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BUSINESS PROCESS OUTSOURCING – HOW TO GAIN AN ADVANTAGE IN A COMPETITIVE ENVIRONMENT? THE CASE OF LUBLIN

Summary. The BPO sector has been developing for nearly 40 years throughout the world. The trend was started by a small group of American companies and is currently practiced worldwide by a wide range of firms. The purpose of this article is to present the investment attractiveness of Lublin on the background of Poland's ITO and BPO projects. For the implementation this objective a method for statistical data analysis and a descriptive method have been adopted. Before the article was written a hypothesis was put forward that the competitiveness of the location of BPO/ITO is determined by the investment climate: the availability of office space, competitive prices for rent, human capital, and support for investors by the local government. The article presents the attractiveness of the investment potential of Lublin based on past Polish ITO and BPO projects. The advantages of Lublin is its wide availability of well-educated workers, more than 20 thousand graduates per year, the low risk of employee turnover compared to other cities, the rapidly growing market of office space, the synergy of science and business, and the Lublin Airport and its growing number of direct flights to other European destinations. This article presents the case study.

Keywords: BPO, ITO, attractiveness, investments

BUSINESS PROCESS OUTSOURCING – JAK BUDOWAĆ PRZEWAGĘ W KONKURENCYJNYM OTOCZENIU? PRZYPADEK LUBLINA

Streszczenie. Sektor BPO rozwija się na świecie już od prawie 40 lat. Trend ten został zapoczątkowany przez niewielką grupę korporacji amerykańskich i obecnie jest praktykowany przez szerokie grono firm na całym świecie. Celem artykułu jest prezentacja atrakcyjności inwestycyjnej Lublina na tle Polski dla projektów ITO i BPO. Do realizacji postawionego celu została przyjęta metoda analizy danych statystycznych i metoda opisowa. Przed artykułem została postawiona hipoteza, iż konkurencyjność lokalizacji sektora BPO/ITO determinuje klimat inwestycyjny: dostępność powierzchni biurowych, konkurencyjne ceny wynajmu, kapitał ludzki, wsparcie inwestorów przez władze lokalne. Przewagą Lublina jest szeroka dostępność dobrze wykształconych pracowników, powyżej 20 tys. absolwentów rocznie, niskie ryzyko rotacji pracowników w porównaniu do innych miast, szybko rozwijający się rynek powierzchni biurowych, obecność synergii nauki i biznesu oraz Port Lotniczy Lublin z rosnącą liczbą lotów bezpośrednich do innych destynacji w Europie. Artykuł stanowi studium przypadku.

Słowa kluczowe: BPO, ITO, atrakcyjność, inwestycje

1. Introduction

BPO (Business Process Outsourcing) is the transfer of certain processes in a company to external suppliers[1]. Another notion is that of SSC[2] (Shared Service Centers), which are centers created inside the capital group of a company, in the shape of a separate department or company with 100% capital from the parent company, offering services for its parent company and its customers, e.g. Orange, PKO and BP. Companies under pressure of global competition and reduction of operational costs are forced to find cheaper solutions, like outsourcing or offshoring – understood as the commissioning of the process to another location. In the terminology of business outsourcing we can also find the terms onshore outsourcing/nearshoring[3], which is the commissioning of a process outwards, but it remains in the country or region (EMEA, CEE). Offshore outsourcing/offshoring[4], on the other hand, is commissioning a process to a distant location (e.g. UK-India, USA-Poland). Similar to it is captive offshoring[5] – completion of processes for one's own capital group or territorially scattered company via a distant shared service center.

2. The concept of competitive advantage

There are many definitions of competitiveness. According to one of the most prominent economists, M. Porter, competitiveness does not follow from the general economic situation

[1] Power M.J., Desouza K.C., Bonifazi C.: Outsourcing. Podręcznik sprawdzonych praktyk. MT Biznes, Warszawa 2009, s. 20.
[2] Porębska A.: BPO – najważniejsze informacje, http://outsourcing.edu.pl/pl/article/details/type/advise/id/167, 4.09.2015.
[3] Rybiński K.: Globalizacja w trzech odsłonach, offshoring – globalne nierównowagi – polityka pieniężna. Difin, Warszawa 2007, s. 31.
[4] Ibidem.
[5] Ibidem.

of the country on macro scale, but from the competitiveness of particular sectors of the economy. M. Porter added to the concept of competitive advantage by adding two factors to those given by the economist J.H. Dunning[6]. After this change, the concept assumes that the competitive advantage a country/region can be achieved through: equipment factors of production (human resources, property, capital, knowledge, and infrastructure), development of the appropriate size and structure of demand, and shaping the proper business structure. W. Bienkowski defines competitiveness as the ability to maintain long-term and profitable growth in an open economy by means of the ongoing structural changes that are in line with the trends observed in the global economy[7]. The competitive advantage of a region determines the investment attractiveness of this region, and in turn, the investment attractiveness of a region, ie. the place for investment, is of interest to investors[8].

3. What advantages does a BPO have?

BPO gives the possibility to focus on core operations, thus giving a higher level of competitive potential and gaining more time for conducting core business activities on micro level, which is decisive for a competitive position and development perspectives. BPO also involves access to technology and human capital. First and foremost, it involves the reduction of operational difficulties, the simplification of organisational structure and cost reduction.

Statistics show that shared service centers have a considerable influence on the cutback of costs, the increase of control and growth of both process effectiveness and process scalability. On the other hand, tax exemptions offered to investors by the state are not the main reason for investment in the sector.

[6] Czudec W.: Competitiveness of the region and regional strategies. „Economy and Management", No. 2, 2010, p. 34-35.

[7] Bieńkowski W.: Reaganomika i jej wpływ na konkurencyjność gospodarki amerykańskiej. PWN, Warszawa 1995, s. 34-36.

