

10 tips for doing business with European buyers of pipes and process equipment

Which needs and wishes of European buyers should you take into account if you want to build a fruitful business relation with them? Below are the answers to this question through a list of 10 important tips. If you as small or medium-sized exporter are already doing business in Europe, you can use these tips to improve your relationship with buyers and gain a competitive edge. In case you want to start doing business in Europe, you can use these tips to prepare for the first contact with buyers. The following tips provide you with a better chance of convincing buyers to do business with your company. What advantages or solutions can your company provide?

Contents of this page

1. [Customise your offer to the needs of buyers](#)
2. [Choose a focus](#)
3. [Meet European legislative requirements](#)
4. [Be prepared to meet ISO standards](#)
5. [Communicate easily and quickly](#)
6. [Make reliability your highest priority](#)
7. [Focus on face-to-face meetings](#)
8. [Establish an export price](#)
9. [Know how to convert an offer into an order](#)
10. [Learn from other successful exporters](#)

1. Customise your offer to the needs of buyers

In your search for new buyers, you will learn a lot about their needs and requirements. All this information must be recorded. Even more important is to translate this 'intelligence' into action. Adapt your products and services in ways that will suit the needs of potential buyers that you meet.

2. Choose a focus

As a producer from outside Europe, you should be aware of the market channels and segments in Europe. If you export valves, valve manufacturers are the most prominent targets. You can become a supplier of parts to these manufacturers as a subcontractor, or you can supply complete valves.

As an exporter, you can improve your opportunities by focusing on a few 'special' products. European manufacturers are the most important targets for such 'special' products, while some of them may be interested in subcontracting a part of their production to developing countries.

It may also be worthwhile to focus on distributors, as they have excellent access to the target market.

Read more in our study of [Channels and Segments in the European Pipes and Processing Equipment Market](#).

3. Meet European legislative requirements

Pipes and process equipment can only be sold in Europe if they comply with the legislative requirements. For example, for industrial valves, the most important legal requirements are compliance with the Essential Safety Requirements of 1) the [Pressure Equipment Directive \(PED\) 97/23/EC](#) and 2) (only for valves used in a potentially explosive atmosphere) the [ATEX Directive 94/9/EC](#).

4. Be prepared to meet ISO standards

Pipes and process equipment can also be subject to non-legislative requirements. For example, for a finished valve, many of the customers' requirements are covered by ISO standards. As a starting point, there are some general standards such as EN558 and EN12982. Other standards apply to specific market segments, such as ISO 15761, 10434 and 17292 for gas and oil. In addition, there are also standards that apply to one specific type of valve, such as EN 13709, 13789 and 1349 for globe and control valves or ISO 5996 for cast-iron gate valves.

Read more in our study of [Buyer Requirements for Pipes and Process Equipment](#) for additional information on legal and non-legal buyer requirements.

Also consult [our studies of promising export products](#) for buyer requirements related to specific products such as valves, pumps and flanges.

5. Communicate easily and quickly

European buyers only select or maintain suppliers that are good communicators. This involves quickly responding to emails, using the telephone in case of emergencies, regularly keeping buyers informed of the status of their orders, and so on. A good command of the English language, both written and spoken, is another "must-have" and it is worthwhile to invest in employing a person with these language skills.

6. Make reliability your highest priority

Buyers and suppliers opt for long-term relationships. This will only be feasible if both partners are reliable. This notion applies to a lot of aspects, including keeping promises, being honest about capabilities, and communicating clearly and regularly. This is obviously possible only if you maintain complete control of your processes in terms of speed, efficiency and quality.

7. Focus on face-to-face meetings

Face-to-face visits to buyers or face-to-face meetings at trade fairs have a better chance of success. This approach offers you the opportunity to get a better impression of the buyer, while the buyer can get an idea of your capabilities and communication skills. Face-to-face meetings require a good preparation and quick follow-up (see also Tip 9). A good preparation includes:

- Preparing an agenda for the meeting with the buyer a few days in advance,
- Performing preliminary checks concerning the buyer; for example, you can google the company and inspect the company's website.

For visits to the buyer's premises, it is a good idea to develop a short and informative PowerPoint presentation about your company, which should at least include the necessary information about your capabilities and products.

8. Establish an export price

To establish an export price, you need to consider many of the same factors involved in pricing for the domestic market:

- Aim to charge the price the market will bear. Do not exceed "price points", which reflect the price set by the market for similar products. Keep the quality-price ratio of your products in mind, as it should be in line with competitor prices.
- The price should reflect the company's quality levels, delivery and promotion.
- Pricing is a mix of knowing your domestic costs and calculating costs that you will incur in delivering and supporting your activities in a foreign market.

- Use contracts with variable material costs and set the reference index for the fluctuations in agreement with the customer. Fluctuations commonly vary from country to country, due to differences in import taxes (for example, some countries do not yet comply with the regulations of the World Trade Organisation (WTO)), and European buyers are unlikely to pay extra due to fluctuations in a particular country.
- Be aware that it can be difficult to increase your prices once you have agreed to deliver at a certain price. The negotiated price should never be below your cost price (one exception is possible: for the first order you may accept a loss in case of larger quantities and thus lower costs are expected for the following orders). No European customer will accept an unreasonable/unexpected price increase after the first order.
- The negotiated price depends upon delivery conditions, means of payment, credit terms and currency risks, quantities and means of transport. Exchange rates are fluctuating. You can cover this risk by including the currency risk in the contract.

9. Know how to convert an offer into an order

In a meeting or another contact moment, the potential buyer may ask for a quotation. Offering the quotation should be done within a week. A common price calculation is "pricing based on real costs". This means that the exporter adds all costs for wages, raw materials and other expenses. Most exporters quote to European clients in euros.

Some other suggestions for converting offers into orders:

- Treat the client as special. For example, phone the client to enquire whether the offer (and any accompanying brochures or samples) has arrived and whether additional information is needed. This creates an additional contact moment with the client.
- Send a confirmation of receipt within 24 hours, and respond to enquiries quickly (within 3-5 days).

Your quotation should include the following information:

- Address, logo and contact details of you and your buyer.
- Quotation date, quote number and revision, validation date.
- Product description, quantities offered, technical and material specifications (including the drawing number, if applicable), unit price, currency, delivery time, and delivery conditions based on [Incoterms](#).
- Agreed payment conditions, and any clauses on raw materials cost or currency fluctuation that might affect your selling prices.
- Any applicable tooling costs, the method and treatment of packaging (including seaworthy variants), material certificates, inspections or test reports.


The sales skills of the staff are of critical importance. Good salespeople build mutual trust and nurture contacts at all levels, keep in touch with customers (for example through frequent visits and contacts), express genuine interest in people and demonstrate a sociable attitude.


10. Learn from other successful exporters


Learn as much as you can from existing exporters from your own country or from other developing countries. Learn from their experiences of what to do and what not to do before you start exporting to European buyers.

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