



# **Current situation and initiatives of multinational corporates operating in the Czech Republic**

チェコ共和国進出外資系企業の現状および取り組み課題について

**JCCICZ May 2023 Meeting**  
**May 19<sup>th</sup> 2023**

# Why Czech Republic?

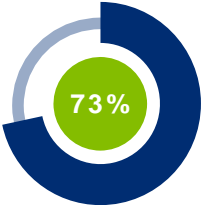
❖ The Czech Republic is one of the most successful transition economies in terms of attracting foreign direct investment. Over 130,000 Czech firms across all sectors are supported by foreign capital. Since 1993, more than USD 80 billion in FDI has been recorded.

- Strategic location
- Educated workforce
- Solid infrastructure
- Economic stability
- Government support

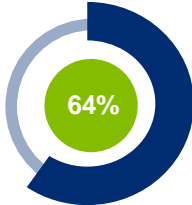


# Most Important Benefits of Shared Service Centers

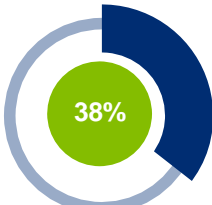
“What are the **most important benefits** of Shared Services to your enterprise?”



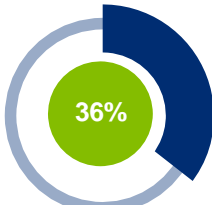
**Control / Standardization / Optimization**



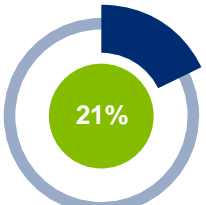
**Cost and Time**



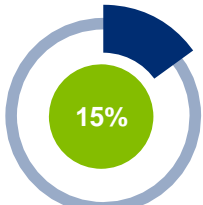
**Scaling and Agility**



**Customer Service**



**Leveraging Competencies around Data Analytics and Process Automation**



**Platform Integration**

“What matters **most** to internal business unit customers?”

On a Scale of 1 to 9, in Ascending Order, What is Most Important to Your Business Unit Customers?



# Considerations | Lessons from the Journey

The Deloitte survey provides some corporate insights on how to best complete the SSC journey from those who have already done so.

Corporates have largely achieved their objectives in cost savings, efficiency gains, and increased visibility. Below highlights how these corporates said they could have improved their SSC journey:

- Increased change management
- Better alignment between process change and technological change
- Stronger executive support

## What Changes Would You Have Made Along Your SS Journey?



## Some Key Findings from Clients Who have Implemented SSC and Treasury Centers...



### Secure Buy-in

- Deploy Group Treasury policies with Board approval. Ensure corporate-wide dissemination of new rules of the road
- Secure buy-in from corporate executive management, then senior management at business units
- Cultural change is frequently a major factor—Involve businesses in decision-making/prioritization process and in ensuring appropriate changes in incentives and measurement



### Understand the Project

- Ensure Tax and Legal team provides necessary support from outset
- Understand regulations—in important, restricted markets, get to meet regulators to facilitate the path
- Don't underestimate resource, infrastructure and project management/timeline requirements
- Clear distinction on roles and responsibilities of treasury vs. shared service centers vs. country finance operations—scorecards and joint business plans are a good idea



### Establish Technology and Process Best Practice

- Rationalization of internal processes and external bank relationships is essential to drive effectiveness, efficiency gains, and relationship leverage
- Availability of technology in the form of enterprise-wide accounting systems and web-enabled solutions make it easier and more cost effective as a company moves towards centralization

