



## **Transport Needs of IT & Business Process Services Companies in Kraków**

**Andrew Hallam and Joanna Kaim-Kerth  
South Poland Business Link**

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## **Transport needs of IT and Business Process Services companies in Kraków**

### **Part 1 - Introduction**

#### **i-Commuter**

This report on transport needs of IT and Business Process Services companies in Kraków has been commissioned by the City of Kraków and is one element of a wider programme designed to open and develop a channel of communication on transport issues between the municipality and the IT and Business Process Services sector.

This programme, which runs from October to November 2008, also includes a series of seminars on sustainable mobility for facility and community engagement teams within companies, organised in five of the main office centres in Kraków, and a transport forum hosted by the Mayor's Office which will bring together the heads of companies operating in the sector with heads of municipal departments with responsibility for transport and investment promotion.

The report is based on an online survey conducted among IT and Business Process Services companies between 20 October and 5 November. The survey was focused on companies operating in five main locations although a small number of companies operating in other locations were also invited to complete the survey and one or two companies not classified as being in the IT & BPS sector were also invited to participate. In total 26 companies, employing a total of nearly 16,000 people, participated in the survey.

The survey was intentionally limited in its scope and detail and was intended to identify issues for further discussion.

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**Table 1 - Companies participating in the survey: location and number of employees**

**Total Companies: 26**

**Total Employees: 15,926**

| <b>Armii Krajowej</b> |             |
|-----------------------|-------------|
| IBM BTO               | 1200        |
| IBM                   | 306         |
| State Street          | 300         |
| Hewitt                | 170         |
| KPMG                  | 90          |
| Hitachi               | 70          |
| <b>Sub-total</b>      | <b>2136</b> |

| <b>Buma Square</b> |             |
|--------------------|-------------|
| Motorola           | 950         |
| Sabre              | 500         |
| Kenaxa             | 45          |
| Euroscript         | 25          |
| <b>Sub-total</b>   | <b>1520</b> |

| <b>Krakov Business Park</b> |             |
|-----------------------------|-------------|
| Shell                       | 900         |
| ACS                         | 250         |
| HSBC                        | 250         |
| Sabre                       | 175         |
| UBS                         | 100         |
| UPM-Kymmene                 | 100         |
| HCL                         | 50          |
| Delphi                      | 14          |
| <b>Sub-total</b>            | <b>1839</b> |

| <b>Lubicz Business Centre</b> |             |
|-------------------------------|-------------|
| Capgemini                     | 1600        |
| International Paper           | 450         |
| PricewaterhouseCoopers        | 100         |
| Austrian Airlines             | 4           |
| <b>Sub-total</b>              | <b>2154</b> |

| <b>Nowa Huta</b> |             |
|------------------|-------------|
| ArcelorMittal    | 4700        |
| Philip Morris    | 2650        |
| <b>Sub-total</b> | <b>7350</b> |

| <b>Rondo Business Park</b> |            |
|----------------------------|------------|
| Capgemini                  | 600        |
| ArcelorMittal              | 40         |
| <b>Sub-total</b>           | <b>640</b> |

| <b>Jasnogórska</b> |            |
|--------------------|------------|
| BP                 | 200        |
| <b>Sub-total</b>   | <b>200</b> |

| <b>Old Town</b>  |           |
|------------------|-----------|
| Clifford Thames  | 60        |
| Connect2Media    | 27        |
| <b>Sub-total</b> | <b>87</b> |

## **Current level of co-operation between the municipality and the sector on transport**

The research and wider programme of co-operation have been funded out of the Civitas Caravel project, which is a European Union funded programme to support the development of sustainable mobility measures at the municipal level. The City of Kraków is a partner in this project along with a number of other European cities, which include Burgos, Genoa and Stuttgart.

Civitas Caravel approached South Poland Business Link to assist in promotion of sustainable mobility among office workers, who were identified as one of three main target groups, also including students and the general public.

South Poland Business Link is a Kraków-based organisation which specialises in networking the international business community and in supporting cross-sector co-operation on regional economic development. South Poland Business Link has also recently been engaged in establishing ASPIRE - the Association of IT and Business Process Services companies.

It is our view and the premise of this report that transport policy requires multi-stakeholder participation and that business is a key stakeholder in determining municipal transport policy. Co-operation between business and the municipality is one of the areas covered in the survey.

## **Relation between transport and economic growth**

Economists generally state a clear link between spending on transport infrastructure and economic growth with one recent report suggesting that 1% increase in spending on transport infrastructure can be expected to deliver an average 0.2% increase in GDP.<sup>1</sup> This number is arrived at through measuring all aspects of economic activity in relation to transport, including, for instance, the movement of goods. This is not a factor in relation to this report which focuses on IT & Business Process Services, a sector in which services are delivered remotely.

From the perspective of the IT & Business Process Services sector, the key issue relating to transport is how people working in the sector travel to and from their place of work. This is a key issue to the extent that the sector is people intensive. The number of people commuting to and from work puts strain on the transport system during peak-hours and also raises productivity and quality of life issues for commuters / employees.

This is a key issue for Kraków as the investment strategy of the City is focused on attracting increasing levels of investment in the IT & Business Process Services sector.<sup>2</sup>

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<sup>1</sup> The Eddington Transport Study, Sir Rod Eddington, December 2006, UK Department of Transport

<sup>2</sup> "KRK2>B Kraków 2 Business" - Presentation by the City of Kraków, Krynica Economic Forum, September 2008

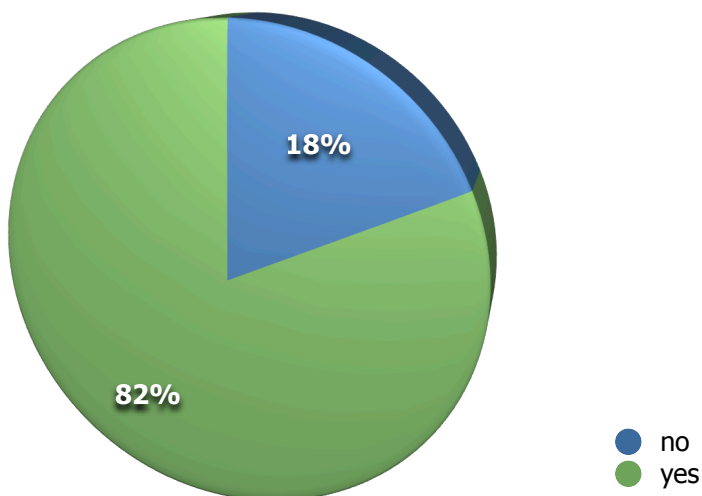
## IT & Business Process Services in Kraków

In a recent report, Kraków ranked in 5th place among emerging cities for global outsourcing. More significantly, the city ranked 1st in Europe, well ahead of its Central and Eastern European rivals, with Prague the next placed city in 14th place and Warsaw the next placed Polish city in 25th place.<sup>3</sup>

As a result of the growing number of global companies that have located in Kraków, companies in the sector have recently joined together to establish ASPIRE - the Association of IT & Business Process Services Companies.

ASPIRE is in the process of gathering data to indicate the size of the sector in Kraków and the value it brings to the local economy. ASPIRE estimates that there are now 27 global companies located in Kraków and that these companies employ approximately 16,000 people. Assuming average costs of around €40,000 per employee, this represents a total value to the local economy of approximately €640,000,000. A full list of companies operating in the sector can be found in Appendix A.

This value is set to grow, not only from new companies locating in Kraków, but from existing investors extending their services. Asked about their development plans in relation to number of employees 82% of respondents to the survey indicated that they expect to employ more people in the next 12-24 months. In all instances, companies not expecting employee numbers to grow were not in the IT & BPS sector.



**Chart 1 - Will the number of people employed in the company grow in the next 12-24 months? (N = 27)**

One caveat to these numbers is that the research took place prior to the October 2008 global financial crisis, which may effect companies' development plans.

<sup>3</sup> Top 50 Emerging Global Outsourcing Cities, Global Services Tholons, Oct 2008



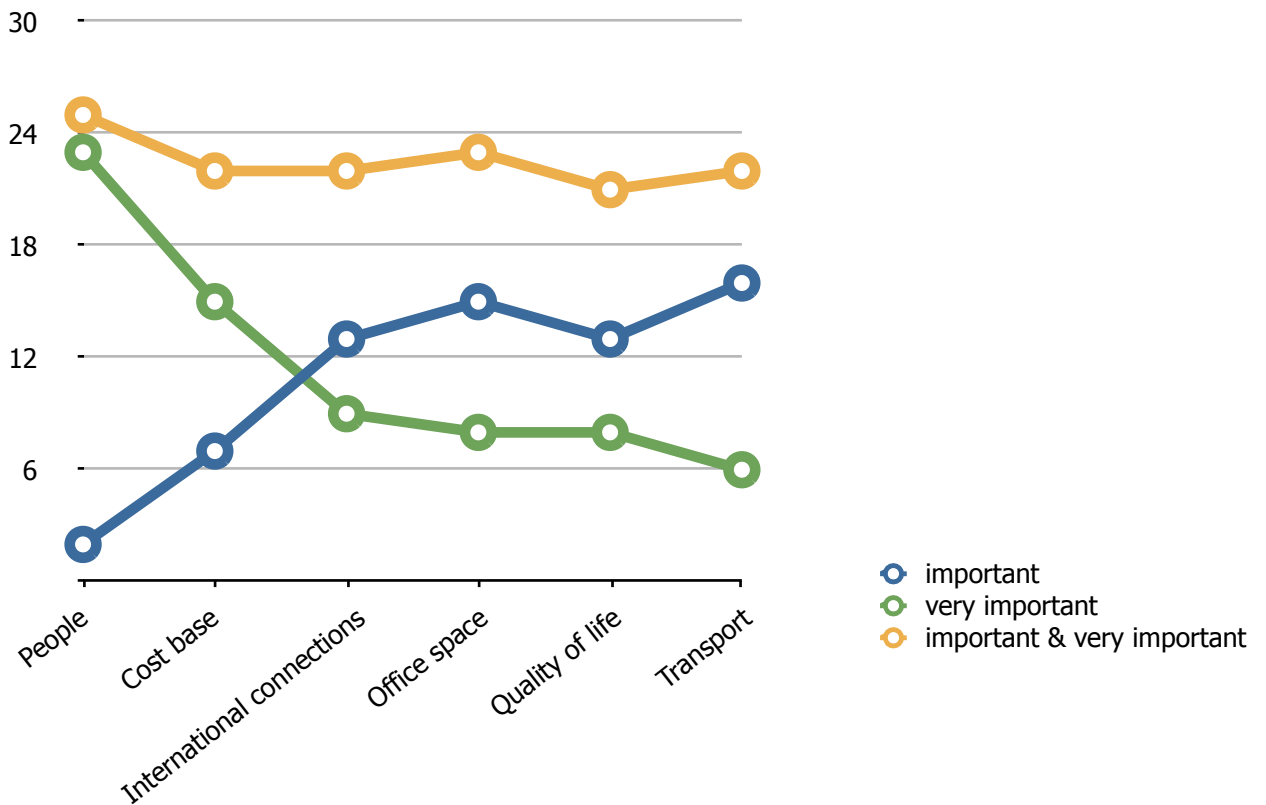
## Key factors influencing Kraków's attractiveness for IT & BPS

Several factors influence the attractiveness of a location for IT & BPS. Key amongst these are the availability of people with appropriate skills, cost of labour, availability and cost of office space, IT infrastructure, transport infrastructure, quality of life and general business environment.

