

10 tips for doing business with European buyers in IT and IT-enabled services

The European region is a promising market for IT and IT enabled service providers, even during a worldwide pandemic. It is a large and booming marketplace for software products, services and technology innovation. It is also a market that has trouble finding the right skilled staff to do all the work that has to be done. In short: the market offers good opportunities for IT and IT enabled service providers from developing countries. This document provides you with ten tips to successfully do business in this market.

Contents of this page

1. [Do your homework](#)
2. [Have your sales pitch ready](#)
3. [Talk about how your company is handling the COVID-19 crisis](#)
4. [Tune in to the business culture of your prospects](#)
5. [Have an export management and \(sales\) team](#)
6. [Conduct marketing activities year-round](#)
7. [Be prepared for the Nearshoring vs Offshoring conversation](#)
8. [Offer the right price](#)
9. [Invest in country branding](#)
10. [Look at what government agencies can do for your business](#)

The document will talk you through what you need to know to understand the wishes and needs of European buyers, how to improve your business and how to obtain a competitive edge. It also provides tips on how to successfully sell your product or service.

Good luck!

1. Do your homework

Before you take the step towards doing business with European buyers in IT and IT enabled services, you have to do your homework. Clearly define what you can offer. Do your market research. Segment and identify your target market and create your ideal client profile. Develop a short, practical go-to-market strategy and stick to it.

If you do not prepare yourself before stepping out into the market, you will most likely end up wasting time and money on random, ineffective activities. The better your research is, the better the results when doing business. Once you have identified what you can offer (and there is a proof that it is marketable) and what market and companies would be ideal for your business, it is time to make a list of potential buyers. Turn that list into a shortlist. Invest in researching those potential buyers.

Tips:

Find out your prospective clients' motivation. Get to know them, find out what they need and tailor your offer accordingly.

In general, clients' motivations change over time. In difficult economic times this often boils down to cost savings, while at other times there might be a shortage of available personnel or the desire to tap into a new market. Follow the market developments and tailor your offer accordingly.

Create the "ideal" client persona. This will help you to tailor your offer. An example of a buyer persona would be "a software development company with fewer than 200 staff in the Munich area, specialised in ERP development / customisation by using Microsoft Dynamics AX".

For ten tips on how to find buyers, also look at the [Finding Buyers](#) document.

2. Have your sales pitch ready

A sales pitch is a talk about the product or service you are trying to sell. The intention of a sales pitch is to persuade people to buy it. Successful selling in offshore outsourcing is all about building a professional relationship with your prospects, starting a dialogue (rather than you having a monologue) with them and demonstrating how your offer provides a direct solution to their problem. Your sales pitch is the starting point of such dialogue and professional relationship with your prospect.

A sales pitch is sometimes also called an elevator pitch; because you should be able to tell the story in the time it takes you to ride an elevator with a prospect, a maximum of one to two minutes. It should be short and have a clear message. It should explain very clearly what you do best (what you are selling), the problems your solution is solving, how that relates to the problems your (potential) customer is facing, an idea of how your solution will help them and what their success will look like as a result of buying your product or service.

Every person or company that wants to make a sale has to have a sales pitch. You need to have it ready before you meet your (potential) customer. It is your opening line, your verbal business card and the first thing your (potential) customer will hear when you call or meet with them.

An example of an SME that has successfully adopted these tips into practice is [VOLO](#) in Armenia. Their sales pitch is visible on their website at the [‘about’](#) page.

Tips:

Get inside the head of your clients. Ask yourself questions such as “What problems do my European prospects have?” “What can I offer to solve those problems?” “Why should they work with me and not with my competitors?”, and so on. Also think about how the COVID-19 crisis might have impacted your prospect and try to adjust your offer accordingly.

Work out your positioning statement, unique selling proposition and elevator pitch.

Look at [examples](#) of elevator pitches online. There are many very inspiring ones out there. Watch at least ten of them before starting to write and practise your own.

[Read](#) about [how to prepare a good sales pitch](#) before writing your own.

[Learn](#) about consultative selling techniques.

3. Talk about how your company is handling the COVID-19 crisis

There is a lot of understanding among companies from all around the world. This is a crisis that affects us all, and when deadlines are not met and schedules have to be changed, most companies will understand and be flexible. The best advice lies here: keep communicating with your outsourcing partners, be transparent about the status of your company and how you are dealing with the situation. Make sure your (potential) clients see that you are doing the best you can. You want to come across as a reliable partner that can handle a crisis.

