Outsourcing&More

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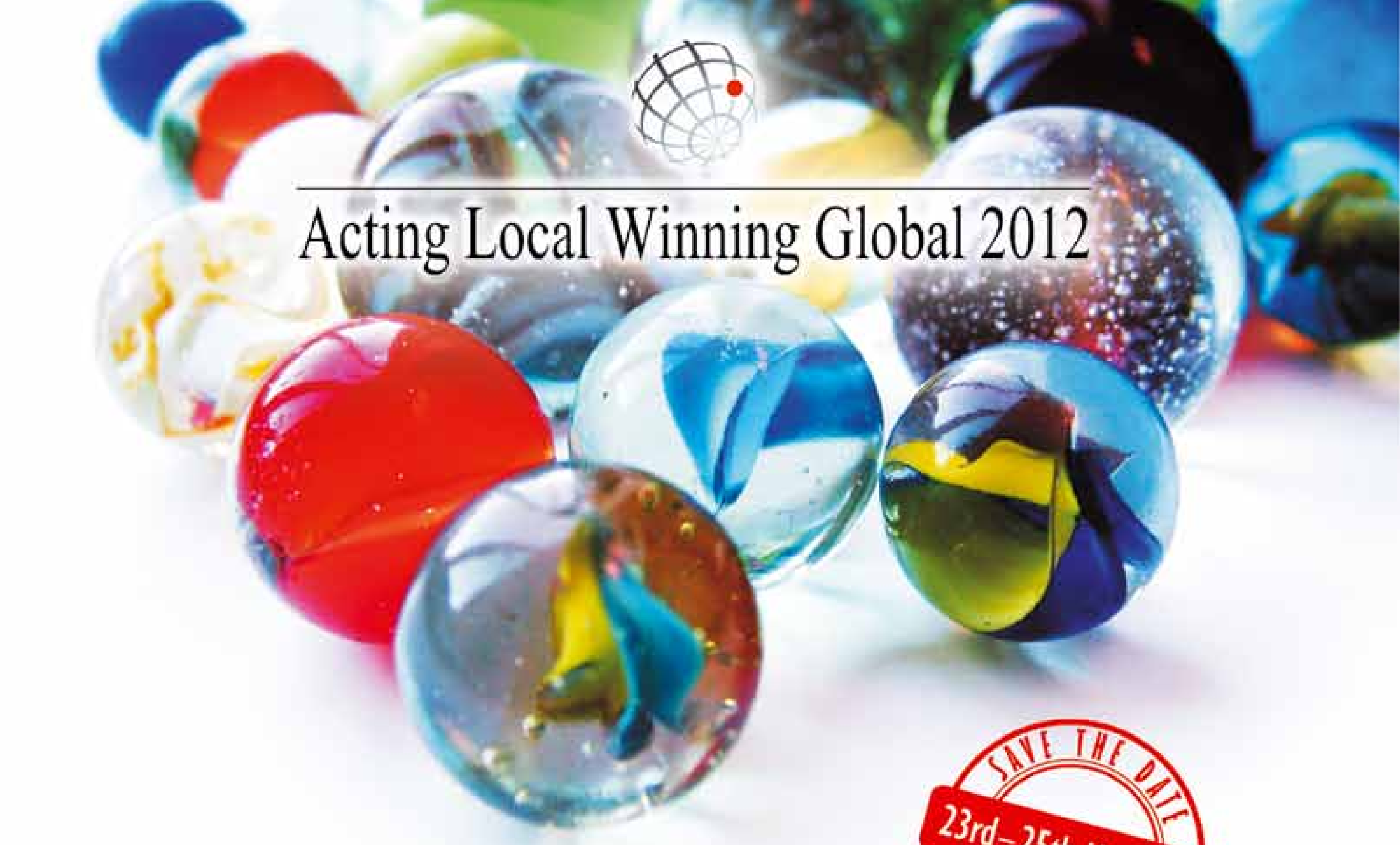
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Outsourcing&More

Free of charge magazine
Editor-in-chief
Dymitr Doktór
d.doktor@outsourcingandmore.pl
Art./DTP
Jacek Cieśliński
Main editor
Radosław Wroński
r.wronski@outsourcingandmore.pl
Commercial
reklama@outsourcingandmore.pl
Published by
RIPOSTA Doktór S.J.
ul. Dolna 21b/40
00-773 Warszawa
www.riposta.pl
Editorial address
RIPOSTA Doktór S.J.
ul. Dolna 21b/40
00-773 Warszawa
Tel.: +48 22 213 02 45
Fax: +48 22 213 02 49
redakcja@outsourcingandmore.pl
www.outsourcingandmore.pl
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Dear readers and Outsourcing fans,

On behalf of the Outsourcing&More Team I would like to honestly thank you for the activity on our internet pages. Till the end of February the electronic copy of the last Outsourcing & More issue was downloaded over 1.000 times.

Thank you also for signing up to the on-line magazine distribution database, which has greatly increased, making the list of institutions receiving the magazine already close to 1.300 records. Outsourcing&More is being sent to organizations of the following industries: utilities, banking, telecommunication, insurance as well as to private and public organizations focused on looking for new investors. The remaining copies are distributed during a range of Polish and International outsourcing events, conferences and exhibitions.

Current, March edition, is very important due to two reasons - firstly we have described the subject of KPO (Knowledge Process Outsourcing), and secondly the Mazovia voivodeship and the capital of Poland. At this point I need to thank the representatives of the Invest in Mazovia, who have worked closely with us to provide information relevant to investors, making the material describing the region very comprehensive.

In the Mazovia region there are located institutions supporting other counties and regions of Poland. Key institution, which has impact on attracting foreign investors to grow new investments in Poland is Invest In Poland - the Polish Information and Foreign Investment Agency (PAIiIZ). On our pages, you'll find the interview with the President of PAIiIZ - Slawomir Majman. President Majman shares information concerning cooperation with foreign investors, focusing also on companies representing BPO and SSC sectors.

I also encourage you to read the interview, entitled „What is KPO?". We spoke to Paul Jasniach, Senior Manager at PricewaterhouseCoopers. With Paul we discussed KPO services, as well as presented an opinion on the development of this sector in the Polish market.

Finally, I would like to invite you to visit www.OutsourcingPortal.pl, where on daily basis we publish information concerning outsourcing industry in Poland. Recently we have extended the Outsourcing Bibliography adding over 230 theses from Polish Universities (undergraduate, graduate and doctoral).

Enjoy the magazine,

Dymitr Doktór
Chief Editor

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News

Linxdatacenter Tests Its Server Rooms

Warsaw, March of 2012 – tests on the new data center's efficiency – launched in Warsaw by Linxdatacenter – lasted all the week. Tests of this kind were carried out in Poland for the first time.

Linxdatacenter's fourth – after Petersburg, Tallinn and Moscow – data center will be officially opened in Warsaw in May of 2012. Before making its services available to clients, the company carried out comprehensive efficiency tests in the new center.

The tests lasted one week and were conducted by Nixen and specialists from the Warsaw University of Technology. The server room's entire technical infrastructure was examined; including power tests, the UPS and batteries, system overload tests, as well as tests conducted using a thermographic camera.

"Although tests of this kind are not carried out frequently, we just could not imagine making the center available to clients without giving it a "trial run". This is the final test of the entire facility, its equipment and technical infrastructure. The center, apart from its core – the server room – has huge generators, a room with cooling fluid, over 60 kilometers of cables, UPS systems – everything to ensure that our customer's data and access to this data remain absolutely safe" – reported Krzysztof Krywko, the head of the Warsaw Linxdatacenter branch.

Linxdatacenter's modern Warsaw data center offers a full range of solutions for clients requiring the highest data security measures, ensures the continuity of business processes and cost optimization. The center covers an area of 1400 m^2 and has a power supply of 2.5 MW. The new center was accessed as a Tier III facility on the four-point scale employed by the independent Uptime Institute.

linxdatacenter
Security Matters

Source: linxdatacenter

It's Here – the Investor and Exporter Assistance Center's New Website!

The aim of the Investor and Exporter Assistance Center is to provide free-of-charge assistance to companies wanting to enter a foreign market and support to investors in the investment decision making process.

The www.coie.armsa.pl website includes:

- a database of investment fields (greenfields and brownfields)
- a database of regional companies (www.madeinmazovia.pl); through virtual matchmaking the site joins exporters and importers from all over the world.

The Center has access to international databases of trade partners as well as sector reports and analyses.

We invite all companies interested in our services to contact us.

Agencja Rozwoju Mazowsza S.A.
Investor and Exporter Assistance Center
Phone: 22 566 47 60
Fax: 22 843 83 31

www.coie.armsa.pl
coie@armsa.pl

Source: Agencja Rozwoju Mazowsza S.A.

A Summary of the Property Forum 2012 Conference

Specialists have positively evaluated the investment appeal of the Tri-City area. The yearly increase of high-class office space and favorable attitude of local authorities are just a few of the factors working in favor of the development of new service centers in our region.

Property Forum is largest conference of its type in northern Poland. Over 300 persons participated in the meeting, mainly developers, office space proprietors, interested investors as well as the representatives of local self-governments. The conference's main topic was the analysis of the region's investment potential, with special attention paid to the trade center market, the hotel sector as well as the logistics-warehousing and office space market.

The discussions were attended by: Wiesław Byczkowski, the Vice-Marshal of the Pomeranian Province, - Alan Aleksandrowicz, the President of the Gdansk Economic Development Agency, - Marcin Piątkowski, Director of Invest in Pomerania, - Magdalena Reńska, Head of the Office Agency at Jones Lang LaSalle, - Janusz Żmurkiewicz, the Major of Świnoujście.

The investment appeal of the Tri-City area was assessed positively by specialists, who emphasized the significant, in the national context, demand for cutting-edge office space, which are an ideal stimuli for investors to locate the headquarters of their companies in the Pomeranian Province. The region's additional advantage turned out to be the availability of offered space and relatively low rental costs, when compared to other parts of the country.

Developers' upcoming investment plans were presented during the conference, the investment activity of office space renters in northern Poland were analyzed, and the discussion included the most important activities of the local self-governments, with an impact on the development of service centers.

The participants of the Property Forum 2012 predict the further development of activities comprising core points of the Province's appeal, including the expansion of office space, the development of hotel infrastructure and logistics -warehousing centers. The willingness of the Tri-City's local authorities to support these activities provides further confirmation for these predictions. Within the last couple of years Pomerania has become an important location on Poland's investment map. Everything seems to indicate that this trend will be maintained.

Source: Investinpomerania

CBRE Figures on IAOP's List of the Best Outsourcing Companies for the Sixth Time

IAOP – the International Association of Outsourcing Professionals – has included CBRE in the 2012 Global Outsourcing 100 ranking for the sixth time in a row. The ranking distinguishes 100 of the best outsourcing services suppliers from all over the world, providing services in all sectors. Applications are assessed by independent judges empaneled by IAOP.

CBRE is a leading supplier of corporate and institutional services. The company offers a wide range of outsourcing

services, including transaction management, managing real estate finances, consultancy, project management, rental agreement administration, real estate management, capital market solutions, as well as many others.

"*CBRE has been implementing basic values such as Respect, Integrity, Support and Excellence worldwide by providing our customers with services of the highest quality. We are honored that IAOP has acknowledged our values and has distinguished us for the services we provide for our clients*"¬, stated Bill Concannon, President of the Corporate Client Services Department at CBRE.

"*In the current economic conditions, the most important thing for the recipients of outsourcing services is the choice of the right company, which will ensure the best services in the field*", stated Michael Corbett, the President of IAOP. "*The Global Outsourcing 100 Ranking and the World's Best Outsourcing Advisors ranking are key sources of information for companies searching for experienced and verified leaders among outsourcing suppliers, or rising stars such as CBRE*", added Corbett.

Source: CBRE sp. z o. o.

About PAIiIZ

The Polish Information and Foreign Investment Agency is occupied with obtaining and providing services for foreign investors.

The Agency provides support for foreign investors who wish to conduct business activities on the Polish market by helping them through all the investment phases and the necessary administration procedures which come up during project realization.

Obtaining investment projects involves either providing support in case of external enquiries – written directly by the investor or his business partners (consulting companies, real estate agencies or legal representatives), or actively engaging in the search for potential investment projects with the help of investment marketing tools. The term indicates: the organization and participation in investment operations, participation in investment events organized within the country or abroad, maintaining a network of contacts and relationships with investors' representatives, obtaining information from companies which support investors, as well as from information published in the press.

The first phase of providing assistance during projects involves the offer of quick access to comprehensive information concerning the investment climate, economic stability and macroeconomic data, the investment's legal environment, the availability of personnel, field of specialization of Polish employees and salary levels. In case of projects from the service sector the availability of personnel is particularly significant. The Agency has a great advantage in this field: it has access to information concerning projects that will be carried out in the future. The Agency operates based on the highest standards of quality and views maintaining the confidentiality of shared information as its main principal, especially data concerned serviced projects; this information is of course not provided to third parties. A summary concerning the number and general profile of workers who will be sought in the near future can be helpful when choosing an optimal location.

The next step in assisting the realization of investors' plans is the organization of visitations to selected cities. During on-location visits the Agency organizes meetings with the representatives of local authorities, business partners (real estate agencies, HR agencies) and the representatives of higher education facilities which prepare students in fields which match the profile of the investor's business activities.

The Agency's employees provide assistance in the preparation of optimal investment incentive packages. The package may include financial support as part of the *Programme of support for significant investments for the Polish economy for the years 2011-2020*, exemption from CIT in Special Economy Zones as well as grants co-financed by European funding, especially as part of the Innovative Economy Program. The Agency operates the *Investment Support Program*, which means that applications for supports are directed to the Agency. For a company from the modern services sector to apply for funding, it must meet minimum

requirements: a declaration to employ at least 250 persons and capital expenditure of 2 million PLN. In case of research and development centers this requirement is lowered to 35 employees and 3 million PLN. Suggested funding ranges from 3 200 to 15 600 PLN per employment position. The Agency's support is not limited to providing information; the Agency's workers also help explain any doubts when filling out documents, and oversee further stages of the procedure.

Furthermore, as the investor's Spokesperson, the Agency engages in providing support to companies that have – during the investment phase or just after completion – encountered various challenges. Companies can always turn directly to the Polish Information and Foreign Investment Agency with a description of the challenges they are facing, but it is preferred for companies to participate in a meeting in their headquarters, as part of the Agency's post-investment assistance. Establishing relationships with the investor's representatives is becoming increasingly important, both in the context of business activity barriers and in order to collect data concerning the company's forthcoming investment plans.

The Agency cooperates with various regional partners in order to provide investors with the highest level of services. One of these partners is the network of regional Investor Assistance Centers located throughout Poland. Their goal is to facilitate contact between investors and local authorities. The Polish Information and Foreign Investment Agency also cooperates with special economy zones, Marshal's Offices and specialized departments and offices created by City Halls, as well as other entities created by self-governments, the sole purpose of which is to provide services for investors. Recently the role of cities in actively obtaining investors has gained in significance. While not long ago the majority of projects reached regions through the Agency, now investors quite frequently direct their enquiries directly to local authorities. This is due to increasingly better promotion-related activities. The Polish Information and Foreign Investment Agency participates in all projects piloted by local partners.

The Agency also cooperates with professional organizations and associations. This cooperation is mainly based on the exchange of information and joint elaboration of reports and publications concerning the sector. These types of institutions play a very important role - not only in supporting services and obtaining new investors. The very fact that there are organizations which associate investors from the service sector: ABSL on the national level and ASPIRE on the regional level, is evidence to the fact that the market has matured. Companies researching a local market frequently ask about the activities of these types of organizations in the country.

The value of investments completed in 2011 by the Polish Information and Foreign Investment Agency was higher by 73% than in the year 2010. The service sector is especially popular among foreign investors (BSS – Business Services

Sector), as are the automotive sector, R&D, IT and machinery. Currently the Agency is providing services for 149 investment projects, the value of which exceeds 5 billion euros, and which can jointly provide 35 637 new employment positions. The service sector has recently become one of the most popular sectors for investors coming to Poland. BPO is first on the list of investments carried out by the Agency: approximately 1/3 of all projects are from the service sector:

outsourcing services providers, shared services centers, IT centers and research and development centers. The joint value of all these projects exceeds 33 billion euros, expressed in tangible assets, which will lead to the formation of approximately 10 000 employment positions. This year alone the Polish Information and Foreign Investment Agency helped two companies from the service sector commence their business operations in Poland (Cracow): the British Capita has launched an outsourcing center which will ultimately hire 450 employees, and FMC Technologies, an American company, has created an R&D center, where 150 employees will be hired.