The following diagram shows the response of companies participating in the survey. 100% of respondents rate talent as very important (92%) and important (8%). 87% of respondents rate transport as very important (33%) and important (54%).

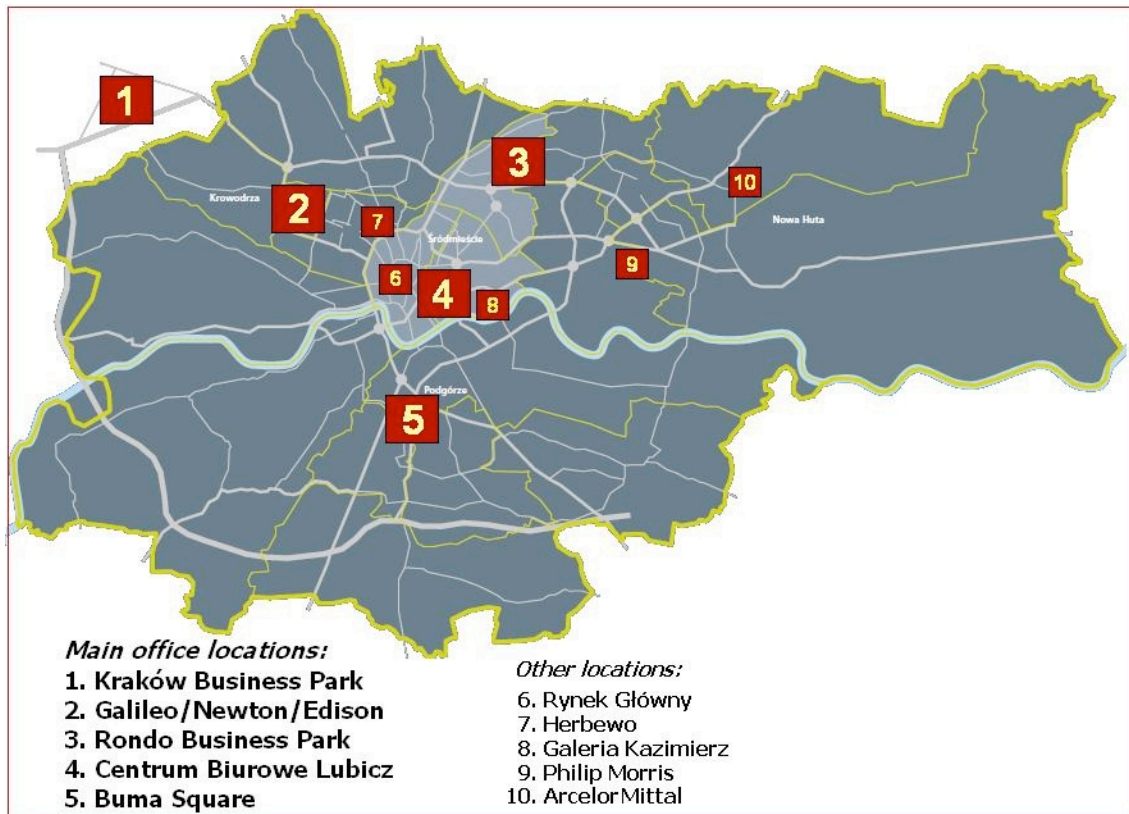
**Chart 2 - Factors influencing location choice of IT & BPS companies**

(N = 25)



## Location of IT & BPS in Kraków

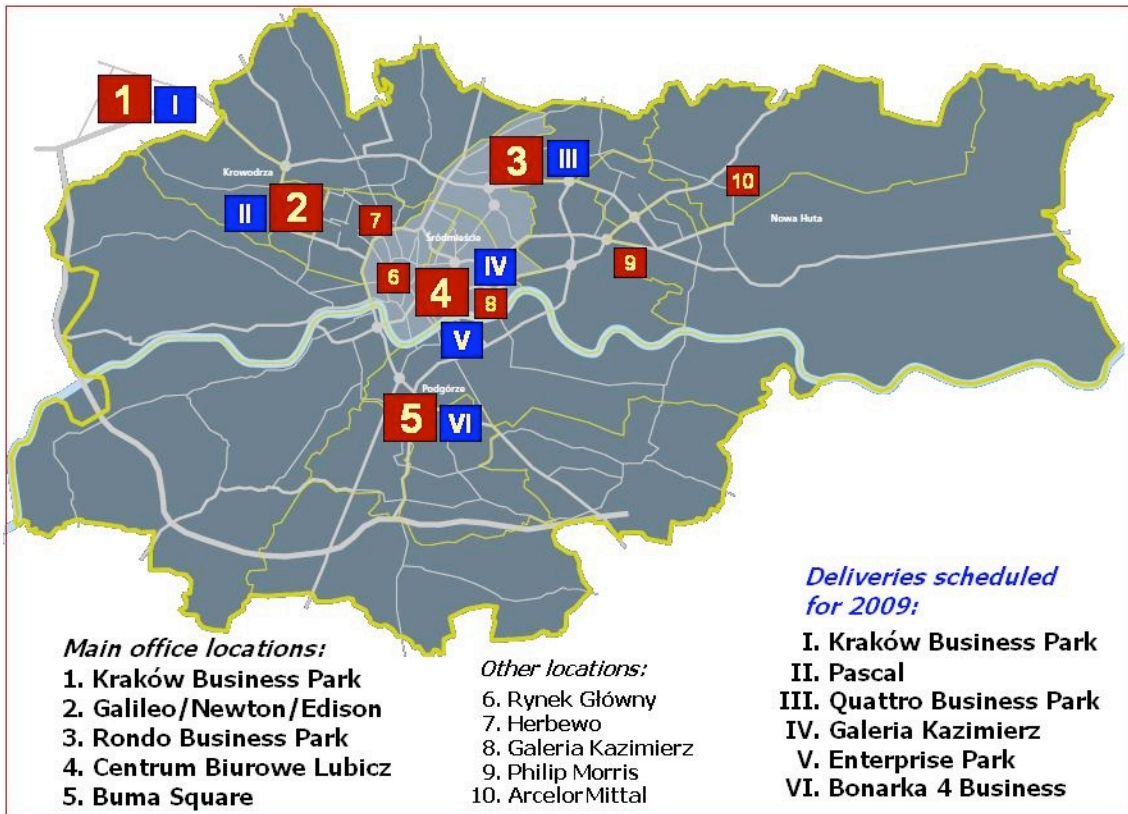
By and large, companies operating in the IT & BPS sector are located in five main office centres in and around Kraków with some others located in a number of other locations. These centres are illustrated on the map below.



### Map 1 - location of main office centres

What is clear from this map is that Kraków currently does not have an identifiable central business district. There is a clear relationship between location of office space and effective transport policy and it is generally considered that it is desirable to concentrate high density building development on selected corridors, while increasing public transport infrastructure capacity into those corridors.

Map 2 (over page) includes other office centres currently under construction with delivery scheduled in 2009. These centres and others with delivery scheduled for 2010 will more than double the amount of office space available in Kraków. They do not, however, indicate a developing concentration of office space which would assist traffic and transport management.



**Map 2 - current and planned office centres**

### **Sustainable Development**

The IT & Business Process Services sector is a comparatively clean and low energy industry. Key areas in terms of the industry's carbon footprint pertain to IT hardware (powering computers and monitors and safe decommissioning of hardware) and travel to and from work by employees.

In this second area there is great scope for government and companies to work together, especially in relation to demand management, which can help both companies and the municipality achieve reductions in their carbon footprint.

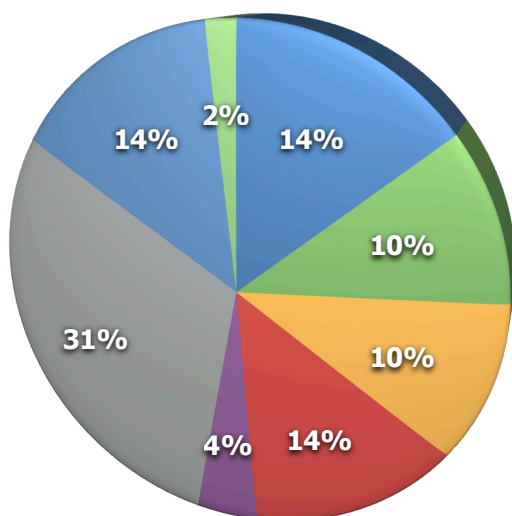
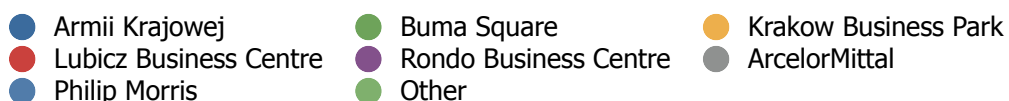
## Sample and Methodology

In total the survey was completed by 26 companies (three with offices in more than one location), employing nearly 16,000 people. Most of the companies surveyed are located in the five main business centres in Kraków with total office space estimated at 143,000 sq. m, which is circa 64 % of total modern office space in Kraków (225,000 sq. m).

