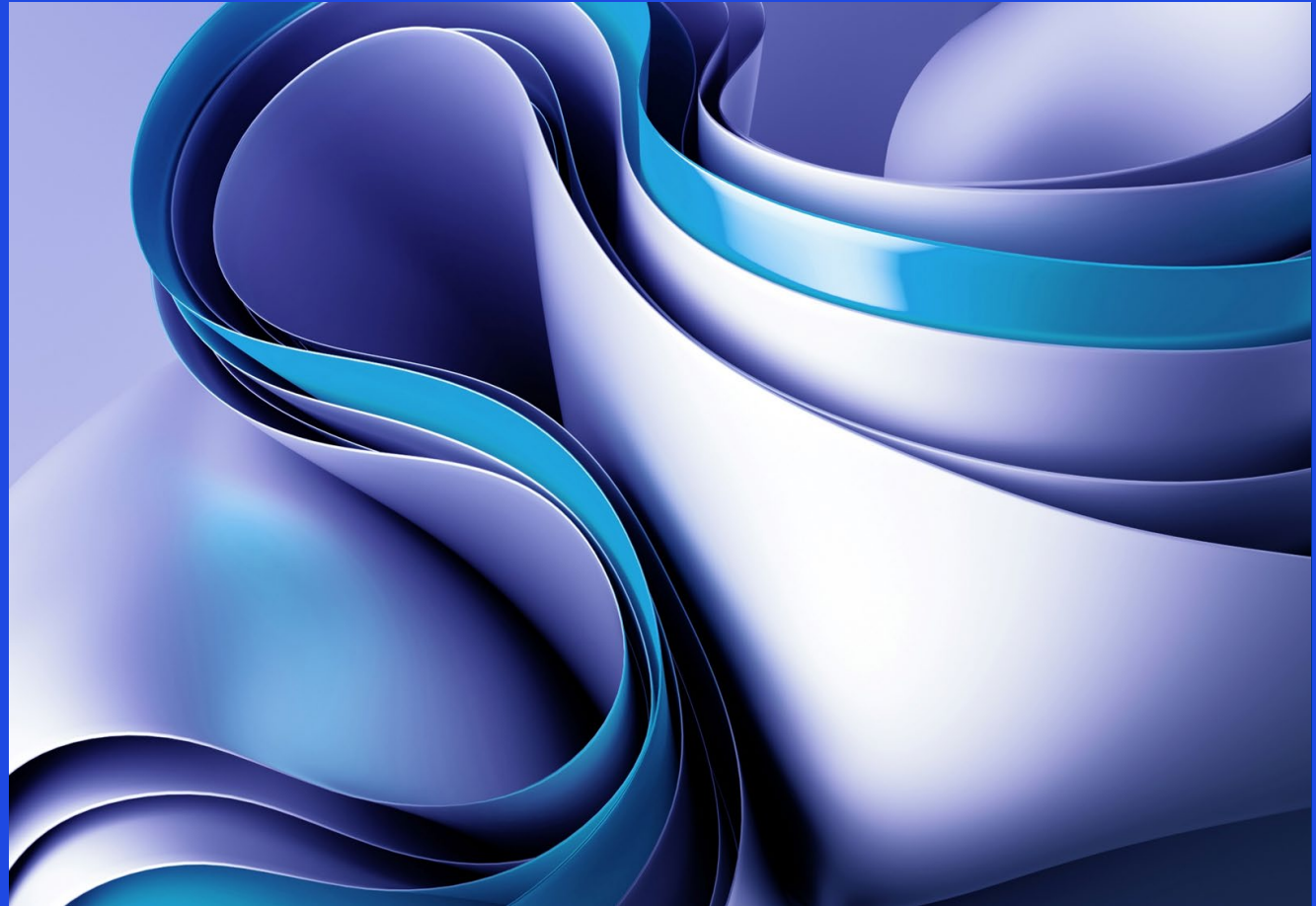




# SSC Location Selection Leaflet

KPMG in Hungary

2023



# Several questions arise when it comes to decision – making on a GBS set up process migration project

## General

What fits company strategy?

What is the impact on company business model?

Insource or outsource processes?

Europe or Asia or Africa?

## Destination location

What is the business environment like?

What is the infrastructure like?

What are the cost levels?

What is the quality and availability of skills and talent?

Our methodology can help you answer the above questions and plan your migration

Project phase

Main tasks

01

### Data gathering & research

- Understand business case & client needs
- Perform benchmarking analysis
- Perform trends & competitor analysis
- Identify potential locations for services / processes to be migrated
- Build assessment criteria & methodology

02

### Prepare site assessments

- Create potential country profiles
- Conduct comparative location assessments for potential countries using a list of key parameters driving location selection

03

### Make site recommendations

- Make recommendations for location selection based on detailed scoring model

Transition

### Support GBS or function set-up\*

- **End to end transition advisory** from planning to execution & on-site support
- **Establish governance process**
- **Set up service delivery model**
- **Prepare integrated program plan and detailed transition plan**
- **Robust communication & change management strategy**

\*After choosing the location we can support the implementation too.

# We review numerous parameters which affect your decision on location selection

01

## Location attractiveness

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- Geography
- Cultural life
- Population

02

## Political and macro environment

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- GDP growth
- GDP per capita
- Inflation rate
- Unemployment rate

03

## General business environment

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- Local business services sector
- Labor costs
- Labor laws
- Governmental incentives and taxation

04

## Availability of skills & talent

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- Number of universities with relevant courses
- Number of graduates
- Language skills

05

## Infrastructure & accessibility

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- Real estate & office market
- Transport
- Telecommunications

# Key trends in the global service locations – top global services locations

## North America

- + Good level of skills and talent available coupled with excellent infrastructure.
- Typically amongst the costliest centers for outsourcing activities

## Central & Latin America

- + Favoured by companies with a majority of their operations in North America and by companies who require language capabilities in this region.
- Very limited European language skills (apart from Spanish and Portuguese). Cost levels are similar to those observed in Eastern Europe.

