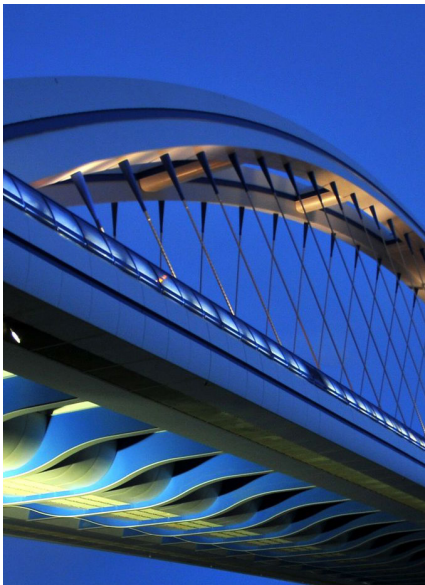


Shared Service & Business Process Outsourcing Centers in **SLOVAKIA**



Shared Service & Business Process Outsourcing Centers in Slovakia

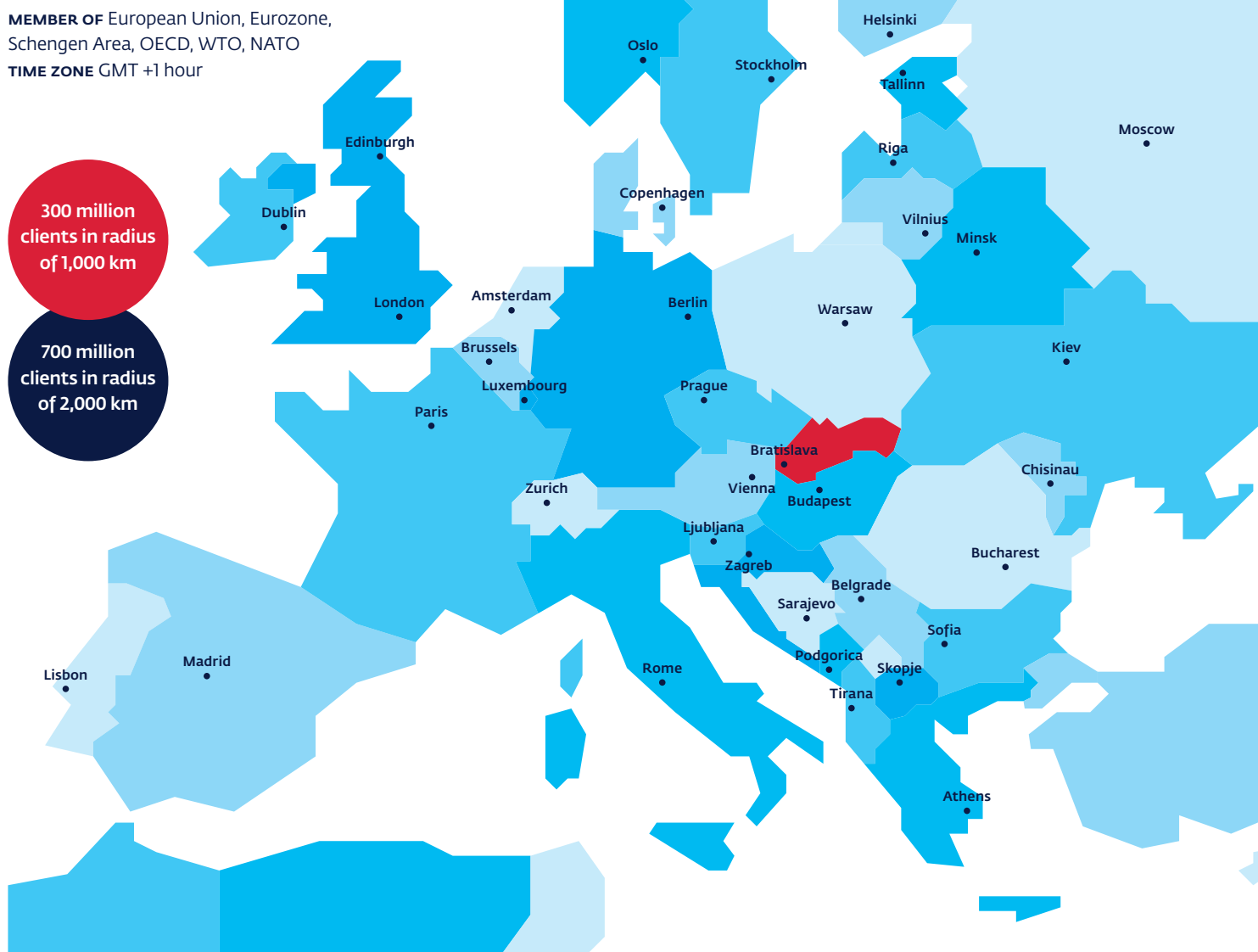
The purpose of this publication is to present Slovakia's dynamically expanding segment of Shared Services & Business Process Outsourcing Centers. SSC & BPOs provide international support services for their parent companies and other subsidiaries or execute specific outsourced business processes for third-parties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