Office space in these five centres is detailed in Table 2 and expressed as a percentage of total modern office space in Chart 2. The largest business centre is the Kraków Business Park in Zabierzów which has 41,000 sq. m. In 2009, 3 more buildings will be completed in KBP, each providing a further 16,300 sq. m. From this location eight companies participated in the survey. Galileo, Newton and Edison buildings in ul. Armii Krajowej is the second largest centre in terms of space. Six companies from this location participated in the survey.

| Location                                   | Sq. m          |
|--|----------------|
| Buma Square                                | 28 000         |
| Armii Krajowej - Galileo / Newton / Edison | 31 000         |
| Rondo Business Park                        | 17 800         |
| Kraków Business Park                       | 41 000         |
| Lubicz                                     | 26 000         |
| <b>Total</b>                               | <b>143 000</b> |

**Table 2 - office space in 5 main business centres**



**Chart 3 - respondents by percentage of employees in locations (N = 15,926)**

Companies completed the survey online (the survey was variously completed by the CEO, facilities managers and HR managers).

The survey itself (Appendix C) was based on two in depth interviews conducted with companies that have experienced transport difficulties and have been engaged in steps to address the issue. The survey was also consulted with the Transport Faculty of the Kraków University of Technology.

The survey was in five sections: 1) Number of employees, how they travel to work and difficulties with transport; 2) Specifics of transport issues; 3) Steps taken to address transport issues; 4) Co-operation with the City and willingness to work with the City in the future, and 5) Opinion on the business climate in Kraków (and influence on the decision to locate in Kraków).

The survey was not anonymous.

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## Part 2 - Transport issues of the IT & Business Process sector in Kraków

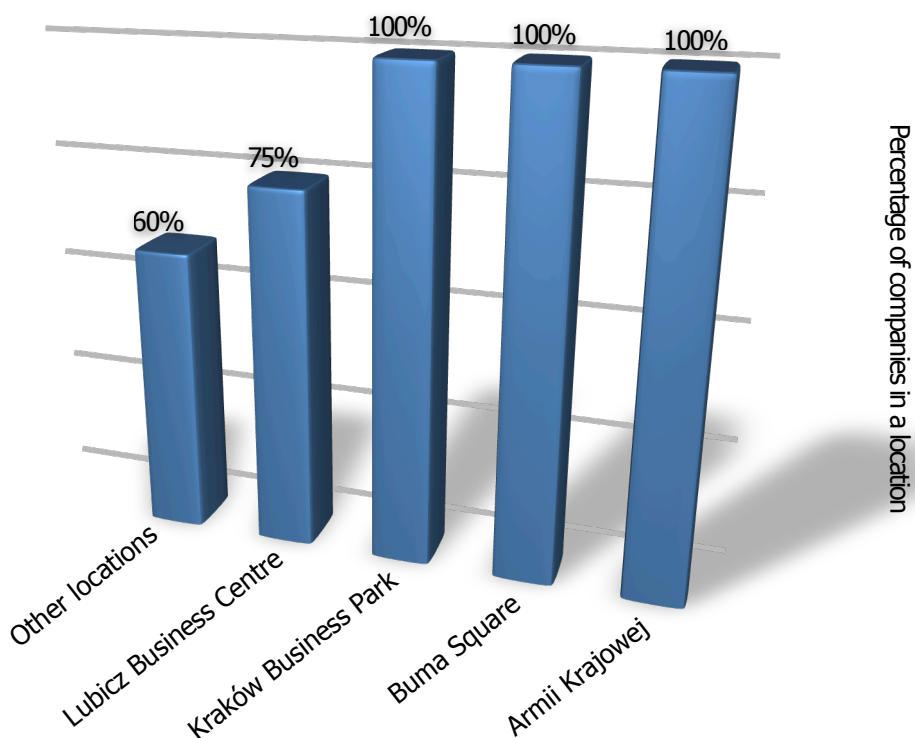
### Transport as a business issue

Although transport is not the decisive factor in a company choosing to locate in Kraków, it is nevertheless considered important or very important by 87% of respondents.

A recent report ranked Kraków as one of the best cities in Poland in terms of transport infrastructure, traffic management and implementation of innovative public transport solutions.<sup>4</sup> However, 82% of companies in the survey indicated that transport is an issue that concerns them.

Of most significance, 70% of respondents stated that transport issues can impact the company's development plans. In three locations 100% of respondents expressed this concern.

**Chart 4 - Impact of transport issues on development plans by location**

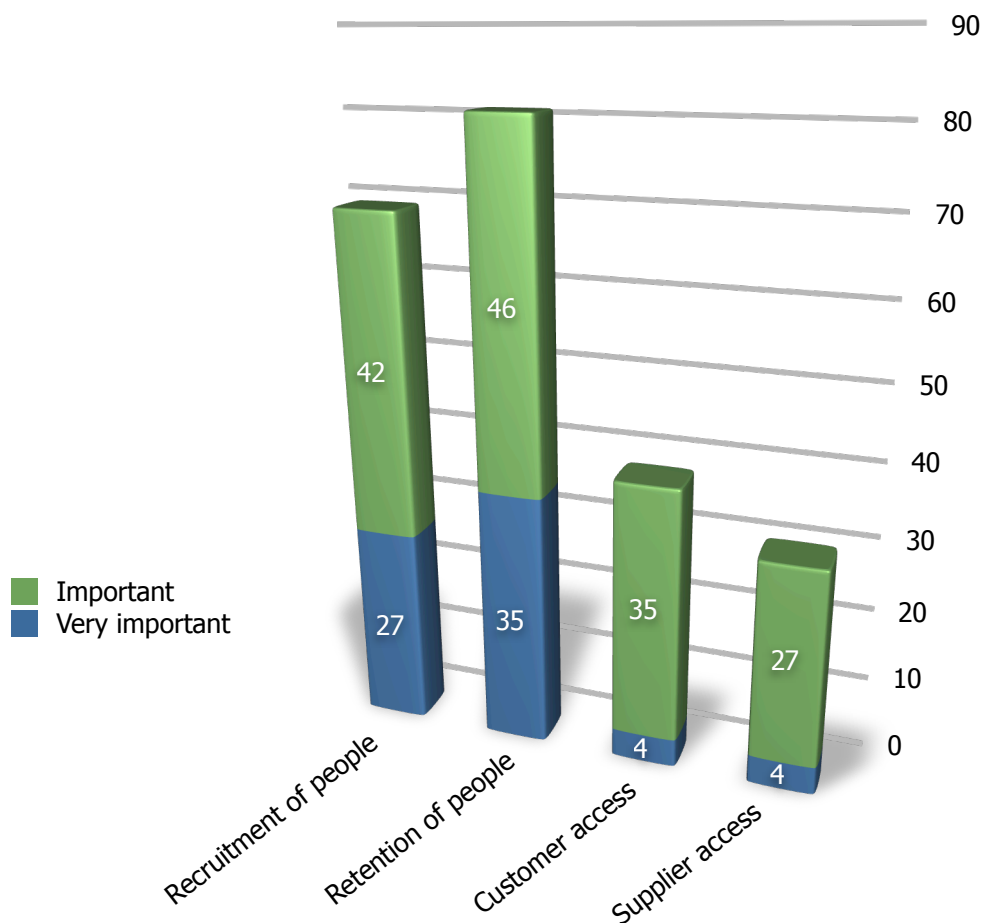


<sup>4</sup> Wesołowski J., Transport Miejski, Instytut Spraw Obywatelskich, 2008

This is a cause for concern taking into account the additional space due to be delivered in 2009 in Armii Krajowej, Krakow Business Park and Lubicz (although companies may be taking this into consideration in their responses).

As previously indicated, the transport issue for companies operating in business centres is largely related to concerns about employee mobility. Companies experience less difficulty in terms of supplier and customer access. This is because IT & BPS companies have remote clients and supplies are office supplies rather than supplies used in production.

**Chart 5 - How transport issues impact business (in percentage terms)**



As availability of people with appropriate skills is the single most important factor in the decision to locate IT & BPS services in a particular location, so transport is considered an important issue also in terms of people. 81% of companies consider transport important or very important in relation to retention of people and 69% in terms of recruitment. 31% stated difficulties in terms of supplier access and 39% in terms of client access.

