

How Interim Managers improve Shared Service Center development

a white paper authored by CTER Executive Recruitment,
partner of Senior Management Worldwide in Poland

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In Poland, there are already over 1,000 SSCs (Shared Service Center). This is nearly a half of all BPO, SSC and R&D centers operating in Central and Eastern Europe. Their number keeps increasing and according to some estimates just by the end of 2021 the employment in this sector may increase by a further 20 thousand. What factors influence this situation and how can an Interim Manager help to develop SSC?

Major reasons which made IBM, Lufthansa, Shell, Volvo or General Electric decide to open SSC in Poland are:

- large reserves of well-qualified workforce
- good road and office infrastructure
- advanced IT base

An additional asset is the fact that the search for interim managers responsible for SSC creation and employee recruitment at the fastest possible pace is supported by experts from the global network of Interim Management services – Senior Management Worldwide.

International cooperation

This white paper is a contribution of SMW's partner [CTER Executive Recruitment](#) from Poland.

Senior Management Worldwide (SMW) regularly publishes best practice examples from its partners. SMW is an international group of like-minded specialists of interim management providers. They operate in partnership under common principles and standards of excellence. Each partner helps organizations solve critical management issues and influence business outcomes. SMW offers the strongest and deepest network of leading interim executives available anywhere in the world. They combine global reach with local knowledge. With their combined reach and experience, the 24 partner countries offer a wide pool of interim and independent executive professionals across the world.

Wondering how we can help your company?

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The prospects of SSC sector in Poland

The development within this sector is outstanding: according to the report 'Business Services Sector in Poland 2015', prepared by ABSL, from 2013 to 2015 'the number of employees of shared service centers with foreign capital increased by over one third, from 110 thousand to 150 thousand persons'.

The estimates forecast an increase of the number of SSC employees to as many as 170 thousand persons. Thereby, Poland became a serious alternative to India, which up till now has been the major location for Shared Services Centers. This was also influenced by our time zone, thanks to which SSCs in Poland can service the whole of Europe, Middle East and Africa.

Why are more and more Shared Service Centers being established?

One of the recently opened SSCs in Poland is the Warsaw office of Ashland Poland. The implementation and launching of the operations of this SSC, which supports the European branches of the company, was successfully completed due to the efforts of Mr. Jan Rogoń, the interim manager employed in cooperation with CTER, the Polish partner of Senior Management Worldwide.

Why is it at all worthwhile to consider transferring the services provided by several branches into one location? "Centralization facilitates specialization in a given activity and, consequently, increases work effectiveness and services quality" – states Mr. Rogoń.

In our opinion, creation of SSCs improves the quality of such activities of a company as procure to pay or processing customer orders. This is because all processes which have been previously realized in different countries, are now concentrated in one place and operate in accordance with uniform standards. It is this particular feature of SSC that is especially important for large companies. We believe that Poland currently provides the best location for Shares Services Centers. Moreover, their growing numbers suggest that for global corporations our country is not only attractive, but also recognized as precisely the place where to create SSCs.

Where and why are new Shares Services Centers created?

"In Europe, only two countries count as a location for SSCs: Romania and Poland. In Romania, the majority of companies have their headquarters in Bucharest, whereas in Poland there are numerous other options."



"This springs from the fact that Polish cities located west of the Vistula river are well accessible from the major airports in Western Europe" – explains Joanna Czarnocka-Tworzyńska, CTER Managing Partner.

So far, investors have created SSCs in Cracow, Warsaw and Wrocław. In those three cities over 60% of the sector's workforce is employed. New Shared Services Centers are also being created in other locations, for instance: Katowice agglomeration, Bydgoszcz, Lublin, Łódź, Poznań and Szczecin. Thanks to the road infrastructure, which was developed and renovated in recent years (motorway and expressway network), and the aviation infrastructure (all of the cities mentioned have their own regional airports with scheduled air services not only with Warsaw but also with hub airports in other countries), the journey from the capital to any other larger town lasts at most several hours.