Tips:

Make sure your staff is on flexible contracts. If you need to let people go, keep your team captains and keep people who can quickly train new staff, in case you need to scale up. You have to be able to grow quickly if needed.

Mention the restrictions your company is facing, and how you are dealing with them.

For more information on how to run your business during the COVID-19 pandemic, read the document [How to respond to COVID-19 in the IT and Business Process Outsourcing sector](#).

4. Tune in to the business culture of your prospects

Be aware of cultural differences that are very likely to exist between you and your (potential) European clients. They are usually related to intercultural communications, cultural and historical differences. They can occur in various moments during a (potential) partnership, with examples including the importance of status, informal or formal behaviour, eye contact, body language and handshakes. All of these aspects may differ, even between various European regions.

It is not common to bring gifts to business conversations in which partners are just meeting each other. Later, when partners know each other better, small gifts might be appreciated, particularly if the gifts are specific for the country of the giver.

One of the main misconceptions is that IT is one single sector. In fact, it is very much fragmented along the lines of technology, vertical and horizontal market segments. In fact, most customers do not know the difference between the various types of outsourcing, such as IT Outsourcing (ITO), Business Process Outsourcing (BPO) and IT Enabled Services (ITES), which means you will have to explain it to them.

When it comes to jargon, the language used in the IT sector is global. All people in the IT sector speak and understand the language of IT and the language of the specific IT market segment. There are a lot of abbreviations that are not really understandable by people who do not work in the sector. And because it is technology, the language can be very technical, which can be hard for people outside of the sector, but also for people within the sector that do not have a job that is directly linked with IT – for example someone from the marketing staff, the front desk or financial management. These people might also have difficulties understanding the technology terms and the consequences to their respective responsibilities and business in general.

In Europe, a soft approach is required when approaching prospects. Overly aggressive sales usually do not work. The method that works well in ITO (and BPO) is called consultative selling. The best way of approaching prospects is face-to-face. But all marketing and sales activities have to be supported by a professional website.

You do not need to change your culture or convince others to change theirs. Find a common ground where everyone can understand each other and respect and embrace cultural differences. In general you can say that good partnerships require a lot of effort, permanent evaluations, feedback and an open mind.

Tips:

Your European prospects and clients generally value a proactive approach, commitment, communication skills, openness, reliability, punctuality, added value and cooperation.

For cultural differences in each European country and corresponding business etiquettes, look at the various web pages that are written about this subject. For example [Country Code](#) or [Business Code](#).

Be punctual at meetings, in your communication and in your project delivery.

Be proactive in your communication, not just reactive.

Read the book "[When cultures collide](#)".

Be aware that during a global pandemic like COVID-19, written communication is even more important, because personal meetings are rare.

5. Have an export management and (sales) team

Any company that wants to sell products or services needs an export management and (sales) team to reach out to a much larger consumer base. This team (it can also be one person) can focus entirely on expanding your business.

It is important to have this dedicated team as export management and sales are commonly regarded as 'extra' work during an often already very busy week. But the work should not be regarded as 'extra', and having a team dedicated to export management and sales will prove to be very rewarding, particularly in the IT and IT enabled services outsourcing market that is known for its medium to long sales cycles.

Tips:

Have an export marketing (and sales) team. Depending on the size of your company, one person should be adequate.

Considering hiring them as a target-based job. Which means you pay your employee a basic salary, which can be increased if the employee meets certain (pre-destined) targets.

6. Conduct marketing activities year-round

It is common for IT and IT-enabled services providers from Developing Countries, to carry out export activities at one particular time only. This often happens around sponsored trips like trade missions, or at other co-financed activities such as B2B matchmaking activities, roadshows or participation in conferences or trade fairs. These events can be very important milestones in your marketing campaign however, you should not be concentrating your marketing efforts on only these events. It has proven to be much more successful to perform (export) marketing activities continuously throughout the year.

Do not wait for the year to end before reviewing how your sales are adding up. Instead, set up a tracking schedule to review your goals and success every month or every week, depending on the objectives you set.

Tips:

Make as many high-quality contacts in your target market as possible and conduct export market activities continuously.

Have a plan (including targets) for the number and quality of your contacts as well as how to follow up on them.

Make a habit of routinely following up with customers, even if you did not get the sale the last time.