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

300 million clients in radius of 1,000 km

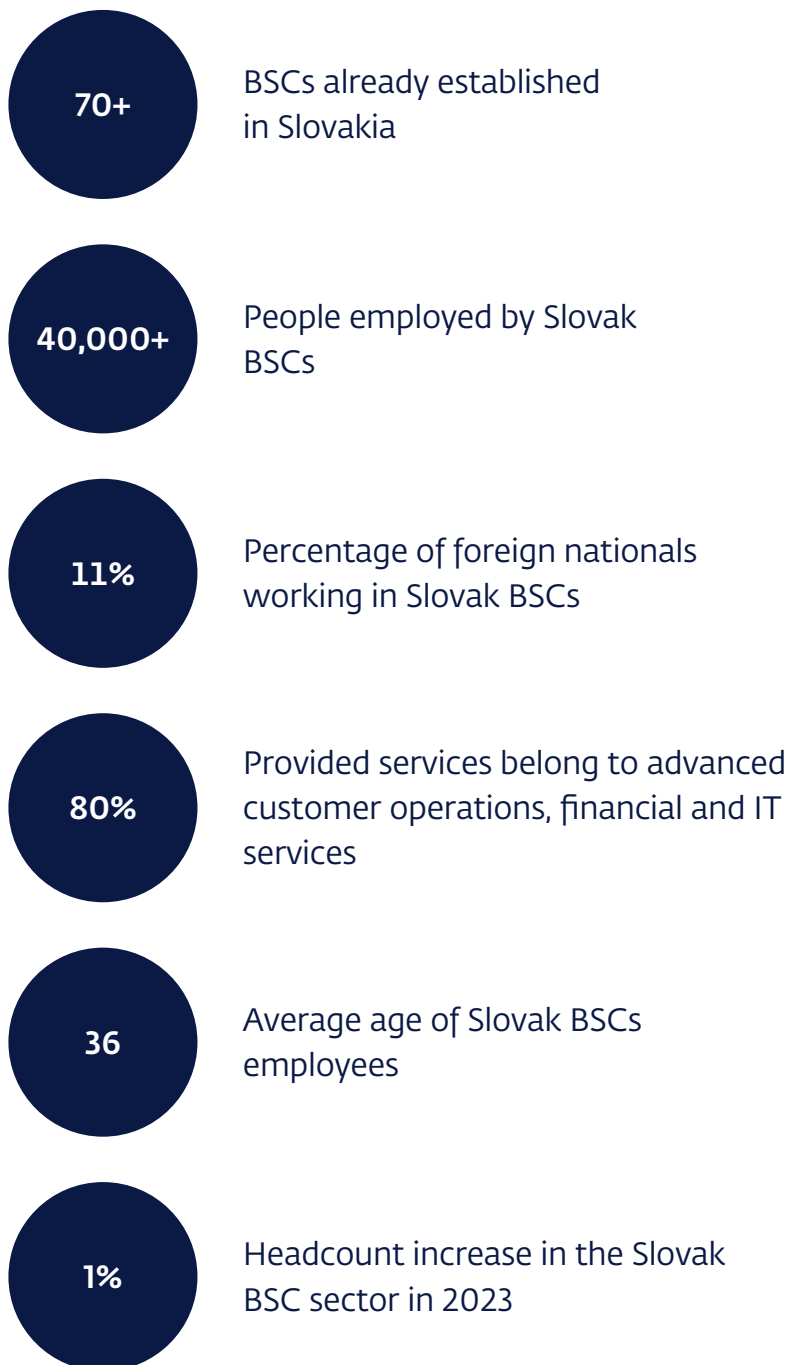
700 million clients in radius of 2,000 km



Slovak SSC & BPOs

— Key Facts

Over the past two decades, Slovakia experienced dynamic growth of the Business Services Centers (BSC)* sector networks. Encouraged by an increasing high-quality standard of the Slovak business environment, the number of multinational centers is expected to increase further.



Top Reasons to Establish a BSC in Slovakia

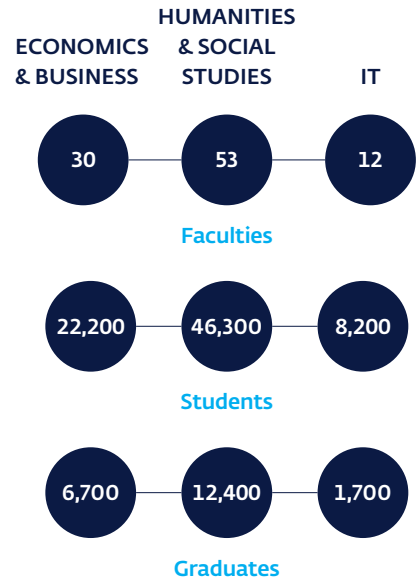
- 1 Excellent multilingual skills
- 2 35 universities providing qualified pool of labour force
- 3 Candidates willing to relocate or commute daily in the radius of 60–80 km
- 4 Strategic time zonation & geographic location
- 5 High quality data & voice networks
- 6 Attractive investment incentives for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

Source: SARIO 2023, AmCham Business Service Center Forum Survey, 2023



35 University Level Institutions in Slovakia

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



Source: The Institute for Information and prognosis in Education 2022/2023, SARIO calculations

BSCs: Academic Partnership Success Stories

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

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

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

Qualified Labour Force

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

THE MOST COMMON FOREIGN LANGUAGES TAUGHT AT SLOVAK SECONDARY SCHOOLS (GENERAL EDUCATION)

% of all students learning foreign languages



Source: Eurostat, Foreign language learning statistics (2021)

LANGUAGES WITHIN SLOVAK SSCs



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

Source: Grafton Recruitment Slovakia 2021

AVERAGE GROSS MONTHLY SALARY (SELECTED POSITIONS IN SLOVAK BSC SECTOR/EUR)

