GBS Maturity Assessment
Central Europe

June, 2023

CONTENT

Foreword

In today's constantly evolving business environment, **Global Business Services (GBS)** have become a critical component of many organisations' growth strategies. The current volatile and uncertain business landscape has further underlined the importance of GBS entities as a strategic tool for companies to improve operational efficiency, enhance quality, drive innovation and ultimately create sustainable competitive advantage.

The business services sector is strategically important in the European Union (EU), as it is one of the largest contributors to the EU GDP **(11%)**. In recent years,

Central Europe has emerged as a key destination for companies to establish and operate business services centers within the EU due to its favourable business environment, skilled workforce and cost-effective operations.

The business center landscape is dynamic, growing, and increasingly focused on digital transformation, innovation and talent development.

Deloitte has conducted its first comprehensive study on the maturity of the **Global Business Services sector in the Central European (CE) region.** The aim of the report is to provide business services leaders with an in-depth analysis of the current state of GBS adoption and maturity across the CE region.

The assessment also serves as a benchmarking tool, enabling companies to evaluate their performance against industry standards and identify potential areas of improvement. By leveraging these insights, business centers can enhance their operations and drive sustainable and enterprise-wide growth in the current dynamic environment.

This report provides information required for a thorough understanding of the current Central European GBS landscape that will enable business services organisations to further optimize their GBS operations and step up the maturity ladder.

Source: *European Commission (2023)*
https://single-market-economy.ec.europa.eu/single-market/services/business-services_en

Executive Summary

The purpose of **Deloitte's Central European Global Business Services Maturity Assessment** is to collect information about the maturity of the GBS sector in the CE region and gain comprehensive insight on this sector's further opportunities in our region.

Our survey is based on Deloitte's global GBS Maturity Assessment methodology. The assessment was conducted **from February to April, 2023 in 8 Central European countries** - Bulgaria, the Czech Republic, Hungary, Latvia, Lithuania, Poland, Romania and Slovakia.

83 companies have completed the survey answering **32 questions** **in four major dimensions:**

Strategy

Organisation

Work Delivery Management

Process & Technology.

The collected data have been analysed throughout the whole region, taking into consideration the primary industry, the size and the date of establishment of the GBS centers involved.

Our survey shows that the average maturity of GBS centers operating in the CE region is on performing level, where business services organisations are the most mature in their Work delivery management practices and the least mature in the Organisation dimension.

We have seen that factors such as economic and political environment or the rapid growth of new technologies all influence the speed and the focus of the sector`s development.

A deeper analysis of each dimension can help us understand the areas in which GBS centers have potential for further improvement to step up the maturity ladder and become strong players in global business services ecosystems. The most eminent success factors are being attractive to talent in a competitive marketplace, decreasing time and resources dedicated to transactional activities and becoming strategically important actors regarding the companies` business performance.

Methodology

The CE GBS Maturity Assessment survey offers valuable insights into the present state of the **Central European GBS sector** and provides a comprehensive overview of the business services organisations regarding their strengths, improvement opportunities and maturity potentials.

The data collected have been evaluated by Deloitte's CE GBS Competency Hub. Results have been evaluated and commented on by GBS experts providing professional insights into the specific areas both from the industry and from Deloitte.

The maturity stages are scored on a level of 1 to 5 i.e.

1 lagging
2 developing
3 performing
4 maturing
5 leading

Based on this scoring framework, participating companies have been ranked according to their maturity level in 4 dimensions.

The survey was completed individually by leaders in the GBS sector as a self-assessment by means of an online tool specifically designed for this purpose by Deloitte.

Analysing 4 dimensions

STRATEGY
The existence of GBS and center level vision and strategy in order to exploit emerging trends and increase value created.

ORGANISATION
Effectiveness of the organisation and the management to engage people, develop competencies and foster a culture of customer centricity.

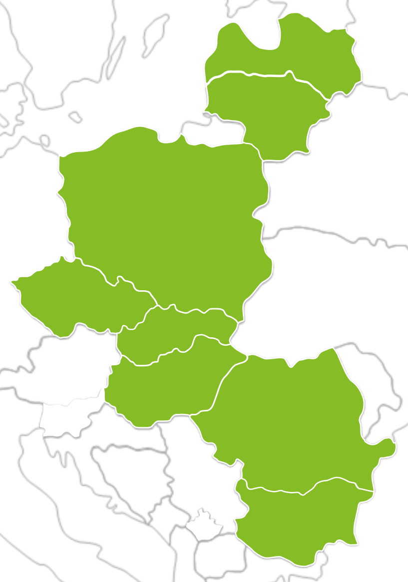
WORK DELIVERY MANAGEMENT
Structures in place focused on improving performance, customer satisfaction, service quality and cost efficiency.

PROCESS AND TECHNOLOGY
Key activities and technologies associated with managing processes, customer interactions and operations.

Across 5 maturity stages

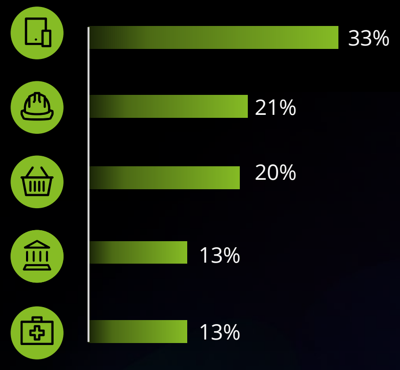
1 Lagging → 2 Developing → 3 Performing → 4 Maturing → 5 Leading

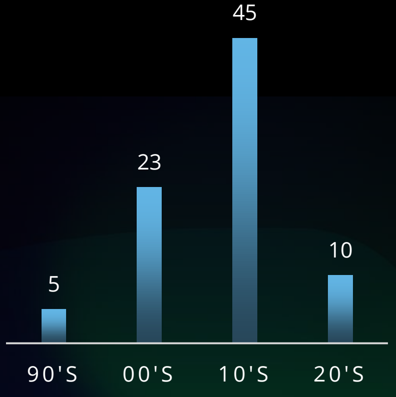
Overview of Respondents

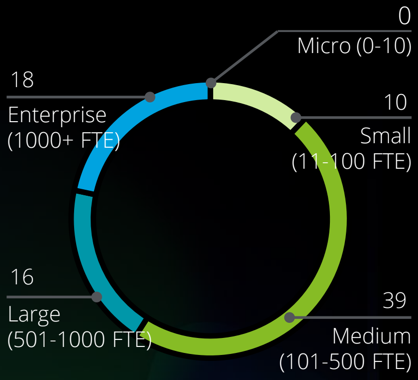


The survey includes a total of 83 participants from eight countries in the Central European region, with varying degree of representation in each country.

