



Investment potential of the IT sector in Poznań

POZnań*



Report prepared for the City of Poznan by Experis.

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Poland is one of the most attractive business locations in Europe. Its economy is developing dynamically, providing high quality services. One of the most important assets of our market is highly qualified staff, whose potential encourages new investments.

Poznan is one of the largest cities in Poland and is recognized as a strong academic, scientific and trade center. The attractive location of Poznan, between Berlin and Warsaw, combined with access to a high number of graduates, modern office space and qualified staff makes it a very attractive investment location.

We are aware that not only macroeconomic data, but also the quality of life is important to investors. This is why we are constantly working to improve it. Poznan offers efficient city transport, recreational areas, wide cultural offer and a high-quality hotel and restaurant base as well as and various sports events.

According to our Development Strategy 2020+, Poznan focuses on modern technologies, the driving force of innovative economy. This is immensely important in today's globalized world. That is why we are proud that Poznan is one of the most important IT centers in the country.

I would like to cordially invite you to read this publication and become familiar with dynamically developing IT sector in our city. Let's do IT in Poznan!

Jacek Jaškowiak, Mayor of the City of Poznan

Dear Readers,

we are happy to present our report on the IT industry in Poznan, commissioned by the City of Poznan. The following publication provides the readers with information about the current situation, trends and investment appeal of the ICT sector in Poznan and the Poznan agglomeration. Key element of the report is a study which aimed to verify the potential, possibilities and barriers to the development of the analysed industry. The study was conducted by Experis. 25 companies representing the local IT sector were surveyed. The data was collected between September and October 2018, using qualitative methods involving surveys.

We would like to thank all the company representatives who took their time to complete the survey.

Experis Team





Investment climate in Poznan



550,000 inhabitants, 1,000,000 inhabitants in the Poznan agglomeration



Academic centre: 111,000 students (1 in 5 inhabitants is a student), 29,000 graduates, 25 high schools



Registered unemployed rate – 1.4%



EUR 21,500 GDP per capita



457,000 m² of office space, 139,000 m² under construction



In the latest edition of the CBRE "EMEA Tech Cities" ranking, which presents the largest technology clusters in Europe, the Middle East and Africa, Poznan is at the forefront of the most technologically advanced cities – as a "Growth Cluster". According to the studies, Poznan reached a 64% increase in employment in this sector over the course of the last 10 years



A compact city with a modern public transportation system



The Poznan Metropolitan Railway – quick access to the city centre from the surrounding municipalities



Direct flights from the Poznan airport to London, Copenhagen, Munich, Frankfurt, Kiev and Warsaw



Highway connection with Berlin and Warsaw



Convenient railway connection in Berlin–Poznan and Poznan–Warsaw lines. The travel time is about 2h 30min.



Selected companies which have invested in Poznan: Bridgestone, Carlsberg, GSK, IKEA, Lorenz, MAN, Nivea, Solaris, Wrigley, Volkswagen



Existing IT market

There are 12,814 companies related to the ICT sector in the Wielkopolskie Region¹. The majority of them conduct activities in the area of providing IT services (91.8%). 5.6% of companies conduct activities related to telecommunication and 2.6% – to ICT production.

Table 1. Existing ICT market in the Wielkopolskie Voivodeship

ICT Sector Segment	PKD (NACE) Code	PKD (NACE) Name	Number of business entities in Wielkopolska	Segment's share in the ICT sector
ICT Production	26.1	Manufacture of electronic components and boards	99	2,6 %
	26.2	Manufacture of computers and peripheral equipment	141	
	26.3	Manufacture of equipment	36	
	26.4	Manufacture of consumer electronics	43	
	26.8	Manufacture of unrecorded magnetic and optical media	9	
Telecommunications	61	Telecommunications	722	5,6 %
IT services	58.2	Software publishing	229	91,8%
	62	Computer programming, consultancy and related activities	9275	
	63.1	Data processing; hosting	1389	
		Repair and maintenance of computers and communication equipment	871	

Source: Own material based on the data of the Central Statistical Office of Poland

It is estimated that **53%**² of ICT companies in the Wielkopolskie Region have their registered seats in Poznan.

The number of ICT companies is growing. Last year it was 11,853 companies (of 31/07/2017), whereas in 2018 12,814 companies have been registered (of 30/09/2018) – this is an increase by nearly 1,000 companies. It is notable that nearly all new companies conduct activities related to software and IT consulting.



¹ Source: Material developed by Experis based on the data of the Statistics Poland – quarterly REGON tables, situation as at 30/09/2018.

² Source: The raport of Voivodeship Office of Wielkopolska, "ICT sector on Wielkopolska labour market".

Poznan is also a significant hub for shared service centres and outsourcing centres. Out of the 80 business service centres operating in Poznan, over 30 are related to IT, ITO or IT-oriented R&D, and another 10 have IT processes in their portfolio.

Figure 1. Profiles of selected IT enterprises in Poznan

	<p>Apollogic is a company more than 10 years of experience in specialised IT consulting, offering services in ERP, CRM, SRM, Business Intelligence, Big Data and creating and developing business applications. Apollogic also offers implementation of innovative IT solutions in the area of Machine Learning and Internet of Things.</p>
	<p>BAE Systems AI provides solutions to improve the security and operation of the global network. The company operates in four key areas: cybersecurity, counteracting financial crime, communication and digital transformation.</p>
	<p>Computacenter is a British company specialising in remote technical support and also one of the leading providers of IT services. Communicating in 30 languages, the company's employees solve their customers' problems on a daily basis.</p>
	<p>DomData AG creates innovative solutions for key economic sectors. The DomData software is used by cutting-edge banks in Poland. Their vast selection of products includes BPM class solutions, Business Intelligence, dedicated IT and consulting services.</p>
	<p>summ-it provides IT solutions, primarily in the field of databases and business intelligence. Offering comprehensive services, the company provides audits, optimisations, implementations, as well as continuous 24/7 support. summ-it's priority is the security of their customers' data.</p>
	<p>Fabres is a fast-growing outsourcing company, providing services in the following fields: Web Development, SAP Consulting and Shared Service Centre.</p>
	<p>GSK IT handles business development and implements new solutions and technologies for GSK worldwide. Highly qualified specialists working in Poznan support over 100,000 GSK employees around the world.</p>
	<p>intive is a fast-growing software house based in Munich and development centres in Germany, Poland, Argentina and the United States. intive represents an end-to-end development model, offering a wide array of specialised services to their clients (Audi, BMW, ING, Viacom, Esprit, Vodafone and much more). Over 1,500 experienced specialists support enterprises in the process of digital transformation: from product creation, through product production, testing and implementation, to maintenance.</p>
	<p>IT Company was established in Poznan in 2007. It specialises in IT services for companies. It offers comprehensive support: helpdesk, server administration, network management, IT consulting.</p>
	<p>Payworks is a global technological company providing advanced payment systems. It is a solution which allows for integrating card payment functions in applications and securely processing contactless transactions.</p>

