SoDA Software Development Association Poland

Ebury

Financial Management in the Polish IT Industry

2025 Report

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Dear Reader,

Polish IT firms have earned an excellent reputation. They are not afraid of competition as they strive toward their global ambitions. Domestic technology leaders have already made their presence on the international market a permanent part of their growth strategies.

Notably, over half of Poland's IT firms are either already operating in, or planning to expand into, highly demanding and competitive markets such as the USA and the German-speaking markets. They keep abreast of the current challenges related to cybersecurity, data analytics, and AI. These areas require the particular attention of the IT sector, especially with the escalation of hybrid warfare and increasing economic uncertainty.

Companies in the IT sector continue to evolve in many aspects of management – and finance continues to be one of the most critical areas of business operations.

We are pleased to present insights into these key IT industry issues in our report, **"Financial Management in the Polish IT Industry"**.

This comprehensive analysis of the entire IT sector, by the collaboration of SoDA and Ebury, is the first such undertaking. In order to develop this report, we surveyed a hundred managers representing Poland's IT industry. They answered a range of questions related to business management, the pursuit of profitability, and cooperation with financial institutions. We then gathered insights from outstanding experts in the field.

The results couldn't be clearer: managing profitability is one of the biggest challenges facing the IT sector. After the boom years of 2020-2022, competition is intensifying and clients are negotiating contracts more aggressively. In response, IT companies can balance these challenges by leveraging AI-driven solutions to enhance service quality and rein in rising operational costs.

Forecasts for 2025 look optimistic. Demand for IT services in both in the domestic and international markets continues to grow, creating new opportunities for Polish firms. However, the current dynamically changing market makes maintaining financial stability and effectively managing financial risk crucial to ensure continued growth.

This publication contains valuable inspiration for further development, so we welcome you to explore it thoroughly and share your insights with us on the future of the Polish IT sector.

We would like to extend our sincere thanks to everyone who contributed their knowledge, experience and perspectives to this report.

Best regards,

Wojciech Mach
Vice President SoDA, CEO GFT Poland

Jakub Makurat
Ebury Country Manager for Poland, Czechia, Slovakia, and the Baltic States


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The IT Industry in 2025: Key Challenges and Opportunities Shaping Its Future

IT companies must evolve from technology providers to become strategic business partners. What challenges and opportunities will 2025 bring? Wioletta Zboralska, CFO of STX Next, explains.

1. **77% of IT companies identify owners' equity as their primary source of business financing**
2. **6% of IT companies report that their clients' payment delays exceed 30 days**
3. **27% of IT companies plan to implement foreign exchange risk management procedures in 2025**

What was the sentiment among representatives of the Polish IT Industry at the beginning of 2025?

Wioletta Zboralska, CFO of STX Next: Positive. The IT sector is still in relatively strong condition. While the artificially-fueled boom of 2020-2022 is behind us, companies continue to capitalize on numerous growth opportunities. However, the market is evolving, and the success of IT firms will depend not only on their ability to adapt and invest in new technologies, but also on how they transform their service delivery models.

In what way?

IT companies must become strategic business partners. Clients expect more than just technology. They're looking for support with analyzing needs, integrating systems, and selecting industry-specific tools. The focus is shifting toward business process optimization to ensure a clearly measurable return on investment. This means IT companies must develop expertise in business analysis, strategic consulting, and change management.

Is this shift toward consulting the biggest challenge for the IT Industry in 2025?

Yes, but it's not the only one. From a macroeconomic perspective, uncertainty remains high in both Europe and the U.S. This will undoubtedly impact client budgets and extend project timelines.

Another major challenge is navigating the legal landscape, particularly regarding artificial intelligence (AI). Most significantly, Donald Trump has announced a more flexible approach to AI regulations in the U.S. compared to Europe, where the AI Act imposes strict guidelines on AI applications. This divergence will reshape global competition in the industry.

As a result, IT companies will succeed or fail on their ability to rapidly adapt their offerings and operations to new regulatory requirements.

The AI Act will introduce strict AI regulations in Europe, while the U.S. may continue its path toward a more flexible approach, significantly impacting global competition in the industry.

The competition for top talent will persist as a challenge for the IT sector. This is particularly true in the fields of AI, cybersecurity, and data management, which will be the most in-demand in the coming quarters.

In what areas will the IT Industry focus its development in 2025?

The industry will primarily focus on expanding AI-driven services, which will further transform both software and hardware infrastructure within enterprises.

Services linked to the mature cloud market and those centered around AI applications are evolving at a rapid pace, mainly due to the varying levels of digital transformation across industries.

To keep pace with AI-driven advancements, businesses must modernize and redesign their software system architectures. Those are the systems that form the foundation for AI-powered data processing.

What support should IT companies be provided for their financial management?

A well-known business principle states that economic slowdowns and crises should not go to waste. Rather, they create opportunities in which the risks of investing (whether in innovation or new markets) can ultimately pay off.

However, the **"Financial Management in the Polish IT Industry"** study reveals that most IT companies are risk-averse, relying primarily on working capital to finance operations. Only one in five companies is willing to seek external funding for growth.

Companies must prepare for a period of limited organic growth. They must not rely on a market boom to materialize and sustain their internally funded development.

The study also notes that most IT companies do not hedge against foreign exchange risk, even when they generate the majority of their revenue from international projects.

This imbalance is particularly evident in light of the fact that these companies earn revenue in foreign currencies while incurring most of their costs, primarily salaries, in Polish złoty (PLN).

Smaller IT firms in particular often accept currency risk because they believe they cannot afford hedging strategies, or they lack the expertise to implement them. However, this mindset is expected to change.

Hedging strategies will become a necessity, particularly for companies engaging in global contracts and facing increased pressure to maintain profit margins.

Perhaps IT companies accept foreign exchange risk because they recognize that, relatively, other risks are lower? For instance, this study indicates that payment bottlenecks in the industry are not significant.

It is true that payment delays in the IT sector are shorter compared to other industries. However, this positive indicator does not imply an absence of risk. Notably, approximately 40% of companies experience delays of up to 15 days, while another 40% face delays of up to 30 days. This underscores the need for effective liquidity management.

IT firms must monitor liquidity closely, particularly around long-term projects and projects for international clients. While the IT sector has been demonstrating greater stability than many other industries, it's still worth the effort to implement credit monitoring systems for business partners.

The year 2025 will require IT companies to adapt swiftly and make bold financial decisions. Key skills will include expertise in AI, risk management, and strategic advisory, which will fundamentally reshape the industry's operational landscape.

From Data to Decision: Financial management practices in the IT Industry

controllingNOW

Paweł Młyński
Co-founder & Board Member,
controllingNOW

IT companies operate in a dynamic business environment where organizational growth concomitantly adds layers to decision-making and management processes. As businesses scale, expand their client base, and enter new markets, management teams face a growing volume of financial and business data and the challenge of using it all effectively. The greater the volume of data, the more essential it becomes to efficiently transform raw data into the valuable managerial insights that drive informed decision-making.

1. Only **3%** of surveyed organizations claim to not use management information
2. **86%** of IT companies calculate and analyze the profitability of their projects, services, and products
3. **65%** of surveyed companies plan to implement tools to support management reporting, while **47%** aim to develop existing and new skills within their reporting teams

The larger the company, the greater the importance of financial management

An organization's initial consideration of financial processes typically focuses on mandatory elements such as accounting, reporting, taxation, and payroll calculations. However, leveraging management reports in decision-making processes and investing in controlling functions represent the next step and a positive indicator of a company's maturity. It signifies growth, a strategic and long-term mindset among the management team, and a data-driven approach to business management.

That's why it's all the more encouraging that only 3% of companies participating in the **"Financial Management in the Polish IT Industry"** study do not utilize management information.

In most cases (65%), financial analyses and management reports are prepared by dedicated units, teams, or analytical/controlling staff. However, the study results show a clear correlation between a company's size and its use of management reporting.

Among the largest companies (i.e. those with annual revenues exceeding PLN 100 million), as many as 91% rely on management data. In contrast, this share drops to just 29% among the smallest firms (those with annual revenues under PLN 10 million). Smaller companies are also significantly more likely (58%) to rely on financial reports prepared by internal or external accounting. Unfortunately, such reports tend to have a much narrower scope, focusing on key financial indicators and primarily reflecting past events.

The synergy of historical data and forecasts

The most valuable analyses are those that:
- integrate financial data with operational and business data,
- help assess and interpret historical performance,
- enable forecasting and planning for future developments.

One of the key insights provided by financial data is which services or clients generate profit and which contribute to losses. This task is not as simple as it appears. While companies typically have no difficulty correctly assigning revenue, accurately allocating costs requires meticulous record-keeping (e.g., tracking working hours) and allocation keys.

So it's highly encouraging that 86% of surveyed Polish IT companies are able to calculate the profitability of their projects, services, and products. This capability also facilitates project budgeting (performed by 66% of respondents) and future forecasting (practiced by 84% of respondents).

Other commonly used management analyses include cash flow statements and cash flow planning (used by 65% of firms), detailed cost structure analyses (62%), and key performance indicator (KPI) reporting (54%). These findings indicate that Polish IT companies effectively leverage both retrospective and predictive management information.

How to find time for report preparation and analysis

The greatest challenge in obtaining relevant management data is the lack of time - a concern reported by as many as 61% of companies participating in the **"Financial Management in the Polish IT Industry"** study, regardless of organizational size.

Such a high percentage suggests that controlling processes may not be sufficiently automated. Indeed, 38% of surveyed companies struggle with technological limitations and a lack of adequate reporting tools.

Another significant barrier is an insufficient level of detail in both accounting and operational input data, which affects 27% of firms. Additionally, 22% of respondents cite a lack of staff with the skills necessary to prepare management reports as a key challenge.

