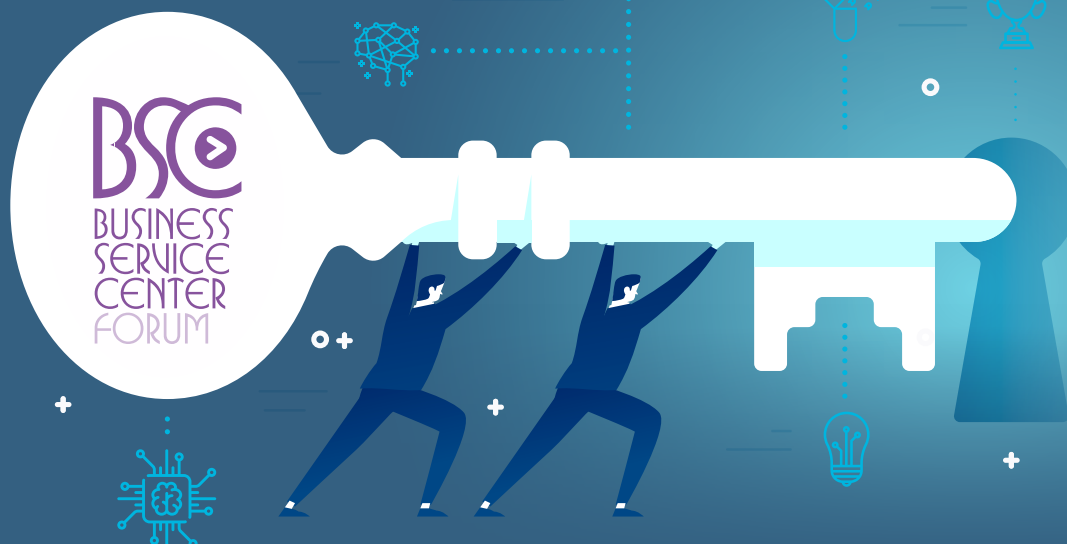


# VISION FOR GROWTH

## BSC IN SLOVAKIA



# 6.12. 2018

from 9:00 AM to 1:00 PM  
Crowne Plaza Hotel  
Bratislava

Already for the fourth time, AmCham's Business Service Center Forum (BSCF) held its annual conference to discuss the key issues defining the reality of shared service centers (SSCs), and, above all, the future of this sector in Slovakia.

The subtitle of this year's conference was "Vision for Growth", with the ambition of discussing various scenarios of the future development of this sector in the next five to seven years. Of course, the goal was to outline a path which would enable further growth and development of SSCs in Slovakia in a period which is certain to bring dynamic changes to working processes and the labor market as a whole.

Gabriel Galgóci, BSCF chair, AT&T Slovakia Country General Manager, who also acted as the moderator of the conference, presented a brief overview of the BSC sector in Slovakia, as well as the goals and activities of BSCF.

Summarizing the data for 30 BSCs operating in Slovakia for the year 2018, he quoted several interesting figures. These BSCs paid 113 mil euro on income tax and 340 mil euro on social security, while paying 690 mil euro to their employees, which equals a 1780 euro weighted average salary for the year. With close to 40 000 employees, the BSC sector has grown to become one of the most important pillars of the Slovak economy.

The conference included a special government-business talk which featured Gabriel Galgóci and Rastislav Chovanec, State Secretary of the Ministry of Economy of the Slovak Republic. They discussed the lack of qualified workforce currently troubling not just the BSC sector but the entire Slovak economy. The other problem that BSCs face is the need to spend precious time and resources on retraining young graduates they employ. As Rastislav Chovanec com-

mented, a complex reform of the educational system may still take a while, which makes other short-term solutions more accessible. These include closer collaboration with the universities, or financial support from the state for retraining graduates to meet the demands of higher level positions in BSCs.

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**The honeymoon period is over. The days of the high-volume entry level jobs flooding into Slovakia, those are mostly done.**

PAUL BURT, ISC Location Leader and Managing Director, IBM

The vision of the BSC sector conveyed by Mr. Chovanec trusts that it will maintain its dynamic when it comes to growth, but also when it comes to adapting to the changing global trends and the needs of the global headquarters. Slovakia should profit from the growing importance of big data in smart industry and the BSC sector offers the ideal foundation to process and analyze this data. However, as he stressed, further potential for growth of the sector is not in Bratislava, which already has full capacities, but in the regions.

