

A new warehouse in Poland - pitfalls and opportunities

In recent years more businesses have been lured to Eastern Europe (particularly Poland) by the low cost and relative proximity to core European markets.

It is a tempting prospect. Labour rates are low often 50% less than in the UK and buildings, by our standards, cheap. And initial visits do not disappoint. In a number of areas of Poland there has been considerable speculative development and very modern premises can be obtained at rates well below those we are used to in Western Europe. In addition the experience of many UK companies who have employed migrant workers has been very positive with a strong work ethic making them highly productive members of the workforce.

So where is the catch? The main problem is a shortage of the skills we need in a modern distribution operation with high service expectations. Some had thought that with the numbers of migrant workers coming over to this country and others, those skills would be learned and taken back. In practice it seems that those workers are staying here for much longer periods and in many cases settling down.

Of course this problem is not insoluble. Any operation will be more successful if the processes and systems are robust and well thought through but this is even more important if there is a skill shortage. Outsourcing is an option and most of the major UK providers have a presence in that part of the world but they are not immune to the problems and pitfalls.

Moving an operation to Poland can significantly reduce costs but a considerable amount of effort must be put in up front to ensure that any skill gaps can be overcome through a combination of detailed, robust processes and sound training.

If you would like to discuss how Consultancy support can best be used to help achieve this please call The Logistics Business on 01527 889060.