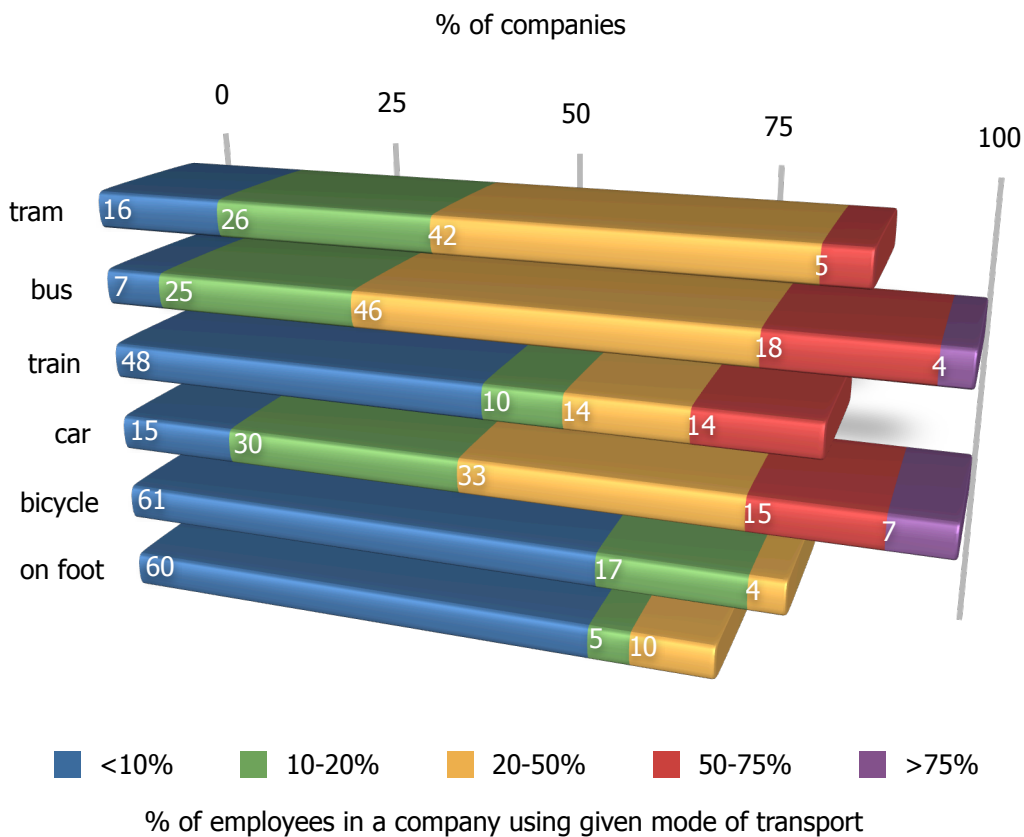
Furthermore, companies are strongly motivated to take steps to improve the situation - 70% say it would be difficult or very difficult to change location. Companies have been operating in a landlords' market with limited availability of modern office space and have signed long leases with landlords to bring down the cost of office rental. With modern office space set to double in Kraków in 2009, there are however signs that Kraków is set to become a tenants' market which will give companies greater flexibility regarding location with new landlords willing to take up the existing lease to encourage companies to relocate.<sup>5</sup>

### How people commute to and from work

The chart below indicates modes of transport people use to commute to work. Some modes of transport are not applicable in certain locations, for example, people do not travel by tram to Kraków Business Park in Zabierzów. The information is not based on employee surveys and is therefore approximate, but it does give a sense of companies' own understanding of the situation and transport priorities.

Large numbers of people use public transport and overall commuting by bus is particularly important. Tram, train and car are also very significant modes of transport. Only small groups of people commute by bicycle or on foot.

**Chart 6 - How people travel to and from work**



<sup>5</sup> "Kraków set to become a Tenants' Market", Paul Higgins, Colliers International, South Poland Business Magazine 2009



The following table indicates some of the key issues relating to different modes of transport.

**Table 3 - Issues relating to different modes of transport**

|                                      | <b>bus</b> | <b>tram</b> | <b>train</b> | <b>car</b>  | <b>bicycle</b> | <b>on foot</b> |
|--------------------------------------|------------|-------------|--------------|-------------|----------------|----------------|
| <b>Distance of stop from office</b>  | <b>56%</b> | <b>56%</b>  | 13%          | 19%         | 13%            | 6%             |
| <b>Insufficient frequency</b>        | <b>71%</b> | 38%         | 38%          | 0%          | 0%             | 0%             |
| <b>Insufficient capacity</b>         | <b>72%</b> | 33%         | 22%          | 11%         | 0%             | 0%             |
| <b>Need to change more than once</b> | <b>95%</b> | <b>75%</b>  | 0%           | 0%          | 0%             | 0%             |
| <b>Congestion</b>                    | <b>72%</b> | <b>44%</b>  | 11%          | <b>50%</b>  | 6%             | 0%             |
| <b>Parking</b>                       | 0%         | 0%          | 0%           | <b>100%</b> | <b>24%</b>     | 0%             |

Buses are the most used mode of transport. Issues connected with bus transport include crowding on buses, that they do not come often enough, routes which require the need to change more than once and traffic congestion.

The frequency of buses during morning and afternoon peak hours is an issue that companies have been keen to discuss with the municipality. There were several comments that the municipal authorities seem not to understand that with the opening and expansion of large office centres the number of passengers is growing. The perception of business is the number of buses stays the same.

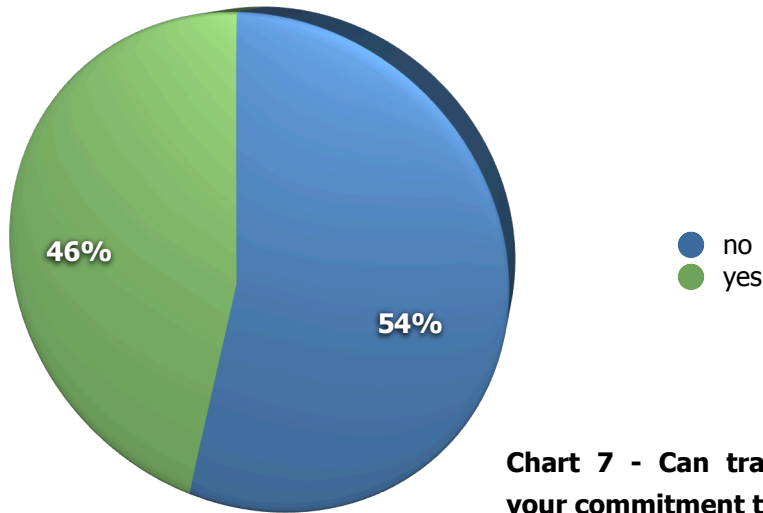
Another issue identified is that although buses have separate bus lanes they are nevertheless often caught in traffic in places where there is no separate lane. The same problem affects trams when car drivers use tram lanes. Otherwise, trams are generally evaluated positively, although many comment that stops are too far from the office.

Parking space is a problem for employees travelling by car (100% of respondents indicated this problem), and also a problem therefore for residents and retail businesses in the vicinity of office centres.

Travel by bike and on foot are the least used modes of transport, but it is suggested that more secure bicycle parking, bicycle paths and changing facilities in the office could encourage more employees to travel by bicycle.

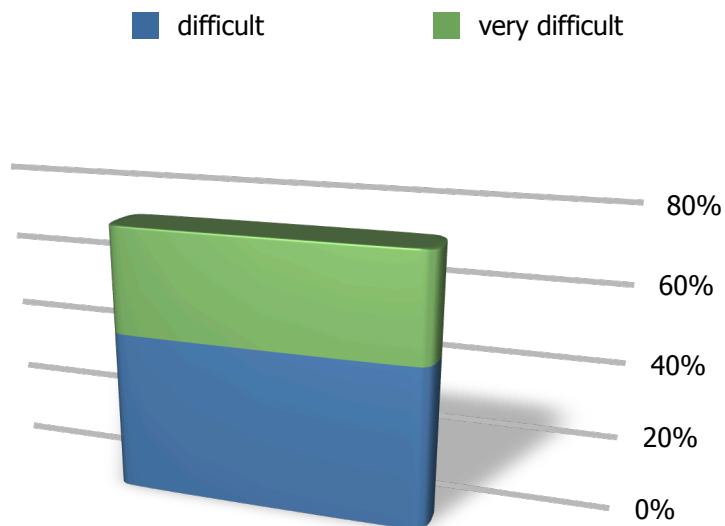
## Commitment to an office location

Companies were asked how likely it is that transport influences their decision about staying in chosen place.



**Chart 7 - Can transport issues influence your commitment to your current location?**

Almost half of the companies declared that it is a factor that plays some role when it comes to their commitment to their current location. The chart below sums up the responses on how difficult it is for a company to move:



**Chart 8 - How difficult would it be to change your current location?**

70% of companies declared that moving is difficult for them. As referred to above this may reflect the limited availability of office space and the leases which companies have with landlords. Otherwise, the IT and BPS sector is an industry with a high degree of mobility.

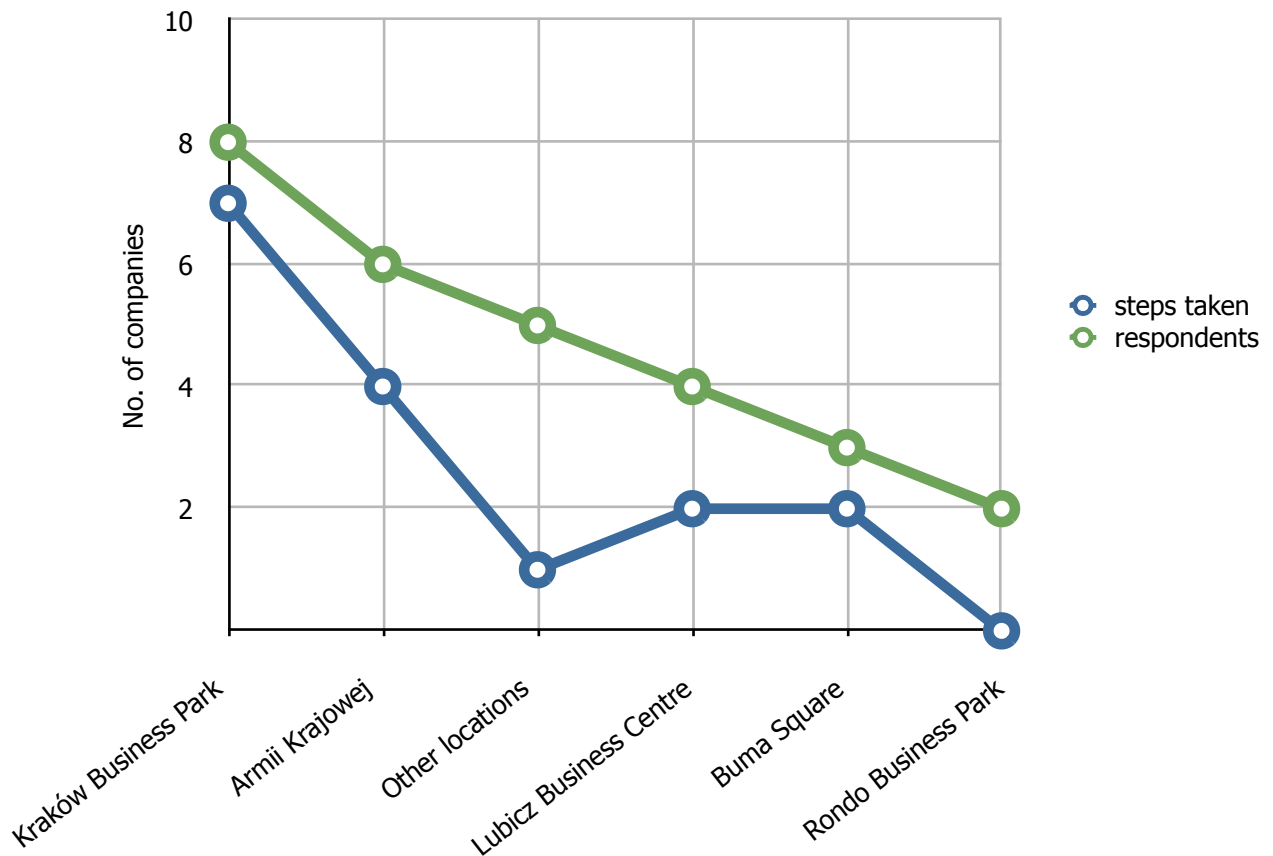
Many companies have chosen their current location with forward planning in the belief that they would be able to grow in that location. Relocation is expensive and time consuming.