Source: Data of selected IT enterprises





Availability of IT skills in the labour market

**Poznan is one of the main Polish hubs of IT specialists.
About 22,400 programmers work in Poznan³.**

³ Source: "Central & Eastern Europe Developer Landscape 2017" report

Table 2. Number of potential IT employees with selected technical skills

C/C++	2458
HTML	3823
JavaScript	3761
Linux	3242
MsSQL Server	187
Unix	529
Python	2185
Spring	1166
SQL	5597
Java	3378
CSS	3406
C#/.NET	2411/1279
Oracle	2002
PHP	2804
Hibernate	769
Windows Server	1096
MySQL	2645
Jboss	328
Ruby on Rails	285
Scala	200
Sybase	61
Swift	246
PostgreSQL	1284
Security Analyst/Consultant/Engineer	2297
Network Administrator	261
SAP Consultant	187
Scrum Master	625
System Administrator	499
Database Administrator	109
Helpdesk	649
Project Manager	4210
Product Manager	1327
Webmaster	271
Network Engineer	133
Software tester (manual and automation)	336
Graphic/graphic designer	2376/ 1007



Source: Experis own work based on data from the LinkedIn website. The table was prepared on the basis of technical skills declared by LinkedIn users. The presented values depend on the popularity of the web portal in Poznan.



Educational potential of Poznan

Universities offering IT studies:

Public:

1. Poznan University of Technology
2. Adam Mickiewicz University
3. Poznan University of Life Sciences
4. Poznan University of Economics and Business

Private:

1. WSB University in Poznan
2. Collegium Da Vinci
3. Poznan College of Communications and Management



6 100 – number of students in the field of Information Technologies studies in Poznan

1 500 – number of graduates of Information Technologies studies in Poznan⁴

Table 3. Examples of specialisations at the IT studies offered by universities in Poznan:

Internet of Things	Information Technology in Business Processes
Games and Internet Technologies	Computer Networks
Intelligent Decision Support Systems	Information and Communications Technology
IT Microsystems	E-business
Distributed Systems	Information Technology in Economy and Administration
Management Information System	Information Technologies and Econometrics
Data Processing Technologies	Security of Information Technology (IT) Systems
Software Development Technologies	E-commerce
Mobile and Internet of Things Applications	Graphic Design and Multimedia
Game Graphic Design	Mobile Software Developer
Programming of Games and Interactive Media	Programming
Algorithmics and Programming Engineering	Virtual Reality and Multimedia
Automation and Robotisation of Manufacturing Processes	SAP Implementation
Internet of Things Applications	Environmental SMART Technologies
Information Technologies in Automation of Production	Computer Networks and Security of Systems
Mobile Robots	Computer Technologies

Source: Experis own work based on the data of universities in Poznan

18 high schools in Poznan train their students for the profession of IT technician.

1 645 – number of people in training for the IT technician profession in Poznan

237 – number of graduates in the IT technician profession in Poznan⁵

⁴ Source: Department of City Development and International Cooperation, Poznan City Hall.

⁵ Source: Department of Education, Poznan City Hall, situation as at 31/03/2018.

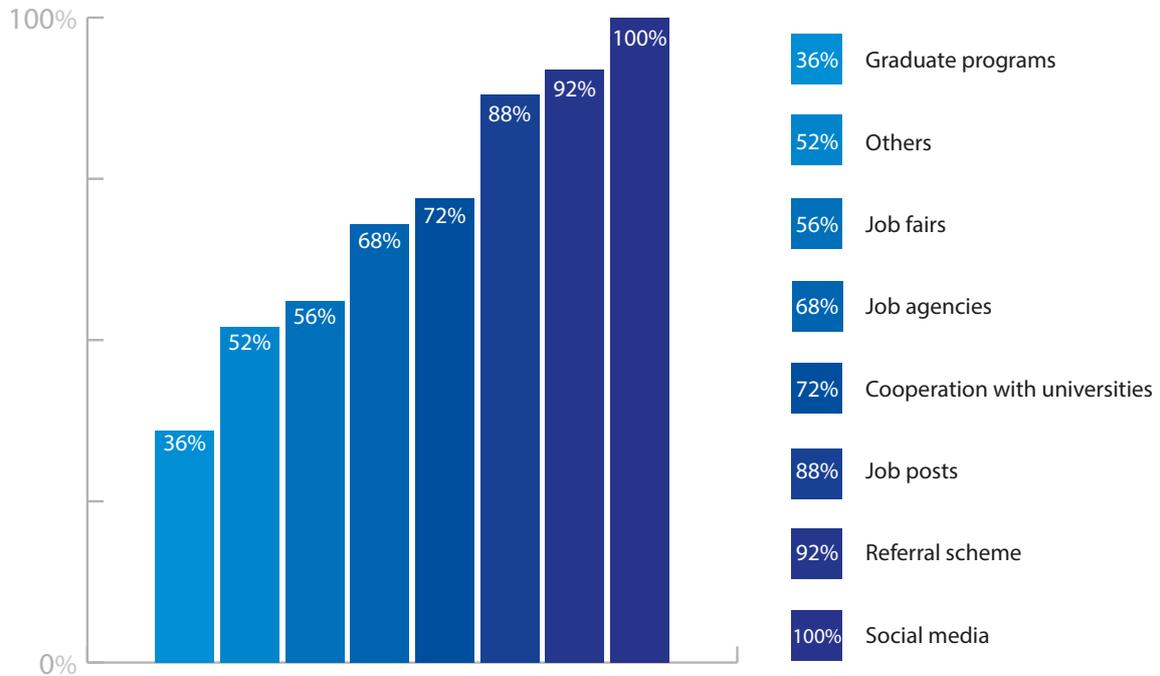


Possibilities of attracting candidates in the IT industry in Poznan

Which methods of attracting candidates are used by IT companies in Poznan and which of them are considered to be the most effective?