The Polish Information and Foreign Investment Agency's mission is also to create a positive image for Poland throughout the globe and promote Polish products and services. The Agency carries out these tasks by organizing seminars and conferences which popularize information concerning Poland's economy, by overseeing publications, as well as organizing exhibitions abroad which promote Polish technological concepts as well as the achievement of Polish inventors. An important part of the Agency's activities also includes maintaining contact with public and professional organizations, as well as non-governmental organizations.

Various events are carried out under the Agency's patronage – usually economy-related events of high rank – taking place both in the country and abroad. The Agency also cooperates on an ongoing basis with Polish and international media and organizes study visits for journalists from abroad in Poland.

The Agency also has an Information Point for those interested in obtaining EU funding and an OECD National Contact Point.

The Polish Information and Foreign Investment Agency is a company owned by the State Treasury and functions based on financial means provided by the Ministry of Economy. The Agency does not charge for the services it provides, including services provided for foreign investors.

Invest in Poland

POLSKA AGENCJA INFORMACJI I INWESTYCJI ZAGRANICZNYCH S.A.

Source: PAIiIZ

Interview with Sławomir Majman

The President of the Polish Information and Foreign Investment Agency

Outsourcing&More: Dear Mr. Majman. I would like to thank you for your time and the opportunity to speak about the Polish Information and Foreign Investment Agency's activities and outsourcing investments in Poland. The Agency plays an important role for new investors interested in locating their investments in Poland. Could you tell us about the Agency's main tasks?

Sławomir Majman: In the words of one of our surveyed investors: "the Agency found out that we were thinking about Poland, caught us and has not yet let go". This summarizes our mission: we have to draw foreign capital to Poland, facilitate entry into the Polish market and then attend to its development in the country. Our specialists help interpret the Polish law, help choose a location and an optimal package of investment incentives. We are present during every project realization phase, but also keep in touch with investors after the investment is completed.

O&M: Support for investors takes place on both the central and local levels. Could you tell us about your interactions with local units such as Invest in Pomerania or Invest in West Pomerania? Does the Agency cooperate with other agencies, including ARMSA, ARAW – or are you, in a sense, competitors?

SM: Regional investor service centers are our partners. They fulfill their role, are well prepared to assist investors. Our activities are complimentary. We do not compete with each other as we have a common goal – to attract foreign capital to our regions. We do this with success thanks to good cooperation. Municipal offices, via specialized departments and bureaus, and sometimes even special agencies created for these purposes, are also of significance to projects from the service sector.

O&M: During the last couple of years the outsourcing sector, including BPO, ITO and R&D, has let its presence be felt in Poland. What is so appealing in Poland that we have become the largest market in Central and Eastern Europe for the above sectors?

SM: Development of the service sector mainly depends on the availability of employees. Here Poland is the leader. First of all – almost half of Poland's residents are under 35 years of age. Second of all – Poles are very well educated, more so than all of Western Europe. Poles know foreign languages, are successful in many areas of science, including information technology and administration. Furthermore, Poland has many locations in which service centers have a chance to develop – seven municipal agglomerations with a population of over one million and 100 thousand students. In contrast to exotic India or Egypt, which have become international outsourcing centers, Poland is culturally similar and geographically close to the clients of corporations providing services. Finally, Poland makes cost optimization possible, which is especially significant during the recession. We no longer offer low-cost services, but we do offer cost-effective services – a great ratio between costs and effectiveness.

O&M: Compared to other branches, the modern services sector is developing quite quickly, how is this expressed in numbers? How many investments from this sector have you managed to gain within the last 5 years?

SM: The Polish Information and Foreign Investment Agency has managed to close about 80 such projects. Their value exceeded 150 million euros. The investors we cooperated with declared creating approximately 19 thousand employment positions. Among them are the largest international corporations: McKinsey&Company, HP, Intel, IBM, Ernst & Young and RBS, which provides services in Warsaw in 33 languages. Service centers have bloomed the most within the last 5 years.

Currently the Agency is working on 30 service projects, which comprise nearly 20% of all investments that we are participating in.

O&M: The BPO sector, or ITO, creates many new jobs. Investing in human resources is the most expensive part of the investment; investors are looking for various forms of support from the Ministry of Economy or Special Economy Zones. What kind of support can foreign investors count on and does the Agency help them obtain government grants?

SM: Companies – both national and foreign companies – can apply for support from various sources. Investors who operate in the modern services sector, including IT, Business Services and Research & Development, can apply for government grants. The Polish Information and Foreign Investment Agency is the operator of the abovementioned system; the Agency's role is to collect information from the investor, prepare a description of the investment along with a recommended form of support, and present this information to the Interministerial Group, which decides whether or not to grant the support recommendation. Financing can also be obtained from EU funds – there are two interesting programs for the services sector: *the Innovative Economy Program* and *the Human Capital Program*. In this case the Agency provides information; we even have a European Funding Information Point. Less popular in the services sector, but also available, are incentives offered by special economy zones; exemption from CIT, as well as negotiating with the local authorities exemption from real estate tax.

O&M: Regardless of grants, help in the choice of location is also important for investors. Some cities are rather very saturated with BPO, SSC or ITO investments. Are they still appealing for new investors? New investment possibilities appear every year and more cities are beginning to open up to the services sector. Which locations have developed the fastest last year?

SM: Cracow holds a very high position in international rankings of appealing outsourcing locations. The city usually ranks high along with numerous Asian cities. Of course Cracow does stand out on Poland's BPO map. Although most service centers are located in Warsaw, Cracow hires the most workers. Warsaw, Cracow and Wroclaw are chosen the most frequently by investors from the services sector. These all large academic centers with good communication routes, and are seen as prestigious locations. In recent years the largest increase of workplaces in the sector has been noted in these three cities, and to a slightly smaller extent in Lodz, Poznan, the Tri-City area and Katowice. Lately new locations have begun developing: Szczecin, Lublin, Torun, Bydgoszcz and Olsztyn. These cities are not chosen by the largest companies due to the smaller availability of human resources and unsatisfactory accessibility, yet on the other hand investors can expect competitive salary rates or office rental costs in these areas. Szczecin specializes in services provided for German-speaking clients while Lublin and Olsztyn, due to good language skills, are good locations for centers that provide services for the Eastern market. I believe that in the close future we can expect new service centers to form in smaller cities located close to large municipal areas. Thanks to this investors can diversify costs while ensuring access to employees. In the case of larger metropolitan areas we must remember about the mass of graduates of higher education schools who annually replenish the employment market. Most existing and mature service centers are by now capable of absorbing inexperienced employees with great potential and to train them locally, based on their current know-how and their own human resources.

O&M: Other European cities also wish to actively obtain BPO/SSC investors. What is Poland's position in comparison with other countries and what do we do to attract investors; what makes them invest here and not in the Czech Republic or Hungary?

SM: Poland competes not only with other countries in the region: the business village is witness to the new locations striving to obtain services investments. I am referring to not only Brazil, Mexico and India. New aspiring players include South Africa, Columbia, Vietnam and Indonesia. In this case Poland wins due to, as I already mentioned, cultural similarities. European service center customers feel better understood by workers who have similar lifestyles and values.

As for the Central and Eastern European regions, here of course we cannot compete solely by introducing lower costs. This is why we are shifting the focus to the quality offered by our country. The number of educated young adults is much bigger here than in the case of our southern neighbors, and not due to a much larger population. The availability of competent workers is our advantage. Thanks to them companies are able to offer their clients more complex and complicated services, without a dent in the quality of these services.

O&M: O&M: We have spoken to a few investors from the sector and they greatly appreciate your Agency's support during the commencement of operations in Poland. Does the Agency maintain contact with investors after they have entered the country or does your role end the day the investor decides to locate an investment in our country?

SM: We do not forget about investors after they have commenced operations in Poland. Polish Information and Foreign Investment Agency is also the Investors' Spokesperson, and engages in supporting companies which have, during the investment process or just after its completion, encountered various types of challenges. As part of our tasks the Agency offers post-investment assistance for our investors. A satisfied and appreciated company and – what is more important – a company that feels heard out, will be the best Polish ambassador in the international environment. During meetings in our headquarters investors have the opportunity to share with the Agency their observations, remarks or any complaints linked with everyday work. Yet in reality there must be few such problems as they happily decide to expand their activities in Poland. Two-thirds of all foreign investments taking place in our country are the reinvestments of existing companies.

O&M: The modern services sector has hired between 80 000 and 10 000 employees in Poland, depending on the research criteria employed by various organizations conducting such statistics. Most large companies from the sector are members of such organizations as ABSL, ASPIRE, the Outsourcing Institute and others. Each year the number of conferences and other events dedicated to BPO/SSC increases. Among them are the Outsourcing Forum organized by Roadshow, ASPIRE and ABSL conferences, "Outsourcing from the Kitchen" meetings organized by the Outsourcing Institute, the International Outsourcing Forum, conferences organized by cities and municipal economy forums, as well as international SSON conferences, and many others. Does the Polish Information and Foreign Investment Agency cooperate with these associations and event organizers? If yes, then what does this cooperation involve?

SM: We are very glad that foreign investors operating in Poland have begun to associate and work to develop the sector in Poland – ABSL is a good example of this. The professional organizations and the events and conferences they organize are an excellent place to exchange information concerning industry trends and its directions of development. For the Agency this is always a chance to emphasize the significance of the sector in government strategies and our eagerness to continue supporting the sector.

O&M: If you could encourage outsourcing investors to locate their investments in Poland using only four words, what would they be?

SM: Exceptionally well-qualified employees.

O&M: Thank you very much for you time and interesting information. We wish you a lot of work in the upcoming months and many new and satisfied investors.

Outsourcing – not only for the Giants

It's not an art to convince large companies that outsourcing has its advantages. It is an art to convince small and medium-sized companies.

This half educational, half business-related mission was undertaken by the Sekwencja Company, which offers free -of-charge services where companies and outsourcing service providers meet.

"*Sekwencja is not an ordinary intermediary – we do not recommend our own outsourcing services, not do we carry out analyses for any company that offers such services for profit*", states Aleksander Acher, Sekwencja's Technology Expert. "*Our mission is to show companies how to benefit from outside services in the most rational way; yet, if we determine that outsourcing will not benefit a given company, we let them clearly know*".

Sekwencja provides a type of consulting services. This service is 100% free-of-charge, financed by European Union funding as part of POIG (Innovative Economy Program) activity 5.2. One of the project's basic objectives is to increase the innovativeness of companies operating in Poland and finance the costs of providing selected services for company owners. The aforementioned refers to the newly launched EU project 5.2 BPO; Sekwencja was chosen for its realization. What does it involve?

"*It is a unique project entrusted to us by the Polish Agency for Enterprise Development*", explains Aleksander Acher. "*It involves a series of meetings, each lasting a few hours, with the board and directors or the "owners" of processes carried out in a company. Sekwencja's specialists will carry out an initial analysis and establish what the fields will be covered by the service. A so-called business process map will be created based on the analysis: a simple graphic presentation of what is going on in a given sector of the company. Then an optimal process model is elaborated for the company, following the analysis and a cost to benefits calculation. If outsourcing can be helpful, we indicate it as a solution. The project is fully financed from de minimis funds (public aid funds for which companies are eligible up to the sum of €200 thousand for a period of 3 years). Yet I have to inform that the free-of-charge participation in the project is limited to the first 500 companies from Poland*".

In the documents that Sekwencja makes available as part of 5.2 BPO, of special significance are clearly outlined advantages: knowledge and an optimal process model. Companies that receive this service will be given a final report containing process maps, "as is" models, and optimal "to be" models. We also include an elaborate description indicating which main, auxiliary and management-related processes can be entrusted to third-party companies to generate profit, save time and gain professional services.

Recommendations comprised in the report are a valuable tool during meetings with various companies offering specialized outsourcing services. Sewkencja's specialists will not, however, indicate any specific company that provides such

services. Solutions, not suppliers, are recommended. The choice of suppliers is fully objective and provided solely for the benefit of companies.

A complementary activity, also carried out by Sekwencja, is the Optimal in Business 5.2 ERP project, which targets innovative IT solutions, in various variants, depending on diagnosed company needs. The project helps companies obtain strategic knowledge, necessary to consciously select ERP -class solutions. Here the limit of free-of-charge participation is also set at 500, although this number is rapidly decreasing due to the number of those interested in receiving support. The project includes a similar analysis to the one mentioned above, provided to aid company management. These systems can be based on modern IT outsourcing methods – e.g. transferring services to a calculation cloud or even providing software as part of the Software as a Service (SaaS) model. Here Sekwencja also does not indicate solutions provided by specific suppliers but the functionalities they should fulfill.

"*Our analysis, mapping and business process modeling services, conducted in companies in order to determine which IT systems to implement, have changed our hitherto approach to analyses*", explains Bogusław Weryński, Sekwencja's Technical Expert. "*Until now, an organization usually chose a system and a company to implement it. Next, a selected company conducted a pre-implementation analysis, which involved the modification of actual business processes taking place in a given organization in order to "fit" the processes handled by the IT system. The actual processes taking place in the company were not revealed; instead, these processes were modified so that a given IT system could support them to greatest degree possible. Our process analysis is not conducted to implement any particular IT system. It thus illustrates the processes actually taking place in the company and reflects the company's actual needs*".

Through these activities Sekwencja is preparing companies to use the services of outsourcing centers, which will allow companies to increase productivity and competitiveness on the increasingly tougher market. To find out more about free services provided by Sekwencja visit: www.bpo.sekwencja.org and www.erp.sekwencja.org

SEKWENCJA

Author
Aleksander Acher
Doradca ds. Mediów
Sekwencja Sp. z o.o.

Sekwencja is a business environment institution. We are a consulting company and specialize in business and IT advisory services. We are a nonprofit organization.

Sekwencja became part of the National Services System for Small and Medium Companies in 2008. Based on a positive assessment issued during an audit carried out by ZETOM CERT, Sekwencja was entered into the National Services System registry under the number 07/24/2008/232, as a general consulting company.

In 2011 we gained the status of a National Innovation Systems Center due to our commitment and experience in the development and creation of pro-innovative services for the Ministry of Treasury.

Since the 5th of January 2007 we are also the coordinator of the Alternative IT Cluster. Thanks to our active approach the activities of the IT Cluster are dynamically and systematically developing, not only in the region, but also on the international level, especially in the scope of research and development activities, EPR and CRM research, and the development of SaaS services. The significance of the project was acknowledged by the Mazovia Province's regional structures, and we gained significant funding for the construction of the Alternative IT Cluster Shared Services Outsourcing Center.

03.04.2012 Warszawa	**Retail**	Organizer: **GigaCon** Location: Warszawa Hotel Courtyard by Marriott (Polska)
05.04.2012 Wrocław	**It w Administracji**	Organizer: **GigaCon** Location: Wrocław Hotel Scandic (Polska)
18.04.2012 Wrocław	**ERP**	Organizer: **GigaCon** Location: Wrocław (Polska)
19.04.2012 Warszawa	**IT w Uczelniach**	Organizer: **GigaCon** Location: Warszawa Hotel Courtyard by Marriott (Polska)
23.04.2012 Warszawa	**Bezpieczeństwo Aplikacji Mobilnych**	Organizer: **GigaCon** Location: Warszawa Hotel Courtyard by Marriott (Polska)
24.04.2012 Wrocław	**Outsourcing IT GigaCon**	Organizer: **GigaCon** Location: Wrocław Hotel Orbis Wrocław (Polska)
25.04.2012 Warszawa	**Wirtualizacja**	Organizer: **GigaCon** Location: Warszawa Hotel Courtyard by Marriott (Polska)
26.04.2012 Kraków	**BIN**	Organizer: **SSON** Location: Kraków Hotel Galaxy (Polska)

15.05.2012 Warszawa	**CRM**	Organizer: **GigaCon** Location: Warszawa (Polska)
22.05.2012 Warszawa	**Cloud Computing**	Organizer: **GigaCon** Location: Warszawa (Polska)
28.05.2012 Warszawa	**IT w Bankowości**	Organizer: **GigaCon** Location: Warszawa (Polska)
29.05.2012 Warszawa	**Network**	Organizer: **GigaCon** Location: Warszawa (Polska)

Business Garden Warszawa

Business Garden Warsaw is a project under construction at the junction of Żwirki i Wigury Street and 1-go Sierpnia Street in Warsaw. Its first two buildings constitute phase one of the Business Garden Warsaw complex comprising seven buildings to deliver 90 000 m^2 of leasable space. The first building will house a business hotel, a restaurant, a cafe, a conference centre and offices while the other will offer office space, as well as a fitness club and service space on the ground floor.