Quality of office space, distance to the centre and distance to Balice airport are taken into consideration by companies. If the location fulfills these requirements, companies are more likely to engage in actions to address transport issues.

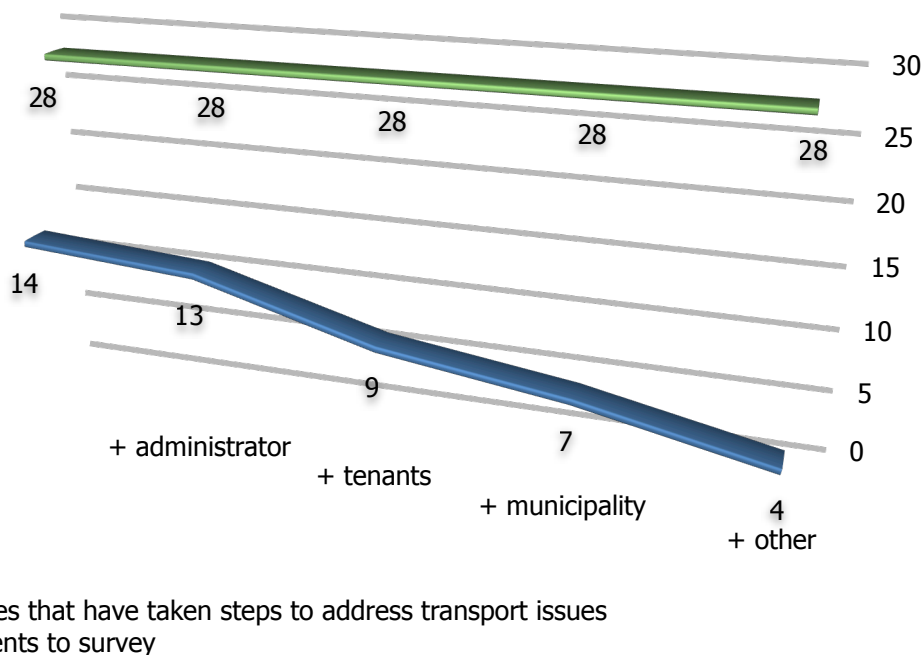
**Response by companies to transport issues**

Some companies have taken steps to address transport issues. These responses come in two forms: 1) internal measures to change organisation of work, and 2) lobbying and representation to improve transport.

**Chart 9 - Comparison by location of number of respondents and number of companies that have taken steps to address transport issues**



**Chart 10 - Companies that have taken steps to address transport issues by engaging other partners**



The building administrator is the first step for companies looking to resolve transport issues and other tenants are natural partners in making representations to the building administrator.

Many companies, however, report that they find cooperation with the administrator difficult:

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"The administrator is NOT interested in solving our parking problems, they do NOT care..."

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It is also worth noting that none of the five locations have a Tenants' Association (although tenants in the Kraków Business Park do meet regularly).

Among other partners the one that was named was PKP (some respondents also named the Transport Management Office). Companies located in the Kraków Business Park have made representations to have additional carriages added to the peak hour trains arriving at the KBP station:

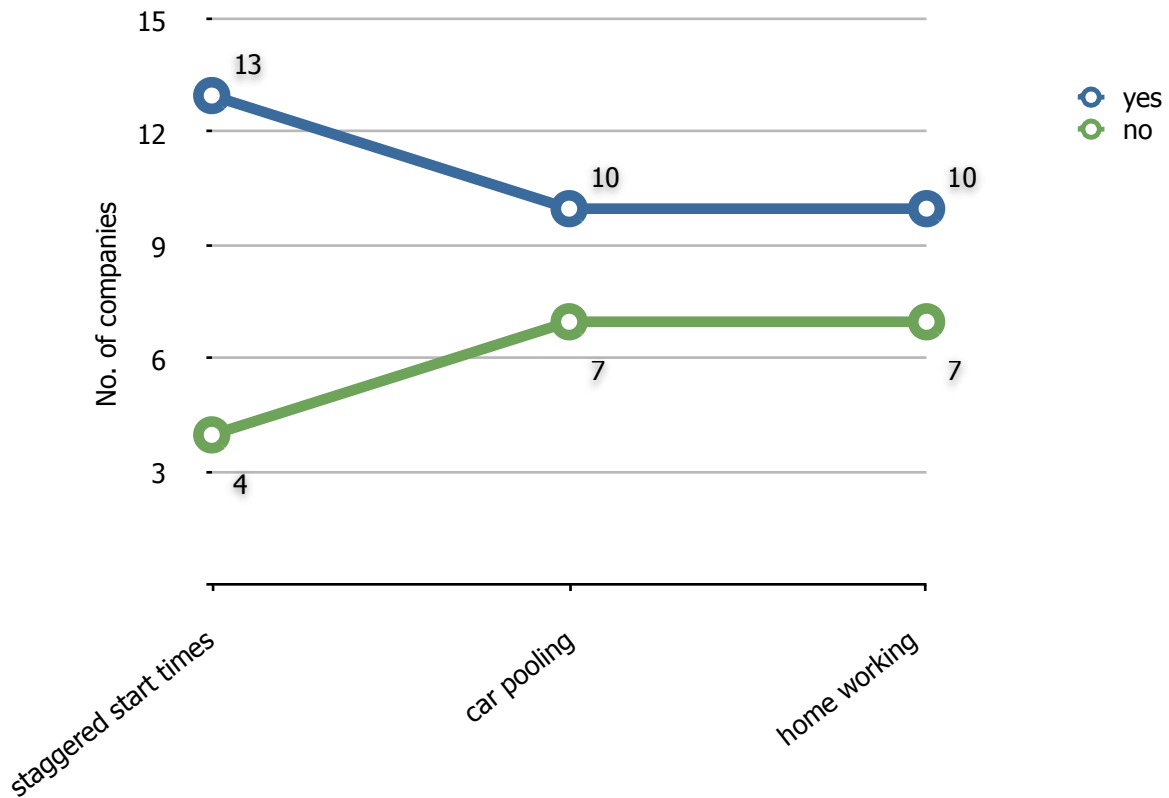
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"One example is that the 07:06 train which is popular among staff is usually one carriage long. Clearly this train is overcrowded each day and PKP have not taken the initiative to increase the number of carriages. Our objective was to ask PKP for more frequent and longer trains at peak hours - at the start of business and the end of day. PKP informed us that they could not change the schedule. They did add another wagon to one of the morning trains. While this is a step in the right direction it does not rectify the current situation of standing room only on peak trains."

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Companies were asked what internal measures they take or would consider taking to address transport issues. These solutions and responses are shown in the chart below.

**Chart 11 - Internal measures to address transport issues (N = 17)**



**Current level of co-operation between the municipality and the sector on transport**

Several companies have approached the City in order to address their transport issues, contacting the Investor Support Centre at the Strategy and City Development Department and being put in touch with the Roads and Transport Management Office (now the Infrastructure and Transport Management Office). One company was in contact with the Mayor’s Office, observing initial interest but “a lack of recent involvement”.

The following comments were made:

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“Contacted the Strategy and City Development Department - sent a letter signed by two companies [employing over 1,700 people] and the developer; meeting with ZDiT [Roads and Transport Management Office] - showed research on line 173 and said nothing could be done apart from research on line 139 in October 2008. We think that the research was not reliable.”

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"In the too hard box!"

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"Kraków traffic infrastructure does not appear to be organized and is extremely layered. Things do not get corrected in a timely manner which result in negative comments from the employees."

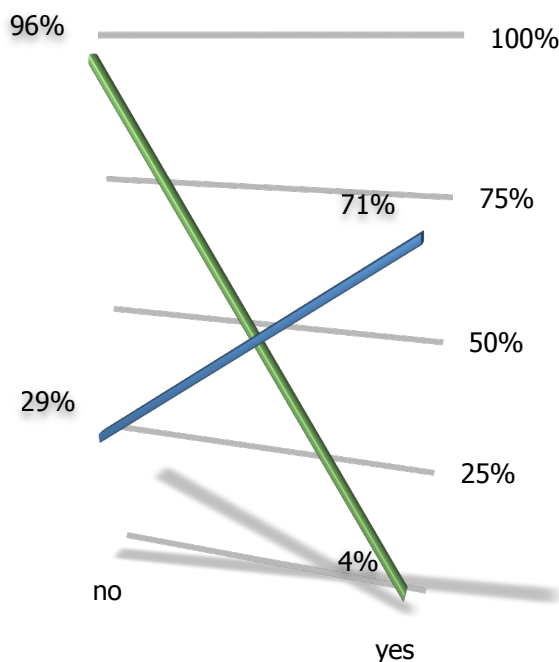
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The survey suggests that for communication between business and municipality to work it is necessary to overcome a mutual lack of trust and understanding.

Transport – in terms of employee mobility and public transport – lies within the competence of the City Infrastructure Office and the Infrastructure and Transport Management Office. There are, however, issues with direct contact which can be put down to lack of understanding of differences in corporate and institutional culture, which can easily be interpreted as lack of good will.