Hungary accounted for the highest number of respondents with 29 companies, while the Czech Republic together with Slovakia had 20 participants. Bulgaria and Latvia followed with 12 and 9 respondents respectively. The other countries - Poland, Lithuania and Romania – are represented with lower participation.







Business service centers operating in the Technology, Media & Telecom industry have the **highest representation** in the survey with 33%, followed by the centers of the Energy, Resources & Industrials sector with 23% and the Consumer Industry at 20%. The representation of business services centers operating in the Financial Services and the Life Sciences & Healthcare industries is 13% for both.

The majority of the respondents – **45 centers** - started their operation in the 2010s, followed by 23 respondents established in the 2000s and 10 in the 2020s. Only 5 responding business centers have been operating since the 1990s.

The survey was conducted among GBS organisations of varying size, where medium-sized centers make up the largest group with 39 participants, followed by 18 enterprise-size firms. Additionally, 16 large centers and 10 small entities participated in the survey.

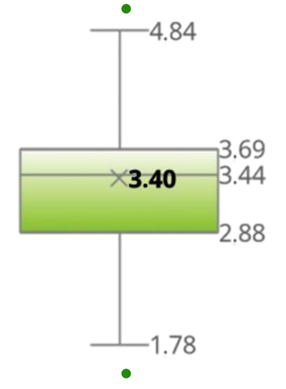
Overview of GBS Maturity in Central Europe

Based on the survey results, the CE GBS market is currently in the **performing** maturity stage, with an **average maturity score of 3.4** out of 5.

Apart from some outliers, the minimum maturity rating is 2.19 that falls into the developing stage, while the maximum is 4.66 which means that **leading GBS organisations are also present in the Central European region.**

However, the majority of the respondents have reported their maturity level as being between the performing and maturing stages and a greater number of GBS organisations reside below the median (3.44). This represents **a strong performing GBS community** in Central Europe and provides an excellent basis for further expansion.

Figure 1. Average maturity of CE GBS organisations and its dispersion



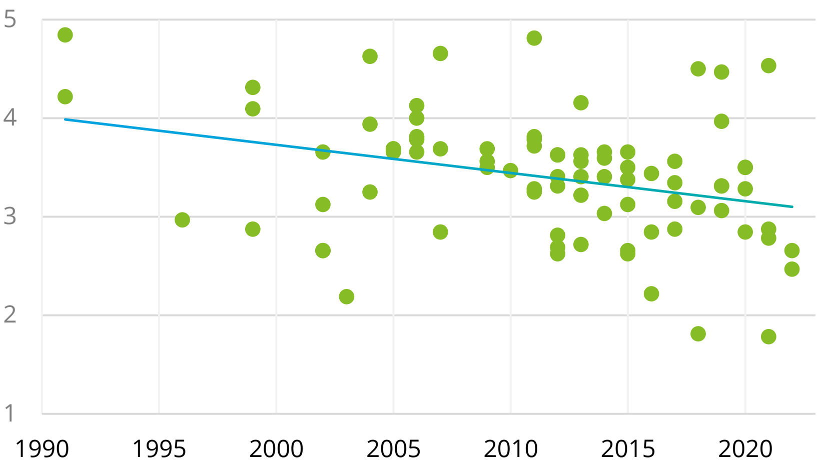
Performing GBS entities have **well-established service strategy and footprint** where the Organisation, Work delivery management, Processes and technologies are sophisticated enough to ensure the **efficient operation of these centers.**

When the maturity shifts towards the maturing and leading stages, the scope of services expand, and high value-add capabilities are present in the centers as the efficiency improvement potential of transactional processes has been exploited.

Considering the establishment date and the maturity level of the survey respondents, a moderate negative correlation can be observed.

This shows that those GBS organisations which have been **operating for a longer time are more likely to be at higher maturity stage.** However, we can see some outstanding values, which indicates that there are some newcomers on the GBS market whose operation is of higher maturity, providing high value-add services from the beginning of their establishment.

Figure 2. Correlation between the establishment date and the maturity stage of CE GBS organisations



Regional Overview of Operating Dimensions

A deeper analysis of the 4 operating dimensions of service centers – i.e. Strategy, Process & Technology, Work Delivery Management and Organisation - has shown that the average maturity level of the CE GBS sector is the highest in the area of Work Delivery Management practices, while it is the lowest in the Organisational dimension.

Figure 3. Overview of CE GBS maturity in each dimension

In terms of Strategy; the Central European GBS sector on average is in the performing stage, which means that companies have started to combine end-to-end transaction processing with the ability to offer high value-add, specialized services. Growth plans, service strategy and service footprint are defined including digital enablement, and a clear service catalogue is in place. Nevertheless, these are not updated regularly nor are they adequately understood by all stakeholders.

In terms of Process & Technology; the performing stage indicates that in CE GBS organisations in general processes are operated end-to-end with limited standardisation and documentation and E2E process owners are rarely appointed. Process automation and data analytics capabilities are limited but development initiatives are present. These organisations aim to have standardized ERP systems with limited exception handling. The use of automation and workflow tools is limited and used primarily to bridge process gaps. Risk and compliance processes and policies are in place and audits are regularly conducted in order to identify violations and educate stakeholders.

In terms of Work Delivery Management; centers operating at performing level have recognized the importance of the creation and regular update of business continuity plans. Performance management practices follow a standard approach to manage performance throughout the whole organisation supported by automation and reporting tools, however, metrics are not defined in all areas. Customer information is tracked and analysed but not standardized in the organisation nor does it feed into the business services strategy.