Both buildings are being developed using state-of-the-art design and technical solutions which meet the requirements of ecology and environmentally sustainable construction. This will allow the project to be LEED certified.

Business Garden Warsaw is the first of the three "green" business parks under the Business Garden brand. The other two will be located in Poznań and Wrocław. The first buildings in Poznań are scheduled to be delivered in 2013 while Wrocław will see its new Business Garden buildings come on stream in 2014.

Business Garden Warszawa
Róg ulic Żwirki i Wigury i 1 Sierpnia
www.cwoffice.pl

CUSHMAN & WAKEFIELD®

Cushman & Wakefield
Plac Piłsudskiego 1
00-078 Warszawa
Tel: + 48 22 820 20 20

Green Horizon

To be the first, to be the best, to reach beyond the horizon – these are the goals you set for yourself and your company. In order to accomplish that you need people and they need an environment in which they can achieve their full potential. And that is why we have constructed Green Horizon – a perfect place for your business in the very centre of Łodz. Our office space is environment friendly, energy-efficient, modern and will enable your business to prosper. Green Horizon – just as all other projects of the Skanska Group – will obtain the prestigious LEED and GreenBuilding certificates, awarded only to the greenest buildings. The building is situated next to the Solidarnosci Roundabout – one of the City's main communication hubs – and thus offers excellent connection with the rest of Łodz. Your employees and clients will easily reach your office by car or with one of 8 bus Lines and 2 tram lines. This location is also attractive for its proximity to the city's exit road leading to the motorway interchange and allows quick access to the railway station, University of Lodz, airport and the shopping center - Manufaktura. Green Horizon is offering approx. 31 300 m^2 leasable area, 7 office floors, two-level underground car park for 394 cars, 17 fast lifts, parking space for bicycles, with a changing rooms and shower for cyclists.

GREEN HORIZON
ul. Pomorska 106, Łódź

SKANSKA

GREEN HORIZON
ul. Pomorska 106, Łódź

Offices

Arkońska Business Park
Torus Sp. z o.o. sp. k.

Space: 16 620 m²
Location: Gdańsk, ul. Arkońska 6
Contact: www.arkonska.pl

Offices

Olivia Gate - Olivia Business Centre
TPS Sp. z o.o.

Space: 18 000 m²
Location: Gdańsk Oliwa, Al. Grunwaldzka 472
Contact: www.oliviacentre.pl

Offices

Garnizon - Twin Wave
Grupa Inwestycyjna Hossa SA

Space: 11 800 m²
Location: Gdańsk, Al. Grunwaldzka
Contact: www.hossa.gda.pl

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This is Mazovia

Mazovia Region with Warsaw – the capital of Poland - is the leader of changes and the fastest developing region of Poland. Young, well qualified staff, low unemployment and the highest rate of employment – all these testify to high economic development of the region. Mazovia shows high internal diversification with a nationwide potential in nearly every field: science, research, education, industry and infrastructure.

Mazovia, located in Central-Eastern Poland, is the biggest and most densely populated region in Poland with an area of 35 558 km^2, which accounts for 11.4% of Poland's total area. Mazovia is at the forefront of economic development and business activity. It is the economic leader among Polish regions, generating the highest GDP which accounts for 21.9% of Poland's GDP (Central Statistical Office, 2009). It also places Mazovia at the top in terms of GDP per capita, with approx. 160% of the country's average. Mazovia's investment assets have been appreciated by many foreign investors. As the data collected by the Central Statistical Office and Polish Information and Foreign Investment Agency indicate, foreign companies choose to invest primarily in Mazovia Region with 23% of all investments in Poland made in this region. According to Polish Information and Foreign Investment Agency there are about 660 foreign companies operating in Mazovia, each of them having invested here approx. 1m USD.

At the end of 2010 Mazovia Region had a population of 5.24 million people, which was 13.7% of Poland's population. The biggest number of people live in Warsaw agglomeration: 1.72 million in Warsaw and 3.25 million in the whole agglomeration (with the following subregions: Warsaw, Eastern Warsaw and Western Warsaw), which make it a very attractive commercial and labour market. Other highly populated areas are the former regional capitals: Radom (222 496 people in 2010), Płock (126 061), Siedlce (77 392), Pruszków (56 929), Ostrołęka (53 710), Legionowo (52 400) and Wołomin (50 897).

Mazovia is an economic leader among Polish regions. Its assets are both investment attractiveness and economic potential. It also has the richest human resources.

The biggest development in foreign investments may be seen in such sectors as: IT, electronic, automotive, chemical, biotechnological (the region, and Warsaw in particular, has a chance to become Poland's BPO capital). It is BPO in particular, and also food and construction industries that are considered high potential sectors. In the last few years Mazovia has also seen a growing interest among investors operating in the renewable energy sector.

As for food industry, its development is fostered by natural conditions: location in Central Poland Lowlands, predominantly flat or rolling lowlands, valleys, and big rivers (Vistula, Bug, Narew, Wkra). The high quality of natural environment, which is legally protected, plays an important role, too (29.6% of the total region area is characterized by remarkable natural attractions), as well as fertile lands which cover about 15% of the region's area. A significant advantage is market readiness. An intensive production – mostly vegetables and fruit – takes place in Mazovia, and there is a great number of staff available – 12.7% of employed people work in agriculture. Mazovia is the country's leader in vegetable and fruit harvest. The region's agricultural production is the background for the food industry – it is Mazovia, which has the biggest agricultural land area (13.0% of the country's total).

Stadler Rail factory in Siedlce, the producer of railway vehicles, which produced FLIRT trains that run in Mazovia and Silesia

Table 1. Selected investors in the region

Company	Sector	Location
Grupa Saint-Gobain	Specialist materials, such as glass	Warsaw
J&S Energy S.A.	energy	Warsaw
Polkomtel S.A.	telecommunications, IT	Warsaw
Makro Cash and Carry Polska S.A.	trade, logistics	Warsaw
LG Electronics Mława Sp. z o.o.	electronic	Mława
Grupa Vattenfall Poland	energy, heat	Warsaw
Impexmetal S.A. GK	metal, steel	Warsaw
Carrefour Polska	food	Warsaw
PTK Centertel Sp. z o.o.	telecommunications	Warsaw
Stora Enso Poland Sp. z o.o.	paper	Ostrołęka
ProLogis Poland Sp. z o.o.	storage	Błonie, Garwolin, Ożarów, Mazowiecki, Pruszków, Teresin
Boryszew S.A.	automotive	Sochaczew

Mazovia is rich in natural resources, which makes this region a leader in construction industry: the sold production of the industry accounted for 20.22% of the total country's production in 2010, while employment in this sector accounted for 11.1% of the total number of people employed in construction in Poland. Another of Mazovia's assets is its common aggregates (sand and gravel), mineral deposits: brown coal (Kozienice and Radom district), phosphorites (Radom district) and refractory clay deposits (Przysucha district). The region is also characterised by favourable building conditions: little drops and stable ground.

In BPO sector Mazovia is the region to have the biggest office space in a ranking of regions. It has the richest human resources with diversified qualifications. Among its main assets are: the biggest number of students nationwide (323 240 – in the academic year 2010/11), the biggest number of universities in Poland (107), high level of education among the residents of Warsaw and subregion towns (Płock, Radom, Siedlce, Ostrołęka, Ciechanów) as well as positive demographic structure. The region's good location at the crossroads of important communication routes plays an important role for the BPO sector, too.

In years to come we expect more investments in IT, electronic and automotive sectors, as well as in agricultural and food sectors (due to Mazovia's high potential in this sector), renewable energy, and above all we expect innovative projects (currently Mazovia has the highest level of innovativeness in Poland). The main source of financing innovation expenditure for Mazovian enterprises have been their own funds, while other sources constituted about 5%. Mazovian industry enterprises had the biggest expenditure on innovativeness nationwide (new products and processes), which accounted for about 21% of Poland's total expenditure. A similar worth of expenditure may be seen only in Silesia Region with about 17%.

Due to holding Euro 2012 in Poland we expect further investments related to construction industry, road building in particular.

Polish Oil Refiner Orlen Plc, Płock

University education

Poland's biggest intellectual potential in Mazovia is represented by over a dozen state universities and a few dozen private ones, which altogether provide education to over 300 000 students, including nearly 4 000 foreigners.

It is Mazovia, where Poland's biggest university and the biggest school of technology are located. There are 56 000 students at University of Warsaw and 36 000 at Warsaw School of Technology. Other recognized schools are: Warsaw School of Economics (11 000 students), Warsaw University of Life Sciences (23 000) and Medical University of (9,000). The capital also seats: The Academy of Fine Arts, The Fryderyk Chopin University of Music, Christian Theological Academy, The School of Fire Service, Cardinal Stefan Wyszyński University in Warsaw, Józef Piłsudski University of Physical Education in Warsaw, The Maria Grzegorzewska Academy of Special Education, Theatre Academy, Military University of Technology and The National Defence University of Warsaw. Outside Warsaw university education is developing in all major cities of the region.

Radom is Mazovia's second academic centre. Secondary education in Radom is represented by over a dozen schools which prepare for jobs in construction, agriculture, textile, electronic and automotive industries. There are 5 university colleges in Ostrołęka-Siedlce subregion, which educate 20,000 students. In Ciechanów-Płock subregion there are 8 university colleges which educate 18 000 students. In Płock the most prestigious school is the Płock Branch of Warsaw School of Technology with such faculties as construction, mechanics and petrochemistry.

Major fields of studies at selected universities:

- **University of Warsaw**
  major fields of studies:
  administration, internal security, biotechnology, economics, European studies, philologies, finance and accounting, computer science, environmental protection, international relations, management

- **Cardinal Stefan Wyszyński University in Warsaw**
  major fields of studies:
  administration, European studies, computer science, environmental engineering, pedagogics, international relations

- **Warsaw School of Technology**
  major fields of studies:
  administration, architecture and town-planning, automation and robotics, biotechnology, building studies, economics, electronics and information technology, electronics and telecommunication, electrical engineering, energy economics, geodesy and cartography, spatial economy, computer science, biomedical engineering, chemical and process engineering, aeronautics and astronautics, mechanics and machine building, mechatronics, environmental protection, transport, management, management and production engineering
  English studies:
  civil engineering, computer science, electrical and computer engineering, electrical engineering

- **Warsaw School of Economics**
  major fields of studies:
  economics, European studies, finance and accounting, spatial economy, international economic relations, management, international relations
  English studies:
  International Business

- **Warsaw University of Life Sciences**
  major fields of studies:
  landscape architecture, biotechnology, building studies, dietetics, economics, finance and accounting, spatial economy, computer science, environmental engineering, forestry, logistics, environmental protection, wood technology, food and nutrition technology, product research, tourism and recreation, management, management and production engineering, zootechnics

- **Radom University of Technology**
  <u>major fields of studies:</u>
  administration, economics, electrical engineering, computer science, mechanics and machine building, chemistry technology, transport, management and production engineering

- **The National Defence University of Warsaw**
  <u>major fields of studies:</u>
  national security, European studies, logistics, management

The way to success

The capital city functions of Warsaw together with its nearly central location in Poland had a significant influence on shaping the region's communication system. Warsaw is a national transportation centre in road, rail and air traffic. Large funds, for example from the European Union, are spent on the construction and expansion of road infrastructure. Through Mazovia Region, and towards Warsaw, lead the major national roads and the Polish sections of international roads.

Of 10 Pan-European transport corridors, 4 run through Poland, 3 of which cross Mazovia:

- **Corridor I** - from Helsinki to Warsaw, includes the national road E67 - „Via Baltica" and railway line E75
- **Corridor II** – from Berlin through Warsaw to Moscow, includes the national road E30 (the future A2 freeway) and railway lines E20 and CE20
- **Corridor VI** – from Gdańsk to Ostrava, includes the planned A1 freeway, railway line E65 (Central Railway Main Line).

Map 1. Road Map of Mazovia

Source: GDDKiA

Warsaw agglomeration is one of the biggest communication junctions in Poland, which consists of 6 national roads and eight railway lines of national importance.

Chopin Airport in Warsaw is the biggest domestic and international airport in Poland – with a total area of approx. 834ha. It consists of 4 passenger terminals, a cargo terminal and a military airport. One of its advantages is a short distance to the centre of Warsaw (10 km). The Chopin Airport operates flights to over a dozen cities in Poland and a few dozen cities in Europe, Asia and North America. It handles

Map 2. Map of European transport corridors

Source: Blank_map_of_Europe_-_Atelier_graphique_colors.svg Paneuropetransport.png

about 87% of foreign and about 43% of domestic passenger air traffic. At present Warsaw has over 80 regular connections with airports across Poland and worldwide. The number of charter flights is increasing. In 2010 the Warsaw airport handled over 9 million passengers. There is a VIP Aviation civil terminal for private and corporate flight passengers and crews. The opening of the airport in Modlin will play a significant role in handling domestic and foreign passenger and cargo flights. From June 2012 the Mazovian Airport Warsaw Modlin will function as a public regional airport, complementary to Chopin Airport. It will handle short- and medium-distance international flights as well as interconnecting domestic flights. Flights will be operated 24/7. In Przasnysz there is an airport of regional importance, which can land single- and double-engine aircrafts (no jet engines). In addition, there will be local airports in Sochaczew and Radom. There is also an active airport Warszawa-Babice in Warsaw district of Bemowo. It is used by Warsaw Aero club, Helicopter Emergency Medical Service, and many owners of small aircraft and private civil helicopters.

Special Economic Zones

A region which wants to attract investors, and especially foreign ones, should be able to present its assets for business activity that will meet the investor's needs. When choosing a new location, an investor takes into consideration many factors, such as: entry into market (scale, place, character and diversification of a market, competition, infrastructure, distance to potential customer markets, quality of telecommunication), labour and production costs (quality and availability of human resources, cost of work), taxes and legislation, tax burden and motivational activities, the region and its environment, capital availability, innovativeness, R&D, quality of life. The valorisation of these factors allows an assessment of potential investment attractiveness. However, the assessment may be modified by offering selective financial incentives for investors, available in some areas. An example of such

Map 3. Special Economic Zones in Mazovia

Source: COIE

strategy are Special Economic Zones which have been effectively functioning in Mazovia since 2001.

It was in mid 1990s when the first Special Economic Zones were created in Poland.

Special Economic Zone is an administratively separated area of Poland, dedicated to running business activity on preferential conditions. It is a place under special exemption tax regulations, where the entrepreneur may start business on a pre-prepared area and operate with no income tax charged.

It is characteristic of such zones in Poland that they do not form uniform and compact territorial enclaves. They are dispersed around Poland and are located inter-regionally. At present there are 5 special economic zones in Mazovia region: Łódź, Starachowice, Suwałki, Tarnobrzeg and Warmia-Mazury special economic zones. They comprise properties located in 22 Mazovian municipalities, which accounts for 7% of the total number of municipalities where economic zones are in operation.

Municipalities with Special Economic Zones are characterised by a varied assessment of investment attractiveness. Class A includes Warsaw and other urban centres (Radom, Mława, Płock, Ostrołęka) as well as areas which benefit from being in the vicinity of Warsaw (Grodzisk Mazowiecki, Żyrardów, Ożarów Mazowiecki), and other urban centres (Siedlce, Wyszków, Ciechanów). The lowest assessment of investment attractiveness has been given to municipalities adjacent to cities which have lost their importance as a result of administration reform, and with no industry background, located in Mazovian agricultural areas: Ciechanów and Przasnysz municipalities.

It is estimated that between 2001 – 2010 businesses operating in Mazovian economic zones spent a total of PLN 3 billion on investment and created over 5 600 jobs.

The biggest worth of investment (about PLN 850 million) and the biggest number of jobs (over 2.5 thousand) were achieved in Special Economic Zone in Radom. It is partly due to a long-term operation of the zone but it also results from high investment attractiveness (class A). The dominant industry in Radom zone is metal industry (Toho Poland, Hart Met, Altha Powder Metallurgy) and food industry (Zbyszko Company). This area was selected because of industrial tradition of the region as well as resource and supply base.

