Chapter 12
Nearshoring in Central Eastern Europe: The Evolution of Shared Service Centers and Global Business Services

Marcel Hirsiger

Abstract This chapter examines the evolution of service and production nearshoring in Central Eastern Europe, with a particular focus on Poland. It explores the increasing tendency of companies to outsource their business processes to countries that are geographically and culturally closer to their own, with the aim of reducing costs and enhancing operational flexibility. The trend is further strengthened by global events, such as the COVID-19 pandemic and geopolitical tensions. Nearshoring offers numerous advantages, including the ability to respond more quickly and reduce CO_2 emissions. Poland has been successful in establishing itself as an attractive location for nearshoring, with a growing number of SSCs and a skilled workforce. Finally, the importance of sustainability and cultural proximity in nearshoring strategies is emphasized.

Keywords Shared service centers · Business process outsourcing · Nearshoring · Service offshoring · Central Eastern Europe

From Offshoring to Nearshoring: Recent Developments

While Western European companies have been moving their activities to remote areas such as China or India for several decades, it seems a rather recent phenomenon that they are looking at closer destinations. This trend gained momentum with the onset of the global pandemic, the ongoing geopolitical tensions, and the threats to global supply chains. Nearshoring—and its newer ally, friendshoring—has merged as a robust strategy, with a focus on areas in closer proximity.

M. Hirsiger (✉)
University of Applied Sciences and Arts Northwestern Switzerland, Olten, Switzerland
e-mail: marcel.hirsiger@fhnw.ch

A. H. Verkuil et al. (eds.), *Innovating Business and Education for Sustainable Development*, Sustainable Business Development,
https://doi.org/10.1007/978-3-032-10065-8_12

This geographical shift does not only reflect a change in the preferred countries. This development encompasses not only the pursuit of cost-effectiveness but also the consideration of criteria that render regions in closer proximity more appealing. The recent trend involves more than the mere pursuit of cost-cutting in distant regions; it also has implications for service chains and the establishment of sizable office centers in countries such as Poland and the Czech Republic.

A recent survey by the European Central Bank revealed that large European firms anticipate an increase in operational resilience through enhanced activity in reshoring and nearshoring over the next 5 years (Attinasi et al., 2023). This strategic shift entails not only the geographical proximity of production facilities (a phenomenon termed nearshoring) but also the relocation to countries with political and cultural affinities (a phenomenon referred to as friendshoring). This phenomenon is influenced by various factors, including supply-side dynamics such as the countries offering offshoring or nearshoring facilities. On the demand side, companies seek locations abroad, contributing to this trend (Piatanesi & Arauzo-Carod, 2019, pp. 810–811).

Nearshoring also has a positive impact on sustainability, which is a notable benefit. It is evident that proximity, as evidenced by the relocation of production plants and service centers from distant regions such as China or India to more proximate countries like Poland, will result in a substantial reduction in CO_2 emissions. However, it is imperative to recognize that the relocation of production facilities and service centers to more proximate locations will have far-reaching consequences that extend beyond the environmental dimension. These consequences will also encompass social aspects, including but not limited to gender equality and the quality of education (Di Stefano et al., 2024).

In this context, countries in Central Eastern Europe emerge as favorable and appealing destinations for Western European companies seeking to nearshoring their service (and manufacturing) activities (Gál, 2014, p. 69). In 2024, the business services sector in Poland employed over 450,000 individuals, exhibiting a growth rate of nearly 4% compared to the previous year (Association of Business Service Leaders (ABSL), 2024, p. 6). This sector is among the fastest growing in the sixth largest economy of the European Union, attracting an increasing number of international companies.

This chapter will provide an introduction to the various concepts of offshoring decisions, which are not only determined by geographical distance, but also cultural and, more recently, political proximity. This discussion will also involve an organizational dimension, as offshoring is very often conducted in the form of outsourcing. While the first move is about choosing a location, the latter involves the selection of an organizational form through the delegation of tasks to another company.

In the subsequent section, we explore the realm of services and their production. Broadly speaking, the provision of services necessitates the presence of customers; therefore, offshoring or nearshoring them should not be feasible. However, as recent years have demonstrated, certain processes can be distanciated and internationalized. The integration of nearshoring and service distanciation forms the basis of recent developments in internationalization strategies. This prompts a discussion of the predominant models of service organizations, including Business Process

Outsourcing (BPO), Shared Services Center (SSC), and Global Business Services (GBS), representing a recent evolutionary stage.