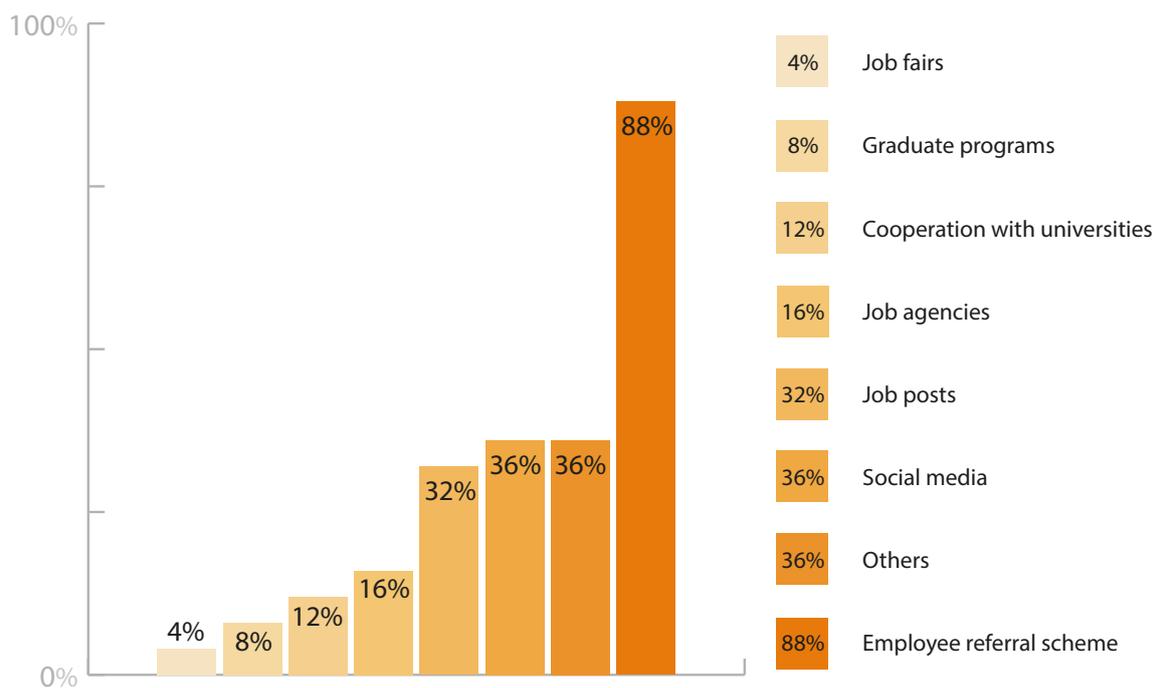
The most effective method used by companies to attract new candidates is referral scheme – confirmed by 88% of companies. IT companies are also positive about the effectiveness of social media (36%) and published job offers (32%).

Figure 2. Recruiting methods used by employers in the IT industry in Poznan



Source: Experis own data

Figure 3. The most effective methods of attracting candidates according to employers in the Poznan IT sector.



Source: Experis own data

Examples of sources and methods of attracting candidates in the IT industry:

Social media:

- company's profile in the social media, e.g. in websites such as LinkedIn and GoldenLine, promoting the company and job offers,
- company's activity within the discussion groups bringing together experts in a given sector,
- profiling posts with job offers by place of residence, age, gender, interests,
- carrying out direct search activities, by using search engines in LinkedIn and GoldenLine websites in which recruiters try to interest selected people in job offers by sending them personalised messages with detailed information about development possibilities in a given company,
- organising regular events on social media, "recruitment on-call", during which recruiters are available on a chat and answer questions related to working at a given organisation,
- using chatbots which talk with candidates through the Messenger platform. The conversation follows a given script and depending on how advanced the chatbot is, it can not only carry out an interview but also export data to the database and then define at what level a candidate meets requirements determined in the job offer.



Events:

- employer's presence at events related to attracting employees from the IT industry, e.g. Kariera IT (www.careercon.pl), Dni Kariery (www.dnikariery.pl), Absolvent Talent Days (www.absolvent.pl),
- participation in industry events focused on IT employers development and networking, e.g. Geek Girls Carrots Poznan, Meet.invite, Code4Life: Tech Meetup #16 (SAP), Code4Life: Tech Meetup #22 (IT Project Management), Hacktoberfest Poznan, #34 PyRa,
- organisation and participation in so-called hackathons, i.e. programming marathons during which participants are asked to, among others, create an application, a game (Game Jam) or solve a specific problem (case study).



Field recruitment (scouting):

- looking for employees in their "natural environment", that is, in places where they spend much of their time and feel comfortable,
- placing information about recruitment in public means of transport with routes attended by a specific target group (e.g. routes to universities, office clusters, specialist stores, etc.) and also at bus/train stops,
- using billboards and placing them near business centres and universities training IT specialists,
- using beacons - small devices which function on the basis of Bluetooth Low Energy technology. Thanks to this solution the employer may reach a person passing by the company office and inform such a person about available vacancies, interest them in a job offer, invite them to open days, help in finding their stand at job fairs, intrigue with a question and invite him/her to contact the company.



Websites with job offers:

- publishing job offers on websites which specialise in the IT industry, e.g. www.4programmers.net, www.nofluffjobs.com, www.bulldogjob.pl, www.experis.com,
- a proactive approach to moderating the company's profile.



Using marketing for recruitment purposes:

- using viral marketing tools which result in actively sharing the employer's message among Internet users,
- promoting job offers through advertisements like Google Ads,
- using remarketing in order to increase the candidate reaching range.



Referral scheme:

- employees as brand ambassadors share information about open vacancies in their company with other people. Satisfied employees effectively recommend their organisation as a workplace and they get a bonus for every recruited employee.



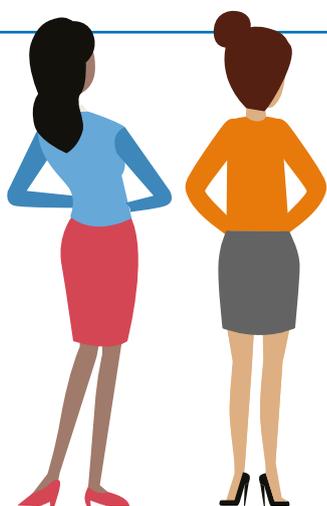


IT industry salaries in Poznan

Table 4. Gross monthly salary in EURO

Position	Junior	Specialist	Senior
Java Developer	900-1400	1600-3000	2800-4700
JavaScript Developer	700-1200	1400-2600	2300-4200
.Net Developer	800-1200	1400-2300	2100-3500
PHP Developer	800-1200	1400-2300	2100-3500
Project Manager	800-1100	1200-1900	1900-3000
Manual tester	700-1200	1200-1500	1500-2300
Automation tester	800-1300	1300-1700	1700-2300
Helpdesk with English	1000-1400	1300-1600	1600-2100
Helpdesk with German	1200-1600	1400-1800	1700-2200
Helpdesk with a Scandinavian language	1200-1600	1500-1800	1800-2300

