	1350	1580
3rd Line Support (2 years experience)	1400	1510	1860
IT Administration (3 years experience)	1280	1670	2280
Network / Security (3 years experience)	1720	2190	2840
Business / System Analyst (3 years experience)	1440	2000	2790
Developer (3 years experience)	1510	2090	2670
Tester (3 years experience)	1160	1510	1860
Team Leader (team of 5-15 persons)	1860	2910	3720
Project Manager (team of up to 50 persons)	2210	3020	4190

R&D	Min	Opt	Max
Laboratory Specialist (over 2 years experience)	1050	1160	1400
Technologist (over 2 years experience)	1160	1510	1740
Design Engineer (2-4 years experience)	1050	1510	1630
Senior Design Engineer (over 4 years experience)	1510	1740	2090
Product Development / NPI Engineer (2-4 years experience)	1160	1630	1700
Senior Product Development / NPI Engineer (over 4 years experience)	1700	1860	2090
Quality Engineer (2-4 years experience)	1160	1510	1630
Senior Quality Engineer (over 4 years experience)	1630	1860	2090
R&D Manager (team of up to 50 persons)	3020	3720	4190

Source: Randstad

Table 12
Languages bonus [EUR gross]

Spread of rates for specialist positions:*	From	To
Spanish / Portuguese / Russian / Italian	70	190
French	120	210
German	120	230
Scandinavian languages / Finnish / Dutch	190	350

Source: Randstad

Table 13
Average remuneration by selected centers and process categories

Spread of rates for specialist positions:*	Average gross remuneration [EUR]	Differentiation [most frequently offered remuneration = 100%]
Average minimum:	1127	83%
Most frequently offered remuneration:	1356	100%
Average maximum:	1635	121%
Average remuneration for specialist positions* in particular centers:	**Average gross remuneration [EUR]**	**Differentiation [Warsaw = 100%]**
Warsaw	1504	100%
Kraków	1404	93%
Tri-City	1365	91%
Wrocław	1362	91%
Katowice Agglomeration	1294	86%
Łódź	1288	86%
Poznań	1276	85%
Average remuneration for specialist positions* in particular categories:	**Average gross remuneration [EUR]**	**Differentiation [most frequently offered remuneration = 100%]**
IT	1619	119%
R&D	1617	119%
Procurement / Order Management	1357	100%
F&A: GL	1291	95%
Banking	1240	91%
F&A: AP / AR	1149	85%
HR processes	1121	83%
Customer Service	897	66%

Source: Randstad

* specialist position = all positions considered in the remuneration tables except for managers and team leaders

Chapter content provider: **Baker & McKenzie**

4 | Investment Incentives

Polish investment incentives policy gives special preferences to the business services sector as one of the priority industries. Next to the traditional instruments of supporting investments, the importance of instruments for funding research and development activities (R&D) has grown recently.

Investment incentives for the business services sector:

- tax allowances in Special Economic Zones (CIT exemption)
- support of R&D activities (e.g. Applied Research Program) – grants up to:
  - 50 to 65% of the eligible costs for industrial research
  - 25 to 40% of the eligible costs for experimental development

This sector is one of the priority sectors of the economic policy.

Special Economic Zones

Special Economic Zones (SEZ) are designated areas on the Polish territory within which the investors enjoy exemption from the corporate income tax.

The exemption is available for the investors who have obtained permit to operate in the SEZ. The permit specifies the minimum level of investment and employment, as well as the maximum level of state aid and the scope of activities that can be performed. Usually, the exemption is available from the moment the first expenses are incurred and covers only the activity in line with the scope of activity specified in the permit (the activity not mentioned in the permit may be performed, it does not however benefit from the exemption).

Not all areas of activity can be covered by the exemption in the SEZ (see tax section for details) – exclusions include, among other things, the activities requiring a licence or financial services. When considering benefitting from CIT exemptions on business activities in SEZ, one needs therefore to pay attention to the classification of the services/processes to be rendered.