The subsequent section delves into the pivotal aspects of sustainability and corporate culture in nearshoring strategies. Given that nearshoring destinations are selected based on their cultural proximity, it might be inferred that cultural differences become less significant. However, proximity does not necessarily imply cultural similarity, thereby underscoring the persistent relevance of cultural gap bridging.

The chapter culminates in an overview of the pivotal factors that render Central and Eastern Europe an attractive destination within this business model, with a pronounced focus on Poland and its prominent nearshoring cities, such as Warsaw and Krakow.

Concepts of Distance and Organization

The opening of new markets in Far East Asia during the 1980s prompted an influx of companies seeking to establish a presence in these countries. These enterprises not only sought to capitalize on the opportunity to access new customers but also to reduce their production and administrative costs, thereby enhancing their financial performance (Akbari, 2024, p. 96). The practice of offshoring entails the transfer of specific operations within a value chain to less expensive, more isolated regions, enabling companies to take advantage of reduced labor costs and a vast workforce (Albertino et al., 2017, p. 57; Caniato et al., 2015, p. 7).

While expected cost reductions are frequently achieved within a short timeframe, companies often encounter significant challenges in other areas. These challenges may include cultural and language barriers, differences in legal and regulatory frameworks, and potential issues with quality control (Akbari, 2024, p. 97). A more comprehensive view of offshoring reveals the presence of additional, less visible costs that are difficult to manage and lead.

Moreover, companies are confronted with other disruptions, including pandemics, weather events, natural disasters, and increasing geopolitical risks. These disruptions, in combination with a broader backlash against globalization and raised concerns about global supply chains and their potential exposure to exogenous threats, have led companies to reconsider the localization of their main activities (Alfaro & Chor, 2023, p. 1; Oshri et al., 2022, p. 88). The decision to repatriate manufacturing processes to countries with closer proximity is further bolstered by shifts in cost structures within both the host and home countries. The former experiences significant cost escalations, while the latter becomes more cost-effective due to enhanced competitiveness. Additionally, enterprises gain substantial operational flexibility (Piatanesi & Arauzo-Carod, 2019, pp. 807–808).

The term "backshoring" signifies the reallocation of activities that were initially offshored to remote areas, and are now being relocated to the home country or its immediate vicinity. The term "reshoring," which is often used interchangeably, refers to the reevaluation of a previously made decision regarding the localization of business components. Notwithstanding, it can also potentially result in another offshoring decision.

Conversely, "nearshoring" involves the location of activities in close proximity to the home country of the respective company. Despite the absence of a precise definition of this concept, it is reasonable to hypothesize that proximity encompasses several components. As noted by van Hassel et al. (2022, p. 3), "distance not only involves geographical distance, but also three other dimensions: cultural, administrative, and economic." Nearshoring offers a multitude of potential advantages over offshoring, including the ability to respond more quickly to volatile consumer preferences and to react more rapidly to changes in the market (Piatanesi & Arauzo-Carod, 2019, p. 813). These factors may even outweigh the potentially higher labor costs in closer regions (Klimek, 2020, p. 34).

In the context of escalating political tensions, such as the tariff war between the U.S. and China or the Russian full-scale invasion of Ukraine, companies are confronted with a need to reevaluate not only their geographical and cultural location choices but also the reliability of their partners (Akbari, 2024, p. 106). This shift in perspective gives rise to a new dimension of values and trust in the concept of friendshoring (Klimek, 2020, p. 34). As Canosa (2024) asserts, this collaborative endeavor necessitates a congruence of values among participating nations (p. 144). This alignment of values has the potential to positively impact innovation and process enhancements, as evidenced by Akbari's (2024) findings (p. 106). A survey conducted by the European Central Bank further underscores the growing significance of geopolitical risks and uncertainty in decision-making processes concerning location choices by European companies (Attinasi et al., 2023).

While the "where" question focuses on the physical location, the "how" or "who" dimensions address the operational aspects of company activities. Historically, European companies have typically established subsidiaries in foreign countries while retaining comprehensive management control. However, it should be noted that offshoring frequently entailed an element of outsourcing. In such cases, processes are transferred to third-party providers who offer benefits through economies of scale, access to unique expertise and latest technology, variabilization of previously fixed costs, quality improvement, or the reduction of overhead costs (Kremic et al., 2006, p. 471; Oshri et al., 2022, pp. 7–8). Moreover, companies procure products (and services) only when there is a justified demand, and they do not need to adapt their own organization (Kopyciński & Mamica, 2021, p. 5).