Select your events very carefully. Only attend events that fit your profile well. There are many trade events directories available online, such as [10Times](#), [Expo Database](#) and [UK Exhibitions](#). Create a list of relevant events and update this list regularly.

You can find more tips and examples of marketing activities in the tips for [Finding Buyers](#) module.

7. Be prepared for the Nearshoring vs Offshoring conversation

Most of your continental European clients would prefer to work with nearshore suppliers, rather than offshore suppliers. It means that the competition from Central, Eastern, and Southern Europe (inside and outside of the EU/EFTA region) is strong. Competition does not come down to specific products or services. Competition from Central, Eastern, and Southern-European companies mostly boils down to limiting and minimising risks and the continuity of services.

This will be a disadvantage for many IT and IT enabled services outsourcing providers from developing countries. However, if you are aware of this disadvantage, you can prepare yourself for questions and concerns from your (potential) partners. If you are able to counter their concerns, your location will probably no longer be an issue.

The COVID-19 situation will probably influence this topic negatively. Many Europeans have grown concerned about their dependency on far away countries. It is a psychological trend that will probably lead to a greater preference for nearshoring.

On the other hand, the COVID-19 crisis has made European companies more open towards online collaboration and outsourcing. For example, in a survey among British companies not currently using ITO, [37% indicated they would consider outsourcing IT and development as a result of COVID-19](#).

Remote working is blurring the distinction between in-house, nearshore and offshore teams. Online working has gained a permanent position in the European working culture. This makes the threshold towards outsourcing significantly lower. Which means that in the long run, demand for outsourcing, whether it is nearshoring or offshoring, will increase significantly.

Tips:

Be prepared for the question: "Why should I outsource to your country, rather than to one of the nearshore destinations?". And have your answer ready.

Consider forming a strategic partnership with a company in the same business field as yourself, in one of the nearshore IT destinations of European countries.

8. Offer the right price

While price is often not the most important selection criterion for IT and IT-enabled services outsourcing, it still has to be right and competitive. When you make your prospective client an offer, include the price. Be transparent about the number of hours you (expect to) work on the projects and the hourly tariffs. It is difficult to describe in one tip how to offer the right price for ITO, BPO and ITES together as each has its own pricing and pricing models, but here are some general and specific rules and tips.

ITO price is influenced by factors such as technology requirements, skill levels, specialisation of the company and the project, the complexity of the projects, length of the contract and other SLA requirements. For ITO, it is most common to work with all-inclusive offers. In ITO it is called: fixed pricing. Other [IT outsourcing models](#) are time and material model, dedicated development teams or resources and offshore development centre.

In BPO, the most commonly used pricing models are FTE-based, transaction based and outcome-based pricing. Since BPO is a very diverse business, if you want to determine the average prices, you must look at the exact services you want to develop a price for.

In general it can be said that if a service provider is more specialised, it is less likely to get into a price competition. In other words; if you can specialise your offer, buyers are less likely to be price sensitive.

Market experts are not seeing price changes as a result of the COVID-19 crisis. If anything, prices for IT and IT enabled outsourcing services will go up. Contact centres, for example, are very busy at the moment. Companies on both sides of outsourcing projects are worrying about other things than prices. Lowering your price will not give you more work.

Tips:

Research the average salaries in your European target country, for example via [Payscale](#), a global database for salary profiles. Collect pricing information about your competitors. Market reports are available online that will help you get an idea of the pricing situation in your product/market combination. To find pricing information, please have a look at the blogs of [Yalantis](#), [Cleveroad](#) or [Social Shorthand](#).

Go beyond setting the right price. Work out your pricing strategy, including your (and your clients') preferred pricing model, payment terms/expectations, how and when you provide discounts, and so on.

Look for pricing information on your particular product or service at specific websites. For example [this one for call centres](#).

Choose a type of [price model](#) for your outsourcing contract. For more information on pricing models in outsourcing, you may read [this document](#).

Do not compete only on price, but on quality as well.

9. Invest in country branding

Your country can be more than a place on the map. Country branding has long been overlooked in the outsourcing industry, but it is gaining ground as it has been proven to be successful.

Country branding for your product or service

It is possible to build the image of your country as a reliable destination for the product or service you offer. A strong country brand, your country's global visibility as a nearshore/offshore outsourcing destination, can help secure and convince new customers. The challenge is to write a compelling profile of your country as an IT and/or IT enabled services outsourcing destination, supported by facts.