[8] Godlewska-Majkowska H.: Atrakcyjność inwestycyjna polskich regionów. W poszukiwaniu nowych miar. Szkoła Główna Handlowa, Warszawa 2008, s. 17.

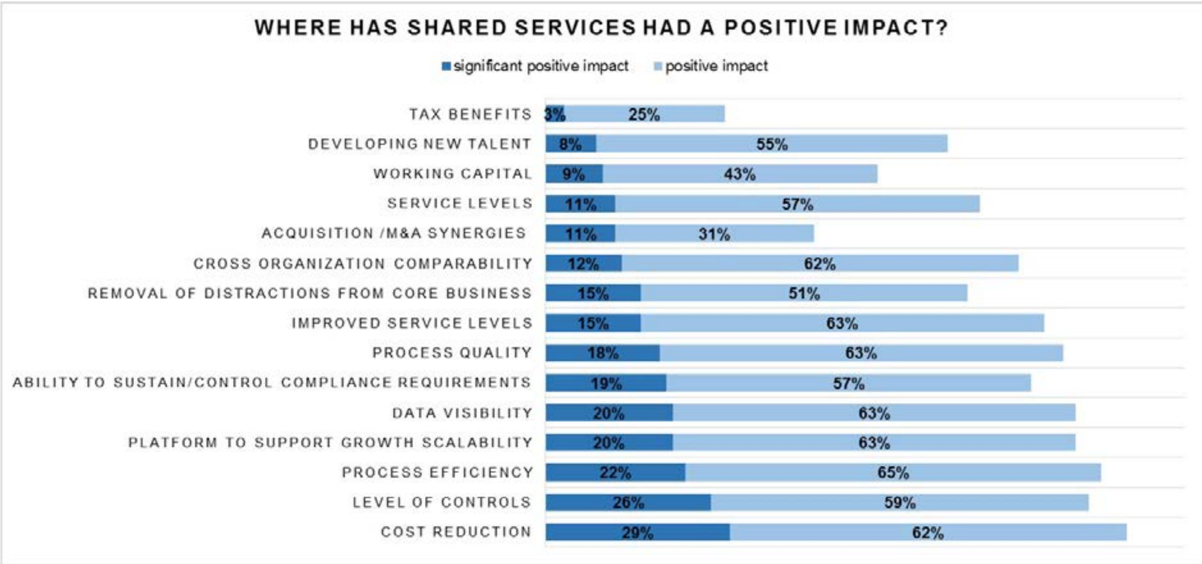


Fig. 1. Positive impact of a Shared Service Center
Rys. 1. Pozytywny wpływ usług wspólnych
Source: Own study based on Deloitte: Shared services: From "if" to "how". Insights from Deloitte's 2011 global shared services survey. 2011, p. 20.

BPO also brings with itself the threats of commissioning improper processes (which constitutes a competitive advantage), reduction of service quality and image deterioration or loss of social acceptance[9].

4. Global BPO/SSC tendencies

Considering the main tendencies in the BPO/SSC sector, the first of them is the focus of processes from multiple locations of a company into a so-called Global Business Service Centre. Companies – such as IBM, Lufthansa and Deutsche Bank among others – try to concentrate their outsourcing base in one location to have greater control over processes. Other tendencies are the popularization of new models as follows: microsourcing, crowdsourcing, cloud computing and public outsourcing. Examples of public outsourcing are MPWiK (Municipal Water and Sewerage Company), MPK (Municipal Transport Company), LPEC (Lublin Heat Supply Company) and the Lublin airport. Latin America is cost attractive for the BPO/SSC sector, especially Columbia, which is the "star" of BPO at the moment. In Central-East Europe an increase in employment in this sector is observed in Poland. Another crucial tendency is the commissioning of tax, legal or real estate processes in outsourcing or SSC. The importance of service quality increases, whereas the pressure on

[9] Deloitte: Global Shared Services Survey Executive Summary, 2011.

costs decreases. The BPO/SSC sector is treated as a stable and attractive employer[10]. Work in the industry is considered not only as a main source of employment and income, but also – as a place for a professional career. It should be emphasized that Poland has been recognized as a stable location for BPO/SSC in the Everest Group ranking next to China, India and Brazil.