The two dimensions—where and how (or who)—can be combined into various business and operating models, including traditional "offshoring/outsourcing" and "nearshoring/captive" (with the latter one run as a fully owned and controlled subsidiary) (Contractor et al., 2010, p. 7). As organizations evolve, other forms emerge, such as a purely captive model (fully integrated subsidiary) or the "build-operate-transfer" (BOT) model, where a third-party contractor establishes the model initially and subsequently transfers it to the primary company (Bryson et al., 2020, p. 192). Enterprises often opt for captive models to maintain comprehensive oversight of their rent-generating assets, which inherently encompasses core processes as opposed to support activities (Geodecki, 2021, p. 23).

The Distanciation and Outsourcing of Services

As nearshoring increasingly involves the distanciation of services (rather than manufacturing processes), a more detailed examination of their specifics is necessary. Services, by their nature, require the presence of the customer and are also referred to as "prosumption" because production and consumption coincide (Bryson et al., 2020, p. 27). Notably, advancements in ICT technologies and increasing commoditization are enabling the delivery of select service types in an impersonal manner, thereby contributing to the commodification of services. Consequently, services are becoming commoditized and increasingly reliant on predefined modules (Klimek, 2020, p. 9).

It is evident that the "harder" a service, the less prone it is to outsourcing or nearshoring. These services involve the use of ICT applications that facilitate communication between service providers and customers, thereby circumventing the need for physical interaction (Bryson et al., 2020, pp. 182–183). These processes can be codified and digitized, enabling their provision from any location, irrespective of geographical proximity (Contractor et al., 2010, p. 10).

In a similar fashion to the manufacturing sector, the outsourcing of services to external entities is a common practice, driven by the pursuit of cost reductions through economies of scale, the desire for specialization, and the aim of minimizing overhead expenses (Kremic et al., 2006, pp. 468–469). Initially, companies tend to outsource or offshore basic, cost-effective back-office functions to external entities. Subsequently, they transition to outsourcing or nearshoring customer-facing services, such as call centers or help desks. It is followed by the transfer of business functions, including Human Resources Management and Accounting. Ultimately, strategic, knowledge-intensive processes, such as market research and research and development, constitute the final phase of outsourcing (Oshri et al., 2022, p. 28).

The practice of outsourcing has evolved beyond a mere cost-cutting strategy. It facilitates rapid access to skilled and qualified professionals, enhances flexibility in developing new products or services for customers, and can stimulate digital transformation. Consequently, it should be regarded as an integral component of strategic management rather than operational (Schönenberg & von Wnuk-Lipinski, 2024, pp. 174–176). In contradistinction to the offshoring of manufacturing steps, the relocation of services incurs a lower cost: "It is much cheaper and faster to transfer the knowledge using the digital communication infrastructure" (Klimek, 2020, p. 22).

The decision regarding the potential relocation of services is influenced by a multitude of factors. These include general attributes such as the ability to standardize or formalize processes, thereby eliminating the involvement of tacit knowledge. Additional considerations include prior experience with outsourcing and the presence of a capable partner to facilitate the transition (Lacity et al., 2016, pp. 277–279). Typically, the provision of services is subsequently entrusted to an "external third party [which] is paid to provide a service that was previously the internal responsibility of the organization" (Doxey, 2021, p. 373). This practice is referred to as Business Process Outsourcing (BPO) (Lacity et al., 2016, p. 280).

Alternatively, Shared Services Centers (SSCs), which are operated by the parent company but situated in a separate location, can be established (Doxey, 2021, pp. 373–374). Shared Services Centers (SSCs) share numerous similarities with Business Process Outsourcing (BPO) arrangements; however, if the enterprise aims to gain strategic advantages, SSCs prove to be more effective than BPOs. BPO arrangements should be used solely for cost reduction as the primary objective (Klimek, 2020, p. 48). Through the variabilization of fixed costs and the utilization of economies of scale, they enable substantial cost savings. In contrast, SSCs are better suited to building and expanding internal process knowledge (Kajüter et al., 2017, p. 42). While this may be of minor importance for manufacturers, it is crucial for pure service companies.