The second zone location in terms of the value of attracted capital is Warsaw (PLN 572 million of investment expenditure), and in terms of the number of jobs created it is Mława (1 200 jobs). The leading BPO investment in Warsaw in made by ATM, while in Mława the leading investor is electronics producer LG Electronics Mława. The attractiveness of the subzone in Mława results from a favourable communication location in relation to the national road network. There is an important local communication junction (3 regional and 5 district roads). Recently, higher education has been formed there with such fields as electronics and telecommunication, and IT in order to support local electronics sector.

Speaking of the situation of Special Economic Zones in Poland at the conference "Investments in Poland – investments in success", which was held at the seat of Polish Information and Foreign Investment Agency in October 2011, the Deputy Prime Minister Waldemar Pawlak declared that the Ministry of Economy is planning an indefinite operation of special economic zones and is going to create investment areas in every municipality. "*We have to remember about the development of our native companies. So far Polish employers have created nearly 50 thousand new jobs in special economic zones, investing over PLN 13 billion*", he added when summarizing the year 2011. Within 15 years of the existence of Special Economic Zones in Poland nearly 250 thousand new jobs have been created with investments totalling PLN 75 billion.

In leisure time

Cities are the driving force of every region. For enterprises considering investing in a given area an attractive city with well developed services is a highly important factor when choosing a location. After all, it is the city where the entrepreneurs will spend most of their time not only working, but also after work. Their employees will also live here. All major cities in Mazovia region have a well developed network of commercial and recreational services. The capital city is in the lead in this aspect. Warsaw seats the National Opera, The Grand Theatre and the Polish Ballet Theatre. The National Philharmonic offers a rich repertoire. A variety of work of arts may be admired in numerous art galleries. There is also a wide selection of cinemas and restaurants. You can spend your leisure time at tennis courts or a golf course, or watching horse racing at the Warsaw Służewiec Racing Track. Numerous SPA and health resorts offer relaxation for the body and mind as well as rehabilitation opportunities. You can take a walk in one of a number of Warsaw parks and visit the charming little streets of the Old Town, or do shopping in street shops or one of many shopping centres.

The National Stadium is definitely worth visiting. The facility, built for the European Football Championship UEFA EURO 2012™ seats 58 thousand fans. The total area of the stadium which spreads over 18ha is 203 920 m^2, including 73 100 m^2 overground space and 130 829 m^2 underground space. To build it, 11 000 tonnes of steel framework were used and 173 000 m^3 of concrete, which together make 400 000 tonnes.

Mazovia has a very favourable location. Even the most distant cities in the region can be accessed within an hour or two. The distances between the capital and major Mazovian cities are: to Ciechanów – 100 km, to Ostrołęka – 115 km, to Płock – 111 km, to Radom – 102 km and to Siedlce – 89 km. This means not only measurable advantages related to the transport of goods, but also easy access to a place of rest. Mazovia offers a wide selection of this type of attractions.

We should naturally start from Warsaw, where apart from the Royal Castle you can visit the castle of King Sobieski III in Wilanów, which is one of the city's biggest attractions. The castle, which was bought by the king in 1677, has original furniture and interiors from king Sobieski's era, and it also seats an art gallery with Polish paintings. A huge 45 ha park invites for a walk along gardens arranged in various styles. You can also take a very interesting walk in the Botanic Garden in nearby Powsin.

The Łazienki Królewskie Park, which is one of the most beautiful Warsaw park and palace complexes, is equally worth visiting. It is the former summer residence of the last Polish king Stanisław August Poniatowski (1732-1798). Among other regional attractions there is the XV century castle complex in Ciechanów, where you can watch historic reconstructions of knight duels and early music concerts, organized in late June. It is also worthwhile to visit the XIV century castle in Czersk which used to play an important role in the control of the nearby trade route. Today it is a place where fans of medieval architecture meet.

A place not to be missed is Żelazowa Wola, where Frederic Chopin, the Polish pianist and composer (1810-1849) was born. The house where the composer, called the piano poet by music lovers, was born was turned into a museum. It is surrounded by a beautiful park that invites for a walk among trees and flowers, accompanied by a soft sound of music. Żelazowa Wola also holds piano concerts.

Welcome to Warsaw

Warsaw, picturesquely situated on the banks of the river Vistula, is the biggest and most important centre for research, culture, business and politics. The fast developing city is enticing with quick career opportunities and fosters the development of personal interests. The capital offers the biggest number of theatres, exhibitions, concerts and academies. It attracts foreign investors that build financial centres, hotels, hypermarkets. There are several dozen of buildings in the capital that are over 65 meter high, in two cases over 200 m. Warsaw skyscrapers are not only the tallest buildings in Poland, but they are also very high on a European scale, since Warsaw is one of the „highest" cities in Europe right after Moscow, Paris, London and Frankfurt on the Main.

Warsaw is also the biggest Polish city in terms of population (1 720 398 people in December 2010) and area (517,24 km²). The capital represents around 4.5% of Poland's population. Warsaw is the centre of the country's political and economical life. It seats the Parliament, the residence of the President of Poland and main headquarters of state authorities. Among other important institutions located in Warsaw there are: the Supreme Court, the Supreme Administrative Court, the Constitutional Tribunal, the National Bank of Poland and Stock Exchange. Stock Exchange in Warsaw is one of the fastest developing stock markets among the European regulated markets and alternative markets regulated by stock exchange, and it is the biggest national stock market in Central Eastern Europe. Thanks to the development potential of Polish economy and the dynamics of Polish capital market, Poland's stock exchange is a significant capital market in Europe.

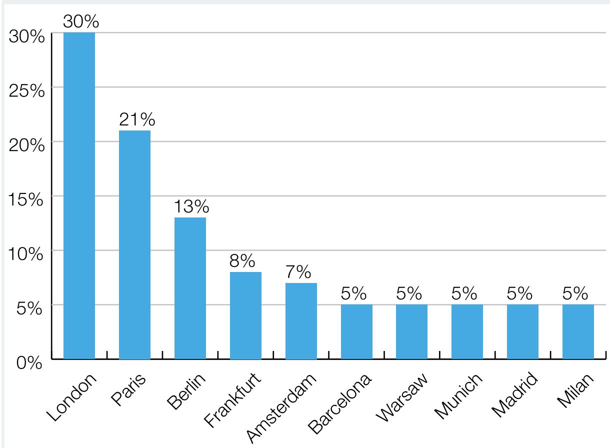
According to the American ranking "Global Metromonitor 2011" which assessed 200 biggest metropolises in terms of a city's income changes (expressed in GDP per capita) and employment changes, Warsaw is in the top 40 of the strongest economies. Thanks to the growth of GDP per capita by 5.2% in 2011, and an increase in employment rate by 1.7%, the capital of Poland was placed 33rd in the world ranking. It is one of only two Polish cities which appeared in this ranking – 85th place was taken by Katowice.

According to the ranking „European Cities Monitor" by the international consulting company Cushman&Wakefield, in 2011 the capital of Poland moved up three places in the classification of best European cities to locate a business and is currently at the 21st place, before such cities as Vienna and Prague. Warsaw was highly assessed in such categories as: easy access to markets and customers (19th place) and availability of quality staff (14th place). Compared to other European cities Warsaw has relatively low rent costs of high standard office space – it was placed 1st in this category among 36 cities and 2nd in terms of cost of staff. The climate governments create for business was given a high 5th rank.

Among the lowest places taken by Warsaw there are: the quality of life for employees (32nd place) and freedom from pollution (34th place).

In a report „2011 European attractiveness survey" Ernst& Young gave Warsaw the 7th place in investment attractiveness ranking.

The most attractive European cities to start a business - Top 10.



Source: Ernst&Young's 2011 European attractiveness survey

The results of the latest report „European Cities and Regions of the Future 2012/2013" by fDi Intelligence from The Financial Times Ltd. have given Warsaw a good rank in 5 different categories. The Ranking, which compares 253 European cities, was created by an independent collection of data and set under 6 categories: economic potential, human resources, cost effectiveness, quality of life, infrastructure and business friendliness.

In Top 25 European Cities Overall, Great Britain is in the lead, with 8 cities taking positions in the ranking. Warsaw, as the only Polish city in the ranking, was placed 21st. In top 10 Eastern European cities Warsaw took a spot on the podium with a third place, right behind Moscow and Prague.

Another Polish city in the ranking is Cracow (Małopolska Region), which was placed 9th.

TOP 10 Eastern Europe cities

Rank	City
1	Moscow
2	Prague
3	Warsaw
4	St. Petersburg
5	Bucharest
6	Sofia
7	Brno
8	Budapest
9	Cracow
10	Bratislava

Top 10 Major Cities with Best Business Friendliness

Rank	City
1	London
2	Moscow
3	Brussels
4	Warsaw
5	Prague
6	Paris
7	Copenhagen
8	Stockholm
9	Bucharest
10	Dublin

In Top 10 Eastern European Cities with Best FDI Strategy, Poland clearly dominated the ranking (5 cities). Warsaw ranked 6th. In the same category, but for Top 10 European cities with a population of over 1m people, Warsaw ranked 8th.

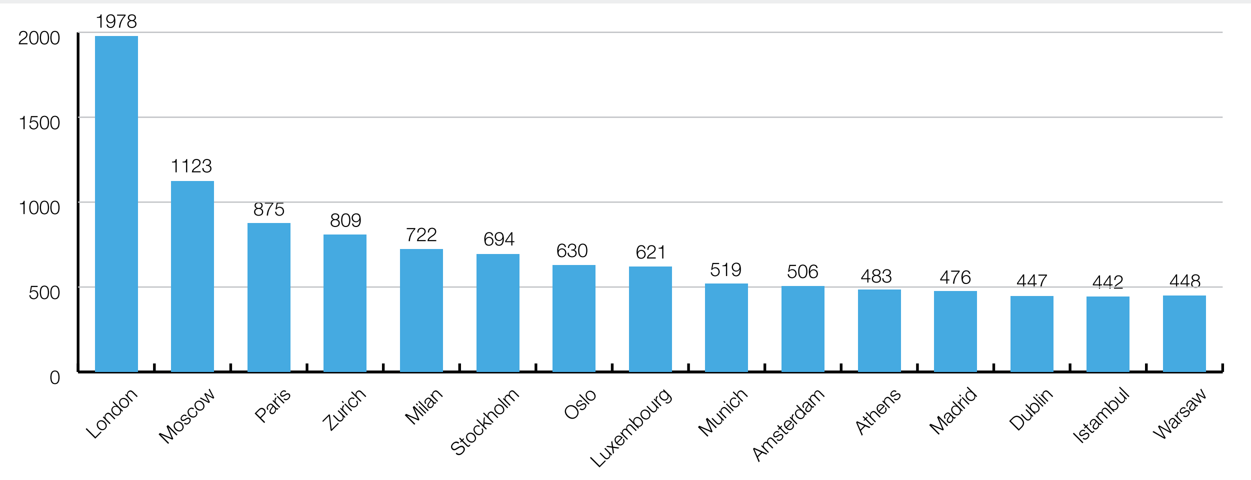
In Top 10 Major Cities with Best Business Friendliness (population over 1 m people), Warsaw was placed 4th, behind London, Moscow and Brussels.

According to data collected by Jones Lang LaSalle, Warsaw is the biggest office market in Central-Eastern Europe. In the first half of 2011 it grew by 28 350 m^2 of office space and totalled over 3.5 m^2.

According to Cushman & Wakefield's "Report on office occupancy costs", Warsaw took the 28th place worldwide, with the cost of 438 EUR per 1 m^2 of space in the city centre per year, placed between Istanbul and Brussels. Among European cities only, Warsaw ranked 15th. Compared to last year, rent in Warsaw went up by 6%, which makes for an average growth rate. A much greater growth was registered in Moscow (41%) and some Scandinavian cities - Oslo (15%), Helsinki (12%) and Stockholm (10%).

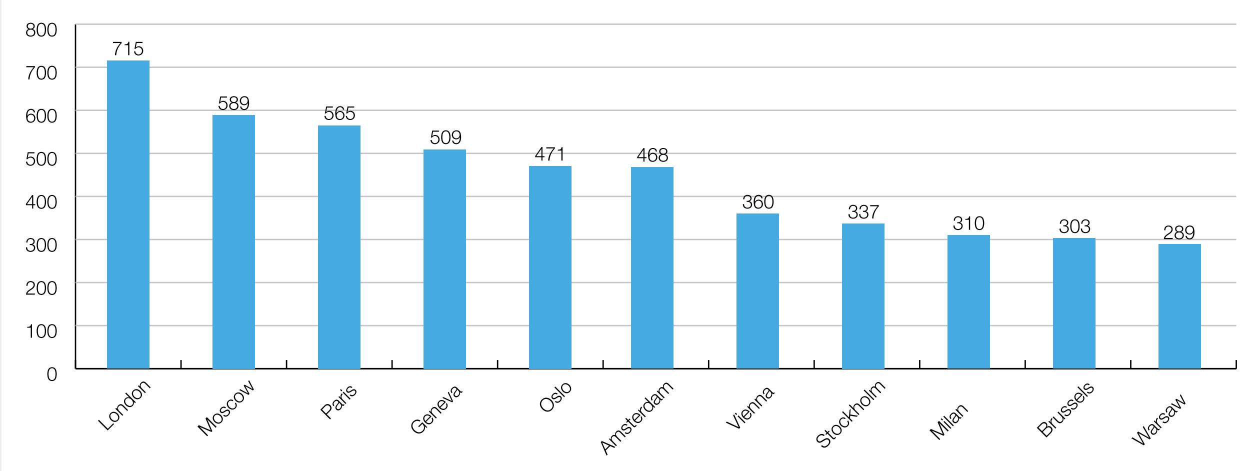
Mazovia Region has also the highest warehousing area in Poland. The proximity of the capital city, as well as the opening of new sections of A2 motorway and other expressways are agents that would continue to build an attractive image of this region and to invite new lessees. In practice, most warehouses in the Mazovia Region are located along roads exiting Warsaw towards the West and the South. Rents vary between EUR 2.30 and 2.90 per m^2 in the entire region and between EUR 3.60 and 5.30 per m^2 in Warsaw.

Most expensive location by country: CBD Europe. Occupancy cost €/m^2/Year.



Source: Cushman&Wakefield

Most expensive location by country: NON CBD Europe. Occupancy cost €/m²/Year.



Source: Cushman&Wakefield

Foreign Direct Investments are an immensely significant factor influencing foreign development, therefore, it is crucial to create conditions favouring their inflow. However, the sole macroeconomic stability is not sufficient to attract FDI. Legal regulations and a general economic situation on a given market also play an important part. Attracting investments is impossible without creating a favourable climate for business activity. In this regard, Poland has reasons to pride itself: according to initial data of the National Bank of Poland, within 10 months of 2011 Poland saw the inflow of FDI in the total amount of EUR 9.7 billion, i.e. by 30% more than in the previous year.

"*It has been the highest dynamics in three years, that is, since the beginning of the global crisis. It is also the highest in the region*", said Sławomir Majman, President of the Board of the Polish Information and Foreign Investments Agency, at its conference "The Year 2012 in Investments" that took place in January 2012. "*We are observing much interest in the investment conditions in Poland, definitely more than in previous periods*", admitted Adam Żołnowski, Director at Pricewaterhouse Coopers. According to Żołnowski, it is the growing scale of reinvested funds that proves that investors feel good and earn a lot in Poland. In 2011, the scale reached most probably 60% of all FDI, compared to 40% four years ago. Government grants also signal that the government supports foreign investors.

In the opinion of Paweł Tynel, Director Grants and Incentives Advisory Services at Ernst&Young, the number of new jobs created as a result of an inflow of foreign investments is also important. Investments in Business Process Outsourcing are also growing in Poland, although their value is a lot smaller than of Greenfield investments (starting investments from scratch by a company alone). From the point of view of a foreign investor, legal regulations are a very important element of business climate in a given country.

As regards Poland, Warsaw – its capital city – holds top ranking positions: it was ranked third when it comes to investing in commercial property in Europe in "Emerging Trends in Europe" report prepared by Urban Land Institute and Pricewaterhouse Coopers.

