

Business Support Services

“All business operations can be reduced to three words: people, product and profits. Unless you’ve got a good team, you can’t do much with the other two.”

*Lido Anthony “Lee” Iacocca
American businessman known for his
revival of the Chrysler Corporation
in the 1980s
(* 1924)*



REASONS TO INVEST IN THE CZECH REPUBLIC

According to the Ernst & Young European Attractiveness Survey from 2009, Central and Eastern Europe is considered to be the most attractive business location over the next three years and ranks ahead of China, India, Russia and Western Europe. The Czech Republic has maintained its stable position and remains one of the leaders of the region. Furthermore, the Economist Intelligence Unit forecasts that the overall FDI per capita into the Czech Republic will be the highest in the region by 2011.

The Czech Republic has traditionally belonged among developed industrial countries. The country's orientation has been changing dramatically during past 20 years from an industrial hub in Central and Eastern Europe towards more services focused economy. Business Support Services sector belongs among the most dynamic ones.

TEN + ONE REASONS TO LOCATE A SHARED SERVICES CENTRE IN THE CR

- Location in the very heart of Europe – only a two-hour flight to most European cities
 - Skilled, motivated, loyal and cost effective workforce
 - Multilingual workforce suitable for international services projects
 - Developed ICT infrastructure
 - Highly developed transport infrastructure
 - Abundant A-class office space available in both the capital and regional cities
 - Political and economic stability
 - Data protection respecting all EU rules
 - Positive approach of the government, financial support for BSS projects
 - Number of quality locations, proven market for BSS projects
- + One of the most attractive places to live!**

PEOPLE FOR GROWTH

According to an in-depth study of Augur Consulting of the Czech labour market, more than 87% of Czechs are able to speak at least one foreign language, about 28% two foreign languages and nearly 25% three foreign languages. English, German, Russian, French, Spanish, Italian, Polish and Slovak are the most widely spoken foreign languages in the Czech Republic.

According to a report by GlobalSourcingNow the Czech Republic is expected to join the KPO industry and become an important player. Fertile soil for KPO operations is being prepared not only by a large number of BSS centres that have invested heavily in employee training and development over the years but also by over 22 universities located in Prague, Brno and Ostrava that offer a growing number of MBA courses.

The global organisation of professional accountants (ACCA-Association of Chartered Certified Accountants) has entered into cooperation with universities in the Czech Republic.

CzechInvest realizes that today's companies need to be more creative in finding talented employees. That's why CzechInvest launched the HR Activity to connect educational institutions and business environment. Other BSS supporting activities are HR Club and SSC Discussion Forum where HR managers and SSC representatives meet regularly to share their experiences and discuss common issues in the industry.

"In 2005 we chose Prague as the location for our centre of business support services mainly thanks to the sufficient availability of workers with professional and language skills on the given labour market and also thanks to the macroeconomic stability of the Czech Republic. The initial plan to hire 80 new employees and to offer services only in the field of processing financial documents for selected European countries soon had to be rethought. Now more than 250 colleagues offer services to partner organizations of Johnson & Johnson in many other financial processes within Europe as well as the United States. Prague turned out to be the correct choice."

David Mansfeld, Managing Director, JNJ Global Business Services

INVESTMENT CASE STUDY

DSG International PLC (DSGi), one of the largest European retail businesses specializing in electrical appliances and electronics opened its Group Shared Services Centre in Brno in September 2007. The centre provides financial and transaction services to the DSGi Group.

The main scope of the DSGi SSC in Brno is to develop a system of invoice and payment processing for customers and suppliers in several European countries. Brno was chosen as the centre's location as it best fulfilled the selection criteria (including workforce availability, quality and cost of available office space, regional tax policy and political stability) in comparison with Prague and other potential locations in Central and Western Europe. Future expansion of the project is a possibility. *"We were searching for a stable location with the potential for finding trained specialists at a reasonable price, people who would be motivated by the possibility of having a career in a powerful pan-European group,"* says Kevin O'Byrne, Chief Financial Officer, DSG International PLC. Currently the company employs over 200 people supporting 14 countries in 7 languages and offers a range of part-time and full-time positions.