The transition of processes to external providers (under a BPO arrangement) or internal centers (SSC type) necessitates the standardization of processes. To mitigate potential risks, such as loss of control and quality issues, companies must ensure a seamless transition by fostering a strong partnership with the service provider, whether internal or external. This transition is further supported by a clearly articulated vision shared by both parties (Doxey, 2021, p. 376). While both SSCs and BPOs are susceptible to operational risks, such as dysfunctional processes or even complete ruptures, only the latter are exposed to structural risks. This category encompasses the potential for a discrepancy between the anticipated functionality of the relationship between the client and the supplier. Consequently, companies are obliged to pay greater attention to the contractual specifics with the BPO provider to ensure the uninterrupted delivery of services following the transition (Oshri et al., 2022, pp. 33–35).

In practice, companies will find two types of Shared Services Centers (SSCs) (Brühl et al., 2017, p. 11). The first type focuses on transactions with high volumes and a large number of repetitive tasks (centers of scale). The second type is based on expertise and requires specific and technical knowledge, which is provided by qualified staff (centers of excellence). Transaction-oriented SSCs are centered on processes that are entirely independent from core processes (or can be easily separated) and can be categorized into major groups (Brühl et al., 2017, pp. 10–11). This purely volume-oriented restructuring does not offer any value to the organization (beyond cost reduction). Consequently, SSCs should ideally operate as autonomous business units within a larger organization, formulating their own strategies and seeking to generate value-added services (Klimek, 2020, p. 60).

In recent times, nearshoring centers have begun to evolve in this strategic direction. These centers are shifting from basic data entry tasks and customer contact centers to more complex responsibilities. They are integrating common corporate functions and providing knowledge services and even R&D solutions (Contractor et al., 2010, p. 13). Initially, cost was the primary motivator; however, it subsequently transitioned to customer orientation and, ultimately, the competitiveness of SSCs as they began to offer their services not only to internal customers but also to external clients (Brühl et al., 2017, p. 17). In this final stage, SSCs will also develop unique capabilities and thus become an integral part of a company's core assets. To provide this value, the centers will rely heavily on collaborative teamwork, which will also impact the required leadership styles and corporate cultural elements (Youngdahl et al., 2010, pp. 802–804; 812).

The high-volume/low-cost SSCs eventually develop into Global Business Services (GBS), which is defined as "an entity perceived as a further evolved form of shared service, which delivers more than one service, is characterized by multiple high-value functions (analysis, consulting) often associated with new technologies" (Kopyciński & Mamica, 2021, p. 8). As a result, GBSs are multifunction, multi-region (covering various subsidiaries of multinational enterprises), multi-location (typically distributed around the globe to use the "follow-the-sun" principle which guarantees a 24/7 availability of services), multisourced, and multi-business (Klimek, 2020, p. 62).

This evolution of SSCs into GBSs also changes the required skills for their staff. As operations become more complex and serve a larger number of international clients, required qualifications get closer to those in the home country where the tasks were run before. Therefore, a country is more likely to be a destination for service offshoring when conditions are similar to the home country (Caniato et al., 2015, p. 9). For Western European enterprises, this environment can be found in Central Eastern Europe, among other regions. This phenomenon underscores the notion that companies must consider not only the status quo but also future development prospects when evaluating potential locations (Kajüter et al., 2017, p. 27).

Sustainability and Cultural Aspects

It is evident that the relocation practices of backshoring processes to proximate locations will result in a reduction in CO_2 emissions due to the curtailed distances involved. This is particularly salient in the context of transporting goods manufactured abroad. The nearshoring phenomenon, in and of itself, does not inherently possess a favorable impact on environmental concerns; its impact is subject to the location of the activities prior to the shift. Nonetheless, nearshoring should generally result in enhanced contributions to sustainable development by companies.

Offshoring, in its own right, can have substantial negative ramifications for host countries, as it fosters business models that separate the production and consumption of CO_2, thereby rendering it less perceptible to consumers (Di Stefano et al., 2024, p. 864). Moreover, as offshoring is often combined with outsourcing organizations, it reduces the responsibility of the parent companies when it comes to salaries or financial sustenance (Mazur-Bubak, 2021, p. 54). Proponents of offshoring tend to "evade their domestic social regulations or occupational safety standards," adopting an "out of sight, out of mind" mindset (Kopyciński & Mamica, 2021, p. 5).

In host countries, offshoring businesses can also result in adverse outcomes in other areas of the Sustainable Development Goals (SDGs) established by the United Nations. These enterprises, by offering low-wage and unskilled employment opportunities, create incentives for their workforce to discontinue their education (SDG 4) and intensify the demand for natural resources (SDGs 12–15). Concurrently, the prevalence of low-skilled employment tends to draw a higher proportion of women, thereby undermining the goals of reducing inequalities and promoting gender equality (SDGs 5, 11). However, it is noteworthy that offshoring companies frequently contribute to economic development and poverty reduction (SDGs 1, 8) (Di Stefano et al., 2024, pp. 866–867).