Source: Experis own data

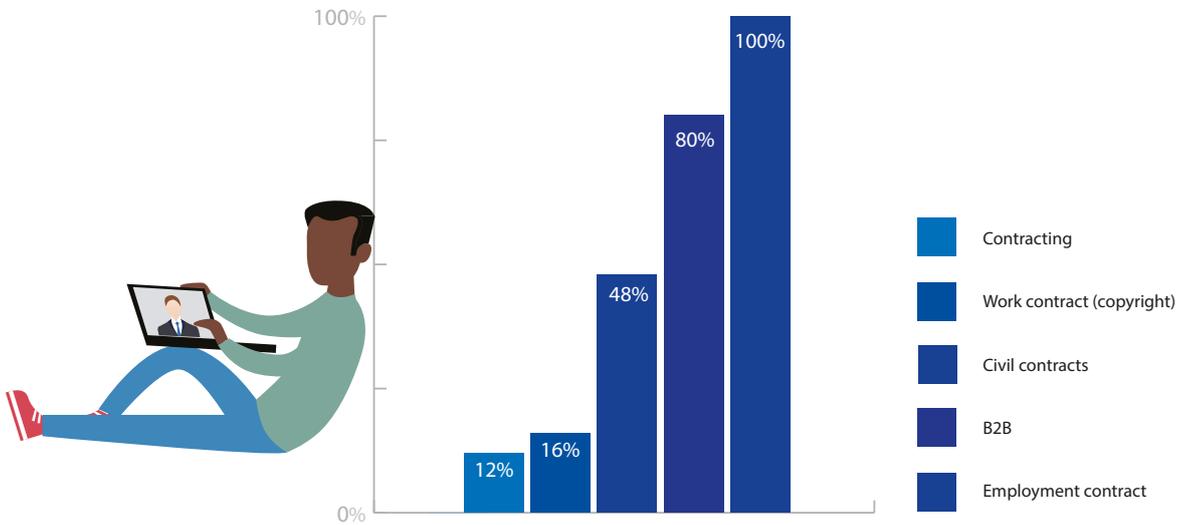




Preferred forms of employment and the benefits offered

All employers participating in the study offer a possibility of work under an employment contract. 80% of them offer a possibility to collaborate on the basis of a B2B contract and 48% offer employment on the basis of civil law agreements.

Figure 4. Forms of employment offered by IT companies in Poznan

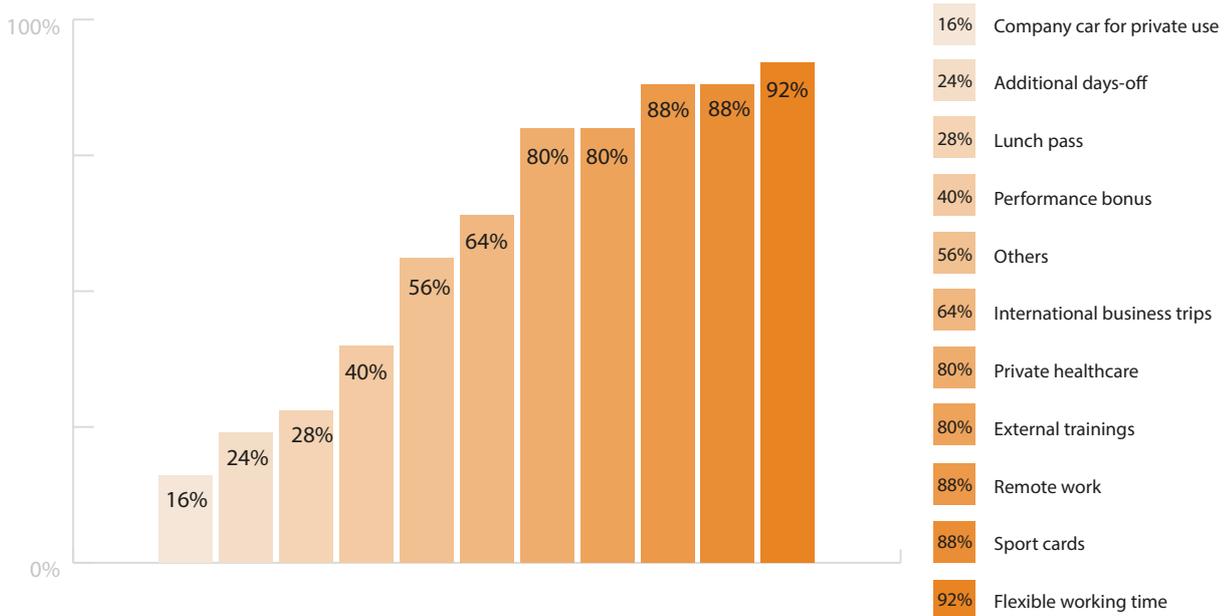


Source: Experis own data

A vast majority of the companies, that is 80%, is open to employ people of other nationalities than Polish and 68% of companies help foreigners in obtaining a work permit.

When it comes to benefits offered by companies from the IT sector in Poznan, the most popular ones are flexible working hours (92%), the possibility of remote work (88%) and a sport card (80%).

Figure 5. Non-wage benefits offered to employees of IT companies in Poznan



Source: Experis own data

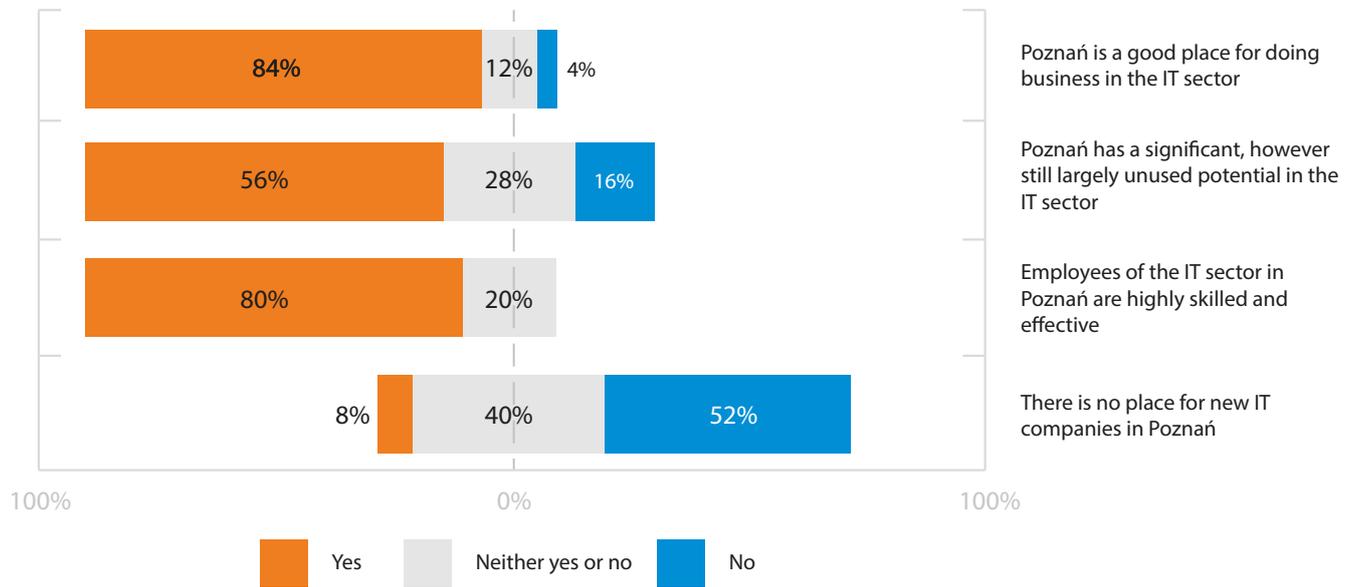




**Poznan as a location for
technology companies.
IT sector representatives
opinions**

Poznan is assessed as a very good (32%) or good (48%) place to carry out a business activity in the IT industry. 84% of the surveyed companies admitted that Poznan is a good place for IT activities and 80% are positive about high qualifications and effectiveness of IT employees. More than a half of the surveyed companies declare that Poznan has a great, however not fully used potential in the IT industry and there is a place for new companies in this field.