# Developing Mobility Ecosystem in the Czech Republic

## Important for Czech Republic as a Country

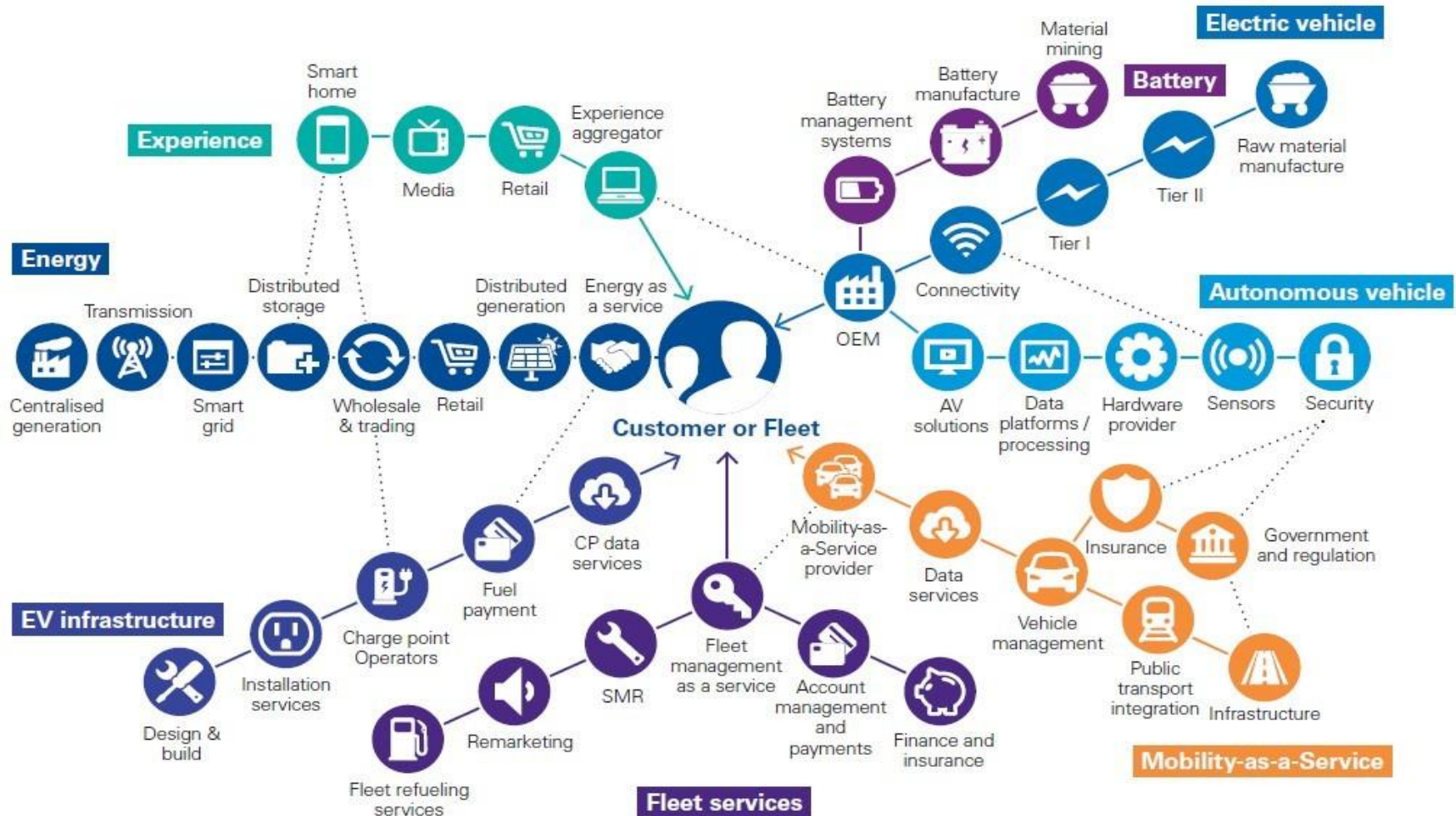
- Mobility industry is the biggest industrial sector in the Czech Republic, the automotive industry accounts for more than 9% of GDP, 26% of manufacturing and 24% of Czech exports.\*
- Industry growth continues together with new investment, additional new suppliers and e-Mobility potential



\*Source (including map): CzechInvest <https://www.czechinvest.org/en/Key-sectors/Mobility>



# Mobility 2.0: An Evolving Ecosystem



# Cyber Security

Cyber attackers increasingly target institutions to steel money and data.