AREA	POSITION	BRATISLAVA		KOŠICE		OTHER REGIONS	
		Min	Max	Min	Max	Min	Max
FINANCE	Accounting Clerk (AP, AR, Fixed Assets, ICO, C&B)	1,300	1,600	1,200	1,500	1,300	1,600
	GL Accountant (1-2 years of experience)	1,400	1,700	1,200	1,600	1,200	1,600
	GL Accountant (less than 1 year of experience)	1,200	1,400	1,000	1,200	1,100	1,200
	Cash Collector	1,300	1,600	1,100	1,400	1,200	1,400
	Tax Specialist/Consultant	2,000	2,400	1,800	2,300	1,800	2,300
	Financial Analyst (more than 2 years of experience)	1,700	2,500	1,400	2,200	1,500	2,200
	Financial Analyst (less than 2 years of experience)	1,400	1,700	1,100	1,500	1,200	1,600
	Controlling Lead	2,500	3,500	2,200	3,200	2,400	3,200
	Payroll	1,400	2,400	1,300	2,000	1,300	2,000
	Finance Manager/Finance Lead	2,500	6,500	2,500	4,000	2,500	5,000
CUSTOMER SERVICE / SALES	Call center Agent	1,200	1,600	1,100	1,500	1,000	1,500
	CC Team Leader	1,600	2,300	1,500	2,200	1,300	2,000
	Customer Service Agent	1,300	1,700	1,200	1,600	1,100	1,500
	Telesales Specialist for Inbound	1,300	1,800	1,200	1,600	1,100	1,400
	Telesales Specialist for Outbound	1,300	1,800	1,200	1,600	1,100	1,400
	Customer Service Team Leader	1,800	2,600	1,700	1,400	1,500	2,300
	Customer Service Manager, Service Ops Manager	2,500	3,800	2,400	3,600	2,500	3,500
HR	HR Helpdesk Agent	1,200	1,500	1,100	1,400	1,200	1,400
	HR Data Management Specialist	1,200	1,800	1,100	1,800	1,200	1,700
	HR Administrator (more than 1 year of experience)	1,400	1,800	1,300	1,800	1,200	1,600
	HR Administrator (less than 1 year of experience)	1,300	1,600	1,200	1,600	1,100	1,500
	Recruitment Specialist	1,500	2,300	1,300	1,800	1,300	1,800
	Learning Coordinator	1,500	2,200	1,400	2,000	1,400	1,900
	Team Leader (HR)	2,100	2,800	1,800	2,500	2,000	2,500
	Manager (HR)	3,600	4,500	2,000	4,000	2,200	4,500
PRO-CUREMENT	Procurement Clerk	1,300	1,800	1,300	1,700	1,200	1,700
	Procurement Specialist	1,500	2,100	1,400	1,900	1,400	1,900
	Team Leader (Procurement)	2,100	2,800	1,800	2,500	1,800	2,500
	Manager (Procurement)	3,000	4,000	2,800	3,800	2,800	3,800
IT	IT Helpdesk (more than 1 year of experience)	1,400	1,900	1,300	1,700	1,300	1,700
	IT Helpdesk (less than 1 year of experience)	1,300	1,500	1,100	1,300	1,200	1,400
	System Administration (Linux, Windows)	2,000	3,000	1,800	2,800	1,800	2,800
	Application Support (SAP, ERP)	2,200	2,800	1,800	2,500	1,800	2,500
	SW Testing	2,200	3,500	1,500	3,500	1,500	3,500
	SW Development (Java, .Net, C++, Javascript)	2,500	4,000	2,200	3,700	2,200	3,700
Language bonus (other than English)		200€ per month					

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

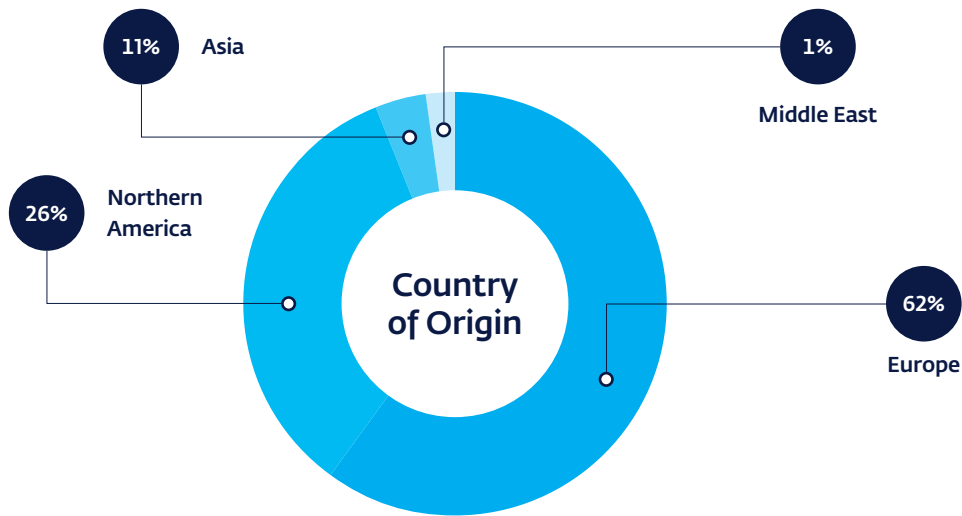
Source: Grafton Recruitment Slovakia, 2023

Slovak SSC & BPOs

Thanks to the availability of qualified labour force and its performance, BSCs in Slovakia are evolving towards centers with higher added-value with greater emphasis on quality of their services. On top of that, more and more BSCs are moving up their value chain by creating Centers of Excellence with specialized positions. 41% of the Slovak BSCs declared further centralization process and 12% of them are planning to transfer some of their basic functions to other territories in order to take over operations with higher added value.