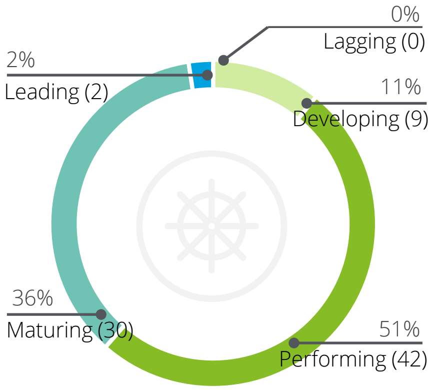
In terms of Organisation; performing business centers have realised the importance of leadership development that is supported by several tools and training programs. The organisation is structured to enable limited sharing of resources and skills, and mostly operates in silos. Attrition and retention processes are still not properly defined, and business services organisations have difficulties in recruiting employees in a timely manner.

Strategy

This survey illustrates that the Central European GBS sector is predominantly in the performing stage (overall average score 3.46) in the Strategy dimension, with more than half of the respondents (51%) reporting their strategy maturity to be at the performing stage while one-third of the respondents' self-assessment shows maturing level. Moreover, 11% of the organisations' aggregated strategy metric is at lagging maturity level among the CE business centers involved in the survey.

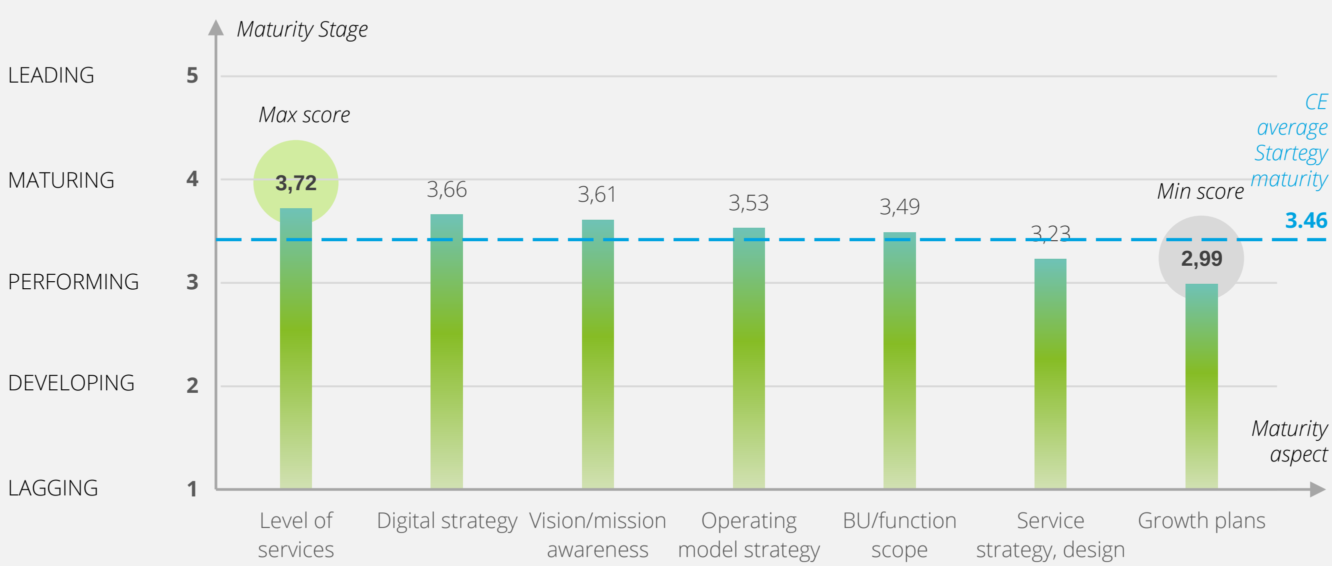
These statistics illustrate that GBS entities are actively working to refine their strategies in order to remain competitive on the global outsource market and in the firm`s GBS ecosystem. Additionally, it reflects that GBS has become a strategically important business unit for organisations. **Overall, the survey findings suggest that the GBS sector in Central Europe is well-positioned for continued growth and further maturity increase.**

Figure 4. Strategy maturity dispersion



The chart below illustrates the 7 maturity aspects of the GBS Strategy dimension and their corresponding average maturity scores in the CE region. Most of the analysed aspects appear to be close to the average value of the Strategy dimension falling between the performing and maturing stages. However, there are some notable values further from average including the Level of services where the CE GBS sector is the strongest and the Growth plans aspect where business centers have reported the lowest maturity.

Figure 5. Deep dive of maturity aspects within the Strategy dimension



Strategy

KEY FINDINGS OF STRATEGY DIMENSION

Level of service

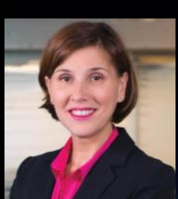
CE GBS leaders have reported their centers to operate close to the maturing stage in terms of the Level of service aspect **reaching a relatively high maturity score (3.72).** That underpins the current trend of shifting from transactional to high value-add services in the GBS sector.

It means that not only routine transactions are provided by business centers any longer but end-to-end process ownership with capabilities-as-a-service and extended decision-making competency increasingly prevails. **The shift towards high value-add services is expected to improve the brand of the business services sector by becoming a strategic business partner to the organisations, actively contributing to business results.**

Growth plans

The overall maturity level of Growth plans is slightly below the performing stage (2.99). At the performing stage companies have a defined growth plan for the migration of new functions and/or geographic scope extension in the next 1-2 years but it is not aligned with the GBS strategy. Moreover, scope extension in the supported functions is continuous but not initiated proactively by the business center.