To address this issue and also because companies are not always clear which municipal office is responsible for which area of municipal management, it may be advisable for the Investor Support Centre to identify itself as a point of contact and ongoing support and to broker the relationship.

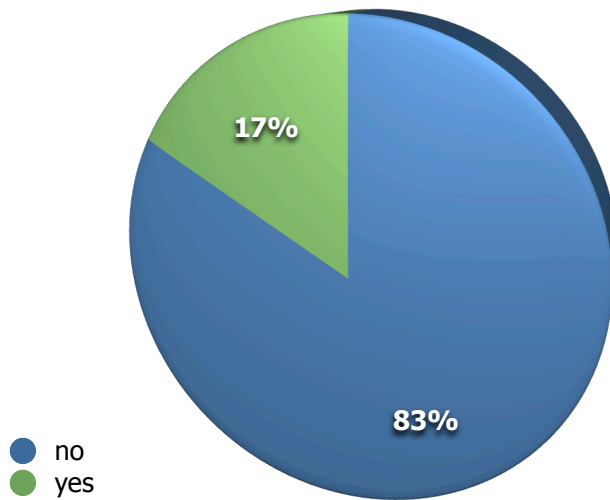
The perception of the City as an active party dealing with transport solutions is illustrated in the research by the fact that 96% of respondents say they are unaware of any transport projects developed by the city. This said, most companies would like to know more about projects dealing with sustainable mobility and would welcome being approached by the City to develop joint projects.



**Chart 12 - Co-operation with the City**  
(N = 24)

- Would you consider the City as a partner in developing sustainable mobility projects?
- Are you aware of any municipal initiatives which might support your efforts?

## Sustainable Development



**Chart 13 - Do you consider transport in relation to efforts to reduce your carbon footprint?**

(N = 27)

It is clear from the survey that a great deal of work needs to be done by the municipality to raise awareness of sustainable mobility among companies if they are to be encouraged to take measures to reduce their carbon footprint in relation to the transport needs of their employees. As the chart above indicates only 17% (4 companies) say that they consider transport in relation to reducing their carbon footprint.

On the other hand 71% (17 companies) say they would like further information about the subject and a similar number say that they consider the City as a partner in developing such initiatives. This suggests that the IT and BPS sector may be fertile ground for the Civitas Caravel project.

In the context of environmentally friendly transport the survey also identifies issues relating to bicycle use which should be taken into consideration. Respondents suggest that limited number of bicycle paths, secure parking and changing facilities and showers at work are a barrier to bicycle use. One company has implemented secure bicycle parking and monitoring in front of the building where the office is located.

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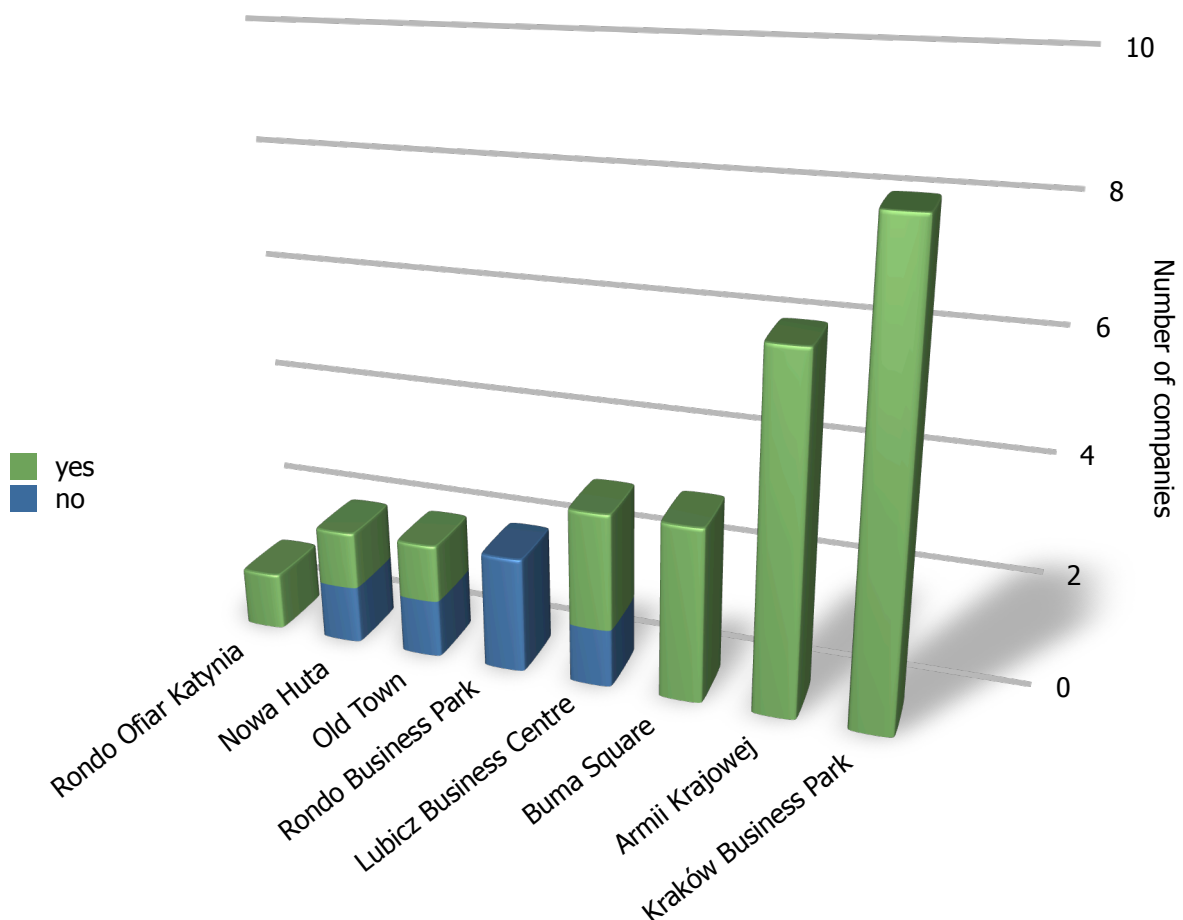
### Part 3 - Comparison of main office centres

The main office centres providing Class A office space in Kraków are spread out across the city and the situation is likely to remain with new deliveries of office space in 2009 (Maps 1 & 2). This situation makes traffic management in peak hours more problematic than if there were one central business district. It also means that there are differences in the transport issues identified by companies dependent on their location.

#### Level of concern about transport

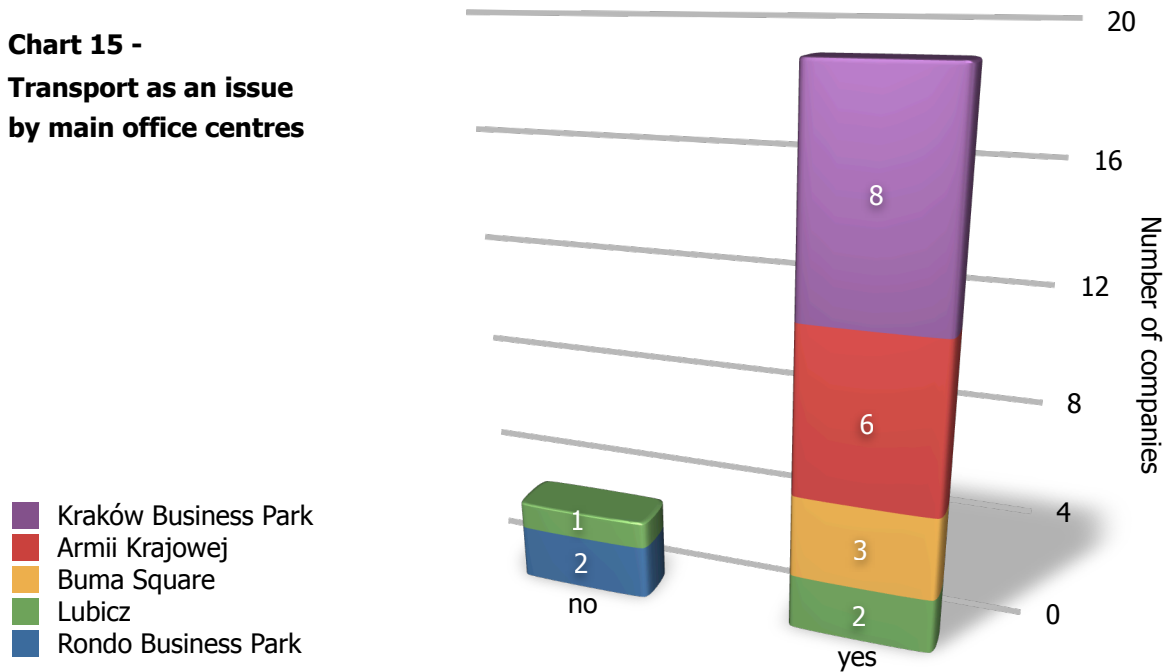
82% of companies (N = 27) say that transport is an issue which concerns them. Only in one location surveyed – Rondo Business Park – were respondents not currently concerned about transport issues. This may be due to the fact that this office centre is relatively new (2007) and is located near a major transit road (ul. Opolska).