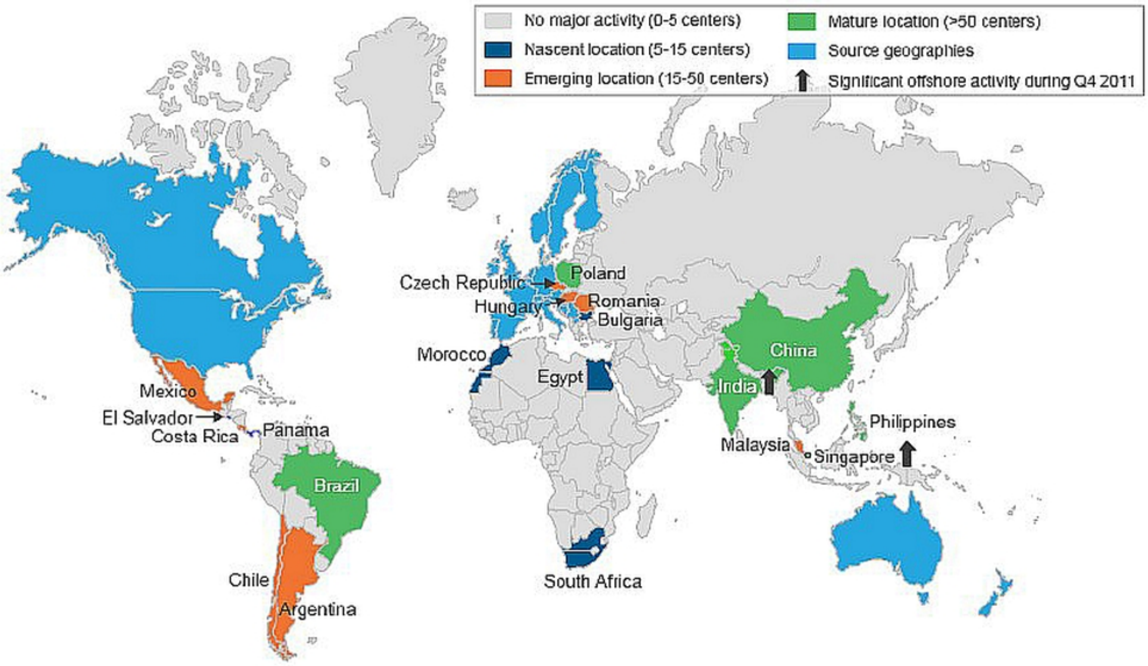


Fig. 2. BPO location in the world
Rys. 2. Lokalizacje BPO na świecie
Source: Everest Group: Market Vista: Q4 2011, https://research.everestgrp.com/Product/EGR-2012-8-R-0639/Market-Vista-Q4-2011.

BPO in Poland is developing rapidly. In the sector, Poland competes against Romania. Currently, more than 400 centres with foreign capital operate in Poland[11], whereas employee capital constitutes 110 thousand people, which is increasing by 20% on average. Employees with higher education make up for 90% of the employed, and the mean employment in the centre size is 257 people and growing. The BPO/SSC sector provides services for customers from different countries, therefore it is essential to know foreign languages. Thirty-four different languages are used in the BPO/SSC sector at the moment.

[10] Sagan M.: Rozwój i znaczenie sektora Business Process Outsourcing w Polsce i na świecie. Wydział Strategii i Obsługi Inwestorów, Urząd Miasta Lublin, 2013.

[11] Jones Lang LaSalle: Onshore, Nearshore, Offshore: Unsure? A 2013 Polish Perspective. June 2013, p. 8, www.paiz.gov.pl/files/?id_plik=20850, 4.09.2015.

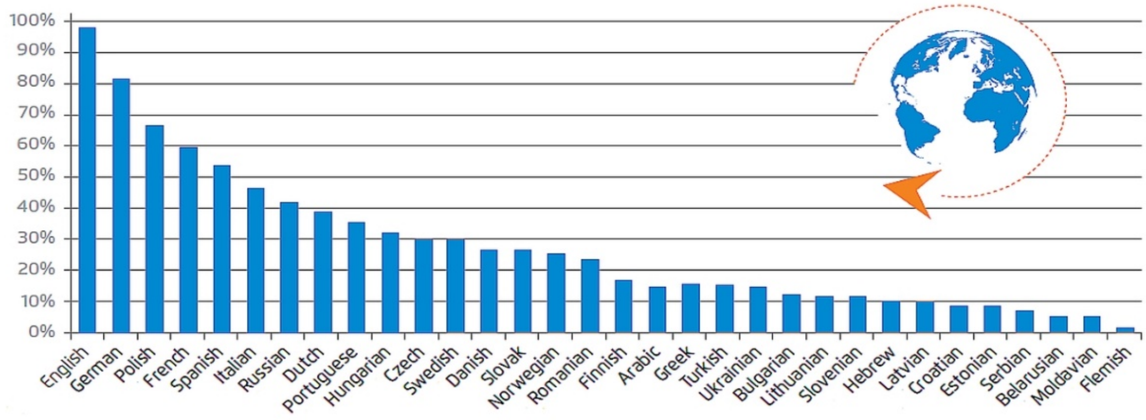


Fig. 3. Languages supported by the BPO/SSC in Poland
Rys. 3. Języki obsługiwane przez BPO/SSC w Polsce
Source: Association of Business Service Leaders in Poland: Business Services Sector in Poland 2013, p. 39.

BPO companies most often provide their services for customers in English, German, French, Spanish, Italian and Russian. As many as 98% of the BPO/SSC employees has a fluent command of one foreign language, whereas 40% of these confidently command two foreign languages. It should also be emphasized what kind of outsourcing processes are being conducted in Poland. The majority of them involve finance, accounting, IT, customer service and HR. Below is a table with percentage share of outsourcing processes.

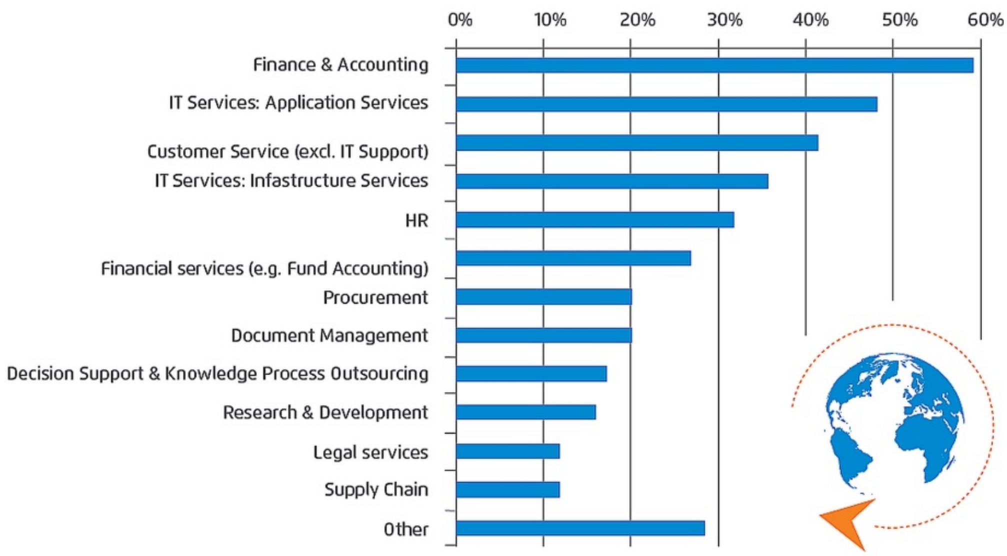


Fig. 4. Statistics of processes in Poland
Rys. 4. Statystyki procesów w Polsce
Source: Association od Business Service Leaders in Poland: Business Services Sector in Poland 2013, p. 19.