**\$6** Trillion  
Estimated global cost  
of Cyber crime in 2022  
  
vs **\$2** trillion in 2019

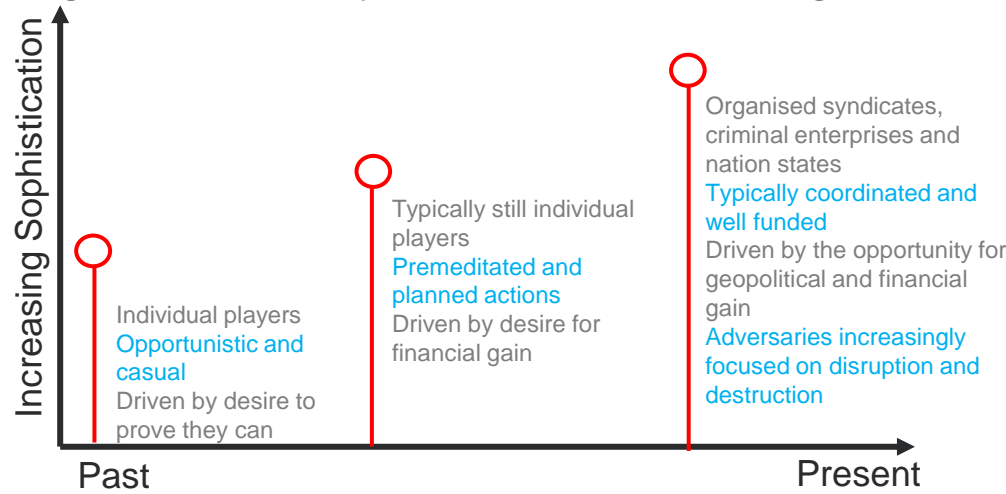
## Key Trends

- Multi-Vector Attack
- Sophisticated Tools
- Impersonation
- Targeted Victims

**IMPACT>>** Fraud Losses, Business Disruption, Reputational Impact, Data Loss

## The Changing Information Security Threat Landscape:

The cyber threat landscape continues to evolve as better organised and more sophisticated attackers have emerged



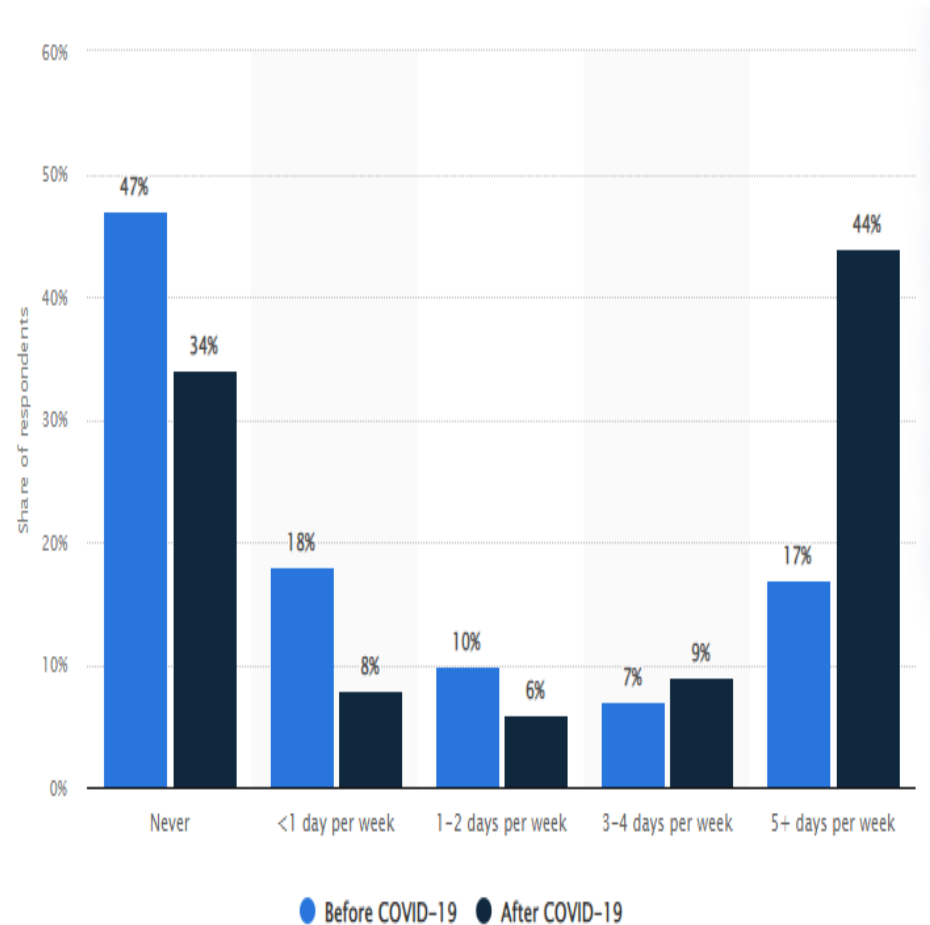
## Evolving Threats – an Illustration of the Information Security Challenge