Chart 14 - Transport as an issue by location



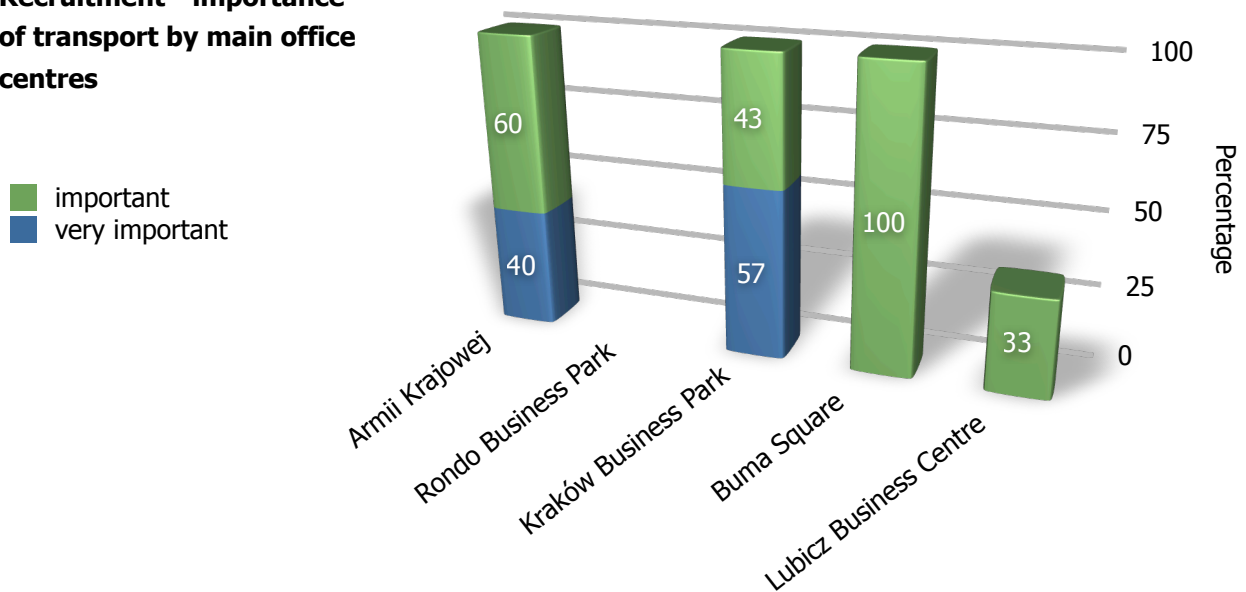


**Chart 15 -  
Transport as an issue  
by main office centres**

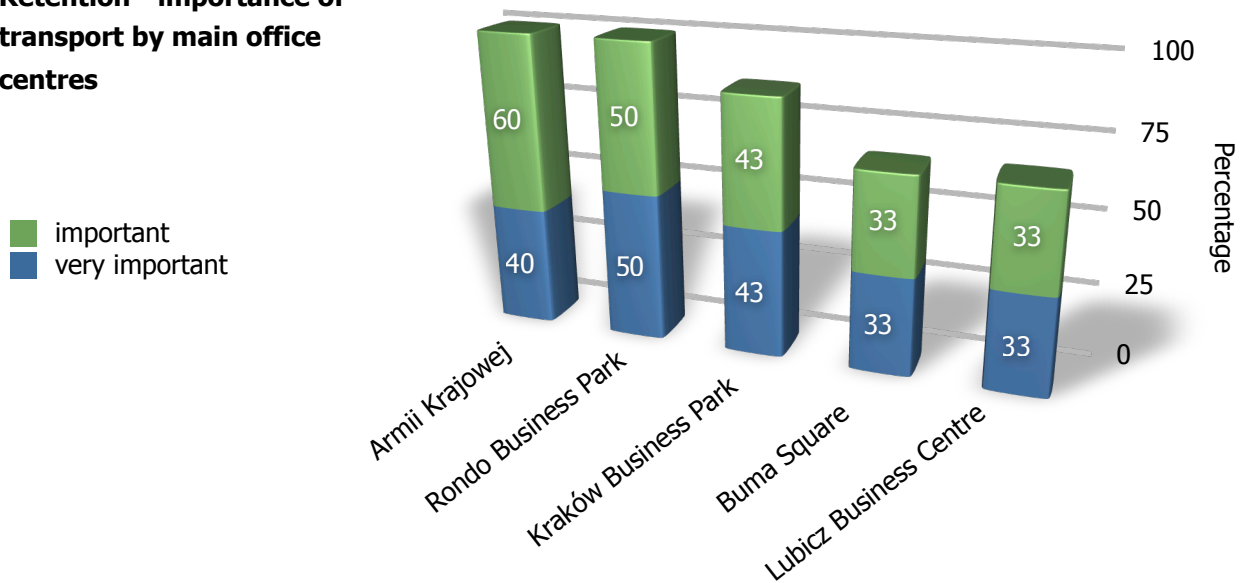


100% of companies located in three other centres say that transport is an issue that concerns them. The complex on Armii Krajowej which includes Galileo, Newton and Edison buildings, Kraków Business Park and Buma Square are also currently the three largest office centres in Kraków. It should be noted that both Armii Krajowej and KBP are set to grow in size in 2009 and concern about transport in both of these locations may have prompted more companies in these locations to respond to the survey.

**Chart 16 -  
Recruitment - importance  
of transport by main office  
centres**



**Chart 17 -  
Retention - importance of  
transport by main office  
centres**



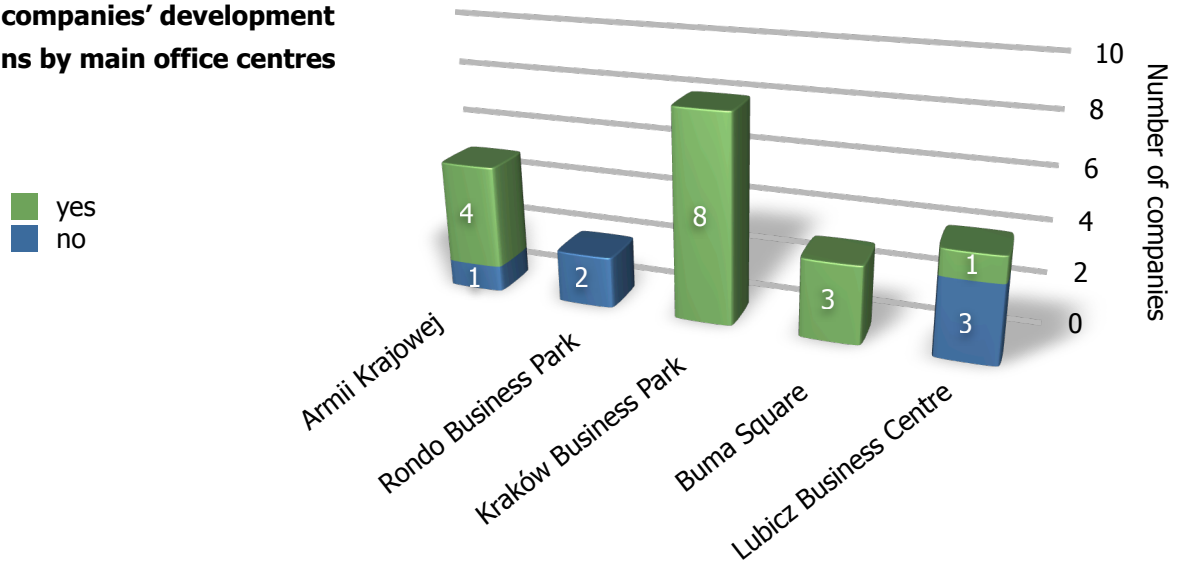
People are the biggest factor in IT & BPS companies locating in a given city and over recent years the biggest issue for the sector in Kraków has been the recruitment and retention of employees as more companies enter the market (in addition to outward migration to other parts of the European Union). It is not surprising therefore that transport issues are also seen through the prism of recruitment and retention.

Some differences in terms of the importance of the transport situation to recruitment and retention are seen depending on the location. Issues with recruitment may have to do with perceived difficulties in getting to a location and distances required to travel, whereas retention is more likely to be affected by actual difficulties. This may be seen in the case of Kraków Business Park with 100% of companies reporting transport as an issue in terms of recruitment but fewer companies (86%) in terms of retention. Kraków Business Park is served by its own train stop from the Main Station and also benefits from good road connections and more availability of parking space than other locations.

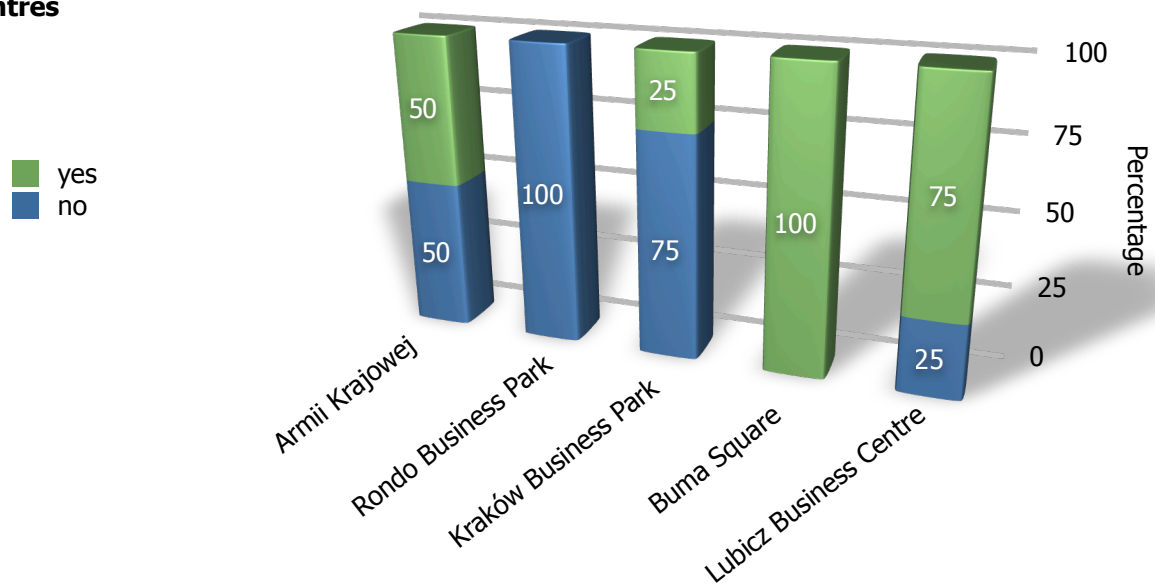
Transport is less of an issue in terms of retention for companies located in Buma Square (60%), the Old Town (50% - not shown in the chart) and Lubicz Business Centre. In these instances, results may be influenced by other advantages of the locations, such as the proximity of amenities (restaurants, banks, hairdressers, grocers etc.) This may also partly explain the sharp difference between importance of transport in terms of recruitment and retention for companies in the Rondo Business Park (0% as opposed to 100%). Although on a main transit road with an above average number of parking places the location does not offer a wide range of amenities.

