

ABSL LATVIA OFFICIAL NEWSLETTER

2020 4th Quarter

Dear ABSL Latvia members and strategic partners,

by Monta Geidane, Executive Director at ABSL Latvia

It's time to say goodbye to 2020 and welcome 2021 – a year bringing new promises, resolutions and goals for every particular GBS center and all industry in general. Together we have developed a strong community capable of showing the example to the rest of the market when it comes to well-being at work, career opportunities, training initiatives, fairly paid taxes, well developed diversity and inclusion policies, RPA implementation etc. This is also the reason why increasing number of skillful employees are joining industry, which never should be taken for granted. As we all know, the association alone is nothing more than a brand and pure commitment to make things better for business services centers based in Latvia, therefore ABSL is grateful for every single member giving us this outstanding opportunity to be more than just a brand, to be bold and visible speaking on behalf of all industry and helping centers to expand their business operations in Latvia.

We start off this year actively by pushing forward with the annual industry survey. ABSL kindly recommends to not underestimate the importance of every single company's involvement in fulfilling the survey, since this is the only chance to collect comprehensive data and to prepare valuable informative source that every center can use to get overall understanding of industry growth tendencies in Latvia and to promote Latvia as location for business in the eyes of group companies and your headquarters.

In this particular newsletter we will shortly look back on what has been accomplished during the 4th quarter of last year as well as summarize everything that has happened in 2020 with the help of industry association and our members.

Many thanks to all of you for being with us in 2020 and we look forward having a magnificent 2021!



WHAT HAS BEEN ACHIEVED IN TAKING CARE OF INDUSTRY ADVOCACY?

Currently there are three main areas where the association is actively involved to defend the interests of Business Services industry:

1

RESKILLING AND UPSKILLING THE WORKFORCE

One of the lobbying areas is reskilling and upskilling the workforce in Latvia. Here we mainly focus on well-known life-long education program and other similar training mechanisms provided by government of Latvia with the support of European Union (EU) funding. Our goal is to convince decision makers that there should be specific approach on deciding which skills need be taught and by which training suppliers since quality matters. Knowing the largest companies and exporters in Latvia, there is no need to spend more government and EU financial resources on educating beauty professionals, sewing or gardening experts and similar professions since there is no high demand in labor market for such skills. To address those issues to the responsible government officials, ABSL Latvia participates in a work-group organized by Ministry of Economics. Moreover, we have met the management of National Employment Agency (NVA) and State Education Development Agency (VIAA) to discuss how to improve the existing support mechanisms. In addition to that, ABSL has prepared official letter to VIAA with practical recommendations on what should be changed to make life-long education program more meaningful exactly for GBS centers. In other words, we have suggested to implement particular controlling mechanisms, so that EU money is spent wisely, only to support the growth of priority industries, including GBS sector.

Please note that all reskilling and upskilling related discussions with government officials is the reason why we have asked industry to provide information about training needs, suppliers chosen, approaches used to educate workforce and to efficiently teach the required skills. This information is crucial to speak on behalf of all industry and defend the interests that industry has when it comes to reskilling Latvian citizens in working age.



1

RESKILLING, UPSKILLING THE WORKFORCE

Another initiative that can be associated with the advocacy of industry and employee upskilling is ABSL ERAF program for industry training needs. 2020 has been challenging to initiate the whole process, since working with EU funding is never easy and requires to explore a lot of nuances and formalities around it. Nevertheless, we have managed to solve all issues properly and already now GBS industry can organize employee training by covering 50% of costs from EU funding. We do have certain issues with SSC representing the banking sector, yet those problems are being solved with EU commission.



Currently we have already signed the agreements with the following training centres – Triviums, FranklinCovey, Training Lab, BDA, which means that industry can already use their training services with 50% of costs covered. Besides, also Scandinavian languages is something that we can support and it doesn't matter which language training centre you prefer to cooperate with.



NACIONĀLAIS
ATTĪSTĪBAS
PLĀNS 2020



EIROPAS SAVIENĪBA
Eiropas Reģionālās
attīstības fonds

2

IMMIGRATION POLICY

Another lobbying area is about improving the existing immigration policy. According to industry research carried out in the end of 2019 / beginning of 2020, there was around 7% of foreigners representing 42 countries, 19% of them coming from Ukraine, 17% from Russia and 8% from India. They all are working in GBS centers based in Latvia. We have heard so many stories about the bureaucracy and long-lasting process to acquire work permits and EU blue cards, which is the reason why we have decided to step in and make things better. Thanks to SEB Global Services, Accenture Latvijas filiāle and Deloitte we were able to carefully audit whole process of acquiring EU blue cards, work permits or prolonging the existing ones from the perspective of client (employer) willing to relocate an employee from third country.

The main goal behind this was to shorten the process itself and exclude unnecessary bureaucratic requirements. In result we prepared official recommendation letters to Office of Citizenship and Migration Affairs, Ministry of Interior Affairs and Ministry of Economics. We will follow up the improvements made in the process in 2021 and if no progress achieved by responsible government institutions, ABSL plans to set up a separate work-group and discuss those questions personally with each responsible ministry.