These findings highlight the substantial potential for optimizing controlling processes through better data acquisition and processing models, automation of reporting tools, and skill development within teams.

In practice, this last aspect goes beyond just efficiently preparing reports. What truly matters is the ability to analyze data, draw meaningful conclusions, and translate them into informed business decisions.

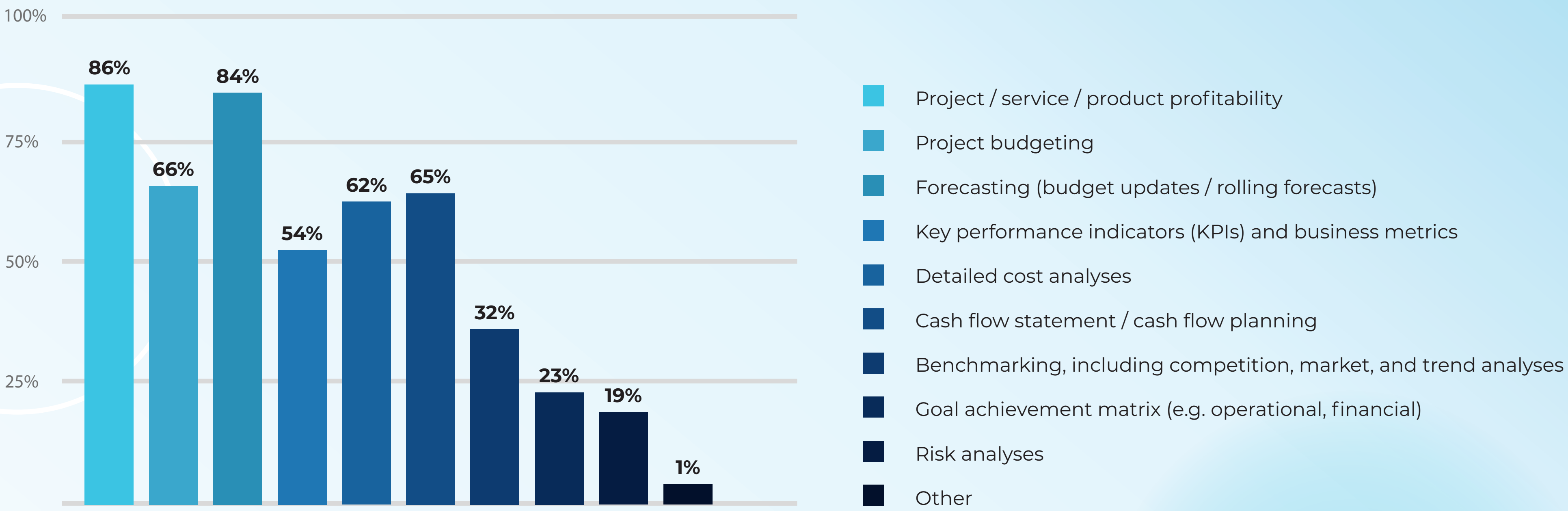
The ***"Financial Management in the Polish IT Industry"*** study has shown that domestic IT companies consciously leverage management data while simultaneously intensifying efforts to professionalize management processes. The key to effective management reporting lies in seamlessly integrating modern technologies with employee skill development and, as is increasingly common, adopting flexible process execution models such as outsourcing.

Agility and Knowledge are the Future of Controlling Development in IT

IT companies recognize the need for further optimization of management reporting. The results show that 65% plan to implement supporting tools (for reporting, budgeting, and cost accounting), while 47% aim to enhance their teams' financial management skills. Other proposed improvements focus both on expanding the scope of prepared information – such as implementing planning, budgeting, and forecasting processes, conducting a comprehensive analysis of the organization's management information needs, and creating accounting records with finer detail – and optimizing the execution model of controlling processes. This includes hiring or expanding the number of analysts and comptrollers, and outsourcing these functions to external professional service centers.

controllingNOW is an outsourcing hub that provides flexible, tailor-made solutions for outsourced financial management, financial and operational analysis, and management information packages including dashboards. „Your data, our management, your success".

What management analyses and tools does your company employ?



Foreign Markets and M&A: Barriers and Opportunities for the Polish IT Industry

Ebury

Adam Stosio

Senior Head of Desk,
Ebury Partners

Although the vast majority of Polish IT firms generate a significant portion of their sales in foreign markets, they remain only moderately prepared for managing currency risk and the use of modern payment solutions is similarly restrained.

1. **34% of companies hedge currency risk**
2. **40% of companies have subsidiaries abroad**
3. **35% of companies hold foreign bank accounts for their Polish entity**
4. **15% of Polish companies are planning acquisitions, while 13% are considering selling a stake to investors**

High currency risk. Are companies prepared?

The study has, unsurprisingly, confirmed the Polish IT sector's strong dependence on foreign sales. The DACH region (Germany, Austria and Switzerland, 50% of surveyed companies), the USA (53%) and the UK (45%) continue to be the primary markets for IT service exports. Other significant markets include Scandinavia (23%), Benelux (17%), Israel (7%), and the Middle East (11%).

The main currencies used for export transactions are the euro (91% of surveyed companies), the US dollar (76%), and the British pound (38%). However, company expenses, primarily employee salaries, are consistently paid in Polish złoty. This is a significant exposure to currency risk, a mismatch that raises the question of whether Polish IT firms are adequately prepared to manage it.

Indeed, one of the key findings from the **"Financial Management in the Polish IT Industry"** study is that these firms are not yet adequately prepared to do so.

This is evidenced by the fact that only 34% of companies actively manage currency risk, and even fewer – just 18% – have implemented formal procedures for exchange rate fluctuations. A somewhat reassuring sign is that an additional 26% of firms plan to formalize their currency strategies in 2025.

We recommend raising awareness among financial decisionmakers and to implement clear policies and procedures to enhance currency risk management.

How to Avoid Excessive Formalities around Subsidiaries and Foreign Settlement Accounts

The **"Financial Management in the Polish IT Industry"** study revealed that one of the key strengths of the Polish IT industry is its presence in target markets through foreign subsidiaries. Nearly 40% of surveyed companies have such entities, primarily in the USA, EU, and UK.

However, foreign settlement accounts for domestic entities are an underutilized solution – only 35% of respondents take advantage of it.

One explanation is the significant time and expense required to open such accounts through the foreign bank branches operating in Poland. The option primarily belongs to the large enterprises which have the leverage to negotiate with banks.
Yet fintech solutions with minimal formalities are easily available, no negotiation required. These offer a viable and attractive alternative for companies looking to streamline international transactions.

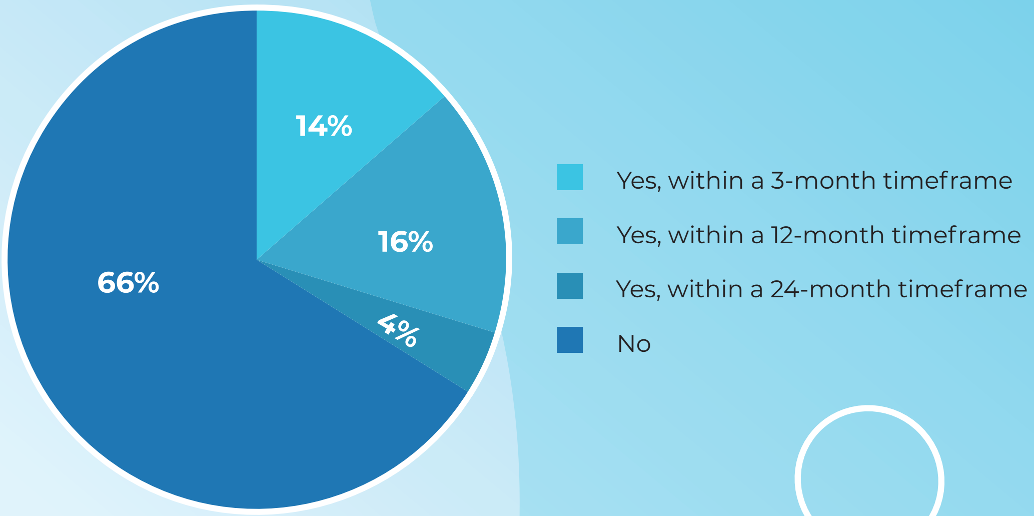
M&A in IT: A Slow Consolidation

The **"Financial Management in the Polish IT Industry"** study indicates that only 15% of Polish IT companies are planning to acquire another IT firm. Of these, 5% are focusing on the domestic market, while 10% are considering acquisitions both in Poland and abroad.

Meanwhile, 13% of companies are either planning to sell a partial stake to an external investor or are looking to be fully acquired. Potential buyers include both industry investors and investment funds, with interest coming from both domestic and international entities.

The conclusion that we can draw from this study's results is that, despite the significant fragmentation of the Polish IT market (with over 1,000 companies generating average revenues of 20 - 30 million PLN), the market is consolidating at a relatively slow pace.

Does your company hedge against exchange rate risk?



Ebury

Ebury is a global financial institution that specializes in advanced financial solutions for businesses. It handles international payments and collections, business financing, and currency risk management. Ebury operates in 29 markets and has over 40 offices worldwide, employing more than 1,500 professionals. With support from Banco Santander, the company is experiencing dynamic growth and helps businesses expand into new markets, in line with its motto: "Business Without Borders."

Sources of Funding for IT Development in Poland: Independent Investments or External Support?

QODECA

Małgorzata Włodarska

CFO **Qodeca**

The traditional financing model for Polish IT companies is on the brink of a fundamental shift. While more than three-quarters of businesses still rely on their own capital, the industry is witnessing the first signs of a quiet revolution.
An increasing number of companies are moving away from the safety of bootstrapping in favor of more aggressive growth strategies. What was unthinkable for most software house owners just a few years ago is now becoming a viable strategic option, reshaping the landscape of the Polish IT market.