Having growth plans are crucial to envisage a center's future operation and ensure development and expansion that are important talent attraction and retention factors that also contribute to the positioning of the center in the GBS ecosystem. Hence higher focus on this area is of importance for GBS leaders



Eszter Lukács
Director

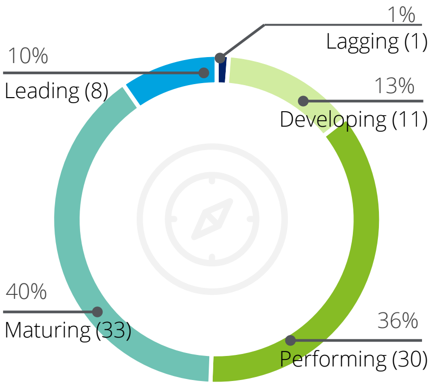
In the complex GBS ecosystems of large multinational companies, the good positioning of a regional business center is key for its success given that the status of business services organisations have been changed in the past years in line with new customer expectations. Proactive extension strategies, conscious planning and continuous development initiatives are essential to maintain and even increase the value created by the centers thus contributing to the firms' business performance that can further enhance the significance of Central European business services in the GBS portfolio.

Work Delivery Management

Survey results show that Work Delivery Management in the Central European GBS sector is in a relatively mature stage, with an average score of 3.51. A significant ratio of the respondents – 30 out of the 83 – report that they are in the performing stage, while 86% of the respondents are in the performing or even more mature stages.

Thus, we can conclude that the operation of business services organisations in Central Europe is predominantly mature. These results illustrate that **GBS entities are actively engaged in improving their Work delivery management practices in order to ensure transparent and high-quality services as well as to build trust** via performance measurement, data analytics, continuous improvement and business continuity planning.

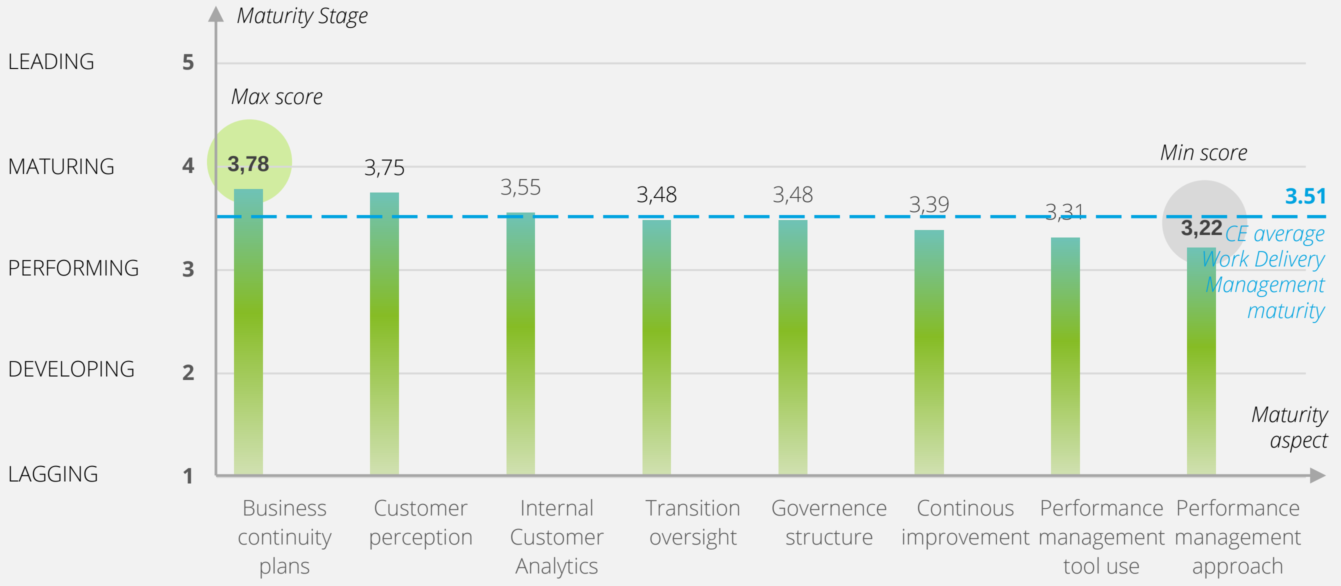
Figure 8. Work delivery management maturity dispersion



The chart below depicts the eight analysed maturity aspects of the Work Delivery Management dimension and their corresponding average maturity scores in the CE region.

The average value of each aspect is between the performing and maturing stages with Business continuity and Customer perception areas being close to the maturing level, while performance management practices are the less mature aspects in this dimension.

Figure 9. Deep dive of maturity aspects within the Work Delivery Management dimension



Work Delivery Management

KEY FINDINGS OF WORK DELIVERY MANAGEMENT DIMENSION

Business Continuity and Disaster Recovery Plans

Business continuity and disaster recovery planning has proved to be the most mature aspect in the Work Delivery Management dimension in the CE region (3.78). The business centers asked are mostly operating in the performing and maturing stages. Only 9.6% of the GBS organisations have reported not having business continuity or disaster recovery plans in place, while 36% of the respondents already have a business continuity and disaster recovery plan in effect that is frequently reviewed and updated by a central dedicated function. The significance of being prepared for any unexpected events was enhanced during the pandemic and our survey has highlighted that most business service centers have already taken actions to mitigate the related risks.

Performance Management Approach

The aspect of Performance management approach has reached the lowest average maturity in the CE region (3.22). 26% of the respondents have reported that no standard approach exists to measure performance in their organisations, and each business area has its own approach performed on an ad-hoc basis. Furthermore, there is no clear SLA in place including service performance levels and metrics. On the other end, only 16% of the service centers asked have stated that in their operation there is a standard approach to performance management that is overarching different functions supported by adequate data and digital tools. SLAs and reverse SLAs are in place, and metrics are defined to reflect desired business outcomes in all areas.

When it comes to performance management tools that are key enablers of an efficient performance management practice, the maturity level is only slightly higher (3.31).

Based on these outcomes, there is room for improvement in the performance management approach and tools that GBS companies currently apply, in order to achieve improved customer experience and ensure sustainable operation.