The reshoring of production to countries with closer geographic proximity will likely result in positive developments within the global value chain of a company. This is due to a reduction in transportation-related emissions, which leads to a decrease in a corporation's CO_2 footprint. As production and consumption of goods become more geographically proximate, the generation of waste is reduced, and the implementation of a circular economy becomes facilitated. It is also reasonable to assume home countries are more advanced in innovation, corporate governance, or energy production, which would result in positive spillover effects (Di Stefano et al., 2024, pp. 868–869).

However, further examination of sustainability in nearshoring settings is still needed. As Fratocchi and Mayer (2023) note, "Very few authors specifically collected empirical evidence of reshoring strategies where sustainability issues assumed a relevant role" (p. 576). This is particularly salient in light of the UN Trade and Development Agency's (UNCTAD) 2020 proposal of four alternative post-pandemic production value chains, including reshoring and regionalization (Di Stefano et al., 2024, p. 864).

Given the cultural proximity that companies seek in nearshoring settings, further investigation of these aspects is necessary. While culture is inherently personal, it is also deeply intertwined with societal and group dynamics. As Hofstede et al. (2010, p. 6) point out, "Culture is always a collective phenomenon, because it is at least partly shared with people who live or lived within the same social environment, which is where it was learned." Despite the integration of international value chains, which connect various societies, there is a tendency for these chains to accentuate cultural differences between them (House, 2004, p. 5).

In the context of offshoring models, the cultural divergences between Western European societies and their distant partners are discernible, and companies demonstrate a willingness to allocate budgets toward addressing these issues (typically, employees are required to undergo "Doing Business in China" training or similar courses). However, the distinguishing characteristics of nearshoring cultures remain less perceptible. Consequently, companies may seek to reduce expenditures by downplaying the significance of cultural differences and underestimating the risks associated with failure.

CEE as Nearshoring Destination

A multitude of advantages are apparently offered by countries in Central Eastern Europe (CEE) when it comes to hosting nearshoring companies, both in the form of Shared Services Centers (SSC) and Business Process Outsourcing providers (BPO).

During the socialist era between the mid-1940s and the late 1980s, these countries placed significant emphasis on industrialization, a factor that made them appealing to foreign companies seeking to establish manufacturing facilities in the region following the dissolution of the Iron Curtain (Klimek, 2020, pp. 2–3). These subsidiaries subsequently attracted service companies, which were established in the same cities. Consequently, nearshoring can be regarded as an expansion of existing businesses in many cases (Klimek, 2020, p. 96).

Moreover, CEE countries offer a broad range of advantages that make them attractive for nearshoring of services (in all possible configurations, from pure SSCs with routine tasks over BPOs to Global Business Solutions providers). The strategic positioning of these countries in a geographically advantageous location, with Poland and the Czech Republic at the heart of Europe, offering direct connections to Western Europe, as well as to Caucasus countries and even Central Asia, is a significant advantage. The close political ties of these countries, who joined the European Union in 2004, provide political stability and significantly reduce administrative costs (Gál, 2014, pp. 72–73). While Western countries, such as Switzerland, have been encountering difficulties in identifying a sufficient number of talented and skilled professionals, numerous Central and Eastern European (CEE) countries continue to offer a sizable workforce of highly educated, well-trained, and motivated individuals (despite unemployment rates in certain regions of Poland being below those in Switzerland) (Piatanesi & Arauzo-Carod, 2019, p. 815).

As nearshoring also involves cross-border business, the legal and regulatory environment plays an important role, too. CEE countries benefit from their EU membership, which ensures comprehensive protection of intellectual property rights and data privacy (Piatanesi & Arauzo-Carod, 2019, pp. 814–815). Consequently, it is evident that, among foreign investors in Poland, EU membership is the primary factor contributing to the country's attractiveness. Employee-related factors, such as availability, motivation, and skills, remain among the top-ranked criteria, while labor cost is positioned at the 15th position among 17 factors (International Group of Chambers of Commerce, 2024, pp. 23–24).