The most frequently performed processes by centres in Poland are finance, accounting and IT, with Research & Development constantly increasing.

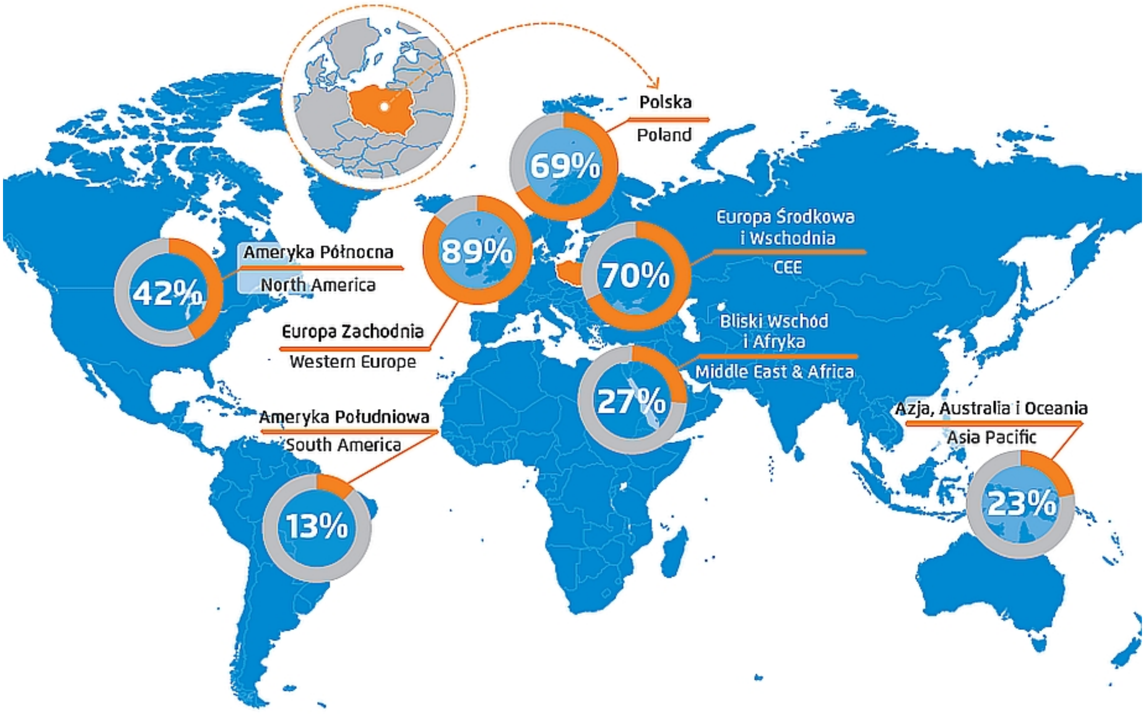


Fig. 5. Geographical coverage of services provided by the centres of foreign capital in Poland
Rys. 5. Zasięg geograficzny usług realizowanych przez centra z kapitałem zagranicznym w Polsce
Source: Association of Business Service Leaders in Poland: Business Services Sector in Poland 2013, p. 23, ABSL's own study based on the results of a survey directed to service centers (n = 71).

For 71% of them, the main region of operations is Western Europe. In Poland, as many as 69% of shared service centers are supported by foreign capital. Foreign investors, analysing key locations for BPO/SSC, are guided by the following criteria: international recognition (rankings, awards), labour costs (remuneration, employer's expenses, and benefits), quantity and quality of human capital (education, foreign languages, culture competence), available office space, cultural differences, time and climate zone, political stability and state/local investment incentives[12].

[12] Polish Information and Foreign Investment Agency: http://www.paiz.gov.pl/sectors/bss, 4.09.2015.