The exemption limit is calculated on the basis of investment expenditures or 2-year labor costs, provided that the value of the limit depends on a region. Since July 1st, 2014, the aid intensity been significantly reduced. In most of the country it is 35% of the expenditure – regions: kujawsko-pomorskie, lubuskie, łódzkie, małopolskie, opolskie, pomorskie, świętokrzyskie, zachodniopomorskie, and areas of subregions: ciechanowsko-płocki, ostrołęcko-siedlecki, radomski i warszawsko-wschodni. The highest aid intensity of 50% is in the Easternmost regions: lubelskie, podkarpackie, podlaskie, warmińsko-mazurskie. Aid intensity of 25% is in regions: dolnośląskie, wielkopolskie, śląskie. Aid intensity of 20% is in areas of subregion warszawsko-zachodni, except that for Warsaw aid intensity is 15% of the expenditure (and beginning of January 1st, 2018 only 10% for Warsaw). The investor is totally exempt from the CIT in respect of the activity listed in the permit until the limit is used up or the operations of the SEZ end (now – December 31st, 2026).

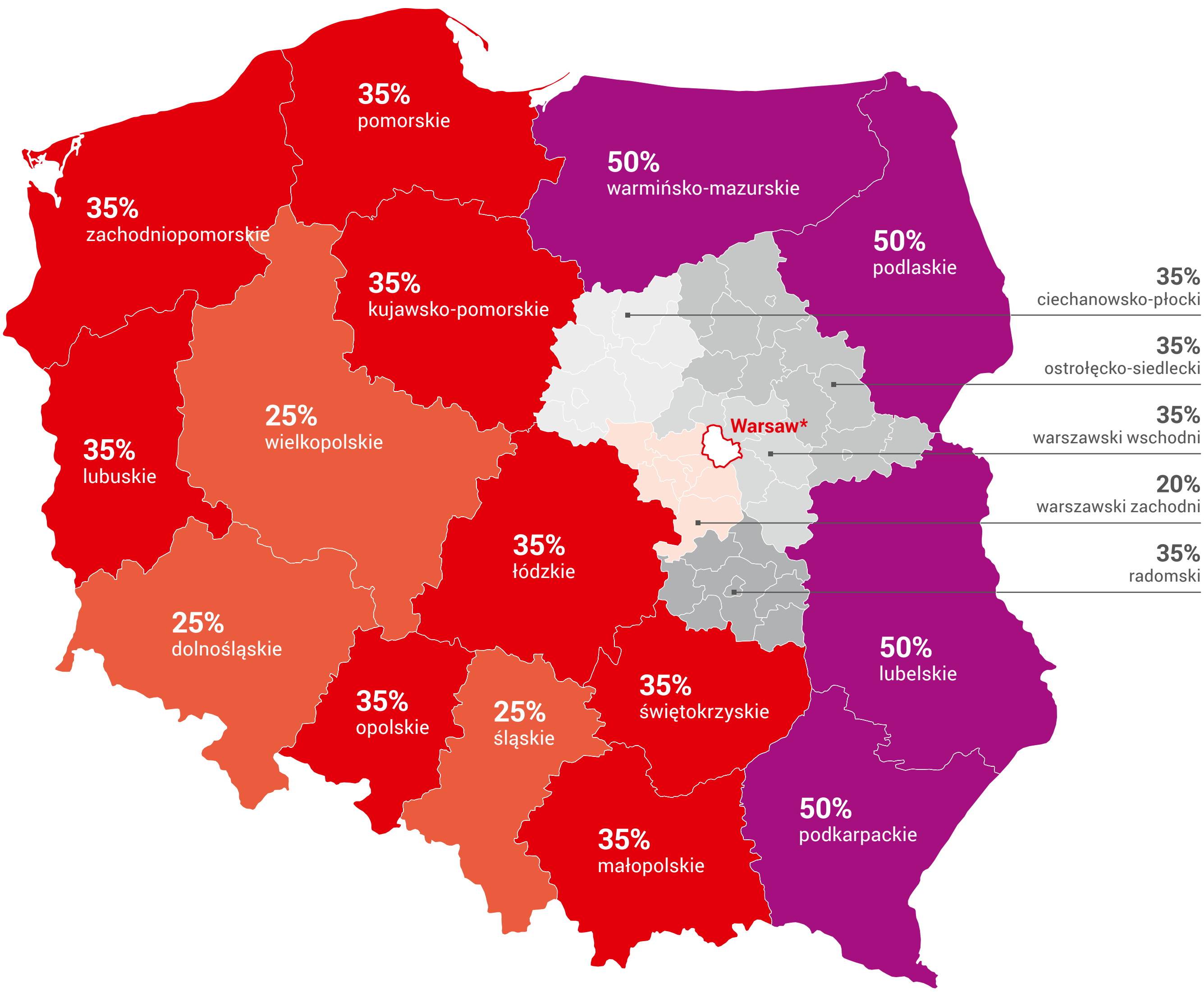


Figure 41
Limits of state aid
Source: European Commission, available at [http://europa.eu/rapid/press-release_IP-14-180_pl.htm]
* Warsaw: to 31 Dec 2017 – 15%, from 1 Jan 2018 – 10%

| Financial support for the R&D activity

Financial support for the R&D activity is playing an increasingly important role in Poland's economic policy, and its share in the mix of investment incentives, both domestic and those financed from EU funds, is growing, too. According to the current status of the new financial perspective of EU structural funds, the R&D area is to be practically the only one, where large enterprises (including advanced business services) may count on financing from EU funds.

Moreover, a large offer of support for R&D activities from domestic funds (i.e. not co-funded from EU) is also realized by the National Centre for Research and Development (NCBiR).

R&D activity can focus on various processes; the key element, however, is that it must achieve an innovative effect with a character of novelty that helps markedly improve the services. Factors that can help classify a given activity as research and development are: engagement of personnel having PhD or higher academic degree, co-operation with scientific institutions in the area of research and development, or incurring certain types of expenses.

Examples of activities that can obtain financial support as R&D activities in the area of services designed for financial institutions:

» mathematical research into risk analysis,
» development of new risk models, study of new types or features of insurance risks,
» R&D work on new services or new ways of supplying services electronically,
» R&D work on new or significantly improved financial services,