Selecting a location for a SSC

Apart from transport infrastructure, Poland's significant asset is education and a large number of dynamic academic centers in several cities. Territorial dispersion of technical and humanities universities, as well as the large number of students (approx. 40%

of young people aged 18-24 enroll in masters programs) allow to locate such investments as SSCs in various regions of the country, which in turn allows to avoid problems related to wage pressure and recruitment of qualified workforce.

When selecting a location for a SSC, one important issue is finding employees with good knowledge of foreign languages. In this respect, Poland, as a place to locate an investment, is unrivaled both in the region and worldwide. In the international ranking EF English Proficiency Index 2014, which indicates English language fluency, Poles ranked 6th out of 63 surveyed countries. In turn, in the English Proficiency Index for Companies, which evaluates proficiency in English among company and public institution employees, Poles ranked in the 2nd position.

"In comparison with other European countries, in Poland there are still many young graduates who are just entering the labor market. They are very well educated, they speak foreign languages and understand the specificity of working in an international environment. They are also characterized by a very high level of work ethics. Moreover, Poland offers great balance between labor costs and labor quality" – says Joanna Czarnocka-Tworzyńska.



“On top of that, concentrating the processes which were previously realized in several countries, in one location lowers the costs of office space, infrastructure, IT, and so on.” – she adds.

Why did the investor choose Poland?

All of the factors mentioned above have caused Poland to become the SSC location selected by increasing numbers of investors. The ABSL report mentioned earlier points out that 'Taking into account the current industry development, it can be estimated that in 2021 foreign Shared Services Centers in Poland will employ at least 250 thousand persons'. The number is quite realistic because only during the last two years 60 new SSCs were created in Poland. One of those centers, SSC built for Ashland, combines customer service, procure to pay, finance and IT, as well as product safety.

Why did this concern decide to choose Poland? “Costs are and will be the major factor when making a decision to move workplaces from Western Europe to Poland” – says Mr. Romek Lubaczewski, CEE Shared Services and Outsourcing Leader. In his opinion, when creating a SSC in Poland, it is possible to save from 30% u to even 50% of costs.

Interim manager and their role in the creation of Shares Services Centers

Experts stress, however, that the creation of Shared Services Centers is not so simple, which is why companies should rather rely on the specialists in this area. “This is a job that requires skills and knowledge in a number of fields. Naturally, it is possible to do everything on one’s own, yet a lot of unexpected difficulties may then suddenly occur” – Mr. Rogoń warns.

“You can compare it to planning your vacation. Let’s say, you want a change from your usual routine and instead of going on a package trip, as you do each year, you decide to go trekking in Vietnam. You don’t know, however, what can happen there, or how to prepare for any number of unexpected situations. So, it’s better to look for someone who explored that country earlier in a similar way and spend your vacation in their company, avoiding potential trouble” – he adds.



Although creation of SSCs is not simple, the whole process is not very time consuming either. Mr. Rogoń admits that in the case of the last task he was recruited for as an interim manager cooperating with CTER, the exclusive partner of Senior Management Worldwide in Poland, the completion of the task took him just twelve months. That was the time from learning of the idea to create an SSC for Ashland, through evaluation of the project's feasibility, to finding a suitable location and, ultimately, finalizing the transfer of all processes from various locations to Warsaw.

SMW basis consists of 200 000 interim managers worldwide. This allows companies which belong to Senior Management Worldwide network, to present their clients with a suitable interim manager, immediately available to undertake the project or cooperation – within maximally 3 to 5 days.

Why is it worth to cooperate with Senior Management Worldwide, when planning to open an SSC?

When cooperating with companies associated in SMW, the clients benefit from employing the best interim manager, who will not only provide them with competent advice on the process of development of analyses and variants connected with the decision to introduce an SSC, but also will perform all necessary operations connected to the project of launching the SSC and migrating the processes to the newly created Shares Services Center.

