

The economy's need of Shared Service Centers

by **Paul Burt**, Managing Director, IBM International Services Centre s.r.o.



BIOGRAPHY

The first shared services centers (SSCs) started to appear in Slovakia at the beginning of the new millennium. Since then, more than 40 shared services centers have become part of an evolving community and they nowadays represent a significant industry sector in our country. SSCs create job opportunities for more than 30 000 skilled and educated people with a double the average salary of the Slovak economy, pay more than three million euro a year on taxes and levies to the state, and thus significantly affect the economy in a positive way.

Thanks to more than 15 years of experience and dynamic growth, the centers located in Slovakia have been given more and more sophisticated tasks, which tend to transform from simple and transactional activities into tasks with a higher added value. SSCs as an industry are turning from very operational and regional to global enterprise services. We do not employ people to work with Excel sheets like many without the knowledge might think. We create accounting reports for parent or affiliated companies, develop or manage software solutions or marketing activities and support clients all over the world with their day-to-day business activities. Our organizations are either in the process of growth, standardization or already using advanced efficiency tools - automation and robotics. Many of the centers have started to, or have the ambition to, establish co-centers of excellence.

More than 60 % of SSCs are well-known brands of the service sector - consulting services, IT & telecom services. A third belongs

to the manufacturing industry, and a fourth covers the high-tech & electronics sector. 15 % is taken by software development, 86 % of all services fall within advanced Customer Operations including Sales, Fulfillment, Tech Support and Customer Care, Financial Services and IT services. We are growing in each possible way.

Slovakia is one of the countries with the highest share of people with secondary education in the EU. Qualified workforce is thus logically one of the reasons that international companies see as an attractive element for setting up a center here. Low fluctuation rate, language skills or the strategic position in the time zone are other advantages of our market. In 2016, the Slovak Government approved an action plan to proactively support the development and expansion of strategic and business centers in Slovakia. This was the first integrated conceptual document including 21 measurements divided into three main areas: ensuring sufficient manpower, creating environment that supports development of SSCs and seeking and active supporting of new investments. This was an important milestone for all of our organizations. SSCs in Slovakia have also the opportunity to join a business association called the Business Service Center Forum, that brings together most companies in the sector and tries to commonly work around their interests.

In order to serve their clients in their mother tongue, SSCs hire staff with good and diverse foreign language skills. While proficiency in English is a must

everywhere, the level of the second or third foreign language makes a difference when exploring the job opportunities in this sector. Although the digital skills of the Slovak work force are above basic compared to the European average, there's still room for improvement. And there's a lack of qualified people that we need - one of our main struggles.

To be able to grow in the changing business environment, we continue to be involved in discussions with the local government and Slovak universities to define the new framework of cooperation for the future. Especially when knowing that the Ministry of Economy predicts that by 2020, the SSC sector will be the second biggest in Slovakia, employing over 60K people. We will need new investors and we will need to expand our existing activities. For this, administrative restrictions need to be removed, the position of Slovakia in the Doing Business ranking needs to improve, a continuous monitoring of legislation needs to be in place and cooperation with the private sector shall be on a better level. These are topics that the companies involved in the Business Service Center Forum regularly talk about and bring up for discussions with the representatives of government and academia. I hope we will see more organizations joining us so that we can represent a full image of what SSCs in Slovakia stand for, need and can offer for cooperation and mutual development of our country.

Paul was born in 1976 in the UK to parents in the British Navy.

Following a first career in the Licensed Retail Services trade with experience of managing Pubs, Restaurants and Students Union venues, Paul took a change in direction and joined IBM in the year 2000 in technical services.

In 2003 Paul moved to Slovakia with IBM to establish the first IBM International Services Centre (ISC) in Sales Support, and over the following years took a range of management positions across F&P, Education, Marketing, and IT Services teams, leading local and globally distributed teams.

In 2015 Paul took the role of Managing Director for the IBM ISC entity and in 2017 took global responsibilities across IBMs strategic centres in Brazil, Mexico, Hungary, Slovakia, Bulgaria, India, Malaysia, Philippines and China.

Paul has permanent residency in Slovakia and married in Slovakia in 2006. Paul has two Slovak born children currently in the Slovak state education system.

In his spare time Paul enjoys Triathlon.