» development of new consumer survey techniques in order to create new types of financial services, research into social phenomena that impact financial services.

Examples of activities that can obtain financial support as R&D activities in the area of IT services:

» development of internet technologies
» development of new methods of software design, development and deployment
» development of new algorithms, research aiming at development on the level of operating systems, data management, etc.

As R&D will NOT be considered e.g.: application software and information system development using known methods and existing software tools, adaptation and maintenance of existing software, debugging, adding functionality to application programmes (including customisation).

Examples of activities that can obtain financial support as R&D activities in the other business service areas:

» Analysis of the impact of economic environment on consumer behaviour,
» Development of new methods for consumer research,
» Development of new survey methods and tools.

Support for R&D center creation and development

Under the framework of measure 2.1 of Operational Programme Smart Development it is possible to obtain funding for creation and/or development of R&D centers, by investments in equipment, technologies and other necessary infrastructure, which will be used for R&D activities aimed at creating innovative goods and services. Eligible costs include:

- » capital expenditure (fixed assets, construction works, real estate – up to 10% of other eligible costs)
- » advisory services
- » know-how/licences
- » materials directly related to the project.

Maximum grant values:

- » capex – per regional aid map: from 10 to 70%
- » technical know how and advisory – up to 25% / 40% in case of effective collaboration with SMEs or universisities or with public dissemination of results.
- » materials – up to de minimis aid limits.

Grants available under calls for proposals procedure (project scoring). Budget of the measure: PLN 1B in 2016 1st call. Calls every 6 months (approx.).

> Example: A company plans to expand its SSC by setting up an R&D Center (RDC) in Wroclaw. Investment outlays for the RDC will amount to PLN 15M incl. PLN 5M for the purchase of real Estate, while advisory services will amount to PLN 1M. Cooperation with a university is planned.
>
> Maximum levels of suport one can apply for are as follows:
>
> Capex: eligible capes: PLN 12,1M
> (eligible real Estate cost may not exceed 10% of other costs – i.e. PLN 1.1M).
>
> Regional aid limit: 25% (aid intensity for Wroclaw region) * eligible capex PLN 11.1M
> = PLN 2.775 M.
>
> R&D aid limit: 40% (due to coopeartion with an university) out of PLN 1M of advisory costs:
> = PLN 400k.

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