However, this is not a task for an individual company. Only governments, Business Support Organisations (BSOs) and/or international donors, together with the business community can build a country brand. It is a long-term process. Therefore it is not recommended that individual companies build a country brand for IT and

IT enabled services outsourcing. But you can do certain things in order to educate prospects about the opportunities and incentives your country offers. Most countries already have some sort of country branding in place. Your first step should be to locate the country branding initiative and try to collaborate. Other tips are mentioned below.

Country branding for talent

Good talent is scarce, especially in the outsourcing industry. Attracting the right talent has become a critical element to being successful. A strong country brand has the potential to attract skilled staff that might otherwise leave or choose another country to work in. Considering extending your country branding into recruitment efforts may prove to be extra successful.

Tips:

Find out which position your country holds in the [Country Brand Ranking](#) by Future Brand. This is a general ranking (not based on a product or service specifically), but it is still interesting to read.

Promote the IT and/or IT enabled services capabilities and advantages of your country as an IT outsourcing destination whenever possible, including on your website.

Cooperate closely and actively with IT associations and other Business Support Organisations (BSOs) to improve the image of your country as an IT (or IT enabled services) outsourcing destination.

[Read](#) about country branding (also called: nation branding, place branding), look for examples of country branding for products or services.

Look at [good practices](#) of [country branding](#) for particular industries. Examples of country branding for an entire country (not a specific product or services) are less relevant for you at this stage.

Include a leaflet or a page dedicated to your country in your promotion material.

Read the study by Kearney about [digital transformation](#) in relation to country branding.

10. Look at what government agencies can do for your business

Most governments have some sort of programme to enhance trade and support businesses in their country. Often, these are so called “Business support organisations” (BSOs). They can provide you with knowledge, contacts, connections and insights that you might never have acquired yourself, or at least not as quickly. Many BSOs invest in export promotion or organising events and event participation abroad, such as B2B matchmaking, roadshows or participation in conferences and trade fairs.

Furthermore, BSOs often organise trade missions. Organisers of these missions have strong relationships with businesses in your target markets. They can help you identify, screen and meet prospective buyers.

Examples of BSOs that might be relevant for your IT or IT enabled services outsourcing company are:

Centre for Promotion of Imports from developing countries ([CBI](#)). A government funded organisation that supports more than 800 entrepreneurs to become successful exporters on the European market. It offers market information for various products and services, export coaching programmes and technical support, it informs and influences policy makers and it involves importers in the development and implementation of their programmes.

The Swiss Import Promotion Programme ([SIPPO](#)). A government funded organisation that supports BSOs to

improve their services for exporting companies, and to strengthen their own institutional set-up, as well as connect them to an extensive network.

The Import Promotion Desk ([IPD](#)). A government funded organisation from Germany that aims to offer sustained and structured promotion of the import of certain products and services from selected partner countries. It brings together the interests of German importers with those of exporters in emerging growth markets.

[Enterprise Europe Network](#) (EEN), founded by a commission of the European Commission, the Enterprise Europe Network aims to help companies of all kinds of products and services, to innovate and grow internationally.

The Ghana Export Promotion Authority ([GEPA](#)) is an example of a local BSO. It offers business support to Ghanaian companies that sell or want to sell products or services on the global market. It organises, for example, export promotion tours, and it participates in trade fairs and trade fair support. The GEPA website also offers market information on various products and services, as well as export guides, market analysis tools and much more.

Tips:

Make sure you know the relevant BSOs in your country, region and market, and connect with them. Look at the different kinds of support they can offer you.

Actively seek out contact with these organisations on a regular basis, so that they know about your company. Get your business on their mailing lists, sign up for their newsletters and attend their events.

Avoid the pitfall of wasting time on fruitless networking. Participate in programmes which really fit your profile and objectives, and which offer services that you can benefit from, in the short and long term.

Share your knowledge and challenges with BSOs, so that they can improve their services.

Also look at the programmes of embassies of your European target country. They also may prove to be a starting point for doing business.


Read our other studies regarding exporting your outsourcing services to Europe


- Tips for [Organising your Exports](#) to Europe – to find tips for organising export of outsourcing services to Europe.
- Tips for [Buyer Requirements](#) needed to export your products and services to Europe.
- Tips for [Finding buyers](#) – to find tips for finding buyers for your products and services.

This study has been carried out on behalf of CBI by [Globally Cool B.V.](#) in collaboration with Laszlo Klucs.

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