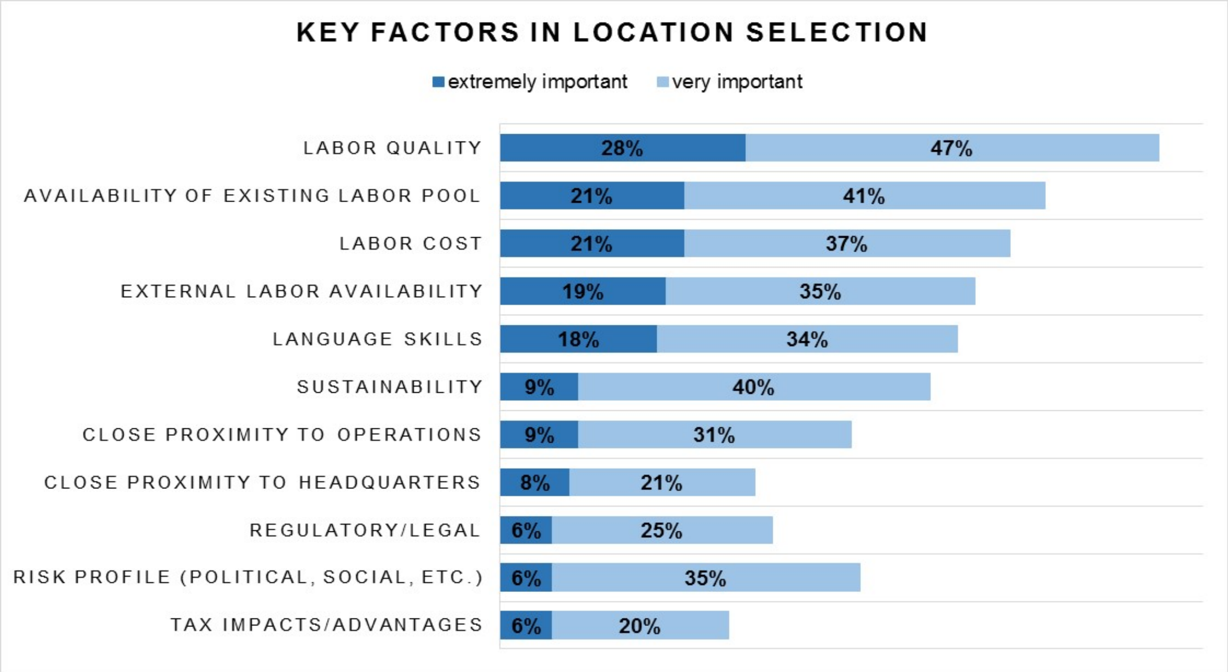


Fig. 6. Key factors in location selection
Rys. 6. Kluczowe czynniki wyboru lokalizacji
Source: Own study based on Deloitte: 2011 Global Shared Services Survey Results Executive Summary, April 2012, p. 11.

Above all, investors who want to invest their capital take notice of work quality, workforce availability, labour costs and command of foreign languages. Incentives to invest in Poland are as follows: low labour costs – one of the lowest payment rates per hour in Europe and a relatively small share of employer expenses in the overall remuneration, which may include benefits such as health care, language courses, sporting event tickets, MBA and post-graduate studies funding, etc.). From the investors' viewpoint, Poland has the edge over other euro-countries because it does not belong to the euro zone.

The map below represents the size of office locations for companies from the BPO/SSC sector. Warsaw, Cracow, Wrocław and the Tricity are at the forefront. Compared to other cities, Lublin is ranked quite high: at the moment, the size of office space constitutes app. 137 539 sq yd, whereas new ones are under construction. The main competitor of Lublin is Kielce, where BPO has recently been developing rapidly.

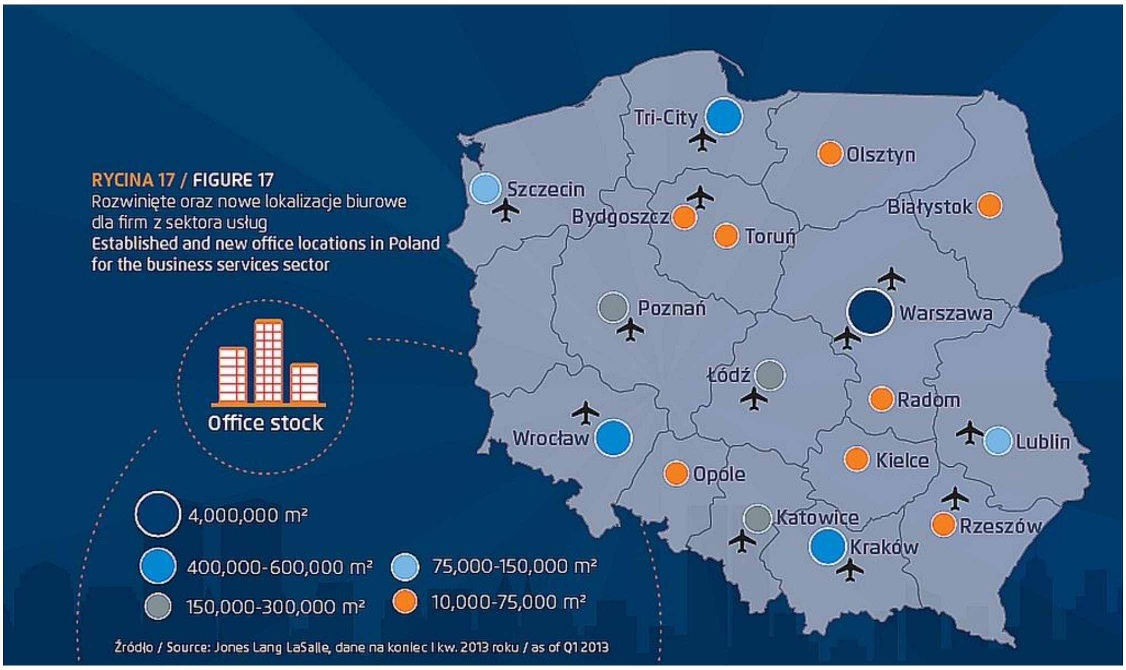


Fig. 7. Office space in Poland
Rys. 7. Powierzchnie biurowe w Polsce
Source: Association of Business Service Leaders in Poland: Business Services Sector in Poland 2013, p. 57.

5. BPO/SSC in Lublin

BPO is a rapidly-developing industry not only in the Lubelskie province, but also in Lublin itself. BPO operations involve the creation of service centers providing complex services in IT, accounting, finance, customer service, medical/spa therapy and the conduction of scientific research. The most significant potential of the industry lies in Lublin. Among other things, the city has the following assets: an increased unemployment rate in comparison to other Polish cities, well-developed university courses, considerable demand for an educated workforce and relatively low labour costs.

BPO/SSC is developing dynamically in Lublin. At the moment, there are over 3 500 employees in the industry. The potential in the city is for 10 000 workers, though, to achieve this additional employment of 6 500, extra office space is required. The average area of office space is 11 sq. yds./person[13].