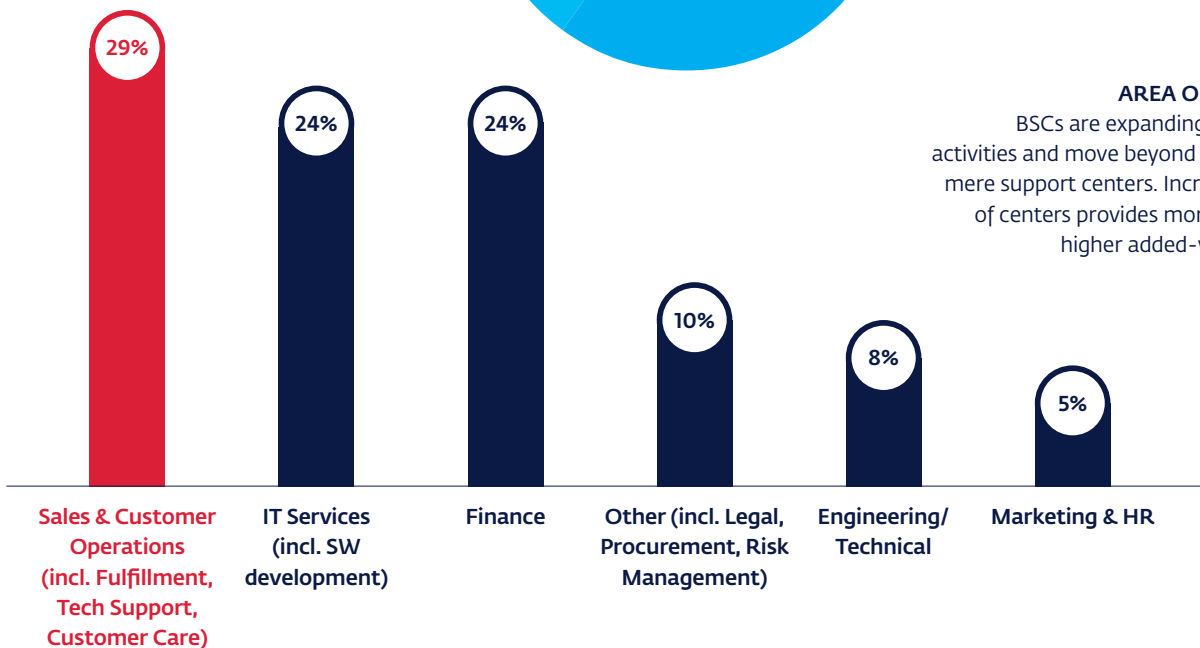
COUNTRY OF ORIGIN

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



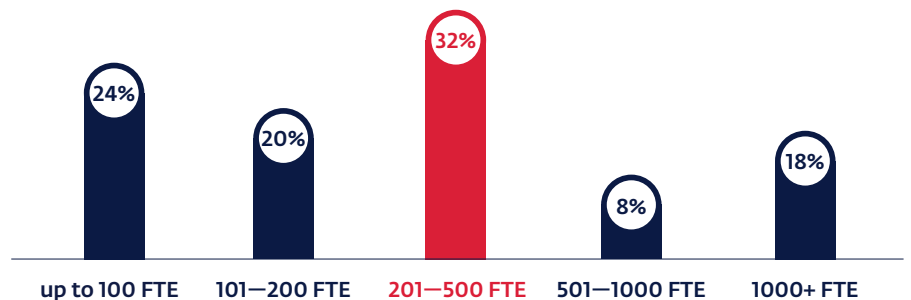
AREA OF OPERATION

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



NUMBER OF EMPLOYEES

There are several SSC & BPO companies with employees exceeding 1000 FTE. The majority of centers in Slovakia employ between 200 and 500 FTE.



Source: SARIO, 2023, BSCF, 2023

BSCs Success Stories in Slovakia



AT&T Global Network Services Slovakia | Bratislava

"AT&T has operated in Slovakia since 1999. We have four centres in two cities, with a workforce of more than 2,500 that support high-quality communication services and solutions for our multinational customers. In Slovakia, we continue to find great opportunities to match the requirements of global clients with a highly motivated and skilled workforce."

GABRIEL GALGÓCI, Slovak Country General Manager



Arcondis | Košice

"Arcondis opted for Slovakia (Košice) as the location, which combines in the best way the crucial investment factors – skilled IT workforce, top-tier universities and scientific institutions, a great working culture and an innovative mindset of people. After a certain time, we are even more convinced that we did the right decision when coming to Košice"

DANIEL CARNOKY, Country Managing Director (Slovakia)



Adient | Bratislava

"Adient has its unique presence in Slovakia which is a combination of production plants, business center and technical center operating in 8 different locations, from Bratislava to Bardejov. Our 4,000 employees daily contribute to success of our automotive company and are changing the world in motion with their work, from an initial design of a seat, through its production, delivery to its final accounting and reporting process. Slovakia and its regions proved that we can be a leader in quality, efficiencies and sustainable business."

BARBORA ZÁHRADNÍKOVÁ, Acting General Manager



IBM International Services Centre | Bratislava, Košice

"The broad range of missions we support, through Business Process Services, CIO services, Digital Sales, Finance & Accounting, Sales Support and more, requires well educated employees with perfect foreign language and IT skills, and Slovakia has enabled IBM International Services Centres to grow from 100 to over 3000 employees over the last 12 years."

PAUL BURT, IBM ISC Location Leader & Managing Director



Zurich Insurance | Bratislava

"In 2007 Zurich Insurance started with a Customer Support Center in Bratislava providing mainly transactional roles suitable for fresh graduates. 15 years later with a changed name as Zurich Bratislava Competence Center and more specific focus, the Center hosts 350 experts in 7 business areas - Actuarial, Risk Management, Data Science, Business Intelligence, IT Infrastructure and Software Development, Insurance Network Services, and Software Asset Management - and is still growing. Thanks to the highly qualified and skilled resource pool in Slovakia - in conjunction with remarkable work ethics and enthusiasm - the center evolved from an executional service center to a product owning competence center and is now expanding to the Eastern part of Slovakia with a second location in Kosice."

