

9 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. 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 nine tips to successfully do business in this market.

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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.

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, the better your results will be in doing business.

Once you have identified what you can offer (and there is 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 prospect's 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.

For information on how to find buyers, look at the document [8 tips for finding buyers](#) as well.

2. Have your sales pitch ready

A sales pitch is a talk about a product or service you are trying to sell. The aim 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 (or rather: 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 a dialogue and the 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 would solve, how that is related to the problems your (potential) customer is facing, 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 hoping 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 practise is [VOLO](#) in Armenia. Their sales pitch is visible on their website on 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.

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

Look at [examples](#) of elevator pitches online. Many of them are very inspiring. Watch at least ten of them before starting to write and practice your own.

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

[Learn](#) about consultative selling techniques.

3. Tune in to the business culture of your prospects

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

One of the main misconceptions is that IT is one single sector. In fact, it is very much fragmented along the lines of technology and vertical and horizontal market segments. Another misconception is that people very often do not know the difference between the various types of outsourcing such as ITO/BPO/ITES.

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 unique to the country of the giver.

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. Because it is about technology, the language can be very technical, which can also be hard for people outside of the sector.

In Europe, a soft approach is required when approaching prospects. Overly aggressive sales pitches usually do not work. The method that works well in ITO (and BPO) is called consultative selling. The best way to approach 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 have been written about this subject, such as [Country Code](#) and [Business Code](#).

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

Be proactive in your communication, not just reactive.

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

4. 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 is commonly regarded as “extra” work during an often already very busy week. But the work should not be regarded as “extra”, so 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, which 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.

Consider hiring them as target based job employees. This means you pay your employees a basic salary, which can be increased if an employee meets certain (pre-determined) targets.

5. Conduct marketing activities year-round

It is common for IT and IT-enabled service providers from Developing Countries to only carry out export activities at one particular time. 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. Conducting (export) marketing activities continuously throughout the year has proven to be much more successful.

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.

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

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

Select your events very carefully. Only attend events that fit your profile well. Many trade events directories are 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 the [finding buyers module](#).

6. 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. This 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.

Tips:

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

7. Offer the right price

When trying to make a sale in Europe, it is very important to offer the right price. It is difficult to describe how to offer the right price for ITO, BPO and ITES together in a single tip, as each has its own pricing and pricing models, but here are some general and specific rules and tips.

The ITO price is influenced by factors such as technology requirements, skill levels, 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, this 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.

Tips:

Look for pricing information on your particular product or services on specific websites, like [this one for call centres](#). Another way of determining the cost and wages of people in your sector is to look at the website of [Payscale](#).

For more information on pricing models in outsourcing, read [this document](#).

Average prices can be more easily determined by country or region as well as by people’s position. To look at those average prices, please have a look at the blogs of [Yalantis](#), [Cleveroad](#) or [Social Shorthand](#).

8. 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 due to successful results.

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 for your country as an IT and/or IT-enabled services outsourcing destination, supported by facts.

However, this should not be the responsibility of 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 or place branding) and 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 service) are less relevant for you at this stage.

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

9. Look at what government agencies can do to support your business

Most governments have some sort of programme to enhance trade and support businesses in their country. Often, they 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 organise 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. CBI offers market information for various products and services, export coaching programmes and technical support, informs and influences policy makers and involves importers in the development and implementation of its 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 to 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. The IPD brings together the interests of German importers with those of exporters in emerging growth markets.

[Enterprise Europe Network](#) (EUN). Founded by a commission of the European Commission, the Enterprise Europe Network aims to help companies offering 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. For example, it organises an export promotion tour, participates in trade fairs and provides trade fair support. On its website, you can also find market information on various products and services, 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 may prove to be a starting point for doing business.

Read our additional studies regarding IT and IT-enabled services outsourcing


Take a look at our study with [tips for organising your exports to Europe](#) to find tips for organising export of IT and IT-related services to Europe. Also take a look at our study with [tips for finding buyers](#) to find tips for finding buyers in the European IT and IT-related services outsourcing sector.

This study has been carried out on behalf of CBI by Globally Cool.

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