1. **77% – the share of financing in Polish IT companies sourced primarily from equity**
2. **9% – the percentage of companies considering financing through VC and private investors**
3. **68% of companies indicate that profitability is the key criterion for financial decisions**

Financing Growth in the IT Industry: Between Ambition and Caution

A look at the data published in the **"Financial Management in the Polish IT Industry"** study which show how Polish IT companies finance growth can give the reader the feeling that the sector is caught between global ambitions and local reserve.
Having observed the development of Poland's technology sector for over a decade, I see how often domestic companies limit their own growth potential with an overly cautious approach to financing. So a few key issues should be addressed:

Why the Aversion to External Capital?

In daily conversations with IT company owners, I often hear the same concerns. „We don't want to lose control over our company." „We prefer to grow organically." „Investors will impose their own vision on us." All are understandable fears, and they often stem from a lack of awareness of modern financing mechanisms.

One conversation in particular stood out to me, one with a manufacturing company's CEO who had been rejecting VC funding offers for three years. When he finally decided to collaborate with an investor, he admitted: „We wasted so much time trying to do everything on our own. If I had known that this partnership could work the way it does now, I would have made the decision much earlier."

Bank Loans: An Untapped Potential

Another intriguing finding from the study is the low percentage of companies taking advantage of bank loans – only 30%. In my view, this is the result of a paradox: banks still tend to treat IT companies like traditional manufacturing businesses, failing to understand the unique characteristics of our industry. Meanwhile, technology firms often struggle to effectively sell their growth vision to financial institutions.

This situation reminds me of a case from my professional experience, where I was involved in securing financing for a well-established software house. The company had everything a businessperson would hope for: stable revenues, an impressive client portfolio, and strong financial indicators. Yet, the initial discussions with banks ended in failure. Why? Financial institutions persisted in looking for tangible assets to secure the loan, completely overlooking the fact that the true value of a technology company lies in its team and know-how.

Venture Capital: Fear or Pragmatism?

The fact that only 9% of companies consider VC funding is particularly telling. In practice, I often see many technology firms treating venture capital as a last resort, overlooking the potential of „smart money."

In my observations, this aversion often stems from a few common myths. The first is the belief that VC investors always seek to take control of the company. In reality, the landscape is far more nuanced. Modern funds offer a variety of collaboration models, often allowing founders to retain significant operational autonomy.

The Future of Financing Lies in Hybrid Models

Recently, I have observed a fascinating shift in the way technology companies approach financing. More and more businesses are beginning to understand that different funding sources are not mutually exclusive. In fact, effectively combining capital from multiple sources can provide a significant competitive advantage.
In my practice, I see companies becoming increasingly adept at leveraging various financial instruments. A common scenario involves integrating three key elements:

- VC funding to drive rapid expansion and product development,
- A credit line to ensure liquidity and support day-to-day operations,
- Grants and subsidies for research and development projects.

The key to a successful hybrid model lies in properly managing risk and timelines. From my experience, particular attention should be paid to synchronizing the various financing tranches, managing the costs associated with each of the financial instruments, maintaining adequate safety buffers, and monitoring financial indicators as required by each stakeholder.

What we can expect in the short term

Looking at market trends and my own experience, I am convinced that the next few years will bring a significant shift in the approach to growth financing. I can already see this change in conversations with the younger generation of technology entrepreneurs. They are more open to external capital and have a better understanding of its role in building global companies.

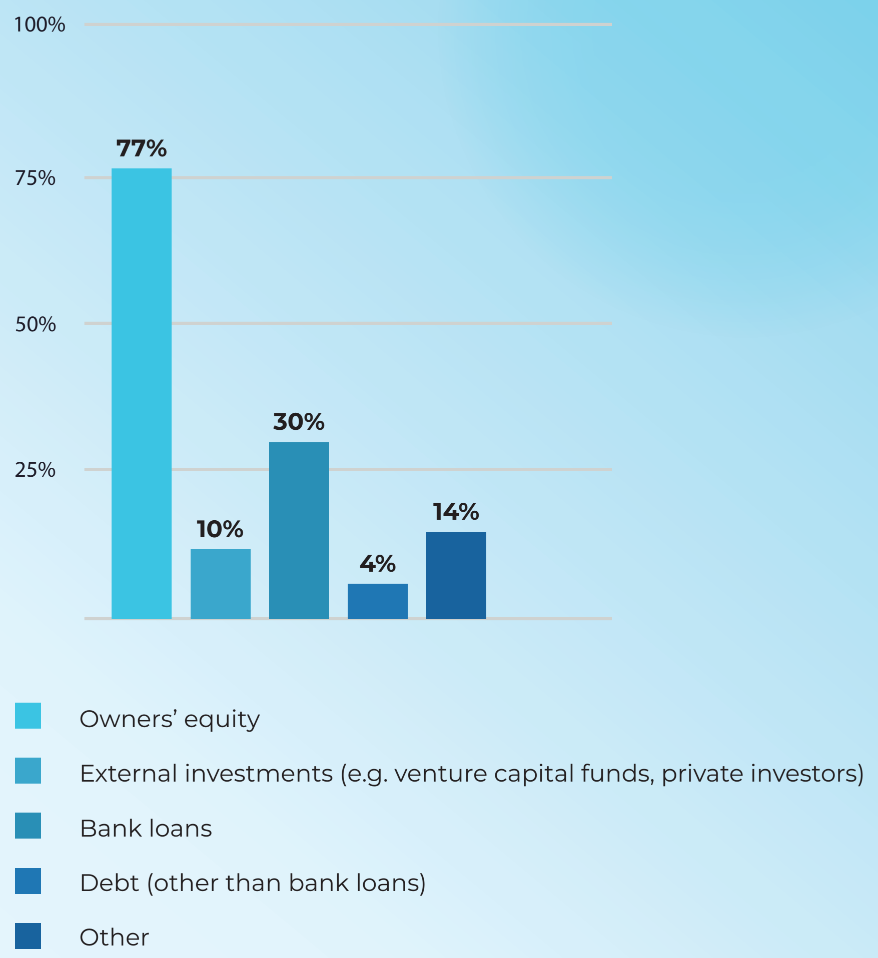
However, before you, as an IT company owner, decide to seek external funding, it is crucial to thoroughly assess the available options and your own needs. The key to success lies in securing financing that aligns not only with your business goals but also with your company's organizational culture and values.

Let's not forget that, in the world of technology, it's not about being the biggest. It's about being the fastest, and rapid growth requires the right capital.

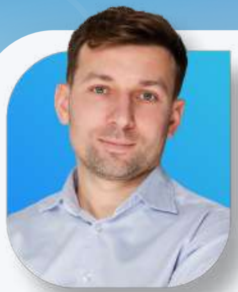
QODECA

Qodeca is a technology partner providing custom software development and consulting services for clients in the USA, GCC, and Western Europe. The company specializes in solutions for the fitness, healthcare, and hospitality industries. Its team of experts supports businesses in building scalable applications that enhance customer and employee engagement, ultimately improving operational efficiency.

What are the main sources of financing for your company's operations?



Optimizing Insurance for the IT Industry: How Much Can Be Saved on Premiums?



It makes sense to review your insurance policies thoroughly, because the market is dynamic and coverage purchased several or a dozen years ago might not account for all the risks that an IT company faces today, says
Jakub Mucha, CEO
CEO of Infinity Insurance Brokers.

Our expert explains why protection against potential contractor claims is vital for a business.

1. **8% of IT companies identify insurance optimization as part of their financial management plan for the next 12 months**
2. **9% of IT companies use trade credit insurance**
3. **84% of IT companies include contractual liability limitation clauses in their agreements**

What was the largest claim one of your IT clients has faced from a contractor?

Jakub Mucha, CEO of Infinity Insurance Brokers: Around twenty million PLN. The contractor accused the IT firm of failing to implement the solution within the stipulated scope and timeframe, which prevented them from fulfilling orders for their own clients. They estimated their resulting financial losses at that amount.

Did your client or the insurer pay the claim?

The case was ultimately resolved through a court settlement in which the contractor withdrew most of their claims. The remaining amount was paid as compensation by the insurer. However, the legal fees incurred by the IT company exceeded 200,000 PLN, which were also fully covered by the insurer.

Did the liability insurance work as expected?

Yes. However, it is important to point out a key distinction related to such cases. In particular, our client had a Professional Indemnity Insurance (PII) policy, which protects IT service providers against claims related to errors, omissions, or project delays. That type of policy should not be confused with general liability insurance (GLI), which typically covers property damage or personal injury affecting the IT company's contractor, such as losses caused by damaged equipment.

It is highly likely that if an IT company has a standard general liability insurance policy, it almost certainly does not include the specialized coverage provided by professional indemnity insurance.

Are potential client claims the biggest risk for IT companies?

We constantly remind our clients of these types of risks because costly mistakes can happen at any time. I know of a situation in which a software update to an online shop caused refunds to be mistakenly sent to the accounts of entirely different customers. As a result, the shop lost several hundred thousand euros. If not for the professional indemnity insurance policy, the IT company responsible for the error would have suffered enormous financial losses.

However, the IT industry is unique in that many errors can be quickly fixed, avoiding any claims. IT companies sometimes also agree to perform additional work to maintain good relationships with their clients. Financial claims typically emerge when no other resolution is possible.

In the "Financial Management in the Polish IT Industry" study, nearly half of the companies surveyed indicated that clients had filed claims that ultimately impacted their profit margins. This includes situations requiring additional work without compensation, as you mentioned.

This is another scenario where a professional indemnity insurance policy can play an important role. When a dispute escalates to a breaking point, it can be beneficial to show the client that, in the event of a legal conflict, the insurer will cover the high costs of legal representation for the IT company. This often leads to de-escalation and a return to negotiations.