WOLFGANG H FISCHER, CEO Zurich Bratislava Competence Center

Deutsche Telekom Systems Solutions Slovakia | Košice

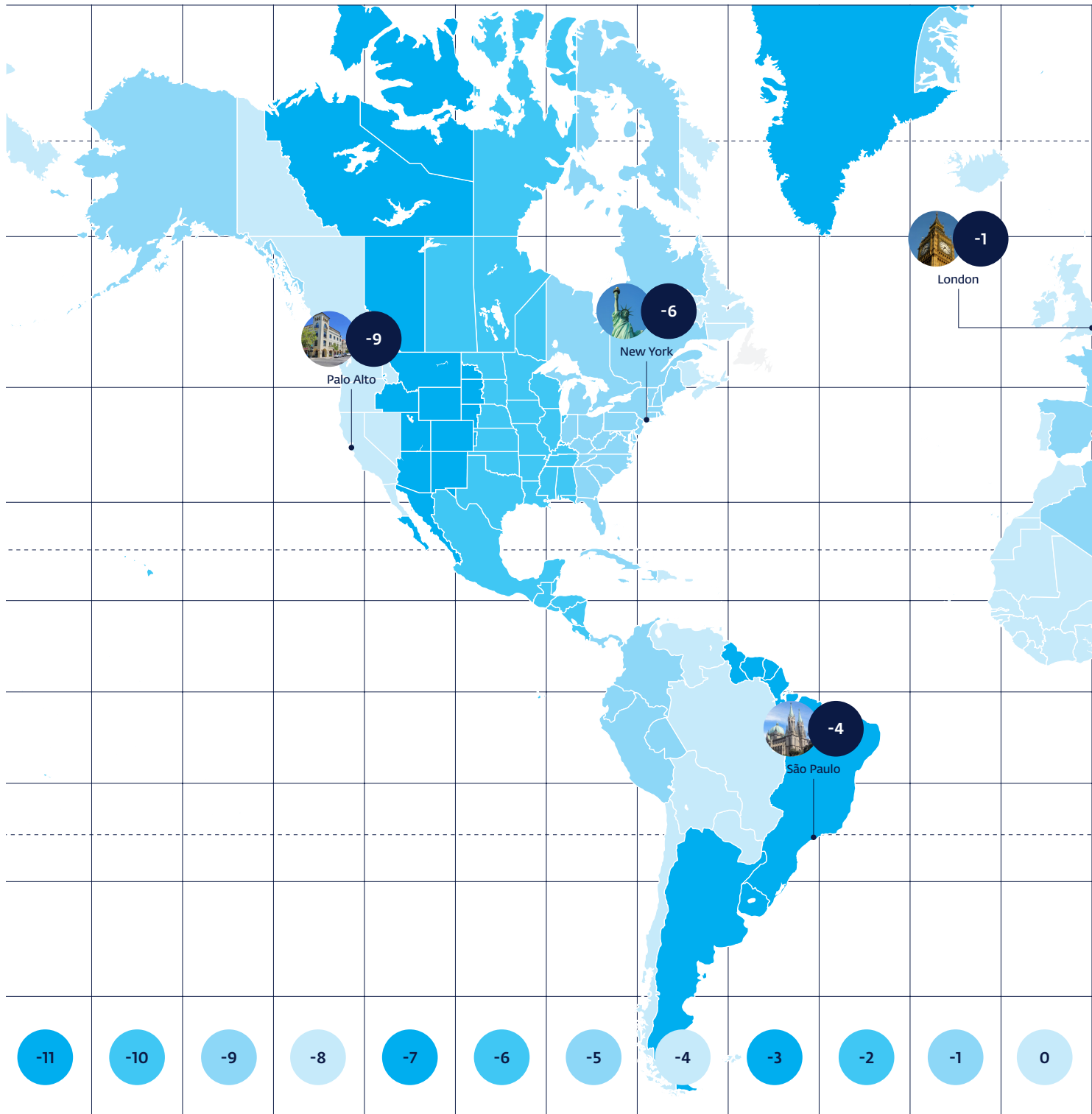
"January 2016 sees 10 years of Deutsche Telekom Systems Solutions Slovakia presence in Košice and we have no regrets about making this city our home in Slovakia. We exceeded initial business case approximately tenfold, reaching 3,600 highly qualified employees in both IT operations and business process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

MARTIN DŽBOR, Director, Strategy & Innovation, Deutsche Telekom Systems Solutions Slovakia