From a cultural standpoint, Central and Eastern European (CEE) countries are well positioned, as they do not tend to adopt any extreme stance in intercultural aspects. In the World Value Survey by Inglehart-Welzel, Poland scores almost exactly in the middle between traditional and secular values, as well as between survival and self-expression values (World Values Survey, 2023). This strategic positioning enables seamless connectivity with other Western European countries and a diverse array of cultures, including Orthodox Europe and Confucian Asia.

In recent years, CEE countries have witnessed a notable transformation, with Poland emerging as the preeminent nearshoring hub. The business services sector has seen the establishment of nearly 2000 centers, employing over 450,000 employees and generating an export volume of USD 36.8 billion in 2023 (Association of Business Service Leaders [ABSL], 2024, p. 35). These entities offer services on a global scale, with Germany emerging as the predominant location (76.5%), followed by the UK (57.4%), France (45.1%), and the U.S. (40.7%) (Association of Business Service Leaders [ABSL], 2024, p. 52).

Furthermore, these business service providers are continually expanding their product portfolio, with a marked transition towards Global Business Services (GBS), which are characterized by the delivery of high-quality services by highly skilled professionals. Knowledge-intensive processes account for 56% of total activities, in contrast to the 44% attributed to transaction-based tasks (Association of Business Service Leaders [ABSL], 2024, p. 55). It is noteworthy that women comprise nearly 60% of the workforce in these enterprises, including almost 50% of managerial positions (Association of Business Service Leaders [ABSL], 2024, pp. 70–72).

Switzerland stands as a prominent player in the nearshoring service sector in Poland. Swiss companies have been responsible for the creation of over 90,000 jobs in recent years, and the trade volume with Poland has already surpassed that with markets such as South Korea, India, or Turkey (Schweizerische Eidgenossenschaft, 2024). The most prominent Swiss subsidiaries include banking giant UBS, which employs approximately 9000 employees, followed by food multinational Nestlé with 5500 employees, and technology conglomerate ABB with 2500 employees (Swisschamber.pl, 2025). On a global level, the largest employers in business services in Poland include Capgemini (consulting; 11,000–13,000 employees), Sii (technology), Atos (IT services), and Nokia (IT and telecommunications), all with approximately 6000 to 8000 employees (Association of Business Service Leaders [ABSL], 2024, p. 64).

Conclusion and Outlook

In the period following years of offshoring production and services to remote locations, companies have recently begun to reevaluate their location strategies, opting to return to geographically closer and culturally more similar countries. This trend of nearshoring is being reinforced by disruptions to global value chains caused by pandemics, extreme weather events, and increasing geopolitical tensions. Concurrently, as services are becoming increasingly important and acquiring strategic relevance for companies, the qualifications of potential employees must be elevated.

The nearshoring trend, also referred to as friendshoring when the question of shared values and mutual trust arises, is characterized by the outsourcing of services to either Business Process Outsourcing providers or the centralization of these services into Shared Services Centers. This trend offers enterprises a wide range of benefits, including the bundling of routine tasks, increased volumes, and the faster integration of new technologies. Despite certain limitations on the types of processes that can be outsourced or externalized, companies frequently employ Information and Communication Technologies (ICT) to overcome geographical distances.

Consequently, nearshoring processes are becoming increasingly strategic, replacing administrative, routine, and transaction-based tasks. Shared Services Centers (SSCs) are evolving into Global Business Solutions Centers, integrating value-adding activities and even research and development. Companies that seek to capitalize on these trends no longer prioritize low-cost destinations; instead, they direct their focus toward locations that offer a substantial supply of qualified and skilled labor.

Central Eastern Europe plays a crucial role in attracting these companies and hosting BPOs and SSCs. These companies benefit from a geographically optimal position in the heart of Europe and the availability of a substantial number of well-educated and trained employees. Cultural proximity to Western Europe facilitates collaboration, particularly in Poland, which has almost 2000 business service centers and almost half a million collaborators in the business service sector. This has led to the further development of CEE nearshoring.

Despite the comparatively limited research in this area, it is evident that nearshoring will likely generate substantial benefits for sustainability, particularly in the context of reversing prior decisions that involved offshoring. The strategic relocation of production closer to home offers several advantages. Firstly, it reduces CO_2 emissions by decreasing the distance between production sites and consumers, thereby lowering the environmental impact. Secondly, it facilitates a more synchronized alignment between the consumption and production of goods, enhancing operational efficiency. Thirdly, the alignment of labor laws and Western values with principles of equality can potentially mitigate the risk of exploitation within the value chain.