Past		Present
Non-Real-time	Speed of Attack	Real-time
Opportunistic	Victims	Specifically Targeted
Variable	Value of Information	Readily Monetised
Single Geographic Location	Complexity	Complex Marketplace/ Sophisticated Specialists
Moderate – Known Vulnerabilities	Techniques	Sophisticated Supply Chain to Create/Detect Vulnerabilities
Custom Tools/Specific Attack	Availability of Tools	Commodity Tools
One-off Attack	Persistent Threat	Multiple Attacks

# Home Office

Before Covid-19 pandemic 54% of companies located in CZ allowed their employees to work from home OCCASIONALLY; however this benefit was more common at large companies with over 250 employees, where 9 out of 10 of them offered this benefit in general.

- during Covid-19 pandemic (in 2021) 60% of companies located in CZ enabled their employees to work from home; whereas 96% of large companies allowed their employees to work from home on regular basis
- nowadays 9 out of 10 large companies allows their employees to from from home in CZ; there are industry differences: HO office is most common in IT sector (97%), followed by media sector, the least common is in hospitality business, building industry
- the most common is hybrid model, after pandemic large companies have also started to offer flexible working hours to their emaployees as another benefit
- 97% of large companies (with over 250 employees) provide their employees with secured remote access to company's applications and IT platforms x compare to small companies where only 57% of them enable their employees to do so
- 10 TOP EU countries with the highest share of remote workers: Netherlands, Luxembourg, Sweden, Ireland, Belgium, Finland, Denmark, France, Malta, Austria
- The proportion of remote workers in the Netherlands is four times higher than in the UK or USA.





# Employee Benefits

Employees' benefits has changed significantly in the last decade. While 10 years ago employers were able to get qualified staff by paying attractive salaries and offering meal tickets, nowadays employees' expectations are much higher. Besides the decent financial compensation, employees consider following benefits to be the most valuable/attractive to them extra vacation days, flexible working schedule/hybrid work model, sick days, activities including well-being. Since the unemployment rate is constantly low in CZ (slightly over 3%), large companies are commonly willing to provide these benefits to get/keep qualified staff. According to research, 60% of candidates say that benefits and perks are a major factor when considering a job offer.

## The most desirable employee benefits are:

- Flexible work hours
- Company-sponsored retirement plan or pension
- Leave early on Fridays
- Four-day work week
- Family health insurance
- Private health insurance
- Healthcare cost reimbursements
- Paid self-care days or time off for mental health
- Training and development
- Paying for professional subscriptions
- A good working environment
- Wellness packages



# Contact Details on this Presentation



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