Given the cases you described, it is surprising to learn from the study that 20% of IT companies do not have professional indemnity insurance.

I presume this is a result of conscious business decisions. These companies are most likely in the outsourcing business, such as staff leasing or team augmentation, and their contracts are structured to minimize the risk of claims.

It makes sense to review your insurance policies thoroughly, because the market is dynamic and coverage purchased several or a dozen years ago might not account for all the risks that an IT company faces today.

Meanwhile, the survey shows that only 8% of companies are considering insurance optimization in their financial management plan for the next 12 months.

The IT companies we work with usually put significant effort into the challenging task of optimizing their insurance. This process sometimes requires engaging multiple departments to precisely define expectations or set limits on potential claims.

They're concerned not only with reducing insurance costs, but especially with the quality of coverage. They want to be certain that their policy will be effective when it's needed. They also value brokers' insights, especially those of brokers who can clearly explain situations in which the insurance would not provide coverage. This allows companies to seek other safeguards, such as specific contractual provisions with their business partners.

The percentage of companies striving for insurance optimization will grow. Keep in mind that savings on premiums can reach 40% with at least the current level of coverage. It's often even possible to broaden coverage [at the same time].

Insurance is also becoming increasingly important when companies participate in public tenders. As the survey revealed, IT companies typically post cash securities. Meanwhile, keeping financial liquidity in mind, it is sometimes better to offer an insurance guarantee instead.

The survey also indicates that 90% of IT companies do not use trade credit insurance. Is the credibility of their clients so high that such products are unnecessary?

This survey result does seem surprising, especially when set against the fact that around 90% of IT companies have experienced issues with clients failing to meet payment deadlines.

Meanwhile, nearly three-quarters of respondents identified payment delays as one of the challenges related to billing for services.

Why do companies so rarely use trade credit insurance?

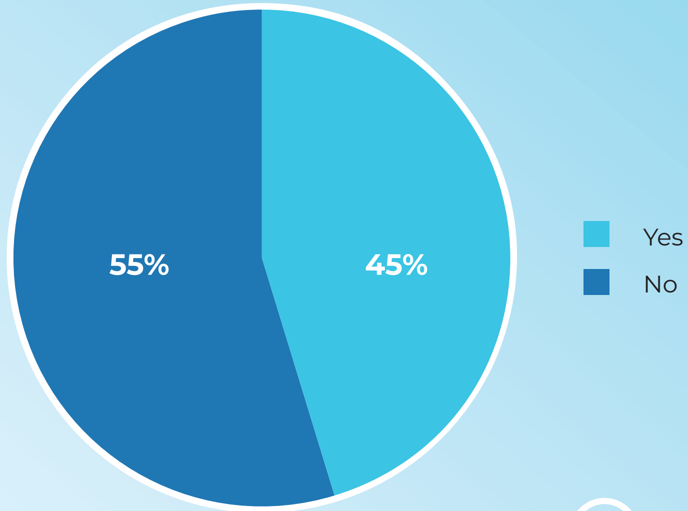
This may stem from the belief that if payment delays occur, they are minor.

However, it's important to remember that trade credit insurance provides more than just compensation when a client fails to pay an invoice. Providers of this type of insurance also offer businesses the ability to monitor the financial health and payment credibility of potential clients. Additionally, they conduct effective debt collection efforts once an invoice becomes overdue.

All of that allows an insured IT company to rest assured that funds for completed projects will be deposited its account, whether due to successful debt recovery or as an insurance payout. This in turn enables more effective cash flow management.

> *The slow consolidation of the domestic market for software services companies has several causes. Larger software service firms primarily seek to acquire foreign companies, since scaling the business is easier when sales teams are closer to the client. Customers also value the presence of software service providers across multiple continents, which speeds up service delivery. Additionally, relatively few domestic companies have developed the highly sought-after engineering and consulting expertise that is currently in high demand.*
>
> ***Andrzej Knigawka***
> *Board Advisor for Corporate Finance,* ***Spyrosoft***

Has your company ever been subject to a claim from a contractor which negatively impacted the final margin on a contract (e.g. requiring additional work, a discount, or not receiving full payment for services)?



INFINITY
BROKERZY UBEZPIECZENIOWI

Infinity Brokerzy Ubezpieczeniowi is a brokerage firm specializing in comprehensive security support for the IT industry. With extensive market experience and an innovative approach, we serve some of the largest IT companies in Poland. We understand the specifics of the industry and leverage this knowledge when negotiating insurance terms.

Taxes in the IT Industry: Is it Risky to Take Tax Breaks?

Disinterest in tax matters might lead not just to unpleasant legal consequences... but also closes off many opportunities for tax savings, says ***Aleksandra Bońkowska, Partner & Tax Advisor at ALTO.***

Our expert explains how enhancing tax efficiency can benefit IT companies.

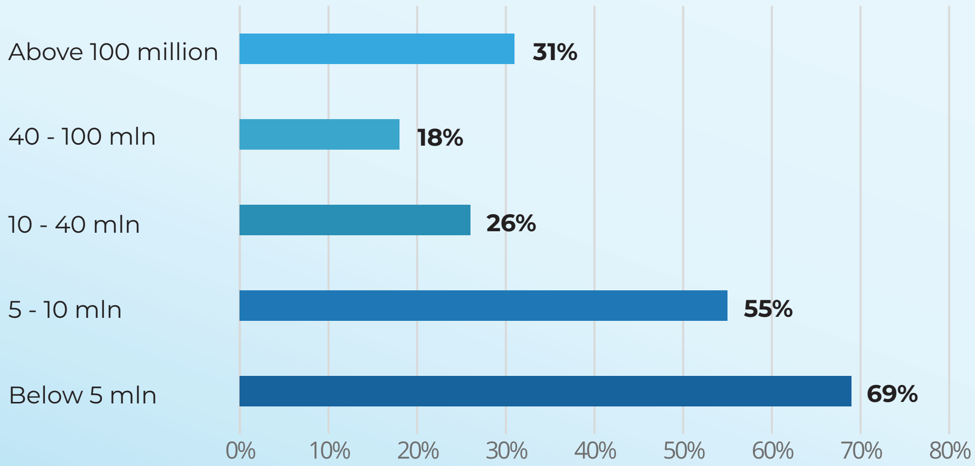
1. **52% of IT companies say that they identify and manage tax risks**
2. **30% of IT companies take advantage of the IP BOX incentive for innovation**
3. **71% of IT companies outsource accounting and tax functions to external entities**

The „Financial Management in the Polish IT Industry" study shows that 43% of IT companies do not take tax breaks. This percentage seems quite high.

Aleksandra Bońkowska, Partner & Tax Advisor at ALTO: At first glance, yes. In general, the IT sector is more likely than other industries to take tax breaks.

However, that 43% average covers a significant variety in approach that depends on company size. Among small IT companies with annual revenues below 5 million PLN, the percentage of those not taking a tax break is as high as 69%. Meanwhile, for larger enterprises with annual revenues between 40 and 100 million PLN, the figure drops to 18%.

Percentage of companies not seeking tax breaks, by company size



What accounts for these differences?

Smaller entities typically focus primarily on business and project execution, often lacking the time and staff for matters such as investigating tax savings.

They are not confident that hiring additional staff to handle these tasks will bring them significant benefits.

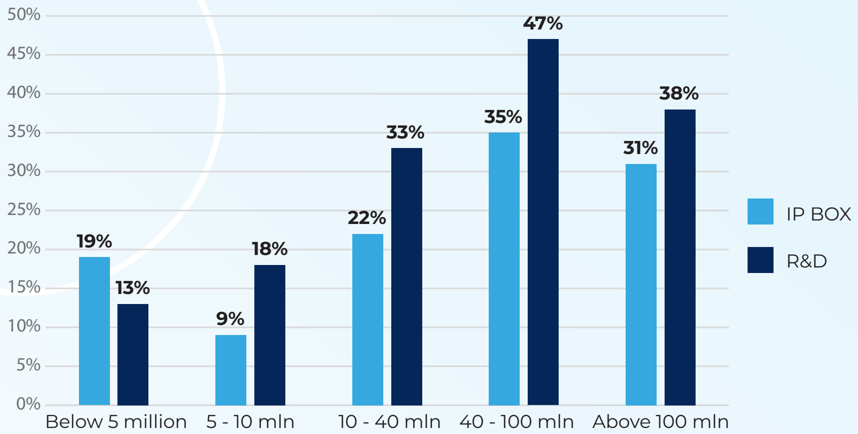
This approach changes as the business grows. Companies realize that tax planning and leveraging tax incentives enhance efficiency and improve cash flow, which in turn can increase their ability to invest in growth and boost their competitiveness in the market.

Does the [Polish] government provide sufficient opportunities for the IT sector to benefit from tax breaks?

Decidedly so. This aligns with the characteristically European approach to supporting innovation in the economy. And it's clear that an IT sector which can deliver modern solutions to a range of industries is an essential part of this strategy. Without skilled programmers who keep up with market trends, there won't be any business innovation.

The study shows that the two tax breaks most commonly used by the IT sector are the IP BOX and R&D tax incentives. Other solutions are used to a marginal extent. Here again we see the pattern that the larger the organization, the more actively it seeks ways to improve tax efficiency.

Choice of Tax Incentives (R&D and IP BOX) vs. Revenue Levels



Could it be that small companies approach tax breaks so cautiously due to a fear of making mistakes and facing potential consequences?

Such fears are indeed likely to be a factor that discourages companies from seeking tax savings. Smaller firms in particular may perceive this risk as high because they lack the time for a thorough analysis.

This is a natural reaction. However, it is important to remember that a tax break does not entail risks provided it's applied as specified by its conditions and purposes.