It can be reasonably anticipated that nearshoring of services will experience further growth as companies begin to recognize the benefits of geographical and cultural proximity. CEE countries are likely to maintain their position of significance in this sector, given their demonstrated capacity to deliver goods and services of a consistently high standard of quality and reliability over an extended period. However, it is crucial to emphasize the necessity for further research in the domain of sustainability, where numerous questions pertaining to the comprehensive impact remain unanswered.

References

Akbari, M. (2024). Current trends in reshoring, nearshoring, rightshoring, and emerging strategies. In M. Akbari (Ed.), *The road to outsourcing 4.0: Next-generation supply chain* (pp. 95–117). Springer Nature. https://doi.org/10.1007/978-981-97-2708-7_5

Albertino, F., Elia, S., & Piscitello, L. (2017). Complementing the reshoring of manufacturing activities: The relocation of business functions. In A. Vecchi (Ed.), *Reshoring of manufacturing: Drivers, opportunities, and challenges* (pp. 57–75). Springer.

Alfaro, L., & Chor, D. (2023). *Global supply chains: The looming "Great Reallocation"* (Working Paper No. 31661). National Bureau of Economic Research https://doi.org/10.3386/w31661.

Association of Business Service Leaders ABSL. (2024). Business services sector in Poland 2024. Association of Business Service Leaders ABSL. http://www.absl.pl.

Attinasi, M. G., Ioannou, D., Lebastard, L., & Morris, R. (2023). *Global production and supply chain risks: Insights from a survey of leading companies*. https://www.ecb.europa.eu/press/economic-bulletin/focus/2023/html/ecb.ebbox202307_01~2a0bcf0b48.en.html.

Brühl, R., Kajüter, P., Fischer, T. M., Hirsch, S., Dornbusch, D., Hoffmann, J., & Vollmer, M. (2017). Shared Services—Relevanz, Ziele und Entwicklungsstand. In T. M. Fischer & M. Vollmer (Eds.), *Erfolgreiche Führung von Shared Services* (pp. 3–24). Springer Fachmedien. https://doi.org/10.1007/978-3-658-13486-0

Bryson, J. R., Sundbo, J., Fuglsang, L., & Daniels, P. (2020). *Internationalizing service businesses*. Springer. https://doi.org/10.1007/978-3-030-52060-1_10

Caniato, F., Elia, S., Luzzini, D., Piscitello, L., & Ronchi, S. (2015). Location drivers, governance model and performance in service offshoring. *International Journal of Production Economics, 163*, 189–199. https://doi.org/10.1016/j.ijpe.2014.09.011

Canosa, J. (2024). Supply chains: An analysis of nearshoring and Friendshoring trends. *Business Law International, 25*(2), 143–158.

Contractor, F. J., Kumar, V., Kundu, S. K., & Pedersen, T. (Eds.). (2010). Global outsourcing and offshoring: An integrated approach to theory and corporate strategy. University Press. https://doi.org/10.1017/CBO9780511761607.

Di Stefano, C., Fratocchi, L., Martínez-Mora, C., & Merino, F. (2024). Manufacturing reshoring and sustainable development goals: A home versus host country perspective. *Sustainable Development, 32*(1), 863–875. https://doi.org/10.1002/sd.2710

Doxey, C. H. (2021). *The controller's toolkit*. Wiley. https://doi.org/10.1002/9781119700586.ch17

Fratocchi, L., & Mayer, J. (2023). The impact of environmental and social sustainability on the reshoring decision making and implementation process: Insights from the bicycle industry. *Operations Management Research, 16*(2), 574–593. https://doi.org/10.1007/s12063-023-00372-1

Gál, Z. (2014). Relocation of business services into central and Eastern Europe (evidence from trade and location statistics). *Romanian Review of Regional Studies, X*(1), 67–78.

Geodecki, T. (2021). Globalisation trends in the service industries. In Ł. Mamica (Ed.), *Outsourcing in European Emerging Economies. Territorial Embeddedness and Global Business Services* (pp. 12–27). Routledge.

Hofstede, G., Hofstede, G. J., & Minkov, M. (2010). Cultures and organizations: Software of the mind: Intercultural cooperation and its importance for survival (3., rev.expanded ed.). McGraw-Hill.

House, R. J. (2004). Illustrative examples of GLOBE findings. In R. J. House, P. J. Hanges, M. Javidan, P. W. Dorfman, & V. Gupta (Eds.), *Culture, leadership, and organizations: The GLOBE study of 62 societies* (pp. 3–8). SAGE.