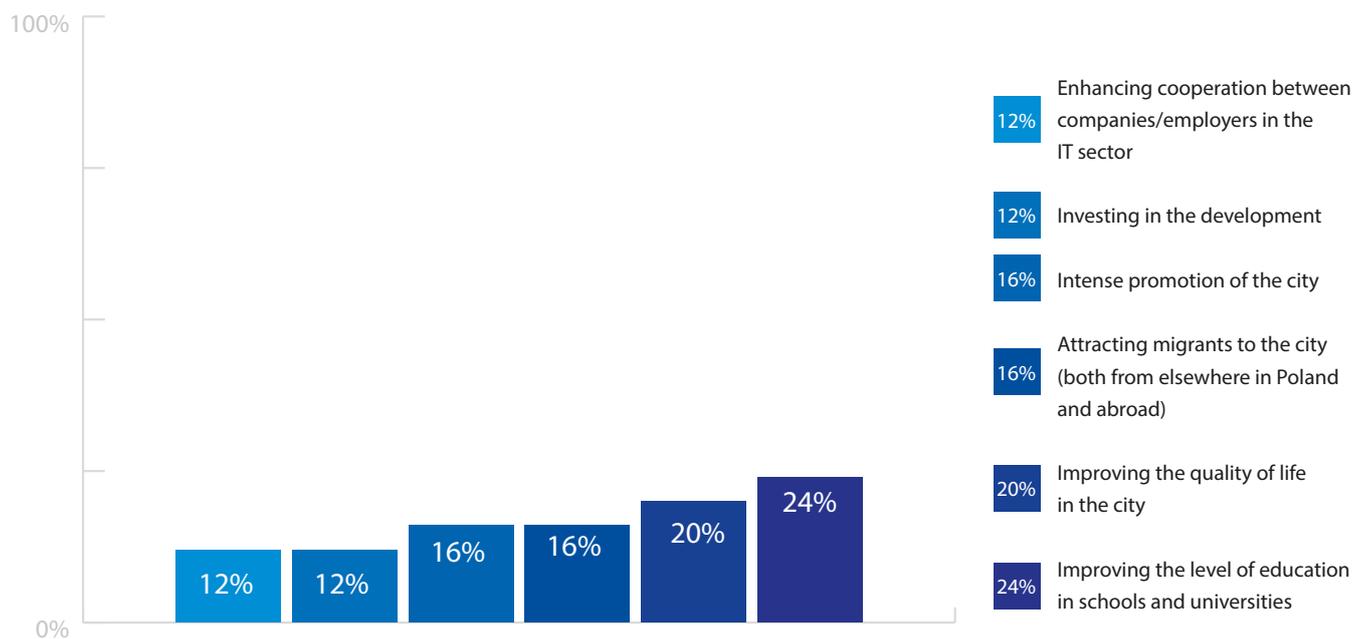
Figure 6. IT companies' assessment of Poznan as a place to carry out their business



Source: Experis own data

How could the city become more appealing? The surveyed companies see a need to increase the level of education (24%) and the quality of life (20%).

Figure 7. Activities which may increase business appeal of the city according to IT companies in Poznan



Source: Experis own data

– The City of Poznan takes a lot of initiatives in order to enhance its position as a hub for ICT investments. Thanks to cooperation with companies we place emphasis on areas indicated by them and ensure better conditions for conducting business – **Katja Ložina, Head of Investor Relations Department, Poznan City Hall.**

– Poznan is a rapidly expanding city which attracts talented young people. Universities have a competitive education offer that prepares students to work in the IT sector. The city is also a seat for many companies in this sector which are attractive for qualified employees. All of that gives a wide choice of attractive offers for potential candidates and companies decide to conduct their business in this region – says **Wiktor Schmidt, CEO and co-founder of Netguru.**

– Poznan is a place which attracts and develops talents because it gives them possibilities to create real innovations, but also to be themselves. In GSK IT, together with our 700 specialists, we create professions of the future. For example, using IT technologies in the process of developing pharmaceuticals. The same drive to look for innovations can be found in the start-up culture. Poznan's strength consists also in the local society which promotes tolerance and diversity and in synergy of science and business, e.g. strategic cooperation between GSK IT and Poznan University of Technology – says **Sebastian Drzewiecki, Director of Business Service Centre at GSK IT.**

– In recent years Poznan has clearly marked its place on the Polish map of IT centres. Its relatively close location to Warsaw as well as to Berlin makes it a very attractive city in terms of living and working conditions. Over the last couple of years several new important brands in the IT sector have started their business activity in Poznan, which enhanced its position among other big Polish cities regarding this sector on the market – stresses **Robert Ćwikła, Recruitment Team Leader in BAE Systems AI.**

– After considering a handful of locations, we decided on Poznań for several reasons. The top being, the talent pool available and up-and-coming tech scene, the close proximity to Payworks headquarters in Munich and the friendly welcome we received when visiting. We have very high expectations for Poznan and the new Payworks office. We will be filling numerous positions and are looking forward to becoming more active in the Poznań tech community. “The Payworks Team is excited to have found a home for our development hub in Poznań. Our experience with the city and people so far has been great. We look forward to growing our team more and getting to know more of our fellow dev-teams in Poznań” – says **David Bellem, CTO & Founder at Payworks.**



IT companies development forecasts



92% of surveyed companies plan to expand their teams in 2019 and 8% want to maintain the current number of employees. None of the companies expect redundancies.