But I foresee that even smaller IT companies will more often look for ways to enhance their tax efficiency. This is supported by the survey results which indicate that businesses aim to improve profitability and reduce costs. These savings can often be achieved through tax savings rather than – to put it simply – layoffs.

However, the study also showed that nearly half of IT sector companies neither identify nor manage tax risks.

Yet on the other hand around three-quarters of companies indicate that they do analyze their business activities from a tax perspective. Here, too, it's no surprise that such practices are more common among larger companies.

Regardless of company size, it is important to keep in mind that not taking an interest in tax matters might lead not just to unpleasant legal consequences, which can often be avoided with regular tax reviews, but also closes off many opportunities for tax savings.

Perhaps the problem is the need to either hire in-house tax experts or engage an external provider to handle tax-related tasks.

The basic principle is that keeping accounting and tax functions in-house is more expensive than outsourcing them. According to the study, 71% of companies delegate accounting and tax tasks to external firms. However, in only 47% of these situations are the outsourced responsibilities strictly tax-related.

This suggests that, for many companies, hiring a tax advisor is an “extra” service beyond standard operations. However, I’m not concerned. Companies typically start engaging tax advisory services as they grow and expand into new markets. At that stage, they need expert support to analyze the often complex circumstances and legal situations.

Can you give an example?

There are numerous aspects to consider. When beginning a cross-border or overseas expansion, IT companies seek support primarily with establishing their business presence in the other country, correctly setting up the situation for employees who are to work on projects abroad, and handling matters related to social benefits.

Another key area involves tax challenges such as VAT regulations, transfer pricing, or income tax withholding. Each project requires a thorough analysis to identify the best and safest tax solutions.

ALTO provides tax solutions for the IT industry. We advise clients on ways to achieve tax savings and mitigate risks. We support technology firms as they establish operations in foreign markets by helping them efficiently manage their tax obligations – so entrepreneurs can focus on growing their business.

Room for Improvement: The Digital Transformation of Financial Processes

SEMANTIVE

Agnieszka Kucharska

Head of Operations, ***Semantive***

There is still work to be done to intensively digitize financial processes. How to expand a financial department's role beyond traditional operational tasks and transform it into a strategic partner which can actively shape business strategy is a widely discussed topic. Such a transformation is impossible without modern analytical tools to not only enhance operational efficiency but also improve business decision-making.

1. **48% of IT companies identify profitability management as their largest financial challenge**
2. **53% of IT firms plan to implement new financial systems or automate processes**
3. **37% of IT companies say that obtaining management information is a challenge due to technological limitations**

Financial Management Challenges

The results of the **"Financial Management in the Polish IT Industry"** study show the numerous challenges that IT companies contend with in managing their finances. Key issues include profitability management (47%), liquidity management (42%), and controlling costs related to employment and salaries (42%).

Yet even though this is about IT firms, 60% of the companies surveyed report that they face barriers to their financial processes such as manual invoicing and a lack of detailed accounting records.

This presents a picture of two worlds: current difficulties and future opportunities. We want the financial department to help us look further forward, support forecasting despite market volatility, and answer questions about various future scenarios, simultaneously.

Shifting the Focus from Backward to Forward

Swiftly reducing the time spent on low-value, repetitive and manual tasks is one of the opportunities offered by transforming financial processes.

Over 53% of companies plan to implement new financial systems or optimize processes within the next 12 months in order to free up time and shift attention to more complex tasks. Automating invoicing, real-time cost monitoring, and cash flow forecasting can significantly reduce errors and improve operational efficiency.

Another result of automation is the reduction of operational risk, i.e. enhancement in reliability and security in critical processes such as settlements with clients and business partners. Even minor mistakes can quite literally turn out to be expensive.

If a company aims to shift the focus of its finance department from internal processes and historical reporting to external market events and forecasting capabilities, it will be important to audit its current resources and assess to what extent it has the staff to meet the new aims.

Do process and data structures support quick access to reliable information? Are the right tools and systems for rapid analytics in place? If so, these foundations can be further expanded and reshaped with additional solutions such as integrated artificial intelligence.

Integrating Knowledge Sources and Data Access

Breaking down organizational silos is a challenge that involves not only integrating processes but also ensuring that data is accessible and flows smoothly. This effort often has elements of negotiating and aligning basic definitions between the various teams engaged in the process.

The next step is making this information available for further analytics, forecasting, and consolidation with other sources of information about the organization. However, the quality and timeliness of data delivery will remain a challenge. If finance departments are expected to evolve into internal think tanks that drive strategic decision-making, they must have access to a reliable, up-to-date, interconnected data infrastructure, one that will not require reconciliation every time a new analysis is needed.

What Leaders Can Bring to Digital Transformation

Finance leaders, particularly CFOs, play a key role in initiating and overseeing digital transformation. These leaders must not only recognize the potential of digitalization and stay up to date with emerging market solutions, but also build a team capable of effectively implementing innovations.

In the study, nearly 22% of companies indicated that their financial teams lack the skills necessary to successfully drive digitalization processes. Furthermore, 61% of respondents identified a lack of time as a major barrier to implementing changes.

Experienced leaders will work to enhance their teams with skills in automation, system transformation, data science, and advanced analytics. These efforts must go hand in hand with the intention to free up time for project and implementation tasks.

The Risks and Costs Associated with External Providers

An organization can choose to independently implement automation initiatives or to engage external partners to build automation solutions. However, every transformation must be executed with great care to ensure business continuity and security.

Several risks must be considered when working with an external service provider, such as the partner's credibility and their flexibility to meet future needs, and vendor lock-in. Besides the risks, every cooperation has its costs. According to the **"Financial Management in the Polish IT Industry"** study, 38% of respondents cite budget constraints as a major barrier to digitalization. This may explain why spreadsheets rule financial departments....

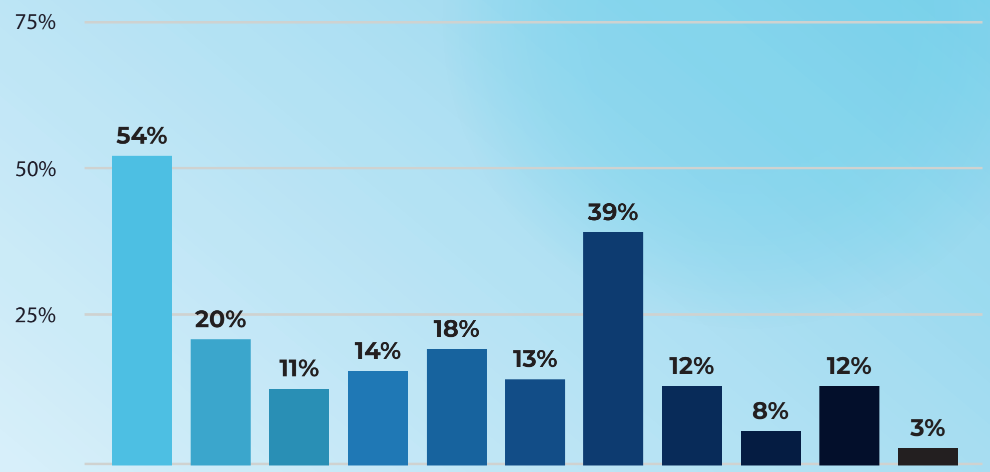
> *Due to a crisis in demand, more and more companies are looking for tools that optimize workflows. Many organizations have used such tools to reduce costs by up to 6%, avoid layoffs, and maintain the same level of efficiency.*
>
> ***Michael Grubka***
> *CEO* ***apropo.io***

Digital Transformation Is an Imperative

Whether to digitally transform financial processes is no longer a choice but a necessity for companies that want to survive and grow in a dynamic business environment. Automation, data integration, and advanced analytics are the keys to success.

Will this be the first step toward creating a „digital brain" for organizations, built with algorithms capable of making autonomous decisions? Perhaps. But for now, we are tackling more fundamental challenges, following the principle "Learn to walk before you run."

What are your company's primary financial management plans for the next 12 months?



- Implementing new financial systems or automating / optimizing financial processes
- Securing external financing (e.g., loans, investment, funds)
- Developing a new financial risk management strategy (e.g., currency risk, interest rate risk, liquidity risk)
- Optimizing the capital structure (e.g., debt reduction, lease management)
- Restructuring or optimizing the tax structure
- Financing mergers and acquisitions
- Optimizing costs / shrinking the workforce
- Implementing ESG and related reporting
- Optimizing insurance policies
- Outsourcing accounting and / or financial management
- Other

Lessons from the Success of the IT Sector: How to Sustain Growth Momentum

Sebastian Kapel

Head of Finance, ***Miquido***

„Profit is good, but cashflow is king." This saying, so familiar to finance professionals, is gaining particular relevance in the IT sector. Decisionmakers are increasingly seeking support from modern tools that simplify analysis and enable swift decision-making.

1. **40% of IT companies use systems that allow real-time monitoring of project implementation costs**
2. **72% of IT companies generate reports analyzing cost efficiency after project completion**
3. **65% of IT companies plan to implement tools to support reporting, budgeting, and cost accounting**

Maintaining profitability and finding solutions that enable positive cash flows from core operations will be the basic measure of success for IT firms over the next few quarters. Such is the conclusion that can be drawn from the **"Financial Management in the Polish IT Industry"** study.

It's a challenging task, particularly given the macroeconomic situation and significant market uncertainty.

IT Service Exports are a Success for the Polish Economy... but Significant Risks Loom

For those who read the report, it likely comes as no surprise that IT services export has become a driving force behind Poland's economy. Consider the National Bank of Poland's estimates that the value of foreign sales in the sector (telecommunications, IT, and information services) exceeded 70 billion PLN in 2023, (up 17.5% year-on-year). The data for the full year of 2024 will likely show continued growth.