In the city, there function customer service centers (call and data centers), ITO, finance, accounting and shared service centers, such as Proama, Warta 24 and PKO BP. Services are provided chiefly in Polish. The banking, insurance and telecommunication sectors are the

[13] Sagan M.: Rozwój i znaczenie sektora Business Process Outsourcing w Polsce i na świecie. Wydział Strategii i Obsługi Inwestorów, Urząd Miasta Lublin, 2013.

main employers. Customer service and ITO/IT is developing rapidly in Lublin[14]. Investment incentives drawing investors to Lublin are chiefly: exemption from income tax in Special Economic Zones and a three-year exemption from property tax. Additionally, there are government grants for companies which create over 200 workplaces. In such cases, a number of workplaces may be subsidized from EU funds. The support of the Municipal Labor Office in the form of traineeships and technical equipping of the workplace is also crucial.

Lublin is a large academic center. Universities, along with their scientific and research bases, constitute one of the most important assets of the city for the development of IT and business services based on knowledge and cutting-edge technologies (BPO/SSC). The availability of qualified staff, the business-friendly atmosphere, competitive costs and improving the bus/trolleybus service system are crucial incentives for investors seeking new, optimal locations for their state-of-the-art centers. In Lublin, over 80 000 students on average are educated yearly. Lublin is one of the chief academic centers in Poland – the biggest in the east of country. Nine universities combined account for over 75 000 students, including approx. 3 000 foreigners (data for the 2013/2014 academic year), which places Lublin fifth in Poland in respect of foreign students. The majority of them comes from Ukraine, USA, Taiwan and Norway. Human capital is one of the greatest assets of the city, enabling the development of modern services for business[15]. Taking into consideration the ratio of the number of students to the general city population of 348 120 residents, Lublin is the leader when it comes to the number of educated and ambitious young people. In studies associated with modern business services, the biggest number constitute the students of law and administration (approx. 9 000), economy (3 000) and finance and accounting (over 2 000). Foreign language students are also numerous (over 3 000), with special emphasis, besides the common fields of study, on Dutch Philology or Slavic studies with Bulgarian, Ukrainian and Belarussian. A Portuguese teaching centre has an established position in the city, and one can also study Chinese since recently[16].

IT also constitutes a key potential (approx. 2 200 IT students) with related fields, such as IT education, mathematics and electronics (approx. 5 800 students). The number of IT specialists employed in Lublin companies is significant as well, which is estimated at over 5 000 people. In order to support the IT industry development, The Lublin Municipal Council, in co-operation with the Eastern ICT Cluster, is implementing a project entitled “The Lublin IT Plateau”. The initiative is to emphasize the IT potential and the creation of a friendly atmosphere for the development of industry in Lublin.

[14] Association of Business Service Leaders In Poland: Business Services and ICT Sector in Lublin. 2014, p. 3-6.
[15] CBRE, Hays Report, BPOland Investors’ guide, Warsaw 2013, p. 10-13.
[16] Association…, op.cit., p. 17.

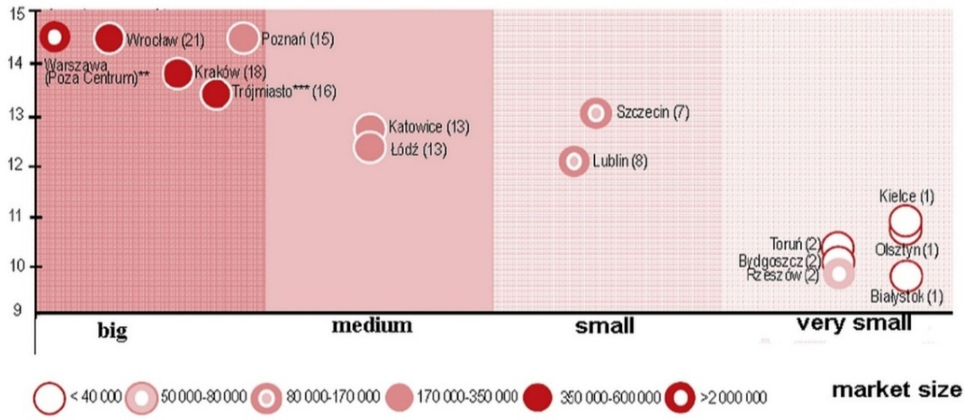
6. Office space in Lublin

In terms of demand, Lublin is placed ninth as far as the office market is concerned in Poland and is the largest region for modern offices in eastern Poland. The overall amount of modern office space intended for rent is approx. 132 000 sq. yds.. An additional 24 000 sq. yds. of modern office space is located in buildings that are erected for a company's own needs, such as banks or financial institutions. As little as 10 years ago, there were approx. 33 500 sq. yds. of modern offices in Lublin. With the development of the service industry in Lublin, other buildings were erected in succession, built mainly by local developers. Today, the existing office space in Lublin exceeds 137 500 sq. yds.. Only in 2011, as many as 27 500 sq. yds. of offices were put into use. At the moment, approx. 72 000 sq. yds. of office space is under construction, including approx. 16 500 sq. yds. in the sub-area of Lublin. Projects being implemented are as follows: Nord Office Park A, B and C (over 15k sq. yds. in 2013/2014) and JPBC Business Center (approx. 5 700 sq. yds., in the second half of 2013). Excluding projects under construction, the following are in the planning stage: Wikana Business Park within the EURO-PARK Mielec, the Special Economic Zone (two buildings of app. 16 700 sq. yds.) and Czechowska Center (approx. 2 400 sq. yds.). Office investments are to be built in the trolleybus depot at the junction of Kraśnicka and Nałęczowska streets, where the local government, through rezoning and a development plan, gave permission to build 55-meter high office buildings[17]. Analysing the arrangement of modern office space in Lublin, we can observe focal points mainly: along Zana and Wallenroda streets – in this area the first office buildings were built in the city (Zana Center I and II, along with Zana 43); currently this area offers nearly 70 000 sq. yds. of space to use (which constitutes over 60% of the already-existing modern office space in Lublin). Gray Office Park, the biggest office complex, is located here as well, comprising of four buildings of approx. 39 000 sq. yds. in total space, built between 2007-2011. The remaining 40% of existing office space (app. 41.5k sq. yds.) is placed along the following streets: Witosa, Wojciechowska, Lubartowska, Lucyny Herc, Jana Pawła II and Związkowa. With the completion of Nord Office Park office complex, areas around Szeligowskiego and Północna streets will be the new office region in Lublin. It should be emphasized that the office location most in demand, especially for bank or law offices, is the area of Krakowskie Przedmieście and its adjacent streets, such as: Chopina, Jasna, Krótka and Lipowa. There are renovated tenements in that place, offering office space of about 239 sq. yds.[18].