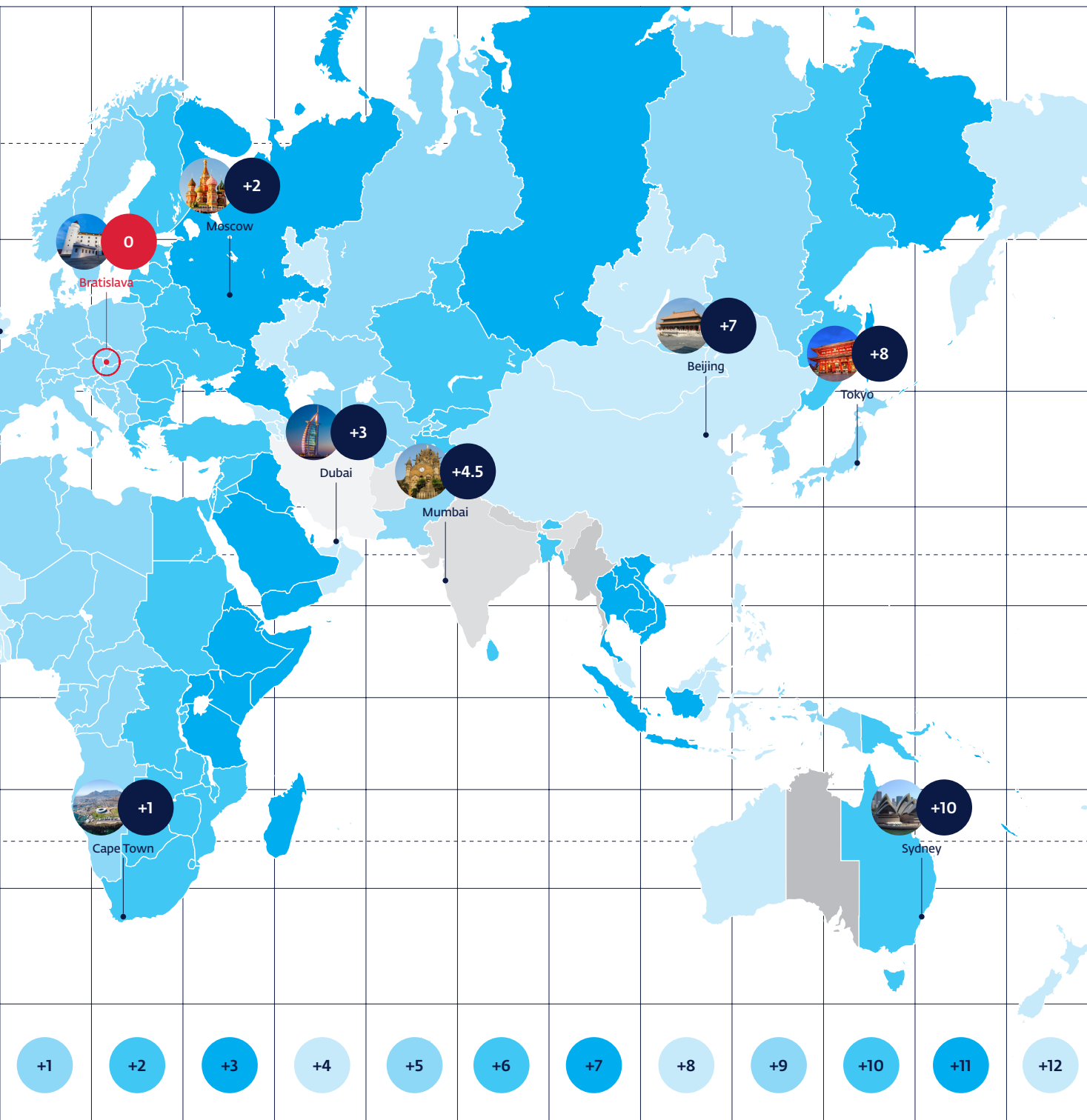


Time Zone Map

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

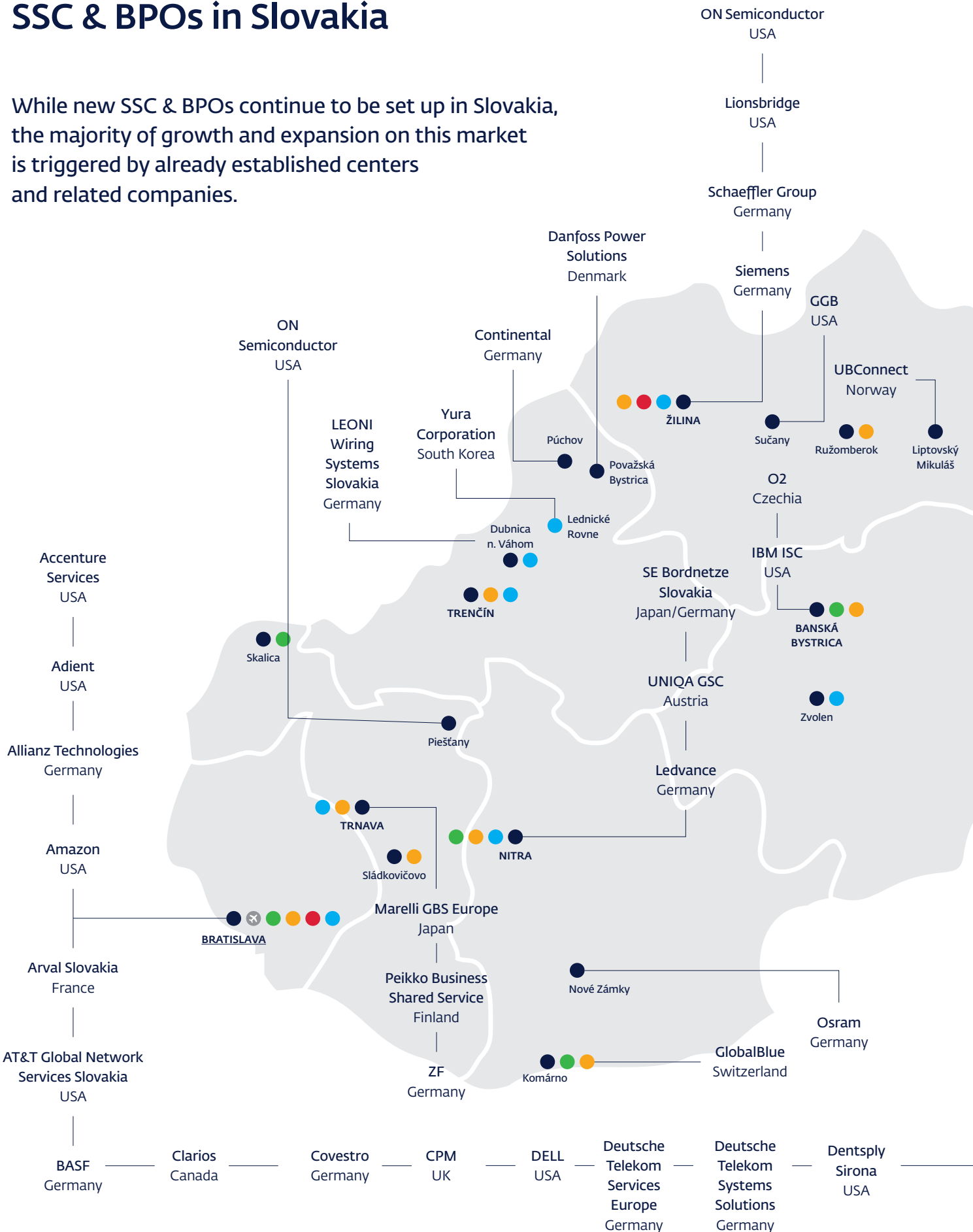


Slovak SSC & BPOs can operate various shifts throughout the day which allow them to support their headquarters or customers in Asia by starting shifts from the early morning hours, then cover the American continent from the afternoon till late evening hours and any other time zones in between.