This is truly something to be proud of. These figures demonstrate that Polish programmers, with their expertise and innovative approach, are increasingly earning recognition on the international stage, ranking among the best in the world.

The survey results show that half of the companies surveyed identify the United Kingdom, the United States, and the DACH region as top targets for expansion abroad. I expect the Polish IT sector to intensify efforts to export services in the near term.

However, this does pose a significant risk which deserves attention. The survey shows that only 35% of companies actively hedge against currency risk, and just 4% do so within a 24-month timeframe. This is concerning, the more so because 55% of enterprises neither have nor plan to introduce currency risk management policies in the near future.

Companies that do not hedge currency risk during the execution of international projects – deliberately or otherwise – expose themselves to significant exchange rate volatility and the potential loss of margins.

The important takeaway here is that firms in the IT sector will need to review their lessons on currency risk management. I have no doubt that this aspect will become a key KPI for finance departments in our industry.

There are other activities in this sector that are notable in this context. IT firms which deliver services abroad are likely to be actively pursuing M&A in order to strengthen their positions in other countries. This perspective is highly encouraging.

How IT Firms Can Strengthen Profitability

The survey also reveals that more than 80% of companies continuously analyze the profitability of their ongoing projects. Nearly 40% do such analysis with systems that can monitor costs in real time.

Additionally, 55% of respondents have announced plans to implement tools to support management reporting and automation. These developmental plans are seen as crucial for financial management.

These results clearly demonstrate the extent to which IT directors need financial staff with in-depth knowledge of the IT market, and also for the staff to have access to modern tools.

It is these advanced solutions, particularly those for gathering and analyzing management information, that are key to making quick and effective business decisions.

Notably, progress in this field is no longer limited to large enterprises. With the growing availability of proven tools, financial departments in smaller companies can also expect to benefit. (Of the entities surveyed, 40% employ 50 people or fewer.)

Business Model Transformation is an Important Trend in the IT Sector

The strong position Polish IT firms enjoy on the international market is likely to strengthen as they transform their business models from purely service-based to consulting-driven. This trend is already clear and is certain to continue. Companies see this shift as an opportunity for growth and a way to stay competitive with foreign rivals.

However, this strategy should be supported by increasing professionalism in the financial and risk management department. That will have a significant impact on what results can be achieved.

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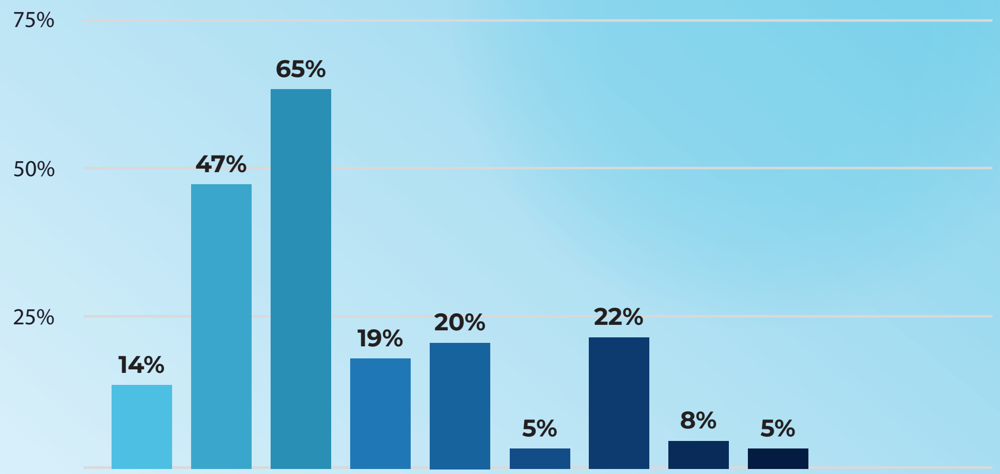
Miquido is a Kraków-based software house specializing in creating software solutions for leaders in industries such as eCommerce, Industry 4.0, and Fintech. We develop solutions utilizing artificial intelligence, no/low-code platforms, and cross-platform technologies. With nearly 15 years of experience, we have collaborated with international leaders such as Dolby, Warner, Play, Skyscanner, TUI, Eko-Okna, and Abbey Road Studios, for whom we have developed over 300 applications.

Which of the following changes is your company planning to make to its management reporting?



- Hiring/increasing the number of controllers / analysts
- Developing current and new skills among the reporting team
- Implementing support tools (e.g. for reporting, budgeting, cost accounting)
- Increasing the level of detail in accounting records (e.g. expanding the chart of accounts, implementing cost centers)
- Conducting an analysis of what management information is required
- Outsourcing analysis/financial management processes to an external professional service center
- Implementing the planning, budgeting, and forecasting (PBF) process
- Adding sustainability (ESG) indicators to mandatory reporting
- Other

Over Half of IT Companies Plan Investments in New Financial Systems. What Makes New Systems So Important?

Decision-makers in IT organizations will need to rely more heavily on management information provided by financial departments, says ***Maksymilian Sztandera, CFO Nanovo.***

Our expert explains how advancements in AI tools will influence project execution and business overall.

1. **54% of IT companies plan to implement new financial systems within the next 12 months**
2. **48% of IT companies identify profitability management as the greatest challenge of financial management**
3. **62% of IT companies consider detailed cost analysis in their financial management**

What Should the Polish IT Sector Focus on to Maintain Its Growth Rate in the Coming Quarters?

Maksymilian Sztandera, CFO of Nanovo: Both domestic and international clients value the high quality of work provided by our programmers. At a minimum, maintaining this reputation should be a priority, especially given the challenges posed by the changes brought by AI.

What changes do you mean?

The automation of numerous processes will impact how projects are managed. Since AI doesn't have geographic boundaries, there are certain to be international players in the IT sector who will offer their services at lower costs. This could negatively affect demand in Poland.

To avoid this scenario, the IT sector must ensure it is perceived not only as a code factory but as a domain expert and solution architect. This requires continuously enhancing the skills of programmers and developers. This is why it's a positive sign that the **"Financial Management in Poland's IT Industry"** study reports over 80% of organizations investing in employee training and professional development programs.

So that AI won't replace them?

To put it simply, yes. We should focus on delivering high quality and continually expanding the range of services. It is far more difficult to replace a provider of comprehensive solutions than coder. In the near future, AI will need to be treated not as an experiment but as a systemic tool.

You mentioned potential price competition from companies in other countries. Is this significant for financial management in IT firms?

A look at the survey results affirms that firms generally manage their finances professionally. Among the tools used for this purpose, most organizations list maintaining project profitability (86%), budgeting (66%), and detailed cost analysis (62%).

This shows that the sector is performing well in this regard. But it doesn't mean there isn't room for improvement.

Exactly. Questions always remain about the companies that don't utilize the tools you mentioned.

I am confident that the percentage of such entities will decrease. Decisionmakers understand that focusing on project profitability and cost monitoring is key to sustaining their businesses.

However, the survey reveals a surprising finding: only 65% of IT companies monitor cash flows and forecast cash flow. That's a low figure.

What can explain that?

The only explanation that comes to mind is that those who consciously choose not to do so have significant cash reserves. This allows them the comfort of focusing primarily on task execution and settling finances after project completion.

The market situation is likely to gradually push more companies toward detailed financial analysis and pursuing profitability.

Why?

This is closely tied to a topic we've already discussed. The use of automation in the IT sector will become so widespread that completing a project of a given scale could be cheaper two years from now than it is today. This is because fewer specialist work hours will be required. As a result, this may put pressure on margins, pushing companies to look for cost savings more frequently.

Will this require strengthening teams responsible for analyzing management information?

Certainly, decision-makers in IT organizations will increasingly need management information provided by financial departments. In this area, we will also see greater automation supporting analysts in producing faster and more frequent reports. All of this is aimed at enabling companies to respond in real time, draw conclusions, and avoid mistakes in the future.

The survey shows that over half of IT companies plan to implement new financial systems within the next 12 months.

These investments will specifically focus on tools that allow for more efficient data collection directly from financial and accounting systems, speeding up the preparation of analyses and reports.

Companies need such solutions due to the high variability and dynamic nature of projects. Precise forecasting of revenues and costs for upcoming projects will also be essential.

The nature of the IT sector means that financial forecasting involves considerable uncertainty. I have the impression that sometimes it's easier to plan the future costs of manufacturing a car than to estimate the costs of an IT project. Yet an incorrect forecast can significantly impact the profitability of an implemented project.

From the Odra to Global Technology Leader Status?

As early as the 1970s, Polish engineers created machines (Odra, Mera, K-202, Mazovia) that, despite their size and weight, were groundbreaking and contributed to the development of Polish computer science. Today, Polish IT companies have become some of the strongest technological players in Europe, forming one of the most dynamic sectors of the Polish economy.

Gekko advisoryNOW

Violetta Małek

Managing Partner & President of the Management Board
Gekko advisoryNOW

The ability to combine innovation with adaptation to global technological trends is earning recognition for Polish IT companies as strategic partners in digital transformation. They are well on their way to claiming the title of global technology leader! However, for this success to become a reality, IT company executives in Poland should direct attention to aspects such as continuous improvement of business models, effective financial management, and being fully prepared to tackle global challenges such as automation, AI-related regulations, and the evolving needs of both clients and employees.

What Distinguishes Polish IT Companies?