[17] CBRE…, op.cit., p. 8.
[18] Association…, op.cit., p. 15.

Fig. 8. Modern office space market in Lublin
Rys. 8. Rynek nowoczesnych powierzchni biurowych w Lublinie
Source: Association of Business Service Leaders In Poland: Business Services and ICT Sector in Lublin, 2014, p. 16.

In Lublin, eight locations of app. 1 200 sq. yds. of office space are available. An investor has eight options for a place to make an investment in the city.



* takes into account the perspective of a single tenant: each option means a building with the availability of over 1 200 sq. yds.
** the number of options in Warsaw is much higher than in other major office markets in Poland (77)
*** Gdańsk, Gdynia, Sopot

Fig. 9. Availability of modern office space in square yards)
Rys. 9. Dostępność nowoczesnej powierzchni biurowej w jardach[2]
Source: Jones Lang LaSalle Research: Rynek biurowy w Polsce. II kwartał 2013.

The above data are indicated by investment companies. The factor encouraging the establishment of operations in the city are also the prices of rent of office space in Lublin, which oscillate between 11-13 EUR/1.2 sq. yd.

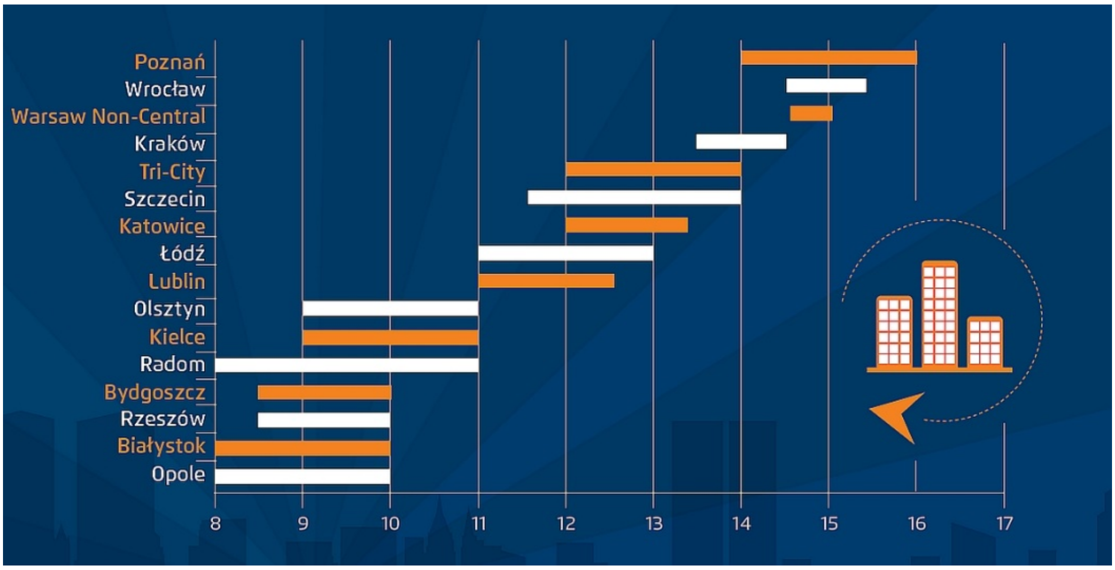


Fig. 10. Cost of office space (€/sq m/month)
Rys. 10. Koszty powierzchni biurowych za m^2 w euro
Source: Association of Business Service Leaders in Poland: Business Services Sector in Poland 2013, p. 61.

At the same time, the city is preparing more areas for the erection of office buildings, among them the office district in Helenów, where, in place of the current Municipal Transport Company depot of Lubelskie City are to be built service firms, office blocks and blocks of flats. Additional space for service companies, which is going to be created as a consequence of the project, may even reach up to 240 000 sq. yds.. Lublin is a city which can boast its assets, giving it a competitive edge in the choice of BPO-center locations for investors. First and foremost, these are:

– wide accessibility of well-qualified employees,
– over 20 000 university graduates yearly,
– increasing number of foreign students in full-time studies,
– low risk of staff turnover by comparison with other cities,
– competitive remunerations,
– dynamically-developing office space market,
– rent rates are to 20% lower than in central and western Poland,
– Lublin airport and the increasing number of flights to major European cities.