## Central and Eastern Europe

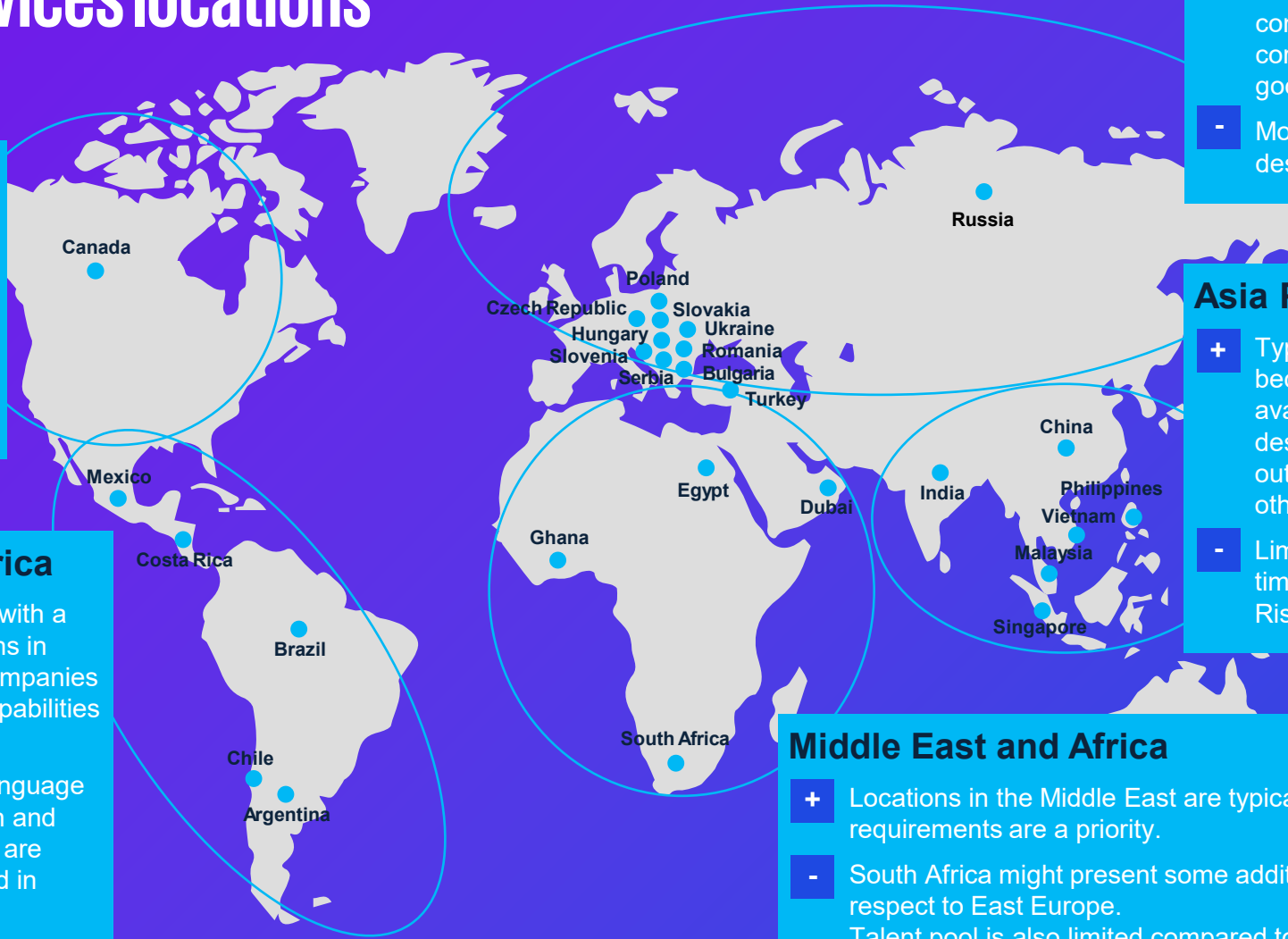
- + Typically, the best suited locations for nearshore sourcing for European companies. Lies in the same time zone for corporations in Europe and they also have good language capabilities.
- More expensive when compared to Asian destinations.

## Asia Pacific

- + Typically the most favoured destinations because of the cost arbitrage and skill set available. India is the leading outsourcing destination with capabilities for most outsourcing processes as compared to the other Asian destinations.
- Limited European language capabilities and time difference could be a factor  
Rising costs.

## Middle East and Africa

- + Locations in the Middle East are typically selected when Arabic language requirements are a priority.
- South Africa might present some additional complexity of implementation with respect to East Europe. Talent pool is also limited compared to other outsourcing destinations.



# Why choose KPMG Hungary?

## KPMG HU team capabilities



**Dedicated & experienced team of transition experts**



**Well-established & proven methodology**



**Widespread industry experience**



**Global project experience**



**Central geographical location & good time zone**



**Holistic view of projects**

## Industry experience

- Consumer markets & Retail
- Customer & Financial services
- Healthcare & Pharmaceuticals
- Industrial & Automotive
- Oil & gas
- Telco & Media & Technology

## Processes migrated:

- Acquire-to-Retire
- Order-to-Cash
- Purchase-to-Pay
- Record-to-Report
- Treasury
- Tax
- IT

## Global project experience



## Project references



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