The top characteristics of Polish IT companies, the most notable of which can be seen in the results of the **"Financial Management in Poland's IT Industry"** study, include:

1. **global ambitions** – The majority of Polish IT companies already operate in foreign markets, primarily in the USA (54%) and Western European countries (ranging from 9% in France, to 45% in the UK and 51% in the DACH region). They are also present in Africa (2%) and Asia (8%);
2. **innovation** – Polish IT companies are strengthening in key areas such as cybersecurity, artificial intelligence (AI), the Internet of Things (IoT), and cloud computing. These solutions drive digital transformation across various sectors;
3. **management professionalization** – 86% of surveyed companies analyze the profitability of their projects and services to support strategic decision-making, 62% conduct detailed cost analyses, and 65% plan to implement tools for management reporting;
4. **development of strategic consultancy** – IT companies are moving from the role of technology provider to the role of strategic partner, offering IT consulting services (51% of surveyed companies), e.g. in optimizing business processes;
5. **investment in skills** – Over 80% of surveyed companies invest in employee training and professional development, allowing them to build a competitive edge in a dynamically changing environment.

Risks and Opportunities in IT – How to Maintain Competitiveness

In Poland, since just 2022, the number of IT companies has increased by nearly 25%. Isn't this proof that Polish IT companies are resilient to economic slowdowns and even crises? What will the coming years bring, and what risks and challenges lie ahead?

One of the main risks identified by IT company executives in Poland is **growing competition**. Process automation and global price competition significantly impact project margins and profitability. Another important challenge is **insufficient process automation**, as 61% of surveyed IT companies in Poland report struggling with a lack of time for preparing and analyzing reports due to the low amount of digitization in financial processes. Rounding out the list of risks is the **lack of financial safeguards** for the 74% of companies which have not implemented currency risk management strategies, despite undertaking international projects. The cherry on top of the challenges is the **regulatory uncertainty** surrounding artificial intelligence (AI Act in the EU), which imposes strict regulations on AI use and may limit the flexibility of companies compared to global competitors, such as those in the USA. For Polish IT company executives, who aspire to achieve a dominant position among technological leaders, addressing the identified challenges should undoubtedly be on their agenda, as well as leveraging the opportunities outlined below:

1. **Growing demand for IT services –** According to Gartner, global spending on IT services in 2025 will increase by 9.8% compared to 2024.
2. **Hybrid financing models –** An increasing number of companies are combining venture capital (VC), bank loans, and R&D grants, utilizing diverse sources of capital.
3. **Modern financial management technologies –** Implementing tools for cash flow forecasting and real-time cost analysis can significantly enhance operational efficiency.
4. **Development of strategic models –** Companies that focus on creating comprehensive solutions (not just code) will be harder to replace with AI.

Polish IT companies have immense potential to strengthen their position on the global market. The key challenges will be effective financial risk management, process automation, and maintaining high service quality. Focusing on developing skills and strategic business models will ensure competitive advantage and further growth in the dynamic technological environment. It looks like prosperous years lie ahead for IT companies in Poland!

Recommendations for Polish IT Companies (at a glance)

Building relationships with clients

- *Position your company as a strategic partner that not only delivers technology but also supports business process optimization.*

Digitizing financial processes

- *Invest in systems that automate reporting, budgeting, and project profitability analysis.*
- *Simplify and speed up invoicing processes as well as real-time cost monitoring.*

Risk management

- *Implement hedging strategies, especially for projects carried out in international markets.*
- *Optimize insurance, focusing on professional liability policies and receivables insurance.*

Employees' skill development

- *Monitor legal and technological changes in the EU and other regions to quickly adapt operations.*
- *Invest in legal analyses related to the use of AI and technological innovations.*

Hybrid financing models

- *Skillfully coordinate various financing methods to respond faster to changing market conditions and effectively achieve strategic goals.*

Proactive adaptation to regulations

- *Monitor legal and technological changes in the EU and other regions to quickly adapt operations.*
- *Invest in legal analyses related to the use of AI and technological innovations.*

Gekko advisoryNOW

Gekko advisoryNOW specializes in business consulting, including financial management, enterprise performance management, cost management, designing operating models for business service centers (design, construction, implementation, optimization, automation, and robotics), operational and strategic restructurings, business and operational process optimizations, organizational change management, project management, and on-demand expert support.

Report partners

ALTO provides tax solutions for the IT industry. We advise clients on ways to achieve tax savings and mitigate risks. We support technology firms as they establish operations in foreign markets by helping them efficiently manage their tax obligations – so entrepreneurs can focus on growing their business.

SoDA is an association of Polish technology companies, active since 2018. It currently counts 130 member companies funded by Polish and foreign capital, operating throughout the country and employing over 22,000 people. By conducting research and analyses, and organizing training sessions, webinars, and networking events, it fosters collaboration and knowledge exchange among its members. It also promotes Poland as a leading global market in software development and IT services.

controllingNOW is an outsourcing hub that provides flexible, tailor-made solutions for outsourced financial management, financial and operational analysis, and management information packages including dashboards. „Your data, our management, your success".

Ebury is a global financial institution that specializes in advanced financial solutions for businesses. It handles international payments and collections, business financing, and currency risk management. Ebury operates in 29 markets and has over 40 offices worldwide, employing more than 1,500 professionals. With support from Banco Santander, the company is experiencing dynamic growth and helps businesses expand into new markets, in line with its motto: "Business Without Borders."

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Infinity Brokerzy Ubezpieczeniowi is a brokerage firm specializing in comprehensive security support for the IT industry. With extensive market experience and an innovative approach, we serve some of the largest IT companies in Poland. We understand the specifics of the industry and leverage this knowledge when negotiating insurance terms.

miquido

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QODECA

Qodeca is a technology partner providing custom software development and consulting services for clients in the USA, GCC, and Western Europe. The company specializes in solutions for the fitness, healthcare, and hospitality industries. Its team of experts supports businesses in building scalable applications that enhance customer and employee engagement, ultimately improving operational efficiency.

SEMANTIVE

Semantive specializes in cloud solutions for AWS, Azure, and GCP, providing application modernization and data platform development for leading companies in the energy and high-tech sectors. We excel in data engineering, cloud migration, and infrastructure automation using Terraform, OpenTofu, and Spacelift.

This report was created in cooperation with Nobili Partners Sp. z o.o.

Attachment: Survey Questionnaire – Questions and Answers

The survey was conducted between November and December 2024 using an online questionnaire. The selection of respondents was targeted and included Polish business entities operating in the IT sector. A total of 100 companies participated in the survey.

1. What is your position in your company?

CEO	40,00%
CFO	25,00%
Head of Finance	9,00%
Financial Analyst	5,00%
Finance Specialist	8,00%
Other	13,00%

2. How many people does your company employ regardless of form of employment (e.g. full-time contract, zero-hours contract, freelance agreement, etc.)?

1-50	39,00%
51-100	27,00%
101-250	14,00%
251-500	8,00%
Over 500	12,00%

3. What are the main areas of your company's operations?

Custom software development	66,00%
IT outsourcing services	47,00%
Software product creation	45,00%
IT consulting	51,00%
Cybersecurity	11,00%
Data analysis and AI	24,00%
Other	5,00%

4. What was your company's annual revenue in PLN in 2023?

Less than 5 mln	21,21%
5 – 10 mln	15,15%
10 – 40 mln	30,30%
40 – 100 mln	18,18%
Over 100 mln	15,15%

5. What are your company's main directions for foreign expansion?

DACH (Germany, Austria, Switzerland)	50,51%
France	9,09%
Benelux (Belgium, Netherlands, Luxembourg)	17,17%
UK	45,45%
Scandinavia	23,23%
USA	53,54%
Canada	4,04%
Israel	7,07%
Middle East	11,11%
Africa	2,02%
Asia	8,08%
South America	0,00%

6. Which of the following roles exist at your company?

CFO / Finance Director	56,00%
Controller / Financial Analyst	41,00%
Accountant / Internal Accounting Team	47,00%
Treasurer / Treasury Manager	9,00%
Manager / Currency Risk Management Specialist	2,00%
Manager / ESG Specialist	4,00%
Tax Expert responsible for tax obligations	11,00%
None of the above	18,00%

7. What are the biggest challenges in financial management within your company?

Cash flow/liquidity management	42,42%
Ensuring compliance with accounting and tax regulations	29,29%
Valuation and cost control of new products/services	28,28%
Financing technological development and scaling infrastructure (e.g., purchasing new tools, licenses, infrastructure)	12,12%
Profitability management	47,47%
Managing costs related to hiring and compensation (e.g., recruiting IT specialists, salaries in a rapidly growing team)	42,42%
Securing financing for long-term investments	11,11%
Tax optimization	37,37%
Financial safeguards against currency risks and exchange rate fluctuations	27,27%
Other	2,02%

8. What are your company's primary financial management plans for financial management over the next 12 months?

Implementation of new financial systems or automation/optimization of financial processes	53,54%
Securing external financing (e.g. loans, investment, funds)	20,20%
Developing a new financial risk management strategy (e.g. currency risk, interest rate risk, liquidity)	11,11%
Optimizing capital structure (e.g. debt reduction, lease management)	14,14%
Restructuring or optimizing the tax structure	18,18%
Financing mergers and acquisitions	13,13%
Optimizing costs / shrinking the workforce	39,39%
Implementing ESG and related reporting	12,12%
Optimizing insurance policies	8,08%
Outsourcing accounting and/or financial management	12,12%
Other	3,03%

9. Does your company hedge against exchange rate risk?

Yes, within a 3-month timeframe	13,83%
Yes, within a 12-month timeframe	15,96%
Yes, within a 24-month timeframe	4,26%
No	65,96%

10. Does your company have a policy/procedure for managing currency risk?

Yes	18,09%
No, and we do not plan to implement one in the near future	55,32%
No, but we plan to implement one in 2025	26,60%

11. Who makes decisions in your company regarding currency risk hedging?

Board of Directors	56,38%
Finance Director	30,85%
Treasury Manager	3,19%
Chief Accountant	4,26%
Another specialist	5,32%

12. What instruments does your company use to hedge risks?

Forward contracts	28,72%
Purchasing currency options	5,32%
Option structures	4,26%
None of the above	67,02%

13. What financial service providers does your company use for currency risk management?

Banks	50,00%
Payment institutions	9,57%
Other financial institutions	12,77%
We do not use financial service providers for this purpose	41,49%

14. Which foreign currencies are used by your company in transactions with contractors?

USD	76,40%
EUR	91,01%
GBP	38,20%
CHF	12,36%
SEK	4,49%
Other	14,61%

15. Does your company measure the impact of exchange rate changes on the company's financial performance?

Yes	57,30%
No	42,70%

16. Does your company have a set budget exchange rate for 2025? At what level?

Yes	29,21%
No	70,79%

17. Does your company have subsidiaries abroad?

Yes, in the EU	15,73%
Yes, in the UK	16,85%
Yes, in the US	16,85%
Yes, in another country	11,24%
No	67,42%

18. Does your company hold accounts in foreign banks for the domestic company?

Yes, in the EU	15,73%
Yes, in the UK	3,37%
Yes, in the US	13,48%
Yes, in another country	4,49%
No	73,03%

19. Does your company outsource any accounting or tax-related functions to external entities?

Yes	29,21%
No	70,79%

20. Does your company analyze business activities from a tax perspective?

Yes	76,32%
No	23,68%

21. Does someone in your company oversee fulfillment of tax obligations (e.g. verifying calculations and timely submission of returns, preparing and updating tax procedures, reviewing contract provisions, monitoring changes in tax regulations)?