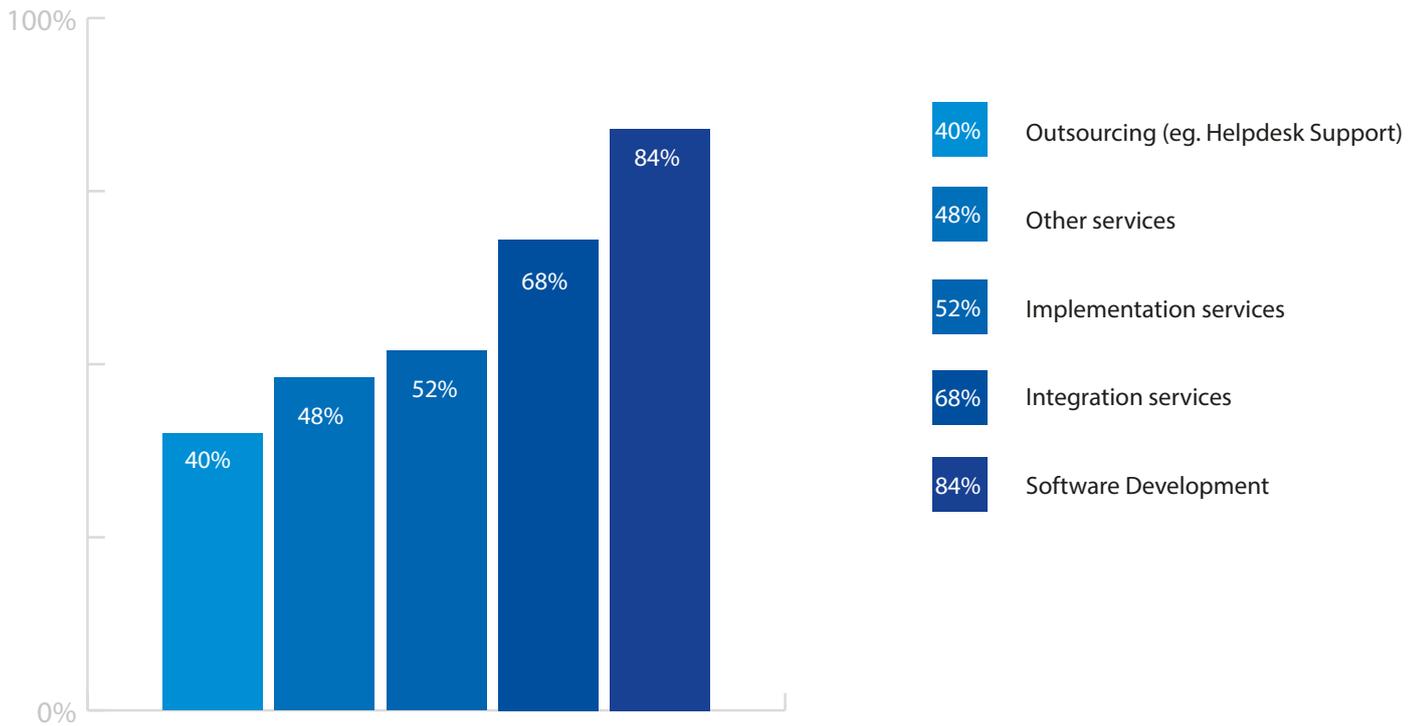
Taking into account the size of the surveyed companies, the most optimistic employment forecasts are declared by representatives of small (up to 25 employees) and big companies (over 150 employees). Their plans to increase the number of employees reach even up to 50% of current number of employees.



**The surveyed IT companies
– technologies applied,
employees' competences**

The surveyed IT companies specialise in development and supply of software (84%), system integration (68%) and implementation of new tools (52%).

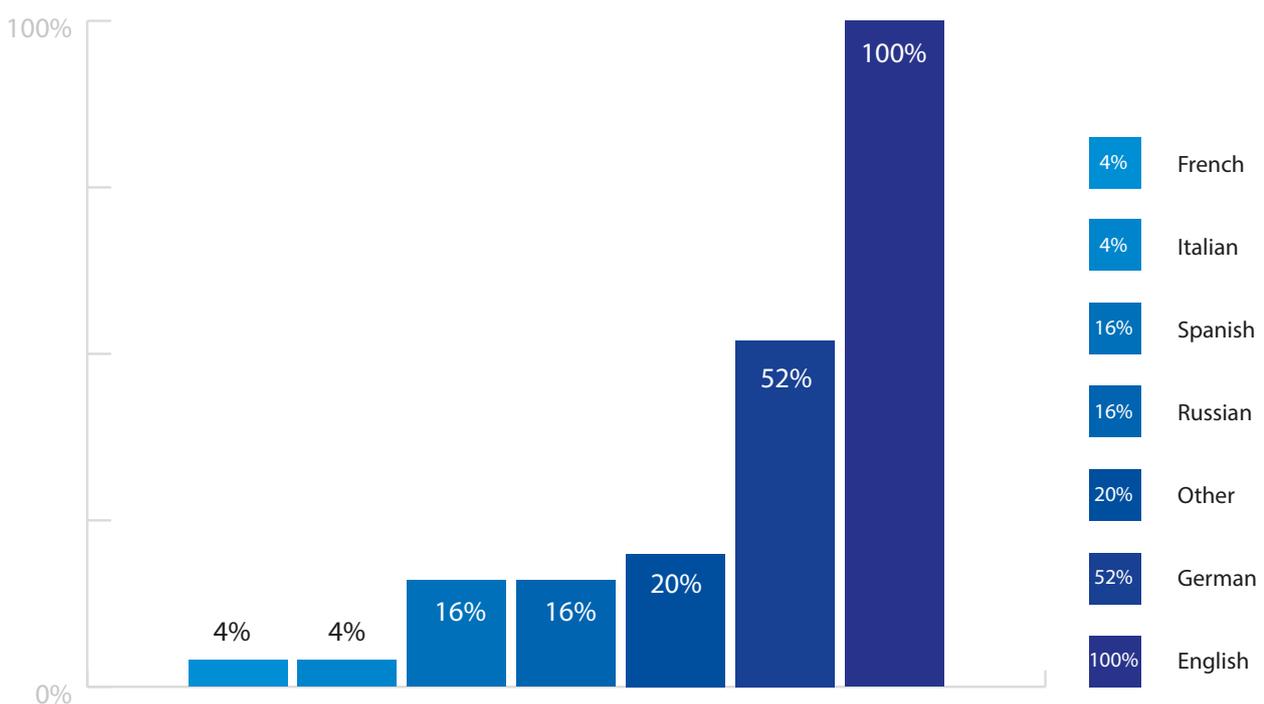
Figure 8. Scope of services provided by the surveyed IT companies in Poznan



Source: Experis own data

Employees use English in all of the surveyed IT companies in Poznan. In 52% of the companies employees also speak German.