Tereza De Bardi
Partner

There are several interesting trends in working delivery models that have emerged in recent years. The COVID-19 pandemic has accelerated the trend towards remote work, and many companies are now embracing this model permanently. Virtualization and agile methodologies as a set of new principles and practices are becoming key aspects of mature GBS operating models. On the other hand, the growing need for regulations around virtual delivery led to introduction of new policies in areas of Tax and Legal, Health and Safety, or Data protection and Security.

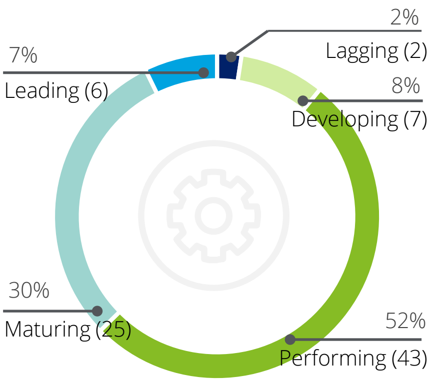
Overall, these trends in working delivery models demonstrate the importance of flexibility, collaboration, and adaptability in the modern workplace. Companies and leaders that embrace these trends are likely to be more successful in the long run.

Organisation

Survey results reveal that the GBS sector in Central Europe is predominantly in a performing stage (overall average score 3.29) in the Organisation dimension, with more than half of the respondents reporting that their organisation is at that maturity stage. One third of the GBS leaders surveyed report that they are at the maturing level within this dimension, and 7% assess their firm as operating at the leading maturity level.

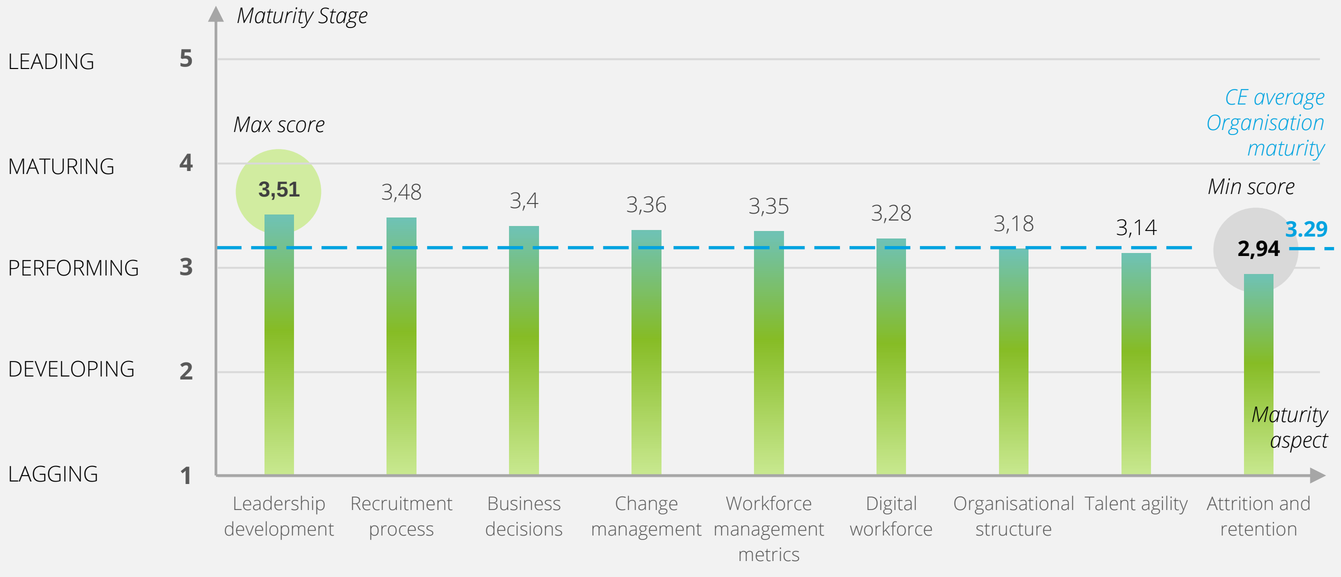
These results suggest that companies invest effort into the development of the Organisation dimension with a special focus on talent, efficient governance structures and the integration of digital workforce. This allows for the Organisation dimension to be the second most mature in the region. Nevertheless, there is still development potential for 62% of respondents who have reported their maturity level between lagging and performing.

Figure 10. Organisation maturity dispersion



The chart below illustrates the nine maturity aspects within the Organisation dimension and their corresponding average maturity scores in the CE region. All aspects assessed are close to the average maturity level ranging between the performing and maturing stages, but predominantly closer to the performing maturity level.

Figure 11. Deep dive of maturity aspects within the Organisation dimension



Organisation

KEY FINDINGS OF ORGANISATION DIMENSION

Leadership Development and Recruitment Process

The responding organisations had the highest maturity scores in the Leadership development (score 3.51) and the Recruitment process (3.48) areas. This classifies both dimensions as being between the performing and the maturing stages, which means that most organisations have programs in place to identify potential future leaders and have several initiatives and trainings established to develop identified talent.

Subsequently, the recruitment management processes and procedures of these organisations are defined but followed inconsistently across business units or geographies.

In Organisations reaching this maturity level, organisational competency models exist and are used to frame required skillsets.

Attrition / Retention Management Processes

The maturity score for Attrition/retention management processes, including related incentives, metrics and reporting, falls slightly below the performing stage at 2.94. This makes Attrition and retention management the lowest maturity area. At the performing stage an organisation has a basic retention policy in place with some considerations related to the specific functions, markets or roles. Here the weakness is inconsistent reporting. At this maturity level, informal retention incentives are developed in the company to retain talent as needed, on an ad-hoc basis.

To facilitate future growth, organisations should develop talent retention programs that consider the skills and capabilities necessary for upcoming roles. Retention programs should be driven by the business strategy and ought to incorporate targeted initiatives for high performers. Additionally, business services firms should establish comprehensive attrition and retention metrics that are well-defined and supported by a visual dashboard.