Mapa 4. Investment prospects of European cities

Source:: Emerging Trends Europe 2012

One of the main assets of Warsaw is its perfect location. Economic stability, which is a main factor attracting investors, is assessed equally well. Investors foresee that Warsaw will continue to gain importance as a financial hub of the Central Europe. As shown by the analysis, the city has become the most desired office space market in Europe. Additionally, the fact that Poland avoided recession in 2009 as the single Member State of the European Union is widely emphasized. "*Warsaw is where everybody wants to be right now*" – said one of the observers. However, other observers are more critical: "*Warsaw is in great demand because of high labour migration and its favourable demographics. However, there is a low rate of salary increases.*" Respondents have indicated housing development sector as most risky due to the oversupply. It is speculated, that the prices on the residential property market will decrease by at least 10%.

As found in "Gazeta Prawna" [a Polish business daily], this year Warsaw is going to draw several large companies to open their representative offices. These are, among others: Facebook, Casual Fashion and BNP Paribas, which are planning to invest ca. EUR 3 million in Warsaw and to employ ca. 300 people to provide financial and accounting services for divisions in the entire Europe.

The report "CBRE Business Footprints. Global Office Locations 2011" also confirms that Warsaw is one of the largest European business centres at the moment. 150 notable international companies have their offices there, which ranks Warsaw 5th in Europe and 12th worldwide. In comparison, Hong Kong, with its 191 offices of internationally renowned companies holds the topmost position.

To quote a statement by Kinga Barchoń, Pricewaterhouse Coopers expert, published by "Gazeta Prawna" of 1 February 2012: "*In uncertain times, quick and high profit counts less to entrepreneurs than finding a safe harbour where they can wait out these hard times. That is why smaller cities previously shunned by businesses are gaining investors.*" As observed by "Gazeta Prawna", the increased demand for office, commercial and warehousing space also means the increased value of commercial property. Pricewaterhouse Coopers experts observe a growing interest in taking over shares in office blocks or shopping malls among banks, investment funds and corporate investors. Galeria Mokotów, Wars-Sawa-Junior and Promenada shopping malls, to name a few, changed an owner last year. As foreseen by Kinga Barchoń, this year we will also see a number of large transactions.

Investments from China

China gears up to cross the Danube. Not by means of tanks but by means of cash – says Jonathan Holslag, Director of the Brussels Institute of Contemporary China Studies in "The Times." And despite the fact, that this is triggered only by economic reasons, profits gained this way can rescue enfeebled economies in the region. In accordance with guidelines of the Chinese Ministry of Economy, the Eastern Europe has become the centre of Chinese interest. Taking advantage of the crisis that has weakened European Union states, China is beginning to conquer such markets as Bulgaria, Romania and Poland. Chinese trade surplus amounted to around USD 160 billion in 2011, as stated by Chen Deming, the Chinese Minister of Trade. It is some of this surplus that can potentially flow onto the Eastern European market.

After the economic reforms that have been introduced since 1978, China opened itself up to international trade and investments, becoming one of the world's most rapidly growing economies. The accession to WTO in 2001 additionally intensified this process. According to the Polish Ministry of Economy, this country has become the third largest trade participant in the world and one of the largest recipients of foreign direct investments (FDI).

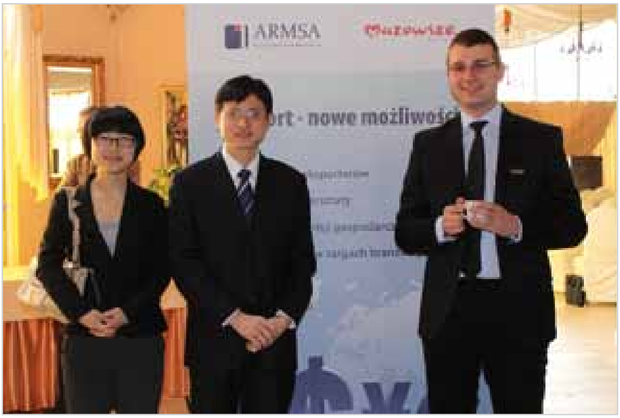
In the opinion of the Minister of Economy, Waldemar Pawlak, we can attribute great interest in investing in Poland among foreign companies primarily to high professional qualifications of Polish workers and a steady political and economic situation. "*Low labour costs, access to EU markets, growing number of consumers and investment incentives is what additionally matters to foreign companies*" – said Minister during the conference "Investing in Poland – Investing in Success."

The UNCTAD report ranks Poland the sixth most attractive economy for FDI. Poland has only been outstripped by such unchallenged economic powers as China, the U.S., India, Brazil and Russia. Therefore, actions contributing to higher exports growth rate and promoting Polish investment and economic potential, which can be achieved through the organisation of trade meetings and trade missions in China and in Poland, are very significant. Participation in commercial events is also very important, since it gives a chance to present Poland and the Mazovia Region.

investing in the region, as well as for Mazovian entrepreneurs undertaking and executing export activities. In its activities the Centre works closely with the Ministry of Economy, Trade and Foreign Investment Promotion Departments of Embassies and Consulates of the Republic of Poland around the world as well as with Polish Information and Foreign Investment Agency.

In 2011 the representatives of the Investor and Exporter Service Centre took part in China International Fair for Investment & Trade (CIFIT) in Xiamen (China). The Mazovia Development Agency stand was located within the Polish national stand. Promotion materials in English and Chinese, concerning the investment attractiveness of the Mazovia Region and IESC, such as investment offer catalogues, investment leaflets and investor's guidebooks, were distributed among investors on a stand.

After a grand opening of the Polish pavilion, an investment seminar took place, organised by Trade and Investment

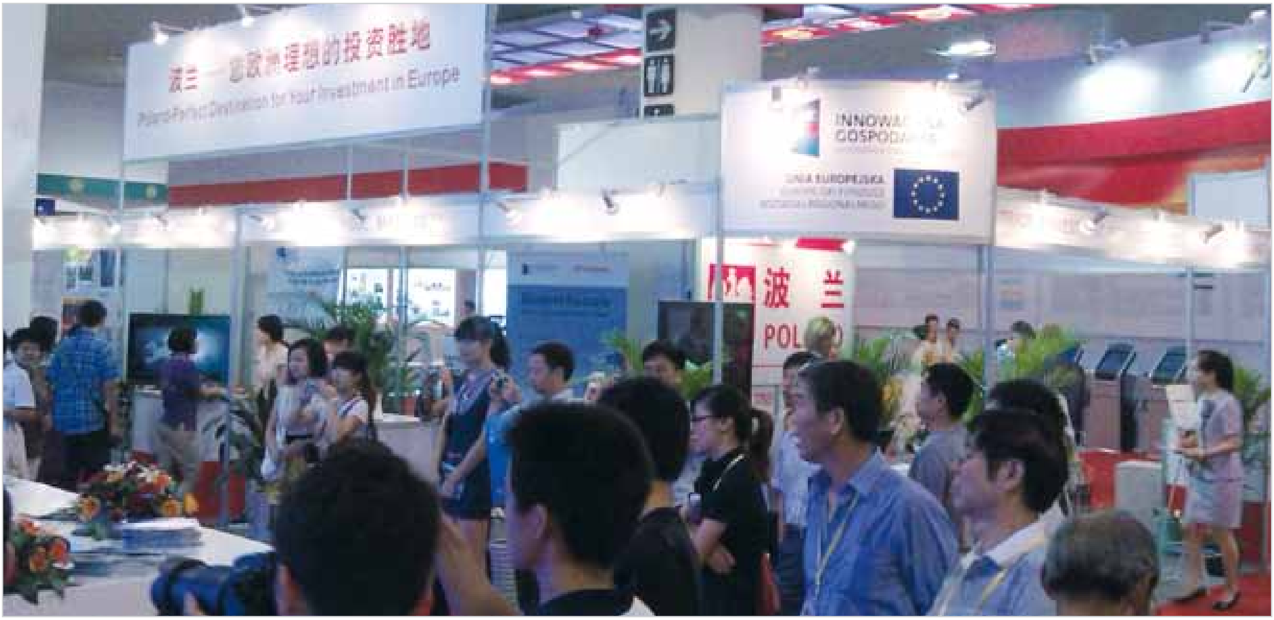


In the Mazovia Region, actions related to the provision of services for investors and exporters, as well as economic promotion of the region, are managed by the Investor and Exporter Service Centre operating within the framework of the Mazovia Development Agency.

Mazovia Development Agency Plc is an entity established under the commercial law and has status of a company. The sole shareholder of the Company is the Mazovia Region. The Agency's mission is to create and support the socio-economic development of Mazovia. While executing its undertakings the Agency supports the development of small and medium-sized enterprises and local government authorities.

Investor and Exporter Service Centre (IESC) provides the first contact point for foreign entrepreneurs interested in

Promotion Section of the General Consulate of the Republic of Poland in Shanghai and management of the fair, supported by the Ministry of Trade of the People's Republic of China. The seminar "Poland- Perfect Destination for Your Investment in Europe" was one of the event's main points. It hosted over 80 investors from China who were potentially interested in undertaking business activity in Poland. Seminar participants were presented with an outlook of vast investment opportunities in Poland, including conditions for undertaking direct investments, the privatisation programme regarding selected Polish entities, investment undertakings planned for execution by local governments as part of public-private partnership, as well as particular companies' offers. Opening the seminar, Andrzej Pieczonka, first counsellor of the Consulate General of the Republic of Poland's Trade and Investment Promotion Section, stated that Poland, as a rapidly developing EU Member



State, is a particularly interesting direction for Chinese investors. The attractiveness of this direction is primarily attested by state economic policy, staff potential, market size, development perspectives, offer of Special Economic Zones, infrastructure development plans, as well as clarity and stability of law. A presentation in English, which was simultaneously interpreted into Chinese, had been prepared by IESC exclusively for that event. During the seminar, the IESC representative presented the Mazovia Region as one of a high investment potential for Chinese investors. He mentioned openness to investments, central location and most important transport routes running through the region, to name a few, as the region's advantages. After the seminar, the participants were given guidebooks and investment offers of the Mazovia Region, as well as CD's with Chopin's music. In order to celebrate the honorary participation of Poland in the XV CIFIT edition and the Polish Presidency of the EU Council, the Trade and Investment Promotion Section organized a ceremonial reception for Chinese hosts in which IESC representatives took part.

A matchmaking session, aimed at individual talks between Polish and Chinese entrepreneurs also took place within the framework of the fair. During the session, talks with previously appointed representatives of entrepreneurs and organizations were held. Contacts established during the fair were gathered and grouped to create a database, which is used to exchange mail and maintain relationships. Constant email contact has been maintained with a number of persons with whom the relationship had been established, in order to provide information on the possibilities to invest in the Mazovia Region, to draw potential investors or to find potential business partners.

The conference "Tarnobrzeg Special Economic Zone in Węgrów – Benefits for Investors", organized by IESC and the mayor of the town of Węgrów in February 2011 was a chance to exchange information on the economic potential of both countries. It inaugurated the opening of a Węgrów sub-zone of the Tarnobrzeg Special Economic Zone. Patronage of the conference was taken by the Marshal of the Mazovia Region and the Polish Information and Foreign Investment Agency. The grand opening was made by: Janina Orzełowska, Member of the Mazovia Region Management Board, Iga Urbanik-Brymas, Deputy President of the Mazovia Development Agency Board and Jarosław Grenda, Mayor of the Town of Węgrów. The guests included representatives of the Embassy of the People's Republic of China: Jun Wang, Secretary and Le-Ke, Attache, Ernst Kopp, representative of the Embassy of Austria and Trade Counsel, as well as Maksim Scherschyk, representative of the Embassy of the Republic of Belarus.

IESC representatives also took part in a Hong Kong—Guangdong Business conference, which was the largest business meeting in Central Europe, organized in 2011 by the City of Hong Kong and the province of Guangdong (China). The conference hosted approx. 600 representatives of the Chinese business sector and delegates from the Special Administrative Region of Hong Kong and the province of Guangdong. The conference was opened by the Ambassador of the People's Republic of China in Poland and a senior representative of the Ministry of Economy. The main aim of the conference was to enhance economic cooperation between Poland, European Union Member States, Hong Kong and the province of Guangdong. This event helped investors and entrepreneurs to get acquainted with one of the world's most dynamically developing regions and was a chance for IESC workers to establish new contacts with potential Chinese partners, which might be the way to find investors or business partners.

Investor and Exporter Services Centre and the Polish – Chinese Chamber of Commerce organized an incoming economic and investment mission to Mazovia, which comprised 8 Chinese investors. The Chinese delegation stayed in Mazovia between 13th and 18th February 2012. During this visit IESC representatives presented investment opportunities and conditions offered by the region. Chinese investors had a chance to see fair and entertainment areas, meet the board of a clothing and textiles manufacturing company and to get acquainted with production technologies and investment opportunities in the clothing and textiles industry. During the visit a broad range of investment areas of the Mazovia Region, including warehousing and office areas in Warsaw, was presented. Chinese entrepreneurs are interested in locating investments in Poland and consider the possibility to locate their representative offices in the Mazovia Region.

As indicated by Sławomir Majman, President of the Polish Information and Foreign Investment Agency, at a press conference in December 2011, China is the largest employer among investors in Poland – four investments executed in 2011 will create 2,853 jobs. Despite the fact, that the Mazovia Region can pride itself in a low unemployment rate compared to national average, this rate is, unfortunately, growing. According to data of the Mazovian Labour Office, registered unemployment rate in January 2011 amounted to 9.8%, while in January 2012 it amounted to 10.4% compared to national average of 13.2%. Thus, the stakes are high and not only as regards financial matters, since foreign investments can be one of the ways to solve the unemployment problem.

Direction: Arabia?

According to the Ministry of Economy, we have observed a growing interest in establishing contacts and undertaking direct economic and commercial cooperation between Polish and Saudi Arabian business entities recently. A clear indication of this interest are mutually organised trade missions to Saudi Arabia and Poland.

Both the role of both countries in international economic relations – Poland in the European Union and Saudi Arabia in the Gulf Cooperation Council, as well as their economic potential and complementariness of economies, argue in favour of further expansion of cooperation. Foreign trade plays a vital role also in the case of the United Arab Emirates. In 2010 this country was the third Polish trade partner in the Middle East as regards turnover volume (after Israel and Saudi Arabia) and the second (after the Kingdom of Saudi Arabia) among members of the League of Arab States.

As part of a task providing for creating and promoting the Mazovian investment offer, the Mazovia Development Agency Plc and the Polish Chamber of Commerce organized the Saudi-Polish Economic Forum in October 2011, which was linked to a mission incoming to Mazovia. The grand opening was made by: Leszek Ruszczyk (a then member of the Mazovia Region Board), H.E. Waleed Taher Radwan (Ambassador of the Kingdom of the Saudi Arabia), Marek Kłoczko (Secretary General of the Polish Chamber of Commerce), Dr. Yasser M. Al Harbi (Chair of the Saudi Business Delegation and the President of the Saudi-Polish Business Council) and Maciej Stańczuk (President of the Saudi-Polish Business Council).

The IESC representative delivered a presentation in English (which was simultaneously displayed in Arabian) concerning the economic potential of Mazovia. During the forum B2B meetings also took place, giving Mazovian entrepreneurs a chance to establish or expand trade contacts on the Saudi Arabian market. Participation in the forum was free of charge. 20 Saudi Arabian and 60 Mazovian entrepreneurs took part in the forum. The forum had enjoyed such a great popularity among the Saudi Arabian companies that it directly resulted in a Polish economic and investment mission to the United Arab Emirates.

The aim of the mission carried out in November 2011 was not only to promote the investment offer of the Mazovia Region, but also to present the sales offer of Mazovian exporters. The value of Polish direct investments in UAE is estimated

at USD 150m, while the presence of UAE companies and institutions in Poland had mostly been in the form of portfolio investments. Apart from that, operations of companies such as Limitless (property development), Al Masaood (industrial holding) and Royal Group holding on the Polish market are known to the public.

The Polish economic and investment mission was directed by Beata Stelmach, the Undersecretary of State at the Ministry of Foreign Affairs. The delegation also included Krzysztof Walenciak, the Undersecretary of State at the Ministry of Treasury, as well as representatives of IESC, Polish Information and Foreign Investments Agency, Industrial Development Agency, the National Bank of Poland and business representatives from the entire country, including the Mazovia Region. A thirty-person group of Polish entrepreneurs represented the financial, energy, construction and new technologies sectors.