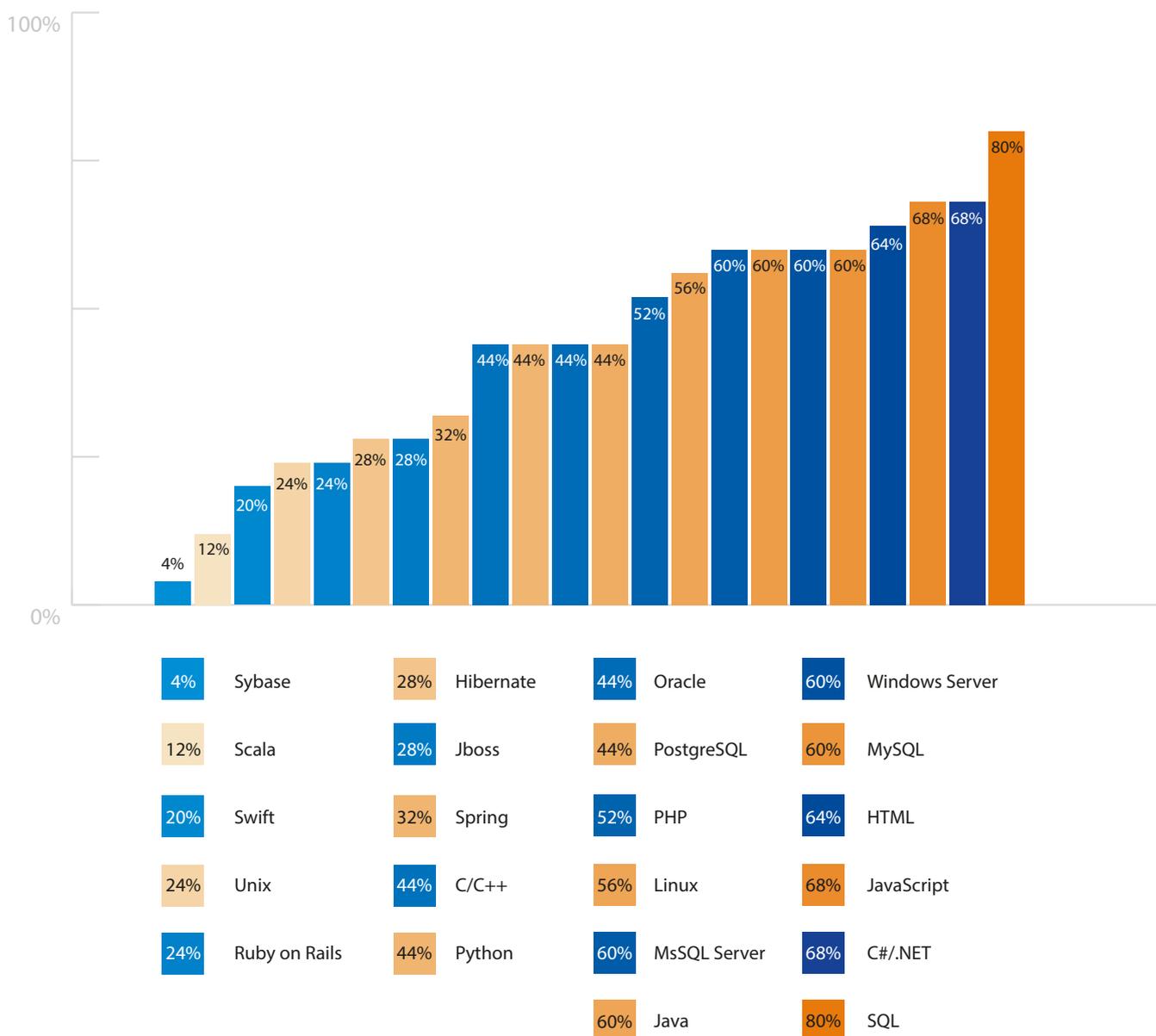
Figure 9. Foreign languages used by employees of IT companies in Poznan (at least B1 level)



Source: Experis own data

What technical skills do people employed in the IT sector in Poznan have? The employees of the vast majority of companies use the following programming languages: SQL (80%), JavaScript (68%) and C#/.NET (68%).

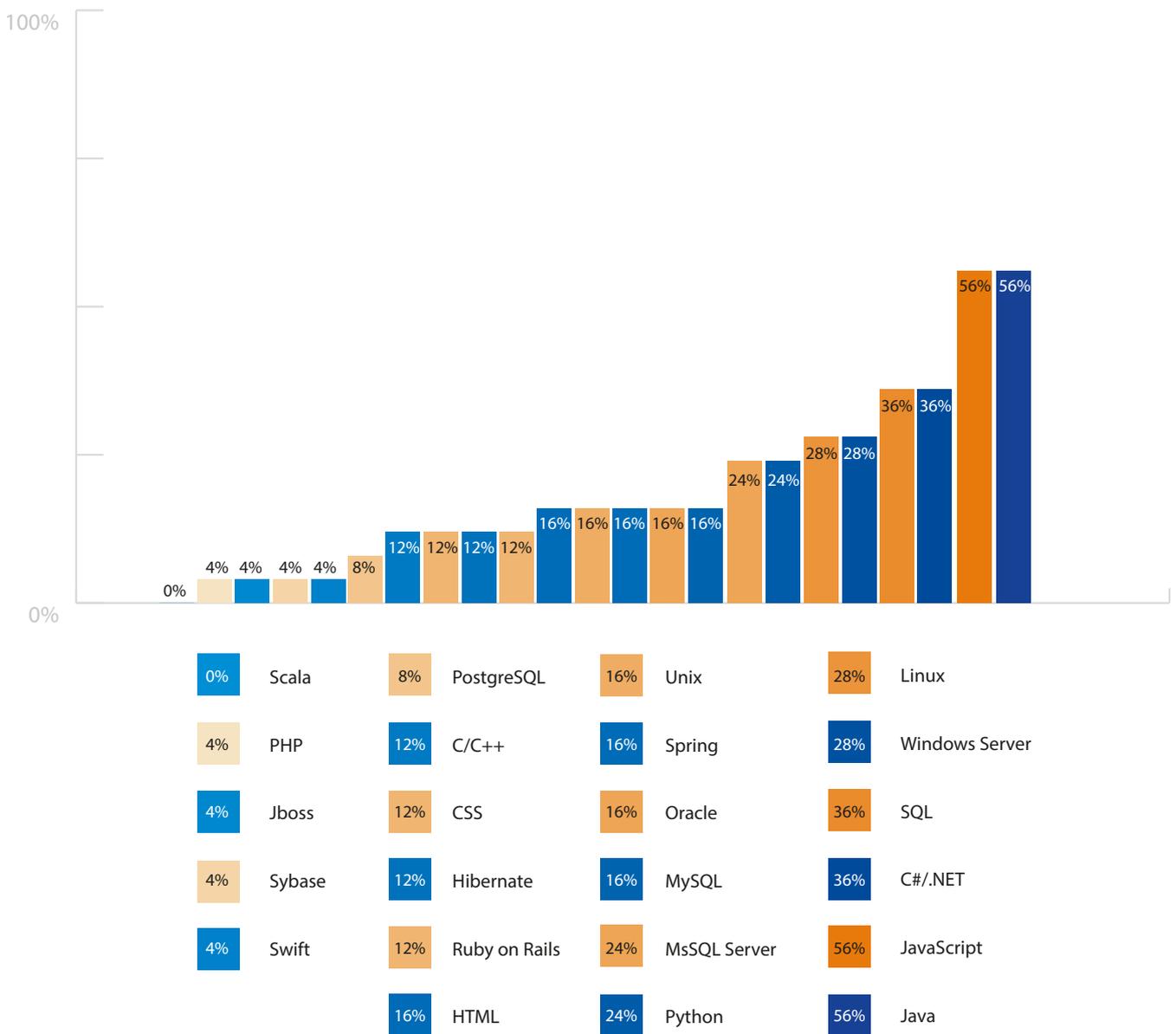
Figure 10. Technical skills presented by employees of surveyed IT companies in Poznan