Yes, the board of directors does	21,05%
Yes, the finance director does	30,26%
Yes, the chief accountant does	27,63%
Yes, someone not listed above has that responsibility	10,53%
No	10,53%

22. Which of the following tax procedures exist in your company?

A procedure for mandatory disclosure (MDR)	26,32%
A procedure for tax withholding (WHT)	35,53%
A procedure to limit the risk of criminal tax liability	21,05%
A documentation procedure for intangible services	27,63%
A contractor verification procedure	69,74%
Another procedure	13,16%

23. Which of the following tax-saving instruments does your company use?

IP Box innovation incentive	30,26%
R&D incentive	35,53%
Estonian CIT	9,21%
Locating activities in a special economic zone	2,63%
Other (e.g., prototype deduction, robotics deduction, innovative employees deduction, etc.)	0,00%
None	43,42%

24. Does your company identify and manage tax risks (e.g. non-compliance with tax laws, errors in daily tax operations)?

Yes	52,00%
No	48,00%

25. Do your company's contracts with contractors include provisions limiting your contractual liability?

Yes	84,00%
No	16,00%

26. Does your company have professional liability (indemnity) insurance / errors and omissions insurance?

Yes	80,00%
No	20,00%

27. Has your company ever been subject to a claim from a contractor which negatively impacted the final margin on a contract (e.g. requiring additional work, a discount, or not receiving full payment for services)?

Yes	45,33%
No	54,67%

28. Does a lawyer or legal office in your company review contracts with new clients?

Yes, each and every contract	56,00%
Yes, most contracts are reviewed	20,00%
Only a small proportion of contracts are reviewed	21,33%
No	2,67%

29. Does your company have a system for monitoring the financial condition of your contractors?

Yes	28,00%
No	72,00%

30. Has your company experienced situations in which the contractor failed to fulfill its obligations?

Yes, quite often	8,00%
Yes, occasionally	26,67%
Only in a few isolated cases	56,00%
No	9,33%

31. Does your company use trade credit insurance as a method of verifying contractors and securing against non-payment or contractor bankruptcy?

Yes	9,33%
No	90,67%

32. In what form does your company provide bid bonds / performance guarantees for public and private tenders?

Cash	22,67%
Bank guarantee	24,00%
Insurance guarantee	6,67%
Surety	2,67%
We do not provide guarantees	16,00%
We do not participate in such tenders	48,00%

33. Does your company have a pay equity policy?

Yes	54,05%
No, but we plan to implement one	18,92%
No, and we do not plan to implement one	27,03%

34. Does your company offer employee support programs (e.g. mental health, flexible working hours)?

Yes	90,54%
No	9,46%

35. How does your company support its employees' skill development?

Training and professional development programs	83,78%
Coaching and mentoring	55,41%
Other	8,11%

36. What are the top measures your company takes to improve working conditions?

Introducing flexible working hours	85,14%
Remote work	93,24%
Ergonomic workstations	51,35%
Transparent communication	68,92%
Supporting work-life balance	54,05%
Mentoring programs	32,43%
Appreciation culture	67,57%
Team-building events	83,78%
Transparent career paths	37,84%
Other	1,35%

37. What supervisory mechanisms does your company apply to ensure compliance with legal regulations?

Regular external audits	47,30%
Compliance team	28,38%
Other	31,08%

38. Who provides management information in your company (e.g. business reports, financial analyses)?

A unit / team / person responsible for financial analysis / management	64,86%
Accounting	40,54%
Business or support units or operations departments (e.g. marketing, HR, payroll, sales)	17,57%
External experts / consultants	10,81%
Other	2,70%
Management information is not available	2,70%

39. What analyses and management tools does your company employ?

Project / service / product profitability	86,49%
Project budgeting	66,22%
Forecasting (budget updates / rolling forecasts)	83,78%
Key performance indicators (KPIs) and business metrics	54,05%
Detailed cost analyses	62,16%
Cash flow statemen t/ cash flow planning	64,86%
Benchmarking, including competition, market, and trend analyses	32,43%
Goal achievement matrix (e.g. operational, financial)	22,97%
Risk analyses	18,92%
Other	1,35%

40. What challenges does your company face in obtaining management information?

Lack of individuals with appropriate skills	21,62%
Lack of time	60,81%
Lack of financial resources	20,27%
Technological limitations / lack of suitable tools	37,84%
Insufficient detail in accounting / operational records	27,03%
Other	6,76%

41. Which of the following changes is your company planning to make to its management reporting?

Hiring / increasing the number of controllers/analysts	13,51%
Developing current and new skills within the reporting team	47,30%
Implementing support tools (e.g. for reporting, budgeting, cost accounting)	64,86%
Increasing the level of detail in accounting records (e.g. expanding the chart of accounts, implementing cost centers)	18,92%
Conducting an analysis of what management information is required	20,27%
Outsourcing analysis / financial management processes to an external professional service center	5,41%
Implementing the planning, budgeting, and forecasting (PBF) process	21,62%
Adding sustainability (ESG) indicators into mandatory reporting	8,11%
Other	5,41%

42. What forms of settlement for completed services are used in your company?

Advance payments	36,99%
Proforma invoices	30,14%
Invoices with deferred payment terms	83,56%
Subscriptions	28,77%
Other	1,37%

43. What is the percentage of advance payments used in your company?

Less than 25% of the project value	21,92%
25-50% of the project value	19,18%
More than 50% of the project value	6,85%
Not applicable, we do not use advance payments	52,05%

44. Does your company use stage payments for completed services?

Yes	80,82%
No	19,18%

45. What are the most common problems related to settlements for services in your company?

Payment delays	73,97%
Invoicing issues	20,55%
Difficulties in enforcing receivables	30,14%
Other	12,33%

46. What invoicing systems are used in your company?

Manual invoicing	60,27%
Automated invoicing systems	49,32%
Other	1,37%

47. Does your company conduct financial risk analysis before starting cooperation with new clients?

Yes	50,68%
No	49,32%

48. What is the average delay in client payments in your company?

No delays	13,70%
Less than 15 days	41,10%
15-30 days	39,73%
More than 30 days	5,48%

49. What are the main sources of financing for your company's operations?

Owners' equity	76,71%
External investments (e.g. venture capital funds, private investors)	9,59%
Bank loans	30,14%
Debt (other than bank loans)	4,11%
Other	13,70%

50. How does your company plan its operating costs?

Budgeting upfront for a given period (e.g., year, quarter)	63,01%
Flexible real-time cost adjustments	32,88%
Other	4,11%

51. Does your company apply spending limits for individual projects or departments?

Yes, with predefined limits	19,18%
Yes, but limits can be adjusted during the project	50,68%
No, decisions are made on an ongoing basis	30,14%

52. What are the most important criteria for making cost-cutting decisions in your company?

Project profitability	68,49%
Operational efficiency	64,38%
Financial risk assessment	27,40%
External stakeholder expectations (e.g., banks)	6,85%
Other	1,37%

53. How does your company monitor costs related to projects?

Regular cost reports	78,08%
Real-time monitoring systems	39,73%
Manual cost tracking	34,25%
Other	0,00%

54. How does your company create financial reserves for unforeseen costs?

A fixed percentage of revenue allocated to reserves	18,06%
Reserves created based on project risk assessments	29,17%
No financial reserves are created	52,78%

55. Do the owners/investors in your company influence the allocation of operating costs?

Yes, directly	48,61%
Yes, but only at the strategic level	12,50%
No, operational cost allocation is the responsibility of the management	38,89%

56. How does your company analyze cost efficiency after project completion?

Regular post-project reports	72,22%
External or internal audits	11,11%
Costs are not analyzed after project completion	16,67%

57. Does your company plan to acquire other companies in the industry in 2025?

Yes, but we plan to acquire only Polish companies	5,63%
Yes, but we plan to acquire only foreign companies	1,41%
Yes, we plan to acquire both Polish and foreign companies	8,45%
No	84,51%

58. Does your company plan to sell its shares to an external investor in 2025?

Yes, 100% of shares to a domestic fund	0,00%
Yes, 100% of shares to a foreign fund	0,00%
Yes, 100% of shares to a domestic industry investor	1,41%
Yes, 100% of shares to a foreign industry investor	2,82%
Yes, partial shares to a domestic fund	1,41%
Yes, partial shares to a foreign fund	0,00%
Yes, partial shares to a domestic industry investor	1,41%
Yes, partial shares to a foreign industry investor	5,63%
No	92,96%

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