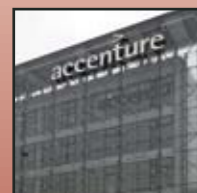
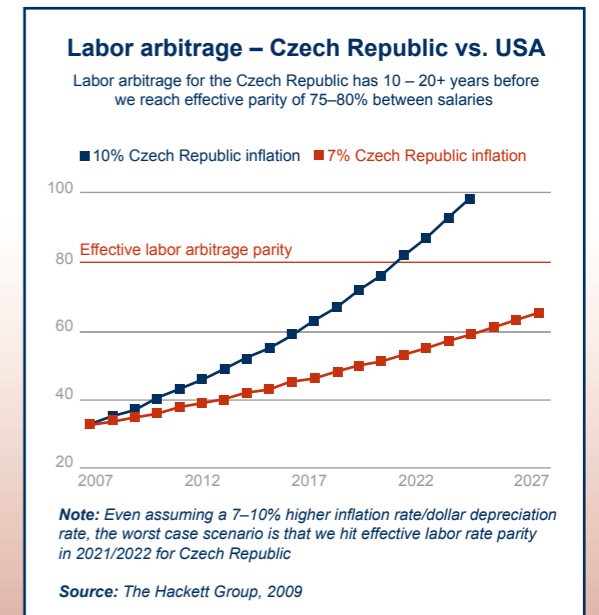
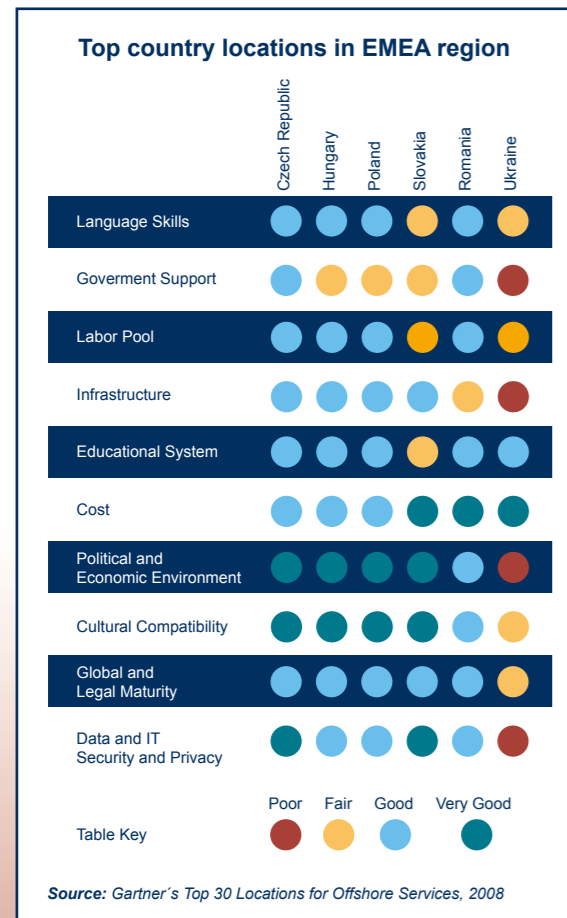
CZECHINVEST'S SERVICES

- Full information assistance
- Tailor-made visits
- Maximisation of networking capacity
- Handling of investment incentives
- Access to EU structural funds
- Business properties identification
- Business infrastructure development
- Supplier /JV/ acquisition partner identification

EDUCATION SYSTEM

The Czech Republic has a strong, fully developed education system combining secondary schools, higher professional schools and universities. The service sector can therefore benefit from extensive pool of educated, multilingual and skilled labour. At present, over 370,000 people are studying at 26 public and 45 private universities around the country.

The majority of students are focusing on economic and humanities subjects. The country's 84 universities with focus on finance, economics, law and ICT faculties turn out more than 29,000 graduates annually with this number growing every year.



2001

Accenture established its European BPO delivery centre in Prague



2003

Construction of majority of office business parks was started in Prague



2004

DHL in Prague – the highest investment in the service sector within CEE



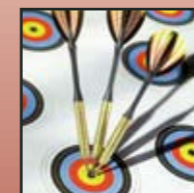
2005

Business potential in secondary cities – new projects to regions



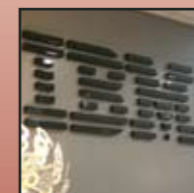
2007

ICT and Business Support Services – financial programme launched



2008

Further expansions in regions – Brno, Ostrava, Pilsen, Olomouc, Pardubice



2009

IBM in Brno – 600 clients worldwide, employs more than 3,000 IT specialists



2010

Brno was awarded as the Central European City of the Future

SELECTED SHARED SERVICES CENTRES
IN THE CZECH REPUBLIC



PRAGUE:

Accenture
Algeco
Ariba
Covidien
CSC
DHL IT Services
eBay
ExxonMobil
Honeywell

InBev

Johnson & Johnson
Monster WW
Regus
SAP
SITA
Siemens
...

BRNO:

DSG International
IBM GSDC
Infosys BPO
Lufthansa
Monster WW
Motorola
PPG Industries
...

OSTRAVA:

GE Money
HSBC
OKIN GROUP
Siemens
...

OUTSTANDING QUALITY OF LIFE

The Czech Republic boasts extraordinary quality of life.

The IMD World Competitiveness Yearbook's Quality of Life Index ranks the country twentieth in the world and first in the CEE region. But one must experience the local cultural heritage, sport facilities and natural beauty to fully grasp the joys of living in the Czech Republic.

The country offers a full range of services that are required by expatriates and their families, including multilingual international schools covering all levels from kindergarten to MBA studies, attractive housing, shopping malls and first-class recreational facilities including over 80 golf courses and 12 UNESCO heritage sites.



**CZECHINVEST'S
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