Source: Experis own data

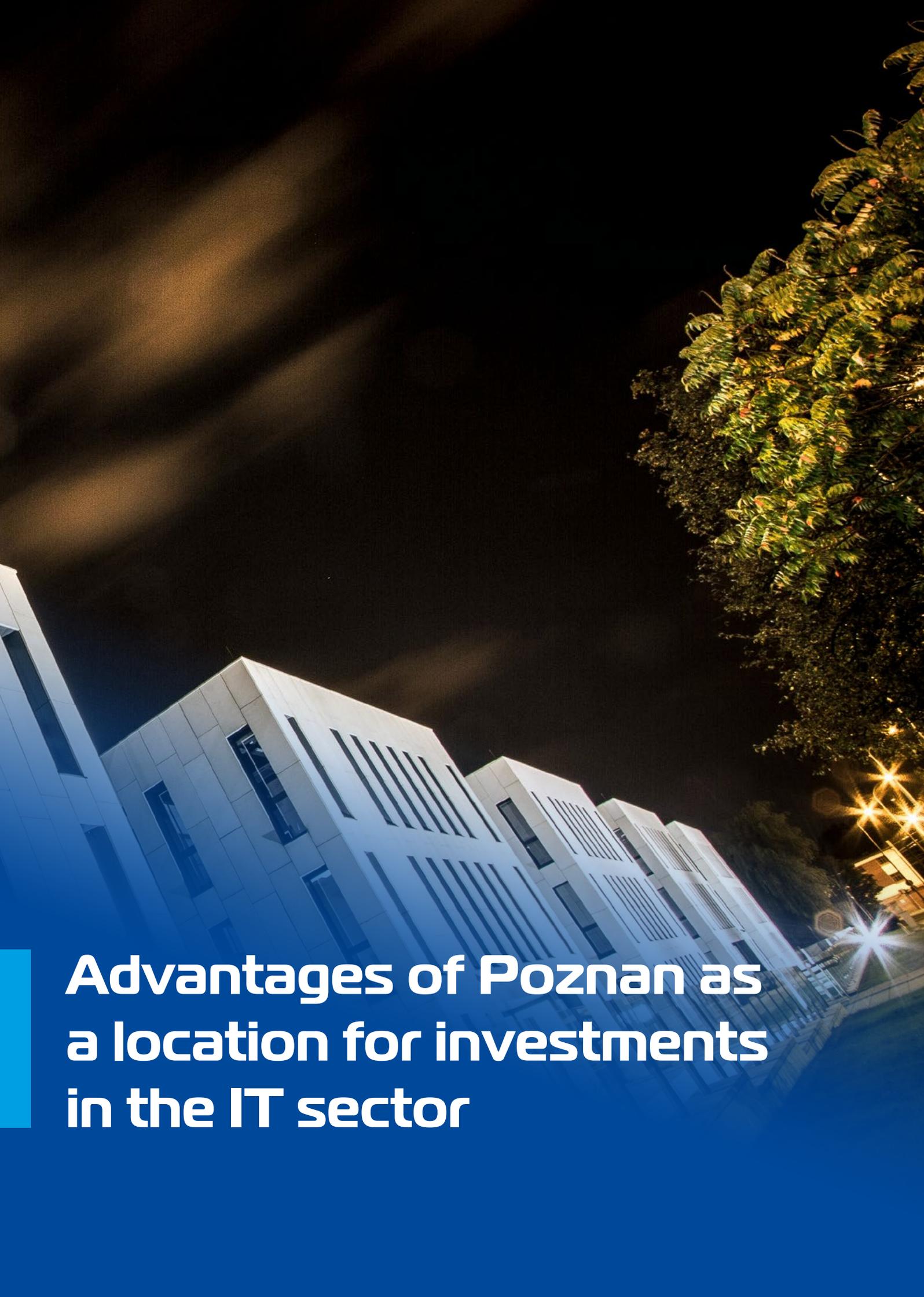
At the same time the most desired skills in employees are JavaScript (56%) and Java (56%).

Figure 11. Employees' technical skills most desired by the employers of IT industry in Poznan



Source: Experis own data





Advantages of Poznan as a location for investments in the IT sector

Poznan was ranked 8th in the "Growth Clusters" category in the European ranking of the technological cities "EMEA Tech Cities" published by CBRE.

Poznan is in TOP5 cities with the highest quality of life according to "Polityka" magazine.

Fitch Agency systematically confirms Poznan's A-level rating – with stable forecasts. It is the highest category in which a Polish city may be classified.

Poznan is the 2nd in the ranking of the most attractive Polish cities for business according to "Forbes".

According to fDi Magazine (Financial Times Group) Poznan took 3rd place in the ranking of the most business-friendly European cities of medium size.

Poznan belongs to Gamma category of "world cities" in the Globalization and World Cities (GaWC) ranking. In 2018 ranking's edition, Poznan moved several positions up and it is placed in a higher category.



22,400 programmers work in Poznan



6,100 people study Information Technologies in Poznan



2 h 30 min train ride from Poznan to Berlin and from Poznan to Warsaw



21 flights a week between Poznan and London



1 h 25 min is the duration of a flight from Poznan to Copenhagen, Frankfurt and Munich





Investor support



Investor Relations Department offers support to companies which are interested in Poznan:



1. At the stage of selecting the location:

- individual handling of key investors, Project Manager – a person designated for cooperation with the investor,
- providing the necessary data,
- organizing the investor's visit in Poznan.



2. Preparing to start the business activity:

- offer on available office spaces,
- support in obtaining the necessary permits and administrative decisions,
- identification of possibilities to obtain grants and financing.



3. Employer Branding and promotion cooperation.



4. Post-investment support – regular, continued contact with the investor, responding to the investors' needs.



5. Financial incentives:

- co-financing scholarships for interns in the companies.



6. Selected Investor Relations Department initiatives for development of the sector and the labour market:

- BPO/SSC Week,
- German language learning promotion,
- "Stay in Poznan" – encouraging foreigners to work in Poznan,
- project for developing students' and teachers' competences within the scope of mathematics and programming,
- supporting development of the gamedev sector.

Expelis offers support to IT companies in Poznan:

1. The company provides their clients with competences which they need in order to develop their organisations and provides the candidates with an individual career path and professional support.

2. Expelis combines the knowledge on the sector with unique understanding of human potential; that way it can provide companies with the necessary the specialists and management staff in the areas of: IT, engineering and finances.

3. The company also specialises in providing project solutions which allow clients to accelerate development and optimise costs of the business they conduct.

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