John Guziak
Partner

The GBS sector in CE is reaching a plateau when it comes to leadership development. If we consider the amount of change including hybrid work, geopolitical instability and talent availability, leadership development should be the number one priority. To secure high performing talent and to prepare for the transfer of more advanced roles, GBS firms should focus on developing skills and capabilities that are relevant not just for present needs but also for the future. This challenge can be addressed with a long-term talent strategy, supported by well-designed employee experience.

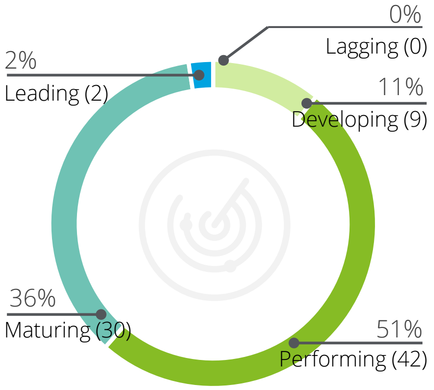
Martin Csépai
Director

Establishing and strengthening data- and insight-driven human resource management processes, with a focus on the domains of talent attraction, retention and employee engagement, can be a natural next step for most GBS organisations in Central Europe, in order to reach to the next maturity level. Additionally, capitalizing on the most advanced technology solutions, such as machine learning or cognitive technologies in this journey, can help them in predicting future trends and executing proactive measures.

Process & Technology

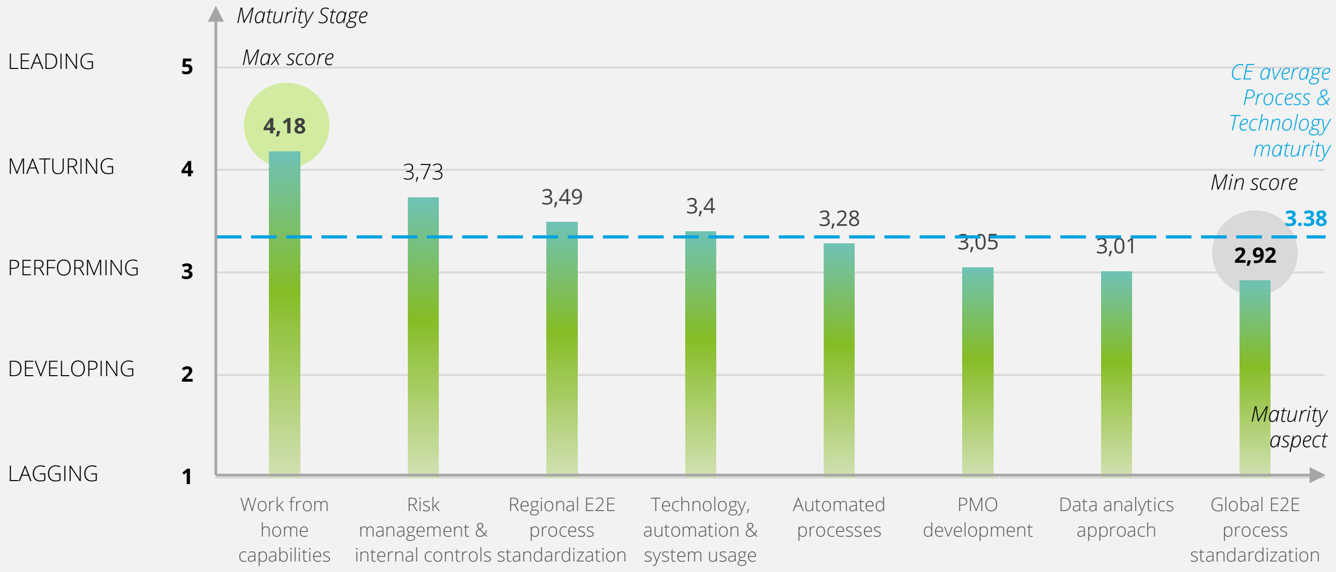
According to the outcomes of the survey the Global Business Services sector in the Central European region primarily operate in the performing stage (overall average score of 3.38) in terms of the Process and Technology dimension. Out of 83 respondents, 42 report their process and technology maturity to be on performing level and 36% assessed their operation to be at the maturing level. Additionally, according to the survey results, none of the responding business services organisations indicated lagging maturity level. This positive result may indicate that **GBS entities in the region are actively engaged in refining their processes and updating the technologies** used to best serve the efficiency targets and business requirements of the organisation.

Figure 6. Process, Technology & Infrastructure maturity dispersion



The following chart illustrates the eight maturity aspects within the Process and Technology dimension along with the corresponding average maturity scores in the CE region. Most aspects analysed are close to the CE average maturity value of this dimension, demonstrating a position between the performing and maturing stages. Outstanding aspects are Risk management and internal controls as well as Work from home capabilities, both presumably due to the impacts of the pandemic era.

Figure 7. Deep dive of maturity aspects within the Process & Technology dimension



Process & Technology

KEY FINDINGS OF PROCESS & TECHNOLOGY DIMENSION

Remote work drives flexibility and trust in gbss

When it comes to Work-from-home capabilities for GBS centers, respondents predominantly exhibit the maturity stage between the practicing and leading stages. The average maturity level reflects a highly mature GBS community in the region.
As organisations progress from maturing to leading stage, they demonstrate the ability to provide higher quality interactions and services. The adoption of remote work enables enhanced employment flexibility and expands the scope of outsourced tasks by overcoming geographic constraints that were previously barriers before the pandemic.

Global process standardization enhancement

The findings suggest that the overall maturity level for Global E2E process standardization is between the lagging and performing stages. The maturity score of 2.92 indicates that there has been some progress towards the standardization of E2E processes, but there is still room for improvement. In the performing stage, high-level standardization objectives are set indicating that there is a recognition of the importance of standardizing E2E processes and suggesting that there is a vision for achieving standardization across the organisation. However, despite these objectives, the implementation of standardized processes is limited, and processes are primarily designed at local or regional level. Limited process standardization at this stage can lead to inefficiencies, duplication of efforts and potential challenges in coordinating activities across centers.