International Group of Chambers of Commerce. (2024). Poland as assessed by foreign investors: Forecasts and market attractiveness factors. https://swisschamber.pl/wp-content/uploads/2024/04/ENG24_Raport-z-badania_Biostat_AHK2024_ENG_1-Automatycznie-zapisany.pdf.

Kajüter, P., Brühl, R., Finken, T., Steuernagel, M., Trossbach, S., & Vollmer, M. (2017). Konstitutive Entscheidungen zur Vorbereitung der SSC-Implementierung. In T. M. Fischer & M. Vollmer (Eds.), *Erfolgreiche Führung von Shared Services* (pp. 25–62). Springer Fachmedien. https://doi.org/10.1007/978-3-658-13486-0

Klimek, A. (2020). Offshoring of White-collar services: Business and economic perspective. *De Gruyter.*. https://search.ebscohost.com/login.aspx?direct=true&db=nlebk&AN=2944764&site=ehost-live

Kopyciński, P., & Mamica, Ł. (2021). The theory and evolution of outsourcing and offshoring processes. In Ł. Mamica (Ed.), *Outsourcing in European Emerging Economies. Territorial Embeddedness and Global Business Services* (pp. 3–11). Routledge.

Kremic, T., Icmeli Tukel, O., & Rom, W. O. (2006). Outsourcing decision support: A survey of benefits, risks, and decision factors. *Supply Chain Management: An International Journal, 11*(6), 467–482. https://doi.org/10.1108/13598540610703864

Lacity, M. C., Khan, S. A., & Yan, A. (2016). Review of the empirical business services sourcing literature: An update and future directions. *Journal of Information Technology, 31*(3), 269–328. https://doi.org/10.1057/jit.2016.2

Mazur-Bubak, M. (2021). Impact sourcing: Theoretical analysis in relation to corporate social responsibility in a globalised market. In Ł. Mamica (Ed.), *Outsourcing in European Emerging Economies. Territorial Embeddedness and Global Business Services* (pp. 52–65). Routledge.

Oshri, I., Kotlarsky, J., & Willcocks, L. P. (2022). *The handbook of global outsourcing and offshoring* (5th ed.). Springer. https://doi.org/10.1007/978-3-031-12034-3

Piatanesi, B., & Arauzo-Carod, J.-M. (2019). Backshoring and nearshoring: An overview. *Growth and Change, 50*(3), 806–823. https://doi.org/10.1111/grow.12316

Schönenberg, U., & von Wnuk-Lipinski, M. (2024). Business process outsourcing. In U. Schönenberg & M. von Wnuk-Lipinski (Eds.), *Prozessexzellenz im HR-Management: Prozessanalyse, Prozessoptimierung, Digitale Transformation* (pp. 173–199). Springer. https://doi.org/10.1007/978-3-662-68879-3_9

Schweizerische Eidgenossenschaft. (2024). Wirtschaftsbericht 2024: Polen. https://www.eda.admin.ch/countries/poland/de/home/bilaterale-beziehungen/in-kuerze.html.

Swisschamber.pl. (2025). Swiss Business Directory Poland 2025/26. https://swisschamber.pl.

van Hassel, E., Vanelslander, T., Neyens, K., Vandeborre, H., Kindt, D., & Kellens, S. (2022). Reconsidering nearshoring to avoid global crisis impacts: Application and calculation of the total cost of ownership for specific scenarios. *Research in Transportation Economics, 93*, 101089. https://doi.org/10.1016/j.retrec.2021.101089

World Values Survey. (2023). The Inglehart-Welzel World Cultural Map. https://www.worldvaluessurvey.org/WVSContents.jsp.

Youngdahl, W. E., Ramaswamy, K., & Dash, K. C. (2010). Service offshoring: The evolution of offshore operations. *International Journal of Operations & Production Management, 30*(8), 798–820. https://doi.org/10.1108/01443571011068171

Marcel Hirsiger graduated in business administration from the University of Applied Sciences and Arts Northwestern Switzerland. After a number of years in leadership roles in international manufacturing and trading companies, he started his career as a lecturer at his alma mater. In parallel, he graduated from the University of Bern with a master's degree in Eastern European Studies and World Arts.

As a lecturer in both business administration and cultural topics and as a Central Eastern European expert, Marcel Hirsiger frequently travels to CEE countries. He is a guest lecturer at foreign universities and institutions, consultant, and a panelist talking about nearshoring and service outsourcing. As an author, he focuses on cultural aspects of international collaboration.