SSC & BPOs in Slovakia

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

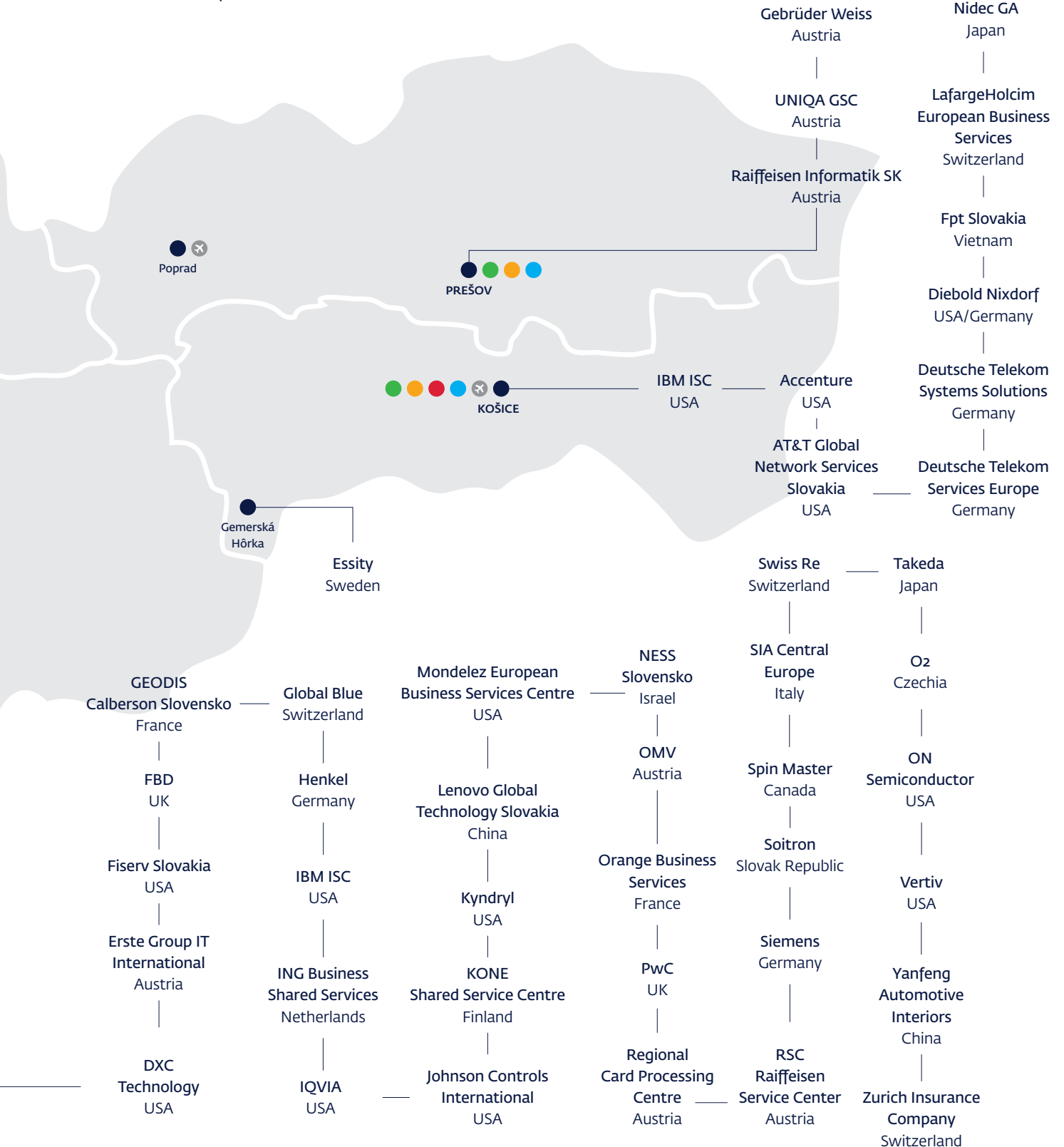


UNIVERSITY FACULTIES

- Economics & Business
- Social
- IT
- Technical

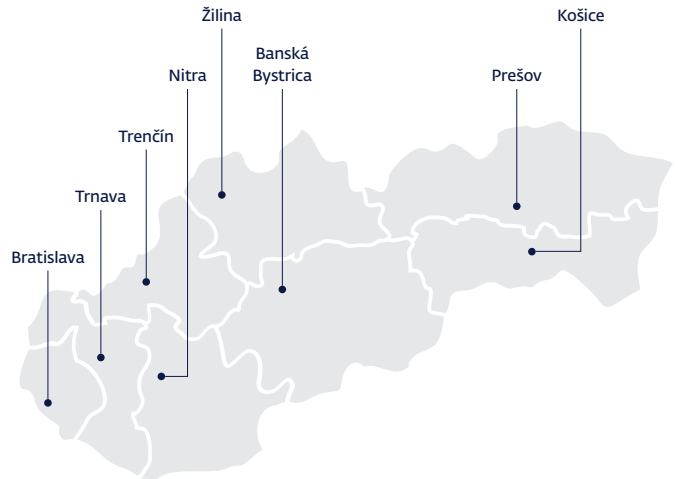
✈ International Airport

Source: SARIO 2023. Presented list of SSC & BPOs operating in Slovakia is subject to change and does not represent an exhaustive overview. ICT companies with activities only related to telecommunication, computer programming or internet information services are not included.



Hot SSC & BPO Hubs in Slovakia

The majority of SSC&BPOs in Slovakia are located in the capital city of Bratislava or in the second largest city of Košice. Nevertheless, new hubs are gradually developing, offering great value proposition for new SSC & BPOs.



BRATISLAVA

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

2,016,000
m²

Office Stock

11.83%

Vacancy Rate

14
EUR/m²

Average rent
(offices)



KOŠICE

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

214,274
m²

Office Stock

8.68%

Vacancy Rate

12.5
EUR/m²

Average rent
(offices)



EMERGING LOCATIONS — REGIONAL CAPITALS

Banská Bystrica, Nitra, Prešov, Trenčín, Trnava and Žilina are new destinations on the Slovak SSC & BPO map providing excellent conditions for business. The locations combine availability of high quality personnel, reasonable wage levels, competitive prices of real estate market and attractive investment incentives with the intensity up to 60% of total eligible costs. All regional capitals are important academic centers and transportation crossroads with excellent highway connection (D1 and R1).

OPPORTUNITIES IN OTHER LOCATIONS

Companies tend to establish their centers also in smaller cities benefiting from proximity to existing or former production facilities, lower level of wage costs/rent of office space market and availability of attractive investment incentives with the intensity up to 60% of total eligible costs.

Source: CBRE, 2023, SARIO database, 2023

Business Service Center Forum



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

The Business Service Center Forum (BSCF) brings together shared services centers (SSCs) and business process outsourcing (BPOs) providers operating in Slovakia. Their presence and importance in Slovakia has been growing since 2000. Nowadays, BSCs represent a significant employment sector within the Slovak economy with more than 37K+ employees, which has specific needs and faces specific challenges.

Every year AmCham Slovakia surveys the business service centers associated in BSCF to gather aggregate data and presents an updated picture of the sector. This data is published in an information brochure summarizing who works in these centers, where they are located, what services they provide and how they contribute to the state budget as well as local communities, and last but not least, why they are in Slovakia and not elsewhere in the world.

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



Furthermore, one of the latest initiatives is called Career4u, with the goal to promote Slovak BSCs and increase their awareness among potential candidates. This is done by presenting short videos of individual careers in various departments in different companies.

On top of the mentioned activities, the aim of AmCham is to promote competitive job vacancies within Slovak SSC & BPOs by the initiative called Work in Slovakia-Good Idea. The pilot project was initiated in London (January 2019) and it's now launched in other European cities.