Finally, it is to be noted that transport and location are just two in a very wide mix of of factors that influence decisions about accepting a job and staying in a job. They are nevertheless important in a market where employers are competing for talent.

**Chart 18 -  
Influence of transport issues  
on companies' development  
plans by main office centres**



**Chart 19 -  
Supplier access - importance  
of transport by main office  
centres**



Location can also impact supplier and customer access. As noted this is less important in the IT & BPS sector as clients are remote and supplies relate to office supplies rather than supplies used in production. From the survey it can be seen that companies most affected by difficulties in supplier access are those in congested areas with supplies being delivered by vehicle.

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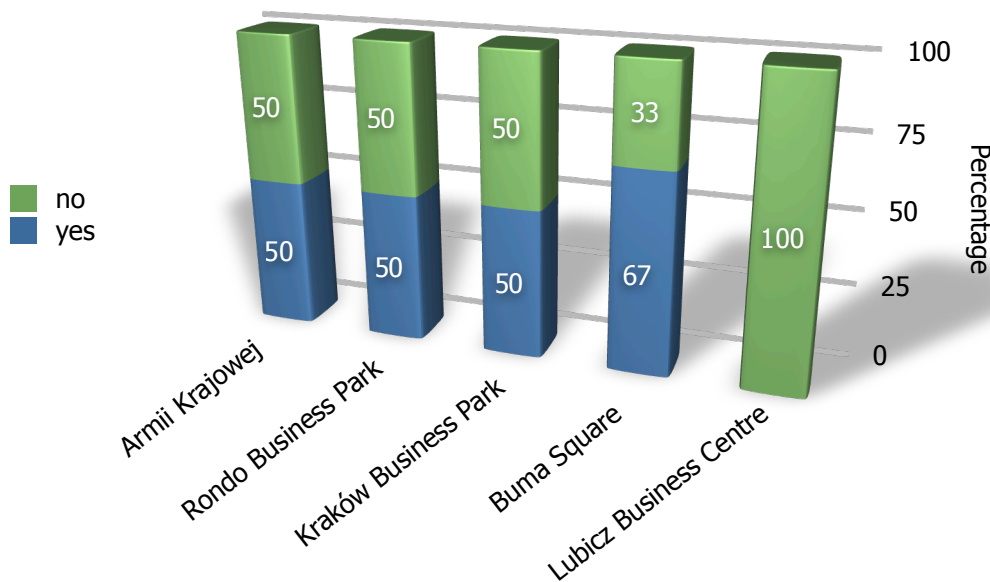
“It’s very difficult to park in front of the BUMA building; it’s a mess with the cars standing there!”

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“Lorries cannot enter the car park or the street next to the building, therefore delivery of office furniture took 12 hours rather than the anticipated four hours.” (company in Armii Krajowej)

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**Chart 20 - Effect of transport issues on companies’ commitment to current location by main office centres (N = 23)**

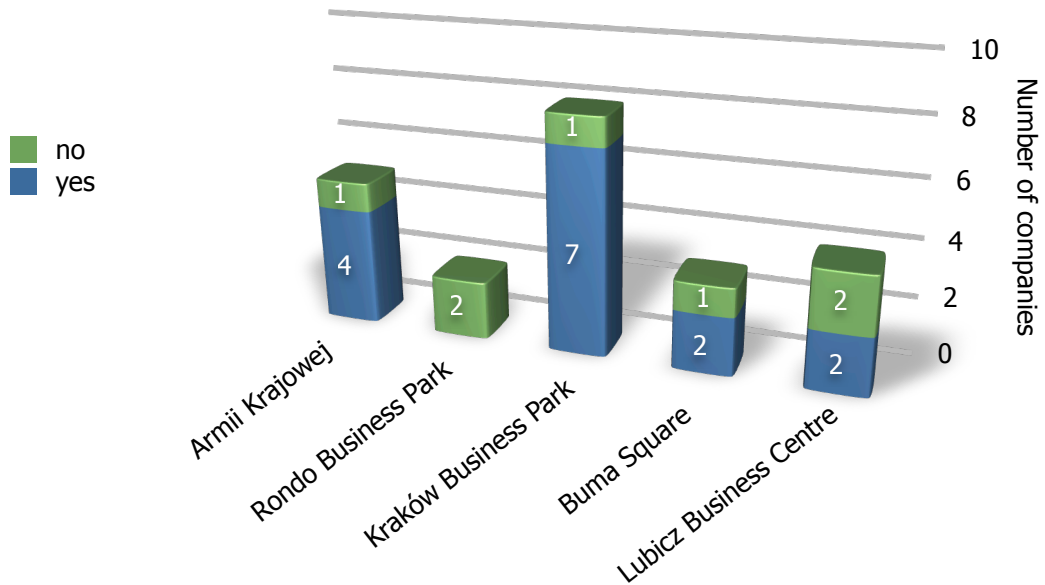


The strongest impact of companies’ commitment to a location in terms of transport issues is observed in Buma Square (75% of companies question their commitment to the location due to transport issues). This contrasts with no companies in the Lubicz Business Centre. Other factors may be in play here, such as companies’ ability to grow in their current location. Lubicz 2 will deliver additional 8,500 square metres office space in 2009, whereas Buma Square is at full capacity.

### Steps taken

15 of 23 companies in the main office centres have taken steps to address transport issues. These are illustrated by location in Chart 20 below.

**Chart 21 - Companies that have taken steps to influence the transport situation by main office centres (N = 23)**



Tenants in Kraków Business Park and in the Galileo/Newton/Edison complex in Armii Krajowej have been most active in seeking to address issues. In both instances, companies have approached the City Investor Support Centre. Companies located in Zabierzów were also in dialogue with PKP (Polish Railways) which reflects the importance of the rail link from Kraków Main Station.

## **Part 4 - Conclusion and Recommendations**

### **A strategic approach to the development of the IT and Business Process Services Sector**

Transport is an important issue for the IT & BPS sector in Kraków, especially in terms of the recruitment and retention of people. Problems in this area may negatively influence company growth. Improving transport can lead directly to job creation.

Transport infrastructure and transport management is the responsibility of the municipality, but Kraków's ability to manage transport flows is hampered by the lack of a central business district which would enable resources to be concentrated in one area to manage peak flows.

The complexity of the issues surrounding the growth of the IT & BPS sector of which office location and transport are but two factors are best dealt with by a cross sector and multi-disciplinary approach. If Kraków is to take full advantage of the opportunity presented by the IT & BPS sector there needs to be a greater level of co-operation and more dialogue between the IT & BPS sector and the municipality and a greater level of co-operation between departments within government.

The ability of the IT & BPS sector to co-operate with government and other stakeholders on strategic issues important to the sector will benefit from the decision of companies in the sector to establish ASPIRE as a trade association to represent their interests. It would seem advisable that there should be a complementary mechanism within the municipality which would rationalise the channels of communication between the IT & BPS sector and government. This role might be fulfilled by the Investor Support Centre.

Whatever the precise nature of the mechanism, however, Kraków would benefit from a partnership approach to the strategic development of the sector led by the Mayor.

The need for an effective channel of communication is illustrated by the current limited communication between companies in the sector and the City which seem only to occur to address particularly pressing and localised transport issues and then without great effect. It is also demonstrated in the fact that although companies see the City as a partner in developing sustainable mobility projects they have little awareness of the City's initiatives in this area.

The poor level of communication is at once structural but also cultural. This is an issue faced by public-private partnerships the world over. Public and private sectors have differing organisational cultures and function according to differing priorities and principles. Mechanisms need to be developed to overcome and make allowances for these cultural differences which points to the need for partnership brokering.

### **Mechanisms to address localised transport issues**

Without a strategic approach to the development of the sector the debate will not rise above the level of firefighting localised transport issues. Nevertheless we are where we are. The sudden rise of the IT & BPS sector in Kraków and the consequent rise of large business centres in parts of the city accommodating up to 4,000 people in one location is a significant challenge to transport management.

It is outside the scope of this report to make recommendations about particular transport solutions for particular locations. What does seem necessary, however, is to strengthen the debate about transport at the localised level, which may then feed into the wider debate. In this area, it is proposed that the City and companies look at developing Transport Management Associations for particular business districts. Such TMAs are a feature of UK and US cities and have a strong business component with up to 80% of members drawn from business.

It is proposed that the municipality work with ASPIRE and an institution such as the Kraków Technological University which has an expertise in urban planning and transportation to establish five TMAs around the five main office centres in Kraków named in this report. Without such a mechanism the resolution of transport issues will be left in the hands of developers and building administrators who may be considered to be conflicted in their interest. A developer, for instance, would prefer not to accommodate more parking space in an office development as this impacts short term return on investment; building administrators are contracted by the developer (or landlord if the building is sold on).

### **Environmental protection**

Commuting to and from work by people working in the IT & BPS sector has and will have a growing impact on the city's carbon footprint. The IT & BPS sector is a clean industry with a strong commitment to environmental protection issues at the corporate policy level. Most companies take measures to reduce their carbon footprint within their internal operations, which also have the effect of reducing costs. Reducing the carbon footprint of employees travelling to and from work calls for a co-ordinated effort by the companies and the City. Ultimately, how people commute is a matter of individual choice, but companies and the municipality can work in tandem to influence transport demand of employees. This is another area where the municipality must take the lead.

As a final observation, it is important for the municipality and those working in government to understand that employers are an important ally in transport management and steps to bring about reductions in carbon emissions. As an example, closer co-operation between the City and companies would provide the opportunity to gather very detailed data on transport issues as they relate to employees with the simple addition of a few questions to the employee satisfaction surveys regularly conducted by companies. This data can be collected efficiently and at no extra cost.

Co-operation between the City and the sector need not involve additional costs. To the contrary close co-operation can reduce costs for both parties.

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**SouthPoland**  
business > link

ul. Św. Anny 9, 31-008 Kraków, Poland

tel.: +48 12 426 35 25; e-mail: [info@spbl.pl](mailto:info@spbl.pl)

[www.SouthPoland.com](http://www.SouthPoland.com)



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Pl. Wszystkich Świętych 3-4, 31-004 Kraków, Poland

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