BUILDING THE RECOGNITION OF LATVIA (RIGA)

3

Last, but not the least lobbying activity is related to building the recognition of Latvia, especially Riga, as location for highly skilled talent and investments. According to OECD data, there are 120 million migrants living in OECD member countries - 30-35% of them are highly educated, but there is a question - why they should choose Latvia. We encouraged Riga City Council to take an active part in developing Riga as highly chosen location for educated talents as well as GBS centers in general. As a result of those discussions, Riga City Council has decided to establish Riga Investment Agency to build the recognition of Riga in global area and to support investors.

HOW FAR ARE WE IN BUILDING STRONGER TIES WITH HIGHER EDUCATION INSTITUTIONS IN LATVIA?

In September 2020 ABSL Latvia for the first time initiated industry cooperation with higher education institutions in Latvia by sending our guest lecture's portfolio (16 different lectures sorted under several study courses - IT, Finance, Procurement, Customer Care etc.) to universities. In the first round we got interest from RISEBA and RTU. In 2020 we had 21 guest lecture. With help of those lectures we are strengthening students' understanding about different processes and functions in business services industry.



GUEST LECTURER'S PORTFOLIO
(GLOBAL BUSINESS SERVICES INDUSTRY)



ABSL LATVIA ORGANIZES A GROUP OF INDUSTRY EXPERTS WILLING TO VOLUNTARILY GIVE GUEST LECTURES IN UNIVERSITIES

Choose the lecture that meets the needs of your study course!

*It is an opportunity to dig deeper into study courses through lens of industry experts!
The proposed guest lectures are recommended only for last year students!*



SEB Global Services Riga and MSC Shared Service Center Riga turned out to be the most active companies providing their guest lectures. Anyway, ABSL personally thanks to every single guest lecturer for his or her contribution in building the awareness of business services industry among last year students. Without you it wouldn't be possible.

In January 2021 there will be a second call to welcome new business services professionals willing to test themselves as guest lecturers. With this ABSL would like to update the existing guest lectures' portfolio by adding new lectures. Besides, this year it's planned to expand the list of cooperation universities by adding partnership with BA School of Business and Finance. Additionally, also other higher education institutions based in Latvia will be actively addressed to get involved. The long-term goal behind this initiative is to come up with tailor-made bachelor level study program. Such initiative will not only provide us the needed talent with the right mix of skills, but also build the recognition of industry itself.

If any your company's employees is interested to become a guest lecturer, please use the link below to apply - <https://forms.gle/USi35uWpGzK1s2Po7>



HOW ABSL IS SERVING AS A PLATFORM FOR KNOWLEDGE SHARING?

Summarizing all knowledge sharing activities, ABSL Latvia has organized 14 webinars and face-to-face events in 2020. We started the year with two in-person events, afterwards successfully switching to online format to avoid any risks of spreading the virus. Most of the webinars were organized under HR club since those were the topics coming from industry. In 2021 ABSL will actively encourage members to set up Customer Care, Procurement, RPA and Finance Clubs, since those are significant areas where professionals need to share their best practices. Anyway, it doesn't mean that every single thematic club should be highly active, yet it's important to differentiate the topics so that whole industry could benefit from such ABSL knowledge sharing platform.



For the first time in 2020 we managed to organize a catchup call for HR professionals initiated by Cabot Latvia. The reason was to discuss remote work and how to ensure work safety for remotely working employees. The concept of catchup call requires every participant to be active and share the practices used by their company. The call was held in highly informal way, so that HRs could get in touch with similar professionals representing the industry. The online meeting turned out to be exceptionally useful, therefore ABSL would like to have more of them also in 2021. You can always feel free to come up with the topic for such call with industry.



During the last quarter of 2020, ABSL had only 2 webinars since one of already planned seminars - "What GDPR means for employee data?" was cancelled due to unexpected circumstances. Nevertheless, we will have this particular webinar somewhere in February 2021. Please find more detailed information about webinars organized by ABSL Latvia during the last quarter of 2020 below:

HR Analytics – PERFORMANCE webinar held on November 5 / HR CLUB

In the beginning of November, ABSL Latvia held already second in a row HR Analytics webinar organized in cooperation with Deloitte. Vaclav Plevka and Ondrej Prerovsky representing Deloitte Czech Republic guided us through best tool and practices to monitor and improve the performance of employees. Moreover, Parsla Baško (ERDA) presented practical tools for performance analytics needs. Afterwards, we had a panel discussion with Ieva Zirne (Circle K Business Centre), Sintija Morica (Solvay Global Services), and Girts Berziņš (Allnex Latvia) moderated by Ondrej Prerovsky (Deloitte).