During the mission, IESC representatives promoted investment attractiveness of the Mazovia, among others, at a seminar hosting representatives of the government of the United Arab Emirates, B2B meetings, a matchmaking session and by means of materials created exclusively for this event, such as a folder about Mazovia in Arabian and presentations in English and Arabian. The materials dealt with investment and export potential of the Mazovia Region and the role of the Mazovia Development Agency Plc as an institution supporting the region's development. The aim of a folder is to present the Mazovia not only as a collection of numbers and descriptions, but also visually. Apart from matter-of-fact information based on updated attractiveness reports and IESC information, the folder "Mazovia – your business partner" contains photos aimed at showing Mazovia as an economically and residentially attractive place.

A seminar presenting the Polish investment offer took place during the mission which hosted Gulf Cooperation Council representatives. The representative of IESC delivered a speech based on presentations prepared in English and Arabian. After presentations a meeting combined with B2B sessions was held for Polish and Arab guests. Another meeting was organized in Jafza-Jebel Ali Free Zone, one of the world's largest free trade zones and a Special Economic Zone established in 1985, which operates in the area of 49 km^2.

On the second day a meeting initiated and honoured by Lubna Al-Quasimi, the Minister of Trade of the United Arab Emirates took place. Possibilities of cooperation with the United Arab Emirates were discussed there. Apart from

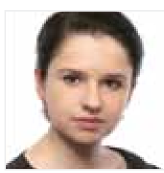
the comprehensive presentation of the Polish investment offer addressed at Gulf Cooperation Council, the schedule also included meetings and talks with the UAE Minister of Economy, Sultan Al-Mansouri, directorate of the Dubai Chamber of Commerce and the Deputy Minister of Foreign Affairs in charge of economic affairs, Khaled Al-Ghaith. Interested mission participants also visited the International Financial Centre in Dubai and leading investment funds headquarters: ADIA and MUBADALA in Abu-Dhabi. Measures for a better use of mutual potential were discussed, among others, a proposal to establish a direct air connection between Poland and UAE, attracting investments of Gulf Cooperation Council members to Poland and enhancing the activity of Polish business entities in UAE.

For Mazovia

Owing to promotional activities, Mazovian residents can be made aware of the opportunities resulting from their place of residence. Awareness of the attractiveness of the region in which an entrepreneur conducts or is willing to conduct business activity greatly influences their actions, particularly when it comes to exports. An accurate specification of a given region's advantages can also play a vital role in a decision making process concerning the launching or expanding business activity to another region, which determines the choice of a particular – objectively most beneficial – investment area. Job-creating investments, which have a positive impact on the standard and quality of living of the population are crucial for regional development. Access to reliable, updated and well-ordered information is central for success in winning new business partners for regions. To this end, "Mazovian Investment Attractiveness Observatory" portal has been created. www.investmazovia.com was established as a result of to the cooperation between IESC and the Collegium of Business Administration of the Warsaw School of Economics. The portal is available in two language versions: Polish and English. It is addressed chiefly to representatives of local government units and investors. On the basis of access to individual data, each municipality can check its attractiveness compared to the overall attractiveness of the region. Thanks to multiple links to other useful websites and the use of various forms of user communication, not only is it a valuable source of knowledge, but also an investor service supporting tool in the Mazovia Region. An online database of investment areas was created at www.coie.armsa.pl. It included 71 offers of investment areas as of end December 2011: both Greenfield (non-developed) and Brownfield (developed) areas. The database of areas functions in two language versions: Polish and English.

In 2011 a Facebook profile in Polish (www.facebook.com/COIE.ARMSA) was also created in order to promote actions by the Mazovian IESC and to inform the public about recent events taking place at the Investor and Exporter Services Centre and in the Mazovia Region.

ARMSA
Agencja Rozwoju Mazowsza S.A.



Author
Milena Kubicka
Chief Specialist
Economic Promotion Unit
Investor and Exporter Service Centre

Warsaw office market

Last year the city finished on a record high take-up level, while supply continued to fall, reaching only 45% of the 2008-2009's average levels (the pre-crisis boom period).

This stemmed from the cautious approach of lenders which, following central bank recommendations, tightened lending criteria. Mokotow continued to draw major interest (170 825 m^2 of take-up), with vacancy rates falling by nearly 50% on 2010's level, as did the city centre fringe (147 562 m^2 of take-up). With GDP growth forecast to fall, supply is in turn likely to continue to dwindle, although compared with regional markets Warsaw is expected to show more resilience to economic downturn.

Supply

Since the beginning of the 1990's, modern office stock in Warsaw has been growing steadily and now totals 3 597 000 m^2. In 2011, 120 100 m^2 were delivered, accounting for 64% compared with 2010's total supply, but less than 2009's record total supply, constrained by banks' tighter lending criteria and the uncertain economic situation in Poland and Europe. It is important to remember that equity-rich players remain in a stronger position to finance projects than most leveraged players. Large listed companies have sufficient equity to begin construction in risky locations, unlike small and medium-sized developers, which are dependent on debt finance and are more cautious about starting investment projects. The effect of this is that office supply is likely to shrink and the market to consolidate substantially. Pressure to secure prelets continues to increase. In 2011 prelets accounted for 121 877 m^2 – a nearly two-fold increase on the previous year's total. The largest completions included Ghelamco's Mokotów Nova, Karimpol Polska's Equator II , Globe Trade Centre's phase IV of the Platinium Business Park and Nieruchomości Powiśle's Hortus project. Some 180 000 m^2 of modern office space is scheduled for delivery by the end of 2012, and most of this is located outside the CBD.

Demand

Total gross take-up reached 573 853 m^2 in 2011, representing, contrary to expectations, a 4.5% increase on 2010. Net take-up stood at more than 167 155 m^2, of which around 60% (99 732 m^2) was in non-central locations. Take-up in the CBD reached 67 423 m^2. More than 73% of leases were for spaces larger than 1 000 m^2; around 33% were for spaces larger than 3 000 m^2. Development and occupier activity continues to be focused on Mokotow, the city centre fringe and areas along Al. Jerozolimskie. In 2011 the proportion of prelets rose to 21% of gross take-up. Renewals and regearing continued to account for the largest share of take-up, 25%. However, this share was six percentage points lower than 2010's share, which highlights the trend of tenants relocating to new buildings offering favourable lease terms.

Vacancy rates

Supply constraints and growing demand were behind 2011's declining vacancy rates. At the end of the year, around 240 155 m^2 of office space was vacant, 6.68% of Warsaw's total stock. The highest vacancy rate was recorded on the right bank of Warsaw, 12.07%, and Ursynow, 11.9%, following the completion of office space in the National Stadium and the exit of the Nova Praga office building's anchor tenant. Wilanow reported the lowest vacancy rate, 2.71% – alf of 2010's rate, reflecting the low supply of new space in that region. If take-up remains at the current level, average vacancy rates in Warsaw are likely to reach at least 6%.

Rents

Headline rents remained flat across most locations. In prime central locations last year they were in the EUR 24.50-26.50/m^2/month range, while in non-central locations they stood at EUR 15-16.50/m^2/month. The development pipeline's ability to affect rents was evident as developers embarked on an aggressive pricing strategy to attract tenants and meet bank lending requirements for 30-40% of space to be prelet. Effective rents, depending on the quality of the scheme, its size and visibility as well as the quality of the tenant, were therefore often lower by as much as 25%. Within the CBD, effective rents stood at EUR 20-24/m^2/month; in other locations rents were EUR 12-15/m^2/month.

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Author
PhD Bolesław Kołodziejczyk
Valuation & Advisory
Cushman & Wakefield

Human Capital of the Mazovia Region

The Mazovia Region, located in central Poland is the largest and most populated part of the country.

According to the March 2011 census it was inhabited by 5 369 thousand people. The main cities in the Voivodship are Warsaw, Radom, Płock and Siedlce.

Warsaw, with more than 1.7 million inhabitants, is the largest city not only in the region but also in Poland. The capital of Poland is also the country's main business centre. The majority of international companies usually set up their headquarters in Warsaw when moving to Poland. It is also worth noting that the largest number of SSC/BPO centres are located there. According to ABSL in the year 2010 there were 54 of them, employing more than 11 600 people. This means that 16.9 per cent of employees of the SSC/BPO sector in Poland worked in the capital at the end of the year 2010. This number grew by 39 per cent since the year 2008, which accounted for a moderate growth rate. The list of the selected centres in Warsaw, together with the processes they provide can be found in Table 1.

Table 1. Selected SSC/BPO centres in Warsaw

Company name
Royal Bank of Scotland
Accenture
AVON EMEA
Citi Group
Euronet
First Data (PolCard)
Sitel Polska
Esselte
Schneider Electric SSC
Annik Technology Services
Jones Lang LaSalle SSC
CBRE Facility Management
Colgate Palmolive Services Poland
Procter & Gamble
Tchibo

Source: Hays Poland

An important fact that accounts for such a significant development of the SSC/BPO sector in the polish capital is the availability of highly qualified workforce.

Students in Warsaw

Warsaw is the largest academic centre in Poland. According to data from The Central Statistics Office there are 78 universities in the city alone and as much as 107 in the entire voivodship, which accounts for over one fourth of all Tertiary Institutions in Poland.

The most important and largest universities in the capital of Poland include: The University of Warsaw, The Warsaw University of Technology and the Warsaw School of Economics. Since the year 2007 they all belong to the top 10 polish universities according to the Perspektywy Ranking. In the year 2011 each of them held first place in the ranking by university type.

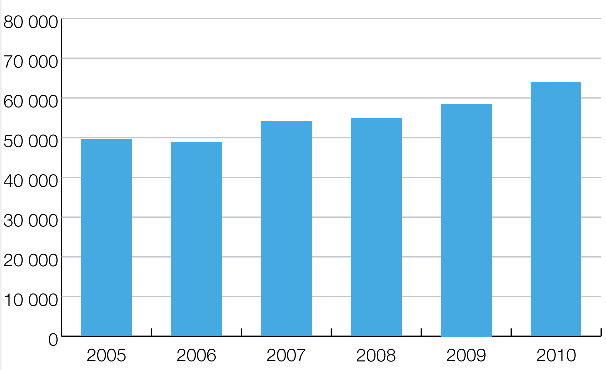
The University of Warsaw is the largest Polish university. In 2011 there were nearly 52 thousand of them majoring in 37 areas and over 100 specializations. It is also worth mentioning that the university is present on the prestigious "Shanghai list", which includes the best universities in the world.

The Warsaw University of Technology has continuously been the most often chosen university in Poland since 2008 (according to the data of the Ministry of Science and Higher Education). During the recruitment process in the academic year 2011/2012 8,7 candidates applied for each spot. In 2012 there were 36 thousand students, including one thousand PH.D. students and almost 2.5 thousand post-graduate students on 19 faculties, majoring in 28 areas.

The Warsaw School of Economics is one of five public economics universities in Poland. Every year about 2.5 thousand people graduate, majoring in one of 9 areas of study, among which are truly unique ones such as "Quantitative Methods in Economics and Information Systems". WSE is part of the elite organization CEMS - Global Alliance in Management Education. This acknowledges its presence and status among the best economics universities in the world.

According to the Central Statistics Office there were over 323 thousand students in Mazovia, from which number 80% attend Tertiary Institutions in Warsaw. Worth to mention that overall number of students amounts to about 17.5% in the country, making the region the top educational market. The number of graduates in the capital of Poland has been growing steadily since 2005, contrary to the overall demographic trend - this data is presented on Chart 1.

Chart 1. Number of graduates in Warsaw



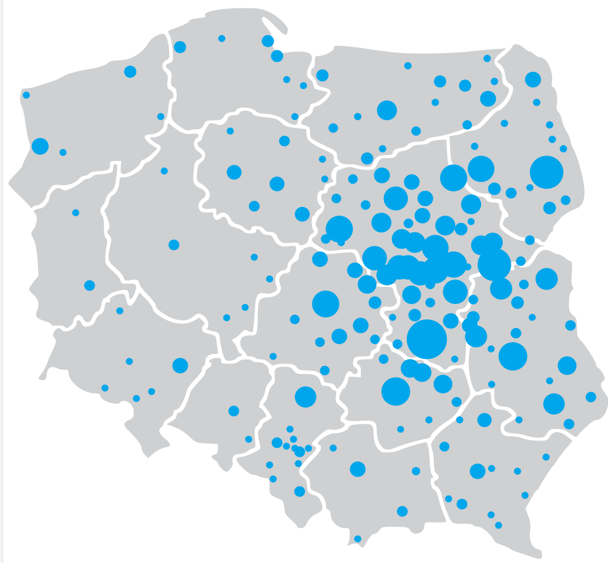
Source: GUS, BDL

The most interesting and valuable areas of study from the point of view of the SSC/BPO sector are economy/management, IT and engineering. In the year 2010 18 thousand people graduated from economics studies; 1.2 thousand from IT and almost 2.5 thousand from engineering. In each case Warsaw was amongst the most significant sources of talent (number one in economics). The number of economics' majors has been steadily growing since 2005 increasing by 25%.

The Warsaw higher education system attracts not only young people from Mazovia but also from the nation as a whole; especially the neighboring voivodships: Podlaskie, Łódzkie, Lubelskie and Świętokrzyskie. The sources of students have been indicated on Picture 1.

Warsaw's scale of popularity in terms of higher education is best described by the net enrollment ratio. It compares the ratio between number of students in the city and overall number of people in the 19-24 age group native to the region. If that ratio is greater than 100%, it means that the region attracts talent from other cities. In case of Warsaw

Picture 1. People choosing to begin their college education in Warsaw - place of origin.



Source: The creation and absorption of human capital in academic centers in Poland. A report.

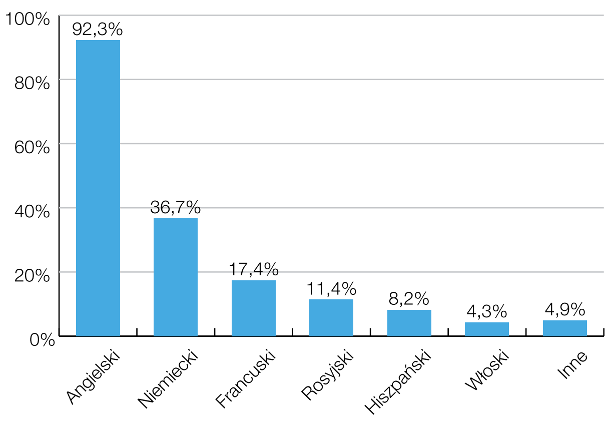
that number is as high as 251%, which means that there are 2,5 students per 1 person in the 19-24 age group.

The right education is not the only aspect taken into consideration by investors planning to establish SSC/BPO centres. The knowledge of foreign languages is equally, if not more important. Assessing this aspect it is worth to analyze results of the most broad and accurate survey in Poland – BKL. Over 30 thousand students have taken part, among which about 4.5 thousand were from Warsaw. The results are presented on the Chart 1. As one can easily notice, the most popular language was English - 92% of respondents declared knowledge of this language. German and French came second and third. It is important to mention that universities in Warsaw offer the broadest possibilities in terms of philology studies. Some of the majors include: Hebrew, Chinese, Swahili and Mongolian.

Radom - the second largest academic centre in Mazovia.

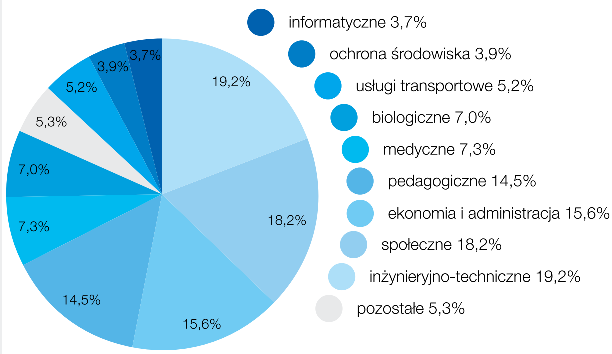
Warsaw is neither the only academic centre, nor the sole city in Mazovia ready to attract investors from the BPO/SSC sector. Hays Poland experts have recently observed that global firms are more and more interested in smaller Polish cities. It is increasingly so, that growing centres, which take on additional processes or start to serve new clients decide to delegate less advanced processes to smaller Polish municipalities (onshoring), instead of locating them in a different part of the world (offshoring).