Dimitar Popov
Partner

Digital is an essential and underlying part of the conversation in defining where the future of GBS lies, and we believe that digital is not a separate "thing," tool, or technology – it is a fundamentally different way of operating.

Tomas Husner
Senior Manager

Our CE GBS clients are experiencing a visible shift to regional and global E2E ownership, which provides them with the mandate for the change they have long sought after. Technology plays a key role and no change can happen without it. However, organisations need to establish long-term visions, streamline their IT architecture and move towards robust solutions deployed regionally.

Conclusion

We have witnessed a dynamic development of the global business services sector in Central Europe over the last 20 years, which has reached a well-established and strategically important area of the economy in each country analysed in our survey. The expansion of this industry is ongoing with several new centers being established and existing ones extending their scope by new geographies and services.

Based on the results of our survey it appears that most GBS organisations **operate on a performing or maturing maturity level** indicating that these centers have been steadily stepping up the maturity ladder moving towards providing high value-add services and becoming the core Center Office of their companies. Rather than being wholly transactional as in the past the new feature of service centers is business partnering and insight generation. This focus is slowly but surely changing the brand of this sector.

In addition to significant contribution to business performance, **business services centers operating in the CE region also generate significant value for our countries in the area of talent development, technology improvement and by importing state-of-art solutions** from their global functions. By means of these advances the economy has also benefitted over the past decades.

From a people perspective, a whole generation has been nurtured in business service centers, gaining specialised industry knowledge that ensures the professional know-how necessary for existing business services centers to further evolve and new ones to start operation in our region. **GBS organisations are in the frontline of adopting new remote work solutions and diversifying their workforce thus showing the way to other firms operating in various industries.**

All in all, our survey clearly demonstrates that **the business services sector has taken on the role of a catalyser in Central Europe** by inducing continuous operational and technological improvement as well as developing talent, thus creating high value for employees, companies and economies in the CE region.

Country Overview - Bulgaria

The survey results reveal that GBS centers in Bulgaria have achieved a moderate level of maturity with an average score of 2.99, slightly below the Central Europe average of 3.4, indicating a relatively comparable performance in the region while leaving room for further improvement.

None of the Bulgarian companies surveyed were categorized in the lagging stage and only two were categorized as developing. Eight were categorized as performing and two are in maturing stage.

Figure 12. CE GBS maturity dispersion

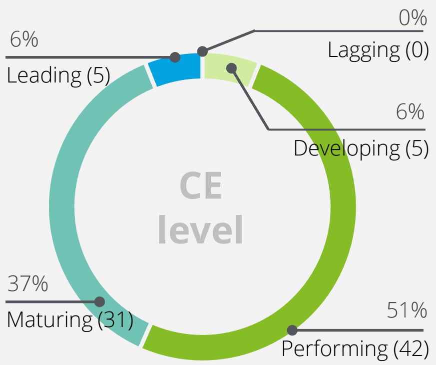
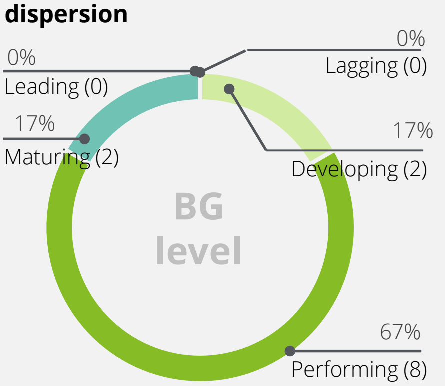


Figure 13. CE GBS maturity dispersion



The majority of the Bulgarian business services companies were categorized as performing or maturing, indicating progress in adopting standardized processes, the lowest score was observed in the Organisation domain. This suggests that further attention and improvements are needed in enhancing the organisational aspects of GBS centers in Bulgaria. On a positive note, the highest score was achieved in the Strategy domain, reflecting a strong focus on strategic planning and direction, which can contribute to the continued growth and success of the centers. While the specific path and the number of steps to unlock the next frontier of growth differs for frontier of growth differs for every organisation, the overarching questions companies should start with are the same: where are we today, how do we compare to leading practices and market direction, and what should we look like one year from now and five years from now?

Figure 14. Deep dive into the Bulgaria maturity ratings across the 4 dimensions

Country Overview – the Czech Republic & Slovakia

The results of the survey illustrate, that the maturity level of 20 organisations based in Czech Republic & Slovakia reaches performing level 3.34. This however represents less than 10% of the whole SSC and GBS business in these geographies. 4% of included companies is operating on maturing level, 55% is in performing stage and 5% is in developing stage. Surveyed organisations are focused on providing full scope transactional activities, however, they have started to shift their attention to ownership of end-to-end processes and amending high value-add services to their portfolio.

Figure 15. CE GBS maturity dispersion

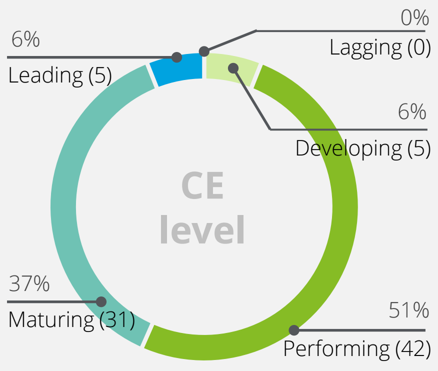
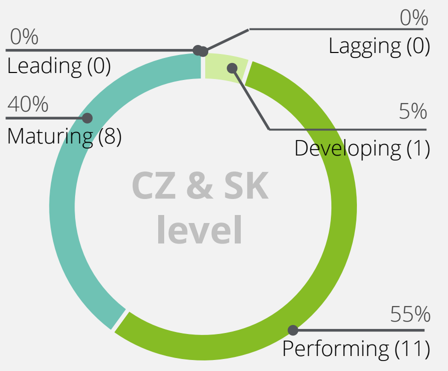


Figure 16. CZ & SK GBS maturity dispersion



Czech and Slovak GBS centers asked are aware of the importance and value of clear strategy and growth plans on the improvement of customer experience, as indicated by reaching the maturing level in the Strategy dimension at 3.46.
However, Organisation dimension scores were the lowest for the Czech Republic and Slovakia at 3.19, below the CE average of 3.29. This could reflect the fact, that both countries are considered to be hot spot locations for shared services, connected with higher cost of talent and very low unemployment levels. This leads to generally lower attrition and less need to develop robust retention processes. Work Delivery and Process & Technology dimensions in the Czech and Slovak GBS centers (both scored 3.33) are on performing level. The growth of this area was accelerated by the impact of very strict pandemic restrictions, when employees were had to work from home. Organisations in Czech Republic and Slovakia are also in general fast adopters of new technologies thanks to high level of STEM talent and extensive start-up ecosystem.