BPO is still developing in eastern Poland. Currently, the following BPO companies operate in Lublin: Polish Marketing Center (Third Department), Medicover (the Synevo medical and diagnostic laboratories), TP SA [plc] Center for Accounting Operations, the Syntea development center, and Genpact[19]. Genpact, an Indian BPO specializing in financial and accounting services, has decided to place its second service center in Lublin. The first Polish department of the company was established in Wrocław in 2006. The center in Lublin became operative in 2008. The main factors for this location were its availability of skilled staff, low costs of running the company in Lublin, accessibility to investment incentives using EU funds, and support during the stage of planning, which the company received from the municipal authorities. Due to co-operation with the authorities, the company was able to begin the investment within five months, as well as employ 110 people and soon begin serving customers. Three hundred people are employed, but the number may increase, which is dependent on external commissions of the company. A main asset of Lublin, which is decisive when choosing a city, is its specific location. The Genpact center sought a location which would provide access to employees commanding Slavic languages, such as Czech, Slovak and Russian. The company also emphasizes that 90% of those employed in the Lublin center have higher education, where 84% have experience in accounting. Business service leaders in Lublin are as follows:

- Orange Customer Service (200 people).
- Retail Customer Service Center PKO BP (700 people).
- Centre for Accounting Operations (COK) Orange Poland (1 500 people).
- Genpact Poland [ltd] (300 people).
- Leader Sp. z o.o. [ltd].
- Infinite Sp. z o.o. [ltd].
- Proama (270 people) – besides typical sales, they also invest in accounting and IT, and plan to move their marketing base from Warsaw to Lublin.

IT leaders are as follows:

- Asseco Business Solutions S.A. [plc] (300 people).
- Compugroup Medical Poland Sp. z o.o. [ltd].
- Britenet Sp. z o.o. [ltd] (120).
- Sii Sp. z o.o. [ltd] (105).

Furthermore, Lublin is the seat of the Lublin Teleinformatics Cluster, which is an organization for people and companies working in the widely understood teleinformatics industry. It aims at supporting innovation, and at promoting companies, institutions, local self-governments, products, services and staff. On the other hand, there is the Eastern ICT

[19] Hays, Invest in Poland: 10 lat sektora nowoczesnych usług biznesowych w Polsce, Warszawa 2014, s. 32.

Cluster, which is an organization of 97 firms from the IT and telecommunications industry aiming at achieving a competitive edge and the development of innovative ventures. A novelty in BPO is the development of Knowledge Process Outsourcing. Syntea Business Solutions, whose shares were bought by Aptech ltd., headquartered in Mumbai, operates in this field.

It pays for the companies to establish themselves and move IT departments here. Salary expectations in Lublin are not as high as in other cities, and is therefore competitive in this respect. In addition, numerous specialists in IT are educated in Lublin. Salary levels are crucial to competitiveness when considering that they are lower by half when compared to those in Warsaw. This difference translates into the feasibility of the functioning and competitiveness of Lublin companies.

7. What potential does Lublin have and what can it offer to BPO/SSC?

The potential is created by the potential staff, which is approx. 80 000 students and approx. 20 000 graduates yearly, and approx. 137 500 sq. yds. of existing modern office space and approx. 71 500 sq. yds. of office space under construction. The oversaturation of bigger cities, such as Cracow and Wrocław among others, gives Lublin a better chance. In these cities, access to employees is more difficult currently, whereas in Lublin there is less competition on employer market – and as a consequence, it is easier to find an employee. Additionally, life quality is increasing in Lublin[20], which is associated with a number of investments in infrastructure, culture and sports. However, a problem for Lublin may be the low number of mid-level staff – managers are lacking in the BPO ecosystem. The city has a chance to take advantage of graduates of economic studies who can make for different levels of hierarchy in the workplace. Lublin is the leader in respect of expenditure on investments planned in this year's budgets when compared to other cities. Taking investment dynamics into consideration, in 2013 only Katowice and Łódź were ahead of Lublin. In 2013, municipal investments amounted to PLN 667 million, though in 2014 they may have increased to PLN 700 million. The money is allocated for the implementation of modern solutions in bus services, as well as the construction of recreational and sports infrastructure, eg. the municipal stadium and the olympic swimming pool[21].

[20] CBRE, Hays: report: BPOland Investors’ guide, Warsaw 2013, p. 16.
[21] „Outsourcing & More”, No. 1, 2013, p. 50-54.

8. Undertakings of city for BPO/SSC in Lublin

1. The opening of Lublin Airport, where at the moment, new air links are being prepared to open from spring of this current year.
2. Space planning in terms of office blocks (the Helenów district) near Kraśnicka street, where the city authorities plan to place approx. 239 k sq. yds. of modern office space by the end of 2015.
3. Co-operation between universities (especially with the MCSU Faculty of Economics) in regards to attracting students to the city and implementing curricula crucial for the sector.
4. Promotion of the city during events dedicated to the sector, along with press articles and presentations.
5. The promotion of the sector among the city residents.

9. Conclusion and recommendations

Taking location into consideration and the activities aimed at increasing the potential of the city, the activities which sponsor a close co-operation between major education centres is significant. This is true especially between universities, high schools and language schools – in terms of reviewing curricula with emphasis on foreign languages and managerial qualifications, and quality improvement of the work force in Lublin through the preparation of training for the city (as in post-graduate studies). A good exploit would be to prepare a plan for the promotion of the city through the co-operation of local representatives of BPO/SSC, which would increase the attractiveness of Lublin as a place to live. The city should participate in a program, such as “The city ambassador” program. In respect of human resources, a key action to take could be a plan for a system of incentives for BPO/SSC offered by municipal authorities, as well as the promotion of those incentives and support for investors with an individual customer approach. From the viewpoint of expenditure and investment, it is necessary to enhance the quality of links from Lublin to other international airports. Close co-operation with real estate organizations would improve the process of granting permission through the prioritizing of office investments, ensuring a faster pace of development for office investments.

In conclusion, along with the extension of office space and the opening of the airport, the interest in placing modern service centers in Lublin has increased. Negotiations are being conducted with firms operating call centers, and running research and development centers for the IT industry. Businesses already functioning in the city are developing rapidly. Besides incentives in the form of tax exemptions in the Economic Zone, companies may count on government grants aimed at investments of major significance for the economy, offering support in the creation of new workplaces. Due to the increasing interest in Lublin as a place for investment, the city has a chance to become the most important BPO center in eastern Poland.

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