Chart 2. Knowledge of foreign languages among students.



Source: BKL- 2010

Chart 3. Students in Radom according to major subjects and specialisms.



Source: GUS, BDL

There were eight universities in Radom in the year 2010, which were attended by as many as 15 thousand students. The Technical University of Radom is the most important and simultaneously the largest one in the city. It has six faculties and provides 26 majors to choose from. About 8 thousand students learn there. There are obviously other institutions of higher education, such as The Radom Academy of Economics and The Higher School of Business. They focus on teaching administration oriented subjects. The details concerning the matter discussed above are presented on Chart 3.

What makes Radom different from the other academic centres in Poland is the large fraction of people wanting to major in technical-based studies, comparing the 19.2% of engineering students in Radom with 3.8% in Poland as a whole.

Technical oriented education is also popular among the younger generation, not yet studying on a university. Over 36.8% of all Gymnasium (middle school) graduates prefer technical schools over high schools. It is also worth noting that the best technical high school according to the Perspektywy Magazine is located in Radom - Zespół Szkół Elektronicznych im. Bohaterów Westerplatte.

Because of the growing demand for a complex analysis of the state of human capital available in Radom, Hays conducted widespread research among university and high school students. More than 2 900 people responded to our internet surveys (2042 university students and 886 high school students). They were asked about their expectations towards their future employer including initial salary expectations.

This data is presented on the Chart 4. It shows, that the future labour pool pays special attention to a work/personal life balance as well as the possibility of getting a promotion (perspective of higher salary). What makes students in Radom different is the scale in which they value “employment safety” (36.6% of respondents)

The base salary level ranked 8th, which means that students perceive employment in the longer perspective. They are willing to make less at the moment in exchange for a chance to get paid more in the future. This conclusion is supported by their expected income. 44.4% would agree to work for as little as below 2000 PLN gross a month. 38.6% wishes to earn something in between two and three thousand zloty.

Radom is still not very well known market by the foreign investors, therefore does not offer as many employment opportunities , it is the primary reason for which people tend to emigrate from Radom. Over 70% declared that they are planning to leave the city. The most important reasons for this were: a greater chance to get employed elsewhere (67.4% of people willing to relocate chose this option) and better possibility for professional development (47%) in other places. Radom inhabitants stress their close connection to their home town and as the main reason for remaining in Radom the respondents listed: Personal and family reasons (60%), not wanting to leave their friends (54%) and attachment to the city (43%).

To conclude, one may state that students in Radom may become loyal employees, willing to work for one company for a long time, especially if their position will give a feeling of stability with an opportunity to get a promotion.

Research conducted on a group of high school students provided a similar result as far as the aspect of leaving the city is concerned. The main reasons persuading them to stay are: emotional ties with the city and low costs of living.

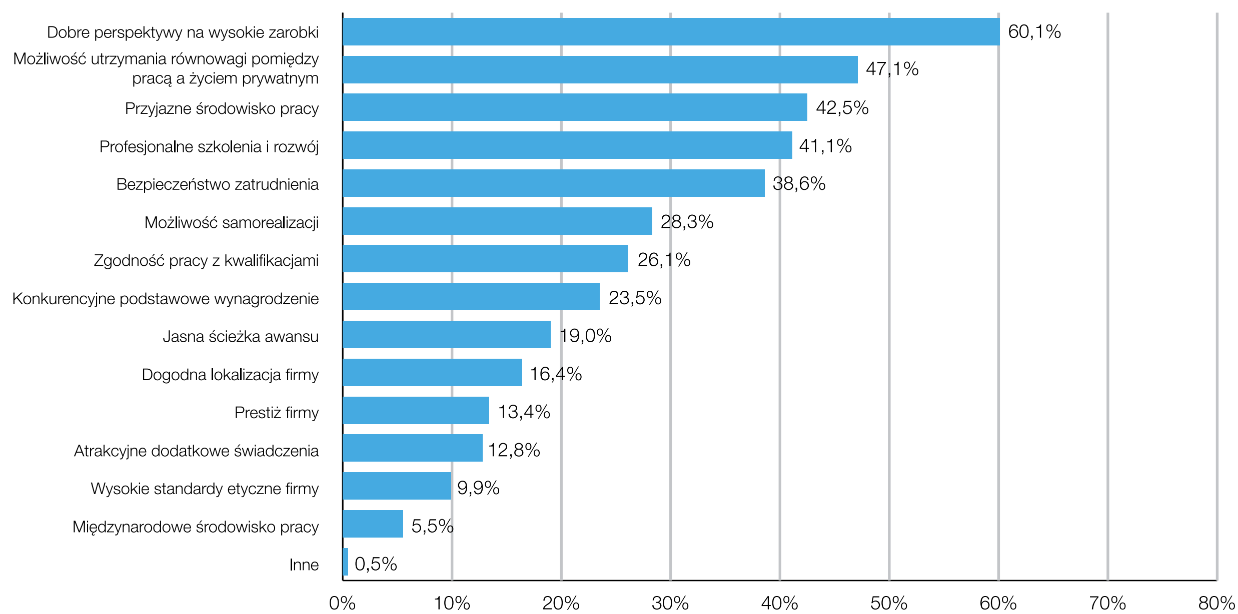
According to the data from BKL over half of senior high school students decide to leave Radom in order to go to a university. Their most popular destination was Warsaw. Another interesting occurrence is that Radom attracts potential students from neighbouring cities such as Lublin or Kielce.

The possibility for SSC/BPO investment in smaller cities like Radom is proven by the growing popularity of foreign languages among high school students. Nearly all the surveyed students declared at least basic knowledge of English; 85% of them also know German. This data is presented in detail on the Graph 5.

Conclusion

Human capital is one of the main elements taken into consideration when undertaking any serious investment. Especially SSC/BPO sector and in particular the knowledge-based processes will develop only in an environment rich in well educated and talented individuals. That's why the

Chart 4. Expectations of students in Radom towards employers.

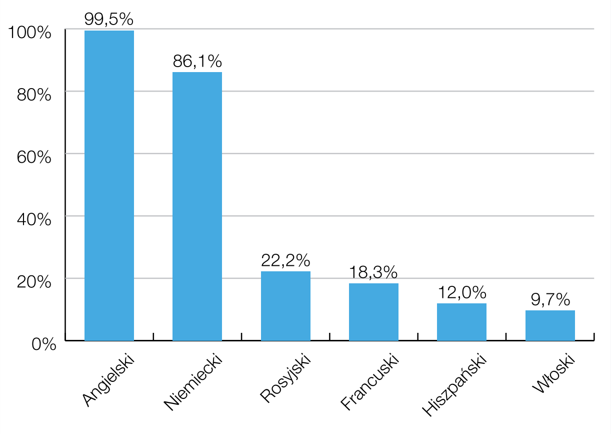


Source: Hays Poland research, n = 2042

Mazovia Region has great potential, taking into consideration the quality of its educational institutions and high number of students.

Furthermore, the size of the market and the local business environment enables easy access to a broad talent pool of experienced Specialists and Managers. The main catalyst of market development in Mazovia is Warsaw as the main hub for foreign investment in Poland. But the potential for growth exists also in the smaller cities, which are at the same time located near the capital and offer a distinctive cost advantage.

Chart 5. Knowledge of foreign languages among high school students in Radom.



Source: Hays Poland survey n=886

Hays Poland Sp. z o.o.
Lumen Złote Tarasy
ul. Złota 59
00-120 Warszawa
info@hays.pl
www.hays.pl

Authors
Jadwiga Naduk
Head of Market Research & Consultancy
Hays Poland

Tomasz Szreder
Analyst
Hays Poland

Jan Szczepanowski
Analyst
Hays Poland

How to Mitigate Exchange Risk?

The globalization process encompassing the international economy and the development of financial markets facilitate the growth of international trade and investments in foreign assets.

On the other hand the development of internet technology has made it possible to invest in financial markets from remote locations and on a wide scale, and has facilitated entering into trade agreements.

Foreign trade as well as investments in foreign financial instruments can lead to profits, yet unfortunately involve exchange risk. If our transaction is expressed in a foreign currency we must remember that our profits can substantially shrink if the national currency gains in value.

Differences in exchange rates resulting from exchange fluctuations have a direct effect on a company's financial results or the size of investment profits. A company's success is often determined by whether or not it effectively manages exchange risk. Fluctuations of exchange rates make it necessary for companies to protect themselves against exchange risk. This is especially important in sectors where the profit margin is very small, as even in the case of a full order portfolio, small changes in exchange rates can lead to lack of profits or even losses.

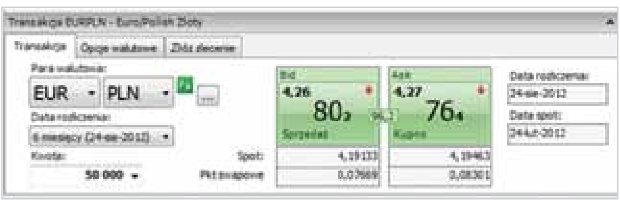
The Polish currency is very sensitive to the situation on the market. The moods in global markets have a direct effect on the zloty. Many investors or companies often count on additional profit linked with fluctuating exchange rates and do not employ hedging. Doubts often arise whether hedging against exchange risk is a good solution. We should keep in mind that lack of a risk management strategy is a speculation that does not benefit a company's operations.

Recent significant fluctuations on the financial markets have made the employment of risk management instruments by investors more and more desirable.

Chart EUR/PLN

Panel IDM TRADER

Effective currency security measures often involve complicated financial instruments and require precise estimates and negotiation of advantageous prices with banks. This is one of the reasons why companies avoid secured transactions.



Transaction EUR/PLN

Managing currency risk does not have to be difficult.

Customers can hedge against both currency rate fluctuations and the prices of metals, energy resources, agricultural products as well as financial instruments by employing the expertise of professional consultancy companies.

In order for a company to hedge against market risks it is not necessary to conduct transactions via banks; companies can also use modern online platforms which make it possible to trade and invest in major international markets, with 24 hour a day access.

Thanks to an online application we can test ourselves on international trading floors, where – with a “single click” – we can easily become a shareholder in one of the foreign “giants”, or hedge against currency risk.

Managing currency risk does not have to be expensive.

From the wide range of available financial instruments we can choose those that best suit our expectations and “tailor” security to fit our needs. When choosing instruments we should take under consideration both transaction costs and hedge effectiveness.

One of the simplest and most eagerly used by investors financial instrument is the forward contract. Its popularity stems mainly from the fact that its use does not involve any costs and it is widely available to companies. Forward contracts can be also found in banks’ offers and the offers of other financial institutions, via online transaction platforms. They can be settled both by the physical supply of currency or based on exchange rate fluctuations. Devising a forward contract can be an excellent safety measure against currency exposure for companies and investors as it ensures the settlement of future payments or costs in accordance with previously established prices. Thanks to this companies can determine the value of future financial incomes with precision and do not have to fear unexpected losses.

Entering into a forward transaction is not linked with high costs and does not require the engagement of significant capital. In order to enter into a forward contact all that is required is a small percentage of the transaction’s value, which will hedge the transaction.

The instrument can be effectively used by exporters, importers as well as credited parties who borrow in foreign currencies. The hedging tool for investments in foreign assets is also very popular.

Forward- sample transaction

- A company expects £50 000 from export for the last 6 months.
- The current EUR/PLN exchange rate is 4.1913
- The exporter elaborates a forward sales contract for currency date 24/02/2012
- The forward transaction includes a currency exchange rate of 4.2680
- If on the date the contract is settled the EUR/PLN exchange rate amounts to 4.0500
- the exporter sells £50,000 for the price of 4.05
- in result of the forward transaction he will receive 10 900 (i.e. €50 000*(4.2680-4.0500)

Spot transactions are an alternative to forward contracts. This instrument, just like the forward contract, is widely used as a form of protection from exchange risk by the users of online transaction platforms. Thanks to the possibility of daily automatic rescheduling transaction positions, spot transactions are a very convenient hedging tool and are especially popular among investors who do not have set dates for their currency flow.

Exchange risk is an inseparable factor linked with operating on foreign markets, where transaction values are expressed in foreign currency. Risk management seems to be a necessity in order to ensure expected rates of return. The development of financial markets and IT technology have made derivatives available to everyone – not just the largest companies. Both large companies and small investors can hedge against market risk; it does not have to be difficult or expensive.

Author
Iwona Tępińska
Senior Dealer
Dom Maklerski IDMSA

Employee outsourcing

Whether or not a company succeeds in the face of competition depends, to a large extent, on its Employees. An experienced, educated, and – most importantly – fully committed staff is the dream of many company owners.

Is the increasingly common phenomenon of employee outsourcing a blind alley? What speaks in favor of this solution and when should it be implemented?

Employee outsourcing, sometimes called "body leasing" is a relatively new service, yet is gaining more and more supporters. Polish companies, prompted by foreign companies, have begun to see the advantages stemming from employee outsourcing.

Here are a few factors which have added to the popularity of employee outsourcing:

- Shift of responsibility of hiring and maintaining an employee onto a third-party company
- Shift of responsibility for task realization by the employee on an outside company
- Outside company takes care of the recruitment process and salary.

One of the most important arguments acting in favor of outsourcing is the elimination of costs linked with recruitment and maintaining posts as well as the possibility to hire an employee on a flexible schedule. This is due to the fact that the outsourcer is responsible for maintaining the employee, keeping his employment file and calculating salaries. The outsourcer is thus the employee's actual employer. The company that uses the services of an outsourcing company merely orders the execution of a task depicted in an agreement.

We can state that outsourced employee recruitment saves time and money. The client provides a profile of the person he wishes to hire, and the entire recruitment process, along with a presentation of candidates for the client to choose from as part of the final stage, is the responsibility of the outsourcer.

Leasing an employee as part of this process allows companies to: save time preparing and posting information about available positions and time which would have had to be spent recruiting workers. This also limits costs linked with

training and administrative activities which precede hiring an employee.

It is important that the outsourcing company specializes in this line of services – it give companies the guarantee that the best employees will be found in optimal time. "*At IT CONNECT we focus on recruitment and outsourcing for the IT branch. Thanks to this definition of our line of business we cooperate with most IT departments at higher education facilities, regularly participate in IT employment fairs and conferences. This allows us to gain precise knowledge about the IT environment in Poland. Thanks to this knowledge we can find the best people a lot quicker and cheaper than any other company from outside the industry. We do not, however, outsource lawyers or sales representatives, as this is not our primary market*", states Grzegorz Skoczek, the CEO of IT CONNECT.

Another advantage is that companies which decide to use the services of an outsourcer have the possibility to improve balance sheets. Their fixed costs do not increase, and the invoice received from the outsourcing company can be filed as a project cost.

Outsourcing, or transferring processes and functions necessary to maintain a company to a third-party, specialized service provider, involves both small, medium-sized and large companies. The difference is that each company gains

slightly different advantages from this process. It is a mistake to think that outsourcing was created for corporations and large companies. Due to the globalization process, outsourcing has become a tool that allows companies adjust to changes that most are facing.

Let us focus our attention on the section of the market that uses personnel outsourcing. It has by now reached all companies, regardless of size, and usually involves security services, legal services, IT services, accounting or cleaning services. Some companies go much further and outsource support or part of their production. Large western corporations are not outsourcing a substantial part of their production to countries with smaller employment costs, especially Asian countries.

A thought-through decision

Employment outsourcing is a strategic process, which greatly reshapes the structure of companies and affects that processes that are carried out within. This is why the decision to implement outsourcing is not an easy one and should be preceded by a preparation process, involving several steps:

- An analysis of needs and validity of implementing outsourcing services, during which companies decide which functions to transfer.
- Planning the implementation process, during which cooperation procedures are prepared.
- Realization.
- Monitoring the effectiveness of provided services.

When the decision to introduce outsourcing is made, it usually involves a so-called framework agreement, which specifies cooperation principles between companies. Based on this agreement companies manage processes, settle accounts, complete projects and monitor the accuracy of activities.

Outsourcing can lead to many benefits, especially in the case of medium-sized companies, linked with personnel management, including: employment rationalization, transferring human resources to carry out core activities, or switching from fixed costs to flexible costs. Yet implementing this concept can also cause certain threats in the area of human resources. The most common include: lack of acceptance and support on the part of the management and workers to transfer tasks, excessive and harmful employee rivalry, communication problems or negative changes in the organization's culture.