Please find few takeaways from the webinar listed below:

- Deloitte research shows that high-performing organizations achieve 92 times better financial results.
- Deloitte has developed apps to monitor performance of individuals, teams and organizations.
- Quick hint - it is highly important to choose correct wording when structuring and formulating feedback questions. More extreme working leads to better differentiation in responses.
- Impraise, Small Improvements, Culture Amp as great systems that monitor employee performance.
- Old process + new tool = expensive old process, meaning that it is significantly important to evaluate and improve the process before implementing new system.
- It's not all about efficient performance tracking systems, it is important to develop organizational culture where everyone is completely engaged and understands the value of such performance analytics tool.

Webinar “Exploring the post-Covid workplace” held on December 10 / HR Club

The webinar was organized in cooperation with Colliers International. Passionate Workplace Advisory experts Olga Mihailova and Sven Moller revealed a lot of useful information based on the research carried out in 61 country about remote work and the future of workplace.



Please find few insights from the webinar listed below:

- Results of the study reveal that the number has doubled of those remotely working employees who are saying that their productivity levels have increased compared to the same answers provided in Spring, when the pandemic hit the world for the first time.
- Significant part of employees (according to research – almost a half) are working extra hours since working remotely and the study data also reveals that those who worked more hours also indicated increased productivity.
- The findings show that collaboration, participation in meetings and social interaction with colleagues is better facilitated when in office, while creative thinking and individual focused work is better to be performed from home.
- Top 3 expectations about the return to office – ability to choose if/when they go into office, cleanliness and ability to meet safety with colleagues.

Many thanks to experts sharing valuable insights on how our habits will change in future, how much we will be willing to return back to offices and what does the employer should do to meet the new expectations of workplace.

WHAT HAS BEEN ACHIEVED IN BUILDING THE AWARENESS OF INDUSTRY?

Throughout 2020 ABSL Latvia has actively promoted the industry with the help of opinion articles, press releases, interviews. Moreover, we have not only participated in several public events, but also organized them by ourselves, thus attracting increasing media attention. In 2020 ABSL Latvia for the first time was invited to give interviews on TV3 and LTV1 morning news, also radio broadcasts have welcomed us to to give interviews. Thanks to all the media attention, we have built the recognition of industry. We have reached the level when even without ABSL Latvia presence, politicians are starting to mention our industry in their political discussions on TV broadcasts, which means that we are visible, heard and high level officials are starting to understand the importance of business services industry.

Summarizing all the publications in 2020, there are 9 opinion articles and press releases prepared by ABSL Latvia and published on the most popular news/business news sites in Latvia like Dienas Bizness, Delfi, lr.lv, la.lv, we have had interviews published in printed media such as Diena, Dienas Bizness.



Moreover, we have participated in 12 public events speaking as opinion leaders on behalf of all industry. This has been an active year and we are looking forward having even higher publicity in 2021. Besides ABSL social media accounts (Linkedin and Facebook) are getting increasing number of followers, post interactions every days – this is another way how to build industry recognition and we are succeeding there as well.



RELEASING ANNUAL BUSINESS SERVICES REPORT

As we have just stepped into 2021, please note that it's substantially important to fill out our annual industry survey until 30th of January. Please find a link to survey here - [Global Business Services in Latvia \(2021\) Survey](#).

Global Business Services report is released on annual basis and works as an excellent source to keep your headquarters or group company to whom you are reporting to highly informed about Latvia (Riga) as a location for business services. All questions in the survey relate to international companies that classify themselves as BPO, SSC, GBS, IT, ITO, R&D centres and have set up their operations in Latvia. We will treat all data with the strictest confidence. The collected data will be shown only in aggregated form. The survey includes 48 questions and it will take around 60 minutes to complete it. Your experiences and views are very important to whole industry - and personally appreciated.

BUSINESS SERVICES SECTOR IN LATVIA 2020



In cooperation with the Investment and Development Agency of Latvia



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As someone who is representing the management team of business services centre in Latvia, you might have received questions from your headquarters about the total amount of employees working in the sector, development tendencies, scope of services provided by other GBS companies in Latvia, possibilities to grow in the labour market etc. Finally, this is your opportunity to get all the answers and see how industry data is changing on yearly basis.

ABSL LATVIA IS CLOSING 2020 WITH 14 MEMBERS AND 3 STRATEGIC PARTNERS

It is our pleasure to announce If P&C Insurance as a new member of ABSL Latvia. If P&C Insurance is the leading Nordic non-life insurance company in Scandinavia and the Baltic States. The owner of If is Sampo Plc., which is listed on the NASDAQ OMX Helsinki.

NEW MEMBER



ABSL

If offers full range of non-life insurance to its private and business customers. If employs a total of around 6,800 people and serves approximately 3.6 million customers. Congratulations for joining ABSL community of business services leaders!

ABSL Latvia closes 2020 with 14 members and 3 strategic partners. With the help of every single member and strategic partner we are becoming much stronger, more mature and capable of defending the interests of whole industry, rise the voice in discussions with government officials and build a platform for knowledge sharing.



*Many thanks to all of you for being with us
and building this story together!*