In the area of education, BSCF has continuously been running the flagship **Train the Trainer** series of soft skills trainings for university and high school teachers and two of the fully accredited university courses for master students entitled **Skills for Success: From University to Practice and Hands-on HR: Global Trends**.

More information on the BSCF is available on their website www.bscf.eu

WHY TO BECOME A MEMBER?

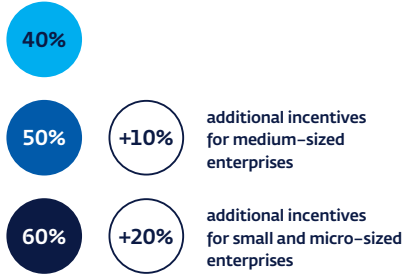
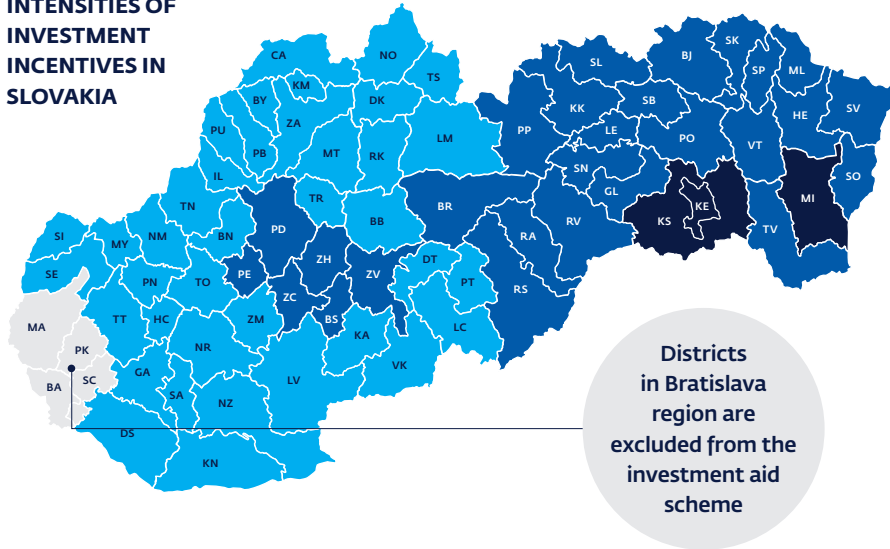
- BSC Forum shares information within the sector about concerns, solutions and best practices
- The platform communicates with national and local authorities: monitors and evaluates legislation, labor market and CSR activities
- The forum interacts with universities and secondary schools to improve the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

Investment Incentives

The primary role of the investment incentives is to motivate investors to place their new projects in regions with higher unemployment and to attract projects with higher added value.



MAXIMUM REGIONAL INTENSITIES OF INVESTMENT INCENTIVES IN SLOVAKIA



ELIGIBLE ACTIVITIES

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

ELIGIBLE PROJECTS

The Act on Investment Incentives divides the projects, which may be supported, into four categories:

- Industrial production
- Technology Centers
- Combined Projects of Industrial Production and Technology Center
- Shared Services Centers

ELIGIBLE COSTS

- Costs of land acquisition
- Costs of buildings acquisition & construction
- Costs of new technological equipment and machinery acquisition
- Intangible long-term assets — licences, patents, etc.
- Rent of new land/building

OR

- Total wage costs of all new employees calculated over a period of 2 years

FORMS OF INVESTMENT INCENTIVES

- Corporate income tax relief
- Cash grant
- Contributions for the newly created jobs
- Rent/Sale of real estate for a discounted price

INSTITUTIONAL STRATEGY FOR BUSINESS SERVICES CENTERS DEVELOPMENT IN SLOVAKIA

The government of the Slovak Republic approved institutional support of SSC & BPO centers in Slovakia.

The aim of the strategy is to facilitate growth and activities of established centers and strengthen position of Slovakia as preferred destination for new investments in the BSC sector.

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

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

For more information please refer to www.mhshr.sk, section Business Services Centers

*An amendment to the Governmental Regulation no. 195/2018 Coll. is currently in the legislation process. Map of maximum intensities above already reflects these changes (maximum aid intensity in the Western Slovakia increased from 30% to 40%). Please contact us at invest@sario.sk for more information (including minimum conditions).



AIM INVESTMENT AWARDS UAE 2022

CEE & TURKEY REGION
Best Investment Promotion Agency in 2022



SARIO Profile

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

01 INVESTMENT SERVICES

FOR POTENTIAL INVESTORS

- investment environment overview
- assistance with investment projects implementation
- starting a business consultancy
- sector and regional analyses
- investment incentives consultancy
- site location & suitable real estate consultancy

FOR ESTABLISHED INVESTORS

- identification of local suppliers, service providers
- assistance with expansion preparation and execution
- assistance with Industry 4.0 solutions and R&D implementation

02 FOREIGN TRADE SERVICES

IF YOU ARE LOOKING FOR

- Slovak supplier or sub-contractor
- information about Slovak export/trade environment
- sourcing opportunities
- forming a joint venture, production cooperation or other forms of partnership with a Slovak partner

SERVICES FOR EXPORTERS

- information on foreign territories
- customized search for foreign partners
- online database of business opportunities
- export Training Centre
- subcontracting assistance

03 INNOVATION SOURCING

- matching local tech companies with the operations of large companies that plan to implement innovative solutions to streamline and optimize their processes
- focused mostly on Industry 4.0 solutions such as digitalization, intelligent automation, and robotics as well as advanced and complex IT solutions for various industries
- based on a database of more than 300 local tech companies which is constantly updated and expanded

04 SLOVAK SPACE OFFICE

FOR SLOVAK ENTITIES

- tailor-made sector entry consultancy
- startup creation through hackathons and incubation programs
- cooperation opportunities through matchmaking events
- internationalization of the Slovak space companies and research institutions

FOR FOREIGN PARTNERS

- customized search for local partners
- assistance with establishing branch in Slovakia
- cooperation on space industry events

**CONTENT
ADVISORS**



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**SARIO IS YOUR ONE STOP SHOP FOR INVESTMENT & TRADE IN SLOVAKIA.
TALK TO US TODAY!**

SARIO | Slovak Investment and Trade Development Agency

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