"*In the case of personnel outsourcing, teams working on a given project are usually composed of a manager and the workers employed by the client, as well as the employees of the outsourcing company. In this situation special attention must be paid to the good integration of both groups. It is important for the outsourced employees to feel like rightful members of the team and for them to be treated as such by those hired directly by the client (especially in the case of long-term and medium-term projects). To obtain this we can organize, if the client agrees, after work events for both employees, combined training sessions to improve qualifications or, for example, sports programs. Monitoring and shaping good team relationships is beneficial to the team's work and efficiency, which, in turn, is a great advantage for the client*", explains Grzegorz Skoczek.

"*Research conducted by Gartner show that over 50% of outsourcing agreements are renegotiated, of which 20% are renegotiated within the first 12 months. This is why it is of key importance to plan and choose a verified, reliable business partner, who will want to ensure long-term, mutually beneficial, cooperation*", he adds.

What do employees think?

The issue of personnel outsourcing should also be analyzed from the point of view of the employees. The employee of an outsourcing company has to realize that he or she will go through the recruitment process and be delegated to work for the employer's client. Thankfully, along with the increasingly flexible approach of employers, we can observe changes in the mentality of those searching for work – relocations, civil-law contracts, or self-employment are more and more frequently seen as advantages. Employers have greater awareness of the advantages of work on these principles. Their work is flexible and they can gain experience in various branches, participate in interesting and unique projects for renowned companies, and – which is also important – have the possibility to establish new relationships, which can be beneficial in the future. In comparison with the traditional employment model, outsourcing offers many more development opportunities, as companies which use such services tend to the development and training of their best employees. As the Y Generation enters the market – today's 20 or 30-year-olds – priorities have begun to change. Non-material benefits of employment have gained in significance – this includes training, participation in the development of a company. Salary is not the only thing that matters. Yet the earnings of an employee – especially one who participates in various projects – are higher and satisfying.

In summation we can safely state that outsourcing leads to benefits both for employees and companies, not only due to financial reasons, but also organization-related reasons. Of course it is extremely important to consciously transfer selected tasks outside, and clearly specify requirements and expectations. Only then can we be sure that we will receive the benefits we are expecting, and – most importantly – lower costs while increasing effectiveness. Such cooperation should be viewed as a partnership, as only then can both parties gain the most benefits.

IT CONNECT
PEOPLE IN IT

Author
Aleksandra Kasta-Pyz
Senior Personnel Policy Specialist
IT CONNECT Sp. z o.o.

Marcin Franczyk
Sales and Marketing Specialist
IT CONNECT Sp. z o.o.

What is KPO?

Interview with Paul Jasniach

Outsourcing&More: What is KPO?

Paul Jasniach: KPO centers (Knowledge Process Outsourcing Centers) are specialized organizations which provide business analysis and expertise services, legal services, market research or broadly-understood consulting services. According to the definition, KPO comprises centralized knowledge management processes which can be provided for an external BPO supplier (Business Process Outsourcing) or developed in centers administered directly by companies. A significant difference between KPOs and other service centers lies in the types of carried out processes and their management styles. As an example, these processes considerably differ from Call Center-type processes or transaction-related services, such as entering invoices.

Recently we could observe our client's growing interest in KPO centers, yet these processes are neither new nor unknown to companies, especially those that have been managing knowledge for years. Some of our clients have decided to add new services to the range provided in existing SSCs (Shared Service Centres), or want to further specialize their teams by forming so-called Centers of Excellence. For a large percentage of companies this is a natural step in the development of BPO centers or SSCs.

There are many reasons why companies decide to open KPO centers, including the need to manage knowledge in an organization with greater efficiency – its security, storing, sharing – or gain access to qualified personnel who are experts in their field.

It should be emphasized, however, that the main factor is still the positive experiences derived from process centralization and cooperation with BPO suppliers, as well as the success of previous investments in SSC/BPO-type centers.

O&M: Why are KPO Centers becoming more and more popular in the Shared Services sector?

PJ: During the last 3-4 years KPO centers have begun to gradually gain more trust. Company owners perceive them as a chance to solve their problems with greater efficiency, manage their finances more effectively, as well as identify and develop the organization's key talents. At this time

it is worth emphasizing, that this is also one of the main conclusions included in this year's Global CEO Survey, conducted by the PwC Company on a group of over 1250 respondents from all over the world.

KPO is thus another step in the comprehensive knowledge management process. It utilizes a centralized structure which incites a processual, structured approach, and – what follows – an approach that is more effective for a given orga ni-zation. Furthermore, technological progress linked with the development of the internet and other innovative IT solutions is advantageous for the establishment of service centers, including KPOs. Today's technology makes it possible to communicate without the necessity of being present in the same building, city or even country. Due to the development of communication technology I predict the swift development of these types of services; both in Poland and all over the globe.

O&M: Which processes are typical for services provided by KPO centers?

PJ: Typical services provided by KPOs include; Legal Process Outsoucing, Research & Developemt, financial modeling, analyses and data processing, as well as solutions linked with support for a company's decisional processes.

I have observed a certain substantial difference between KPO and BPO or SSCs, not only concerning processes, but also organizational structures. In case of KPO these processes are decidedly less structured than in the case of traditional, BPO-type solutions. I perceive this as a very positive phenomenon, which allows companies to creatively search for new solutions or innovative approaches to analyzed problems. At this time we should underline that KPO-type centers (or the aforementioned Centers of Excellence), are currently in the development phase, so we may expect to observe their stabilization phase in the near future.

O&M: What main criteria impact a company's decision when searching for the optimal location for a KPO center?

PJ: Decisions concerning the location of a KPO center are undertaken by companies in a way that is similar to choosing the location of BPO/SSC centers. Yet the location of KPO centers is to a greater degree determined by the availability of specialized staff members in a given field. It is thus a chance for educated graduates of higher education facilities with language skills and experienced specialists.

Many companies, aware of the potential of their employees in BPO/SSC centers, decide to allow them to handle other, more complicated processes.

For a city to appeal to potential investors, a large number of students is not the only factor which plays a key role; a stabilized local business environment along with balanced costs and a relatively high standard of life are also important. Cities with a number of higher education facilities, good communication routes to other European town and favorable infrastructure have a chance to successfully acquire KPO-type centers.

The presence of other KPO centers with similar profiles within the same city is also not without significance. While in the case of BPO/SSC centers the establishment of a new center leads to greater competition on the employment market, in the case of KPO – in the long run – it is an impulse to increase effectiveness, the exchange of ideas and positively affects the results of undertaken projects.

O&M: What are the chances of the Central-Eastern European region to attract these types of investments?

PJ: Thanks to developed forms of support from EU funding and government programs, Central-Eastern Europe remains a very attractive location for KPO investments.

We must remember, however, that the degree of support in this part of Europe varies not only from country to country, but also from city to city. The process of gaining funding is usually complex, which is why companies should closely inspect the current forms of support or use the expertise and knowledge of specialized consultants.

Here I would like to underline that – due to the appeal of KPO – companies employing these types of processes have better chances of obtaining funding.

We should not however, base our decision of locating a KPO center only on potential funding, as the main criteria for choosing Central-Eastern European countries is still the significant potential of specialized employees and great language skills.

O&M: How do you assess the KPO market in Poland? Where do you predict the growth of these types of investments?

PJ: UI believe that Poland has a good position, as a strong KPO center in Europe. We have been observing substantial growth in this area for several years. Poland is a proven location for the SSC/BPO branch, due to which investors have begun asking which Polish city meets their criteria, and whether it is worth investing in the country.

As I mentioned before, many companies have already decided to invest in Poland by locating their BPO and SSC centers in the country, and are currently searching for more possibilities to further improve their effectiveness by transferring increasingly complex processes to Service Centers. Companies base their decision to locate service centers in a given city mainly on the availability of well-educated and prepared employees, but also more and more often on the support offered by local authorities. Cracow, Warsaw, Wroclaw and Gdansk are one of the most developed Polish cities for the BPO/SSC market, which it why they are natural locations for KPO investments.

We must remember, however, that Poland has many other cities, including Szczecin, Lodz or Lublin, which can also become excellent locations for future KPO centers. This diversity of locations ready to house and maintain KPO centers is a factor which distinguishes Poland from among other countries in the region.

This is why we love tennis!!!

Only for the coordinated

This is where the fascination begins. To play tennis you have to efficiently coordinate the movement of your upper and lower limbs, while simultaneously holding an object in your hands (the tennis racket), and you have to use it to hit another object that's charging towards you – the ball (the technical basics). This entire chain of movements has to be completed in a set time and space (timing), while the ball has to make it over the net and in the court. Only one thing that feels better (I don't want to cause any controversies or discussions regarding what it is that feels better), than hitting the ball in the perfect sweet spot.

This sounds wonderful but even the best play is not enough to win a point – as on the other side of the net is our opponent. Our characters differ outside of the court – and he shapes out playing style. All this – along with external conditions such as the court's surface or atmospheric conditions – open a series of tactical possibilities, to be used on the court.

This diversity of elements that affect the score draw out a series of mental skills – extremely important not only on the court but in life – such as adaptation, the ability to make quick decisions, anticipation, the ability to cope with a difficult situation, concentration, tactical discipline, orderliness, patience. This is the moment when we go from fascination to the "I'm in love" phase.

Only for the intelligent

Distinctive, unique and practically unchanged since the invention of the game (the only change was introduced in the 1970's, coined by James Van Alen – the tiebreak which decides the set when the score has reached 6:6). The point system during games – 15, 30 and 40 – originated from the French numerals quinze, trente and quarante, which have similarly pronounced endings, or the quarters on a clock (15, 30, 45), used to determine the score in games before computers appeared (the 45 was simplified as 40 with time).

You can win more points but lose the match. The winner is the person who wins the last set and – this is important – there is no time limit. In this score format I personally value breaks between games the most. This is the time when – although facing fierce competition – you can allow yourself to talk openly, and all barriers between opponents and partners in rivalry disappear.

Only for the brave

And here is where I'm in love. It's only you and your thoughts. How you handle these thoughts determines how good a player you are. There is no break for getting tips, or to analyze the game. There is no reserve player who will take our place when we're having a bad day. There are no teammates you can share the responsibility for failure with. You are solely responsible for winning – or losing.

An inseparable feeling felt by every tennis player is the feeling that something could have been done better. This internal voice is always with us on the tennis court. This is the Game of Tennis, due to its diversity, is an incessant journey of self-perfection and going beyond the limits of your own possibilities.

In order to give you the possibility to see how good you are on the court, deal with your weaknesses and adversity, Okęcie Tennis Club has launched new club tournaments called the Challenger Okęcie Cup.

The most persistent, thrill-seeking competitors can compete year-round in club tournaments. The best will receive great prizes, although nothing can compare to the satisfaction and pride of being number one.

Current club ranking

L.p.	Surname	Name
1	Brodzik	Piotr
2	Dudek	Jarosław
3	Raptis	Tomasz
4	Wilkowska	Martyna
5	Czepiel	Łukasz
6	Bąkała	Marek
7	Klepuszewski	Artur
8	Rolla	Alessandro
9	Dembowski	Jakub
10	Wilkowski	Tomasz
11	Narożny	Robert
12	Pryzmont	Marek
13	Wiśniewski	Mirosław
14	Kwiatkowski	Piotr
15	Nowotny	Maciej
16	Iwanowski	Bogdan
17	Sobieszek	Roman
18	Romaniuk	Jarosław
19	Skorupski	Andrzej
20	Barczak	Jacek
21	Woźniak	Andrzej
22	Rajtar-Klepuszewska	Anna
23	Witkowski	Jerzy
24	Zoll	Marcin
25	Bełdzikowski	Michał
26	Łukaszewicz	Jacek
27	Rajtar-Klepuszewska	Anna
28	Jeznacki	Piotr
29	Nowicki	Arkadiusz
30	Fiała	Leszek
31	Liepelt	Agnieszka
32	Bauć	Elżbieta
33	Celary	Marek
34	Bauć	Marek
35	Cepielik	Stanisław
36	Myszkowska	Małgosia

Current club ranking

L.p.	Nazwisko	Imię
37	Kołodziejczyk	Ewa
38	Barabasz	Piotr
39	Michalski	Maciej
40	Gumuliński	Jakub
41	Soroka	Piotr
42	Romanowicz	Piotr
43	Iwaniuk	Hubert
44	Kurbiel	Krzysztof
45	Sapiejewski	Krzysztof
46	Wróbel	Anna

Okęcie Tennis Club

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Maciej Synówka
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Al. Jana Pawła II 23 p.23
00-854 Warszawa

Tel.: +48 22 653 85 92
e-mail: biuro@itconnect.pl
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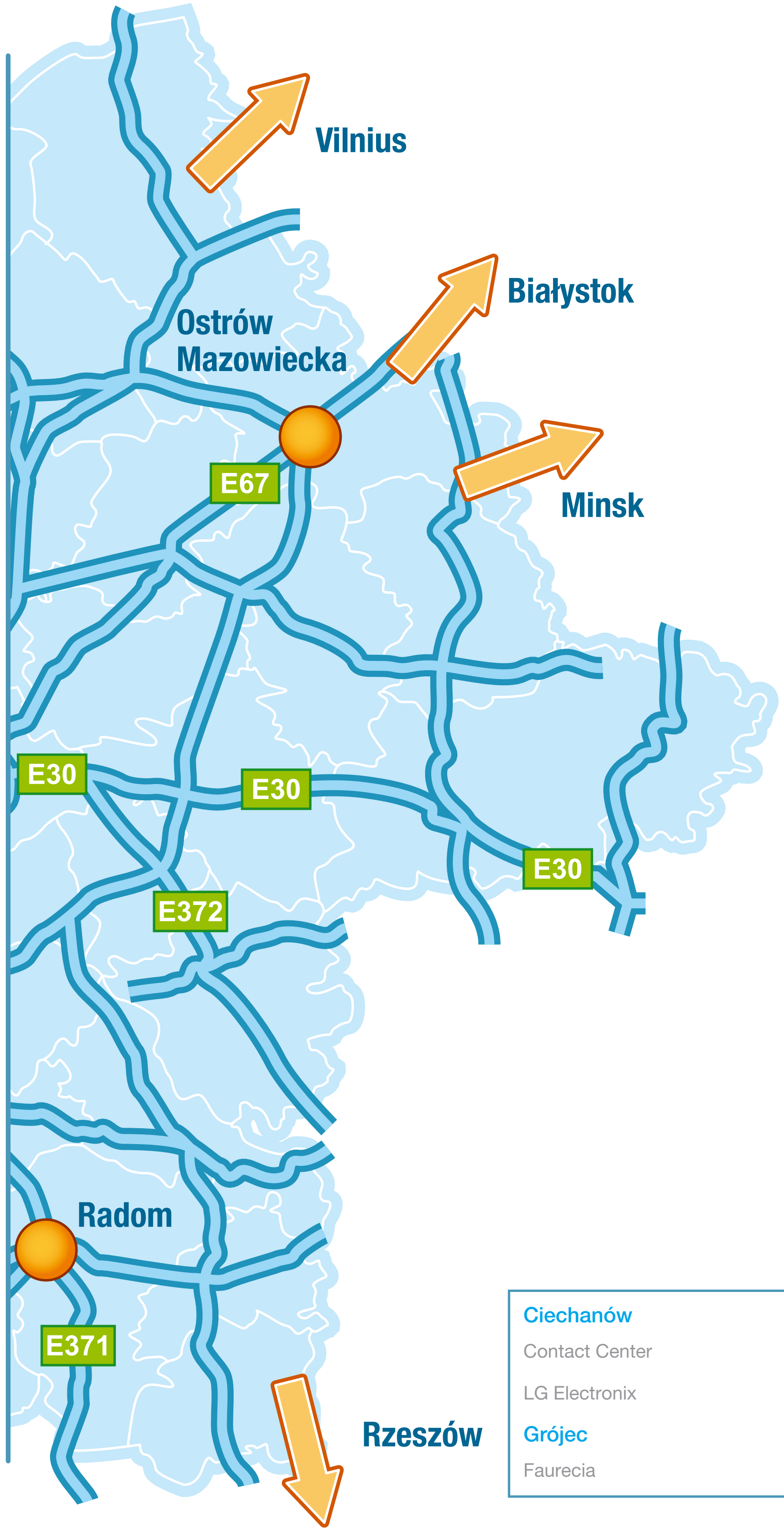

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