Over the past fifteen years, the BSC sector in Slovakia has expanded dramatically and the type of tasks performed at these centers has evolved. The speakers on the first panel discussed these changes and the implications for the future of their sector in Slovakia. Martin Bednár, Vice President, Dell, set the tone of the debate by stating that the BSC sector in Slovakia is already at a high level and has achieved a lot - the question now is whether it can continue to develop or it will stagnate as other markets will be able to offer better conditions. The digital transformation serves as an opportunity for other countries to adjust and offer better conditions to attract BSCs. The competition doesn't include only countries from the region like Poland, Czech Republic, or Hungary but also India, China, Malaysia, or the Philippines. As the panelists explained, when the decision where to place another 1000 jobs is being made at the company headquarters, minor



**RONALD BLAŠKO**  
Executive Director of AmCham Slovakia



**GABRIEL GALGÓCI**  
BSCF Chair, AT&T Slovakia Country General Manager



**RASTISLAV CHOVANEC**  
State Secretary of the Ministry of Economy of the Slovak Republic



details and signals regarding the business environment may be of crucial importance.

As the transactional type of work continues to change towards more complex work with higher added value, the Slovak market is becoming a limiting factor for the further development of BSCs. Paul Burt, ISC Location Leader and Managing Director, IBM, humorously summarized, "The honeymoon period is over. The days of the high-volume entry level jobs flooding into Slovakia, those are mostly done." Adding, "The help that we need from the outside is in terms of the predictability of the business environment."

A little surprisingly, when the panelists discussed the quality of the local educational system and the need to retrain university graduates, they all complained about the lack of soft skills. Kristína Gaál Drobcová, Vice President Global Business Services, Johnson Controls, said, "The main thing that lacks in the Slovak educational system is that university graduates lack critical thinking." She explained that this translates into a lack of communication, presentation, and cooperation skills, or the ability to use theoretical knowledge in real situations.

The second discussion panel following a coffee break turned the attention towards trends and processes which are reshaping economies and industries at the global level. As Christian Schulz, Head of SSC, Henkel, remarked, "We can talk about what is ahead of us but we are already in the middle of it; we are already in the midst of a transformation which is ongoing." For BSCs looking to fill new positions this means "a gradual transformation to advanced cognitive skills and communication skills and a critical mindset." This results in prolonged retraining, as the onboarding process for new employees has extended from a couple of months to a full year for some positions, which is a big challenge for BSCs. BSCF addresses these issues through its active involve-

ment in education activities, such as the "Skills for success" course offered to students at the University of Economics, or the "Trained the Trainer" program focused on university teachers. That is also why the entire afternoon part of the conference was dedicated to high school workshops led by high level BSC representatives.

As Gabriel Galgóczi summarized, "Slovakia still has a leading position in the BSC sector but in order to maintain it, it needs support from academia and the government." Fifteen years ago, very few experts would have predicted the stage of development BSCs have managed to reach in Slovakia. As the business landscape constantly changes, new challenges arise and today's situation is not so unique. With the resolve and dedication demonstrated at this conference we can be very hopeful that Slovakia will continue to play a significant role in the shared service industry.



**PANEL 1: FUTURE SCOPE OF BUSINESS SERVICES – FROM COST SAVING TO GLOBAL QUALITY SERVICE VALUE**  
From left: **Kristína Gaál Drobcová**, Vice President Global Business Services, Johnson Controls; **Martin Bednár**, Vice President, Dell; **Paul Burt**, ISC Location Leader and Managing Director, IBM; and **Maroš Čuchta**, COO, Advanced Technology Center, Accenture



**PANEL 2: BSC 4.0 - HUMANLY DIGITAL TIMES**  
From left: **Christian Schulz**, Head of SSC, Henkel; **Wolfgang Fischer**, CEO, Zurich Insurance Company; and **Peter Dvornák**, SSC Manager, Faurecia



**HIGH SCHOOLS WORKSHOPS**  
**Lucia Dítěťová**, Manager, Trexima



**HIGH SCHOOLS WORKSHOPS**  
**Ivana Molnárová**, CEO, Profesia.sk



**HIGH SCHOOLS WORKSHOPS**  
**Gabriel Galgóczi**, BSCF Chair

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