



## **“Next-wave” Location Profile – Timisoara, Romania**

Locations Insider™ (LI)

Market Report – June 2018: Complimentary Abstract / Table of Contents

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- This report is included in the following research program(s)
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## Custom research capabilities

- Benchmarking | Pricing, delivery model, skill portfolio
- Peer analysis | Scope, sourcing models, locations
- Locations | Cost, skills, sustainability, portfolio – plus a tracking tool
- Tracking services | Service providers, locations, risk
- Other | Market intelligence, service provider capabilities, technologies, contract assessment

# This report provides perspectives on key aspects of the global sourcing market in the location

## Timisoara | Quick snapshot



Tier-2 Romania location with an attractive cost-talent proposition, primarily leveraged as a spoke location in CEE

### KEY FACTOIDS

3,800-4,700 annual tertiary graduates

Annual operating cost per FTE 65-70% savings over Croydon 10-15% savings over Bucharest

### Current overview

- Primarily leveraged by global enterprises to support back-office business processes such as multi-lingual voice support and non-voice functions such as finance, and IT- ADM services
- Key languages supported are French, Spanish, Italian, English, and German
- Acts as a spoke for established hub locations such as Bucharest and Warsaw; primarily serves Western Europe

### Key drivers

- Attractive cost proposition as compared to Bucharest and the West European cities
- Availability of multi-lingual talent pool with sound technical knowledge
- Extensive government support for the IT-BP industry, e.g., setting up of incubators for start-ups
- Adequate infrastructure in terms of road, rail, and air connectivity; presence of international airport with direct flights to many European countries

### Key challenges

- Absence of strong legal framework for protection of intellectual property rights posing a threat to the software industry
- Migration of talent pool is a concern with over 30% of workforce leaving the country three years after graduation
- Concerns around political instability, bureaucracy, and corruption in administration

KEY PLAYERS: **accenture**

**IBM**

**intel**

**hp**

Microsoft

**ORACLE**

**SIEMENS**  
Ingenuity for life

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## Timisoara | Risk profile (page 2 of 2)

Stable macroeconomic environment and availability of developed infrastructure for IT- BPO sector; concerns around political stability and ease of doing business

Parameter	Everest Group rating	Comments
Safety and security	Favorable, some concerns	<ul style="list-style-type: none"> <li>Romania ranks 97th out of 171 in the "World Risk Report 2016" with due to high exposure to natural disasters</li> <li>Risk of earthquakes and volcanic eruptions persists as most of the large cities are located in active seismic zones; Romania also experiences severe winters, making winter travel difficult</li> </ul>
Regulations and ease of doing business	Favorable, some concerns	<ul style="list-style-type: none"> <li>Romania ranks 45th out of 190 countries on the "World Bank's Ease of Doing Business 2018" and holds 64th position in ease of starting a new business</li> <li>The country is ranked 59th out of 180 in the "Corruption Perception Index 2017", a decline from previous year's ranking, due to concerns around red-tapism</li> <li>The "2018 Index of Economic Freedom by" The Heritage Foundation and The Wall Street Journal places Romania in the "moderately free" category</li> <li>The government has taken several measures to reduce the number of days required to register properties from 21 days to 16 days to facilitate FDI</li> <li>Concerns around getting construction permits for starting a business in Romania inhibit newcomers from starting a business</li> <li>There is no strong legal framework for protection of intellectual property rights, leading to high levels of piracy</li> </ul>

Source: Everest Group (2018); EIU; Transparency International; doingbusiness.org

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# Research calendar – Locations Insider™

Published
  Planned
  Current release

## Flagship Locations Insider™ reports

### Release date

"Next-wave" Location Profiles – Belfast, Northern Ireland.....	October 2017
"Next-wave" Location Profiles – Medellín, Colombia.....	November 2017
"Next-wave" Location Profiles – Chengdu, China.....	January 2018
"Next-wave" Location Profiles – Atlanta, United States.....	January 2018
"Next-wave" Location Profiles – Manchester, United Kingdom.....	February 2018
Global Locations Annual Report 2018: Service Delivery Portfolios in a Disrupted World.....	June 2018
<b>"Next-wave" Location Profile – Timisoara, Romania.....</b>	<b>Q2 2018</b>
"Next-wave" Location Profiles – Santiago, Chile.....	Q2 2018

## Thematic Locations Insider reports

Changing the Contact Center Delivery Model to Target Customer Experience.....	October 2017
What is the True Maturity of Indian Contact Center Market?.....	October 2017
Brexit, GDPR, and Digital Winds of Change: Disruption or Transformation of Service Delivery to the UK and Ireland?.....	October 2017
Poland Tier-2/3 Cities: Complementing Tier-1 cities or Carving a Niche for Digital Services.....	December 2017
Betting on the Future – The Bangladesh IT-ITeS Industry is Poised for Growth.....	December 2017
What Will 2018 Have in Store for Locations Strategies?.....	May 2018
Contact Center Services for the U.S. market: Shifting Location Strategies for Shifting Market Demands.....	Q2 2018
Where are FinTech Startups Concentrated?.....	Q2 2018

Note: For a list of all Locations Insider™ reports published by us, please refer to our [website page](#)

# Additional research references

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The following documents are recommended for additional insight into the topic covered in this report. The recommended documents either provide additional details or complementary content that may be of interest:

1. **Poland Tier-2/3 Cities: Complementing Tier-1 Cities or Carving a Niche for Digital Services** ([EGR-2017-2-R-2451](#)); 2017. The cities in Poland play a critical role in the delivery of global services for both global and European players. As the global services industry matures, there is a gradual shift in the mix of locations being leveraged. With increasing competition, companies are looking to reduce costs and access additional talent pool for services delivery. The last few years have witnessed a surge in interest for global services delivery from tier-2 and tier-3 cities in Poland. Further, the “digital winds of change” have forced players to rethink their sourcing strategy to build and sustain digital capabilities
2. **“Next-wave” Location Profile – Belfast, Northern Ireland** ([EGR-2017-2-LP-2375](#)); 2017. This report analyzes Belfast and offers perspectives on global sourcing profile of Belfast, key opportunities, drivers, and challenges, along with an overview of talent availability, operating costs, and environment risks
3. **“Next-wave” Location Profile – Krakow, Poland** ([EGR-2017-2-LP-2364](#)); 2018. This report analyzes Krakow and offers perspectives on global sourcing profile of Krakow, key opportunities, drivers, and challenges, along with an overview of talent availability, operating costs, and environment risks

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