Figure 17. Deep dive into the Czech Republic & Slovakia maturity ratings across the 4 dimensions

Country Overview – Hungary

The Hungarian average maturity level of GBS organisations (3.51) is slightly above the CE average (3.4). The maturity dispersion of the two results are very similar, however, with certain differences.
In Hungary more than half of the centers have reported to be in the maturing phase and only 2 out of the 29 respondents have already reached leading maturity This means that the majority of the Hungarian centers asked already managed to step up the GBS value chain, still there are development potentials in front of them.

Figure 18. CE GBS maturity dispersion

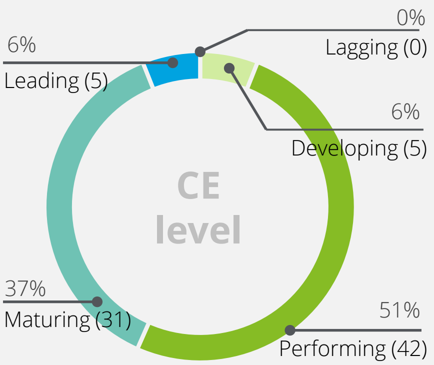
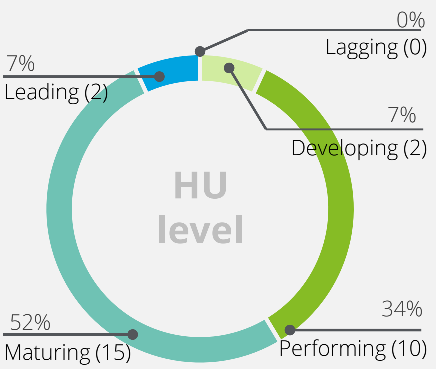


Figure 19. HU GBS maturity dispersion



A more in-depth analysis of the 4 dimensions – i.e. Strategy, Work Delivery Management, Organisation, Process & Technology – reveals that Hungarian GBS entities perform very close to the CE average being between the performing and maturing levels. The top two dimensions in Hungary are Strategy and Work Delivery Management, indicating that Hungarian GBS organisations put significant effort into creating their vision and strategy as well as developing their value proposition that they present to key stakeholders through effective performance management practices.

The lowest ranking dimension is Organisation, which reflects the challenging labour market in Hungary that is in line with the Central European region. This marks a significant focus area for Hungarian GBS leaders currently, investing resources into developing the centers' retention and attrition practices and building their brand as employers.

Figure 20. Deep dive into the Hungarian maturity ratings across the 4 dimensions

Country Overview - Latvia

Latvia's average maturity score for GBS is 3.39, slightly lower than the CE average (3.4), indicating that both are in the performing maturity stage. None of the nine Latvian companies surveyed were categorized in the lagging or developing stage - six were categorized as performing and three were categorized as in maturing stage. While only two companies in CE were categorized as leading, no Latvian companies were given the highest level of maturity rating. Nonetheless, the fact that no companies in Latvia were categorized in lagging or developing stages indicates that the country is on the right track towards achieving higher levels of maturity in the future.

Figure 21. CE GBS maturity dispersion

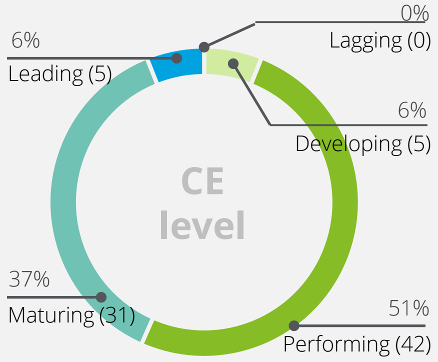
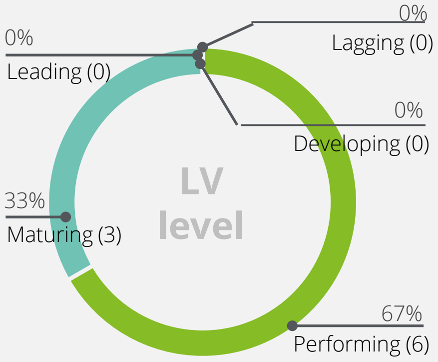


Figure 22. LV GBS maturity dispersion



The surveyed Latvian companies scored highest in the Work Delivery Management dimension with an average score of 3.64. This is the only dimension in which Latvia scored higher than the CE average (3.5). Presumably, this is due to the Latvian business culture's nature of productivity, cost-effectiveness and communication in achieving success. In addition, since the average size of the surveyed companies is smaller in Latvia (467) than in Central Europe (589), it may contribute to more efficient management practices due to less complex decision-making processes than in larger organisations.
In contrast, the lowest maturity score for Latvia (3.22) is in the dimension of Process and surveyed companies, as they may Technology, potentially due to the relatively young age of the not have had sufficient time to develop and implement advanced processes and technologies. This illustrates that this area for the surveyed companies in Latvia needs improvement to enhance operations and drive sustainable growth.

Figure 23. Deep dive into the Latvia maturity ratings across the 4 dimensions

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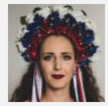

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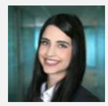

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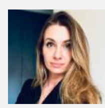

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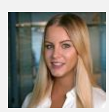

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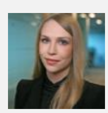

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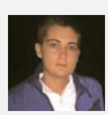

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