

10 tips on how to do business with European buyers of IT or Business Process Services

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Europe is a promising market for ITO and BPO service providers. The sector may seem quite formal, but it is a trust business, meaning personal contact is very important. Successfully doing business as a provider of IT or business process services from a developing country will require you to take several things into account. Clear and consistent communication, cultural sensitivities, excellent delivery and a strong sales proposition.

This document will help you understand the wishes and needs of European buyers, in addition to explaining how to improve your business and obtain a competitive edge. It also provides tips on how to successfully sell your product or service.

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1. Have your sales pitch ready

Any person or company seeking to do business with European buyers must 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.

To create a strong sales pitch, you must 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.
- Make a list of potential buyers. Turn that list into a shortlist. Invest in researching those potential buyers.

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 results you will get in doing business.

A sales pitch is speech you give to persuade someone to buy the product or service you are trying to sell. 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 a dialogue and professional relationship with your potential client.

A sales pitch is sometimes referred to as an 'elevator pitch', as you should be able to tell the story in the time it takes you to ride an elevator with a potential client: a maximum of 1-2 minutes. Your pitch should very clearly explain what you do best (what you are selling), the problems you can solve, how this relates to the problems your current or potential customer is facing, and what their success will look like as a result of buying your product or service.

An example of a SME that has successfully adopted these tips into practise is [VOLO](#) in Armenia. Their sales pitch is visible on their website at the '[about](#)' page. It is a good sales pitch, because they successfully adopted the tips mentioned above: they start with what they can do for their current or potential partners, and they have testimonials, a personal story and a clear call to action.

Tips:

Look at [examples](#) of elevator pitches online. There are many very inspiring ones to find. Watch at least 10 of them before starting to write and practice your own. You can use this [guide to help you write your perfect elevator pitch](#). Read about [how to prepare a good sales pitch](#) before writing your own.

[Find out your prospect's motivation](#). Get to know them, find out what they need and customise 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. Build a generic pitch for the specific client persona that your company is best positioned to serve. Then, further narrow down the specific challenges of each individual client to build a personalised pitch. An example of a buyer persona: 'a software development company with fewer than 200 staff in the Munich area, specialised in ERP development / customisation by using Microsoft Dynamics AX'.

Your sales pitch is the foundation of your marketing. It provides the base for your website content, social media messaging, presentations and client proposals.

2. Establish trust with your potential buyers

When doing business with European buyers of IT or business process services, trust is not just nice to have; it is a necessity. To secure sales and build long-term relationships, you must prioritise gaining and maintaining the

trust of your potential buyers.

Start by demonstrating your credibility from the very first interaction. European buyers value transparency and professionalism. You should therefore make sure that your communication is clear, concise and honest.

Present your company's track record with real examples, such as case studies or testimonials from clients (even better if those clients are from Europe).

In the next step, focus on understanding and respecting specific needs and concerns of the buyer. Listen attentively. Take the time to learn about the buyer's business culture, industry standards and regulatory environment. Demonstrate empathy towards their challenges, and be proactive in addressing potential risks. By offering customised solutions and being flexible in your approach, you will demonstrate that you are not just a service provider, but a partner who can contribute to their success.

This level of reliability will make you stand out from competitors. It will improve your reputation as a trustworthy partner, ultimately leading to successful, long-term business engagements.

Tips:

Maintain your current or potential buyer's trust by providing regular updates, transparent reporting and accessibility. Be sure to follow through on your promises and deliver on time, every time.

Gaining the trust of a potential buyer requires having a good, professional website.

Learn more about how to establish trust with potential buyers by reading about the [8 Best Practises on Building Trust with Clients](#), [Key Strategies for Success](#) and [7 Key Tips to Build Business Relationships](#).

3. Have a business continuity plan ready

Unexpected crises (like political unrest, natural disasters, a pandemic or other disruptive events) can have a significant impact on your business operations. Although the challenges posed by the most recent pandemic have fostered a greater understanding of flexibility amongst companies, buyers now expect their providers (you) to navigate any crisis effectively. You need a robust business continuity plan to help you prepare for and respond to these challenges.

And if you are faced with a crisis: keep communicating with your outsourcing partners, be transparent about the status of your company and explain how you are dealing with the situation. Make sure your (potential) clients see you do the best you can. You want to come across as a reliable partner that can handle a crisis.

Tips:

If you need to let people go, be sure to keep your team captains and other people who can quickly

train new staff, in case you need to later scale up again. You have to be able to grow quickly if needed.

Write a [business continuity plan](#) for business disruptive events.

4. Tune in to the business culture of your future clients

Be aware of cultural differences that very likely will exist between you and your (potential) European clients. They are usually related to intercultural communications, cultural and historical differences. You can encounter these differences at various moments during the development of current or potential partnerships. Examples could include differences in terms of the importance of status, hierarchy, decision-making processes, negotiation styles, punctuality, informal or formal behaviour, eye contact, body language, dress codes and handshakes. All these aspects may differ, even between European regions.

In most European countries 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 common misconception is that ITO and BPO are single, unified sectors. In reality, the sectors are highly fragmented along the lines of technology into 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 terminology, 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 hard to understand for people that do not work in the sector. The language can also be difficult for people within the sector whose jobs are not directly linked with IT (for example, someone from the marketing department, the front desk or the financial manager). These people might also have difficulties understanding the technology terms and the consequences to their respective responsibilities and business in general.

The situation is somewhat different for the BPO sector. Most buyers will understand the majority of what you are offering. It is nevertheless important to have a clear story about your company and what you can offer. It can be helpful to have real-life examples of what your company has successfully done for another company.

In Europe, a soft approach is required when approaching potential clients. Sales strategies that are too aggressive rarely work. One method that works well in ITO and BPO is [consultative selling](#). The best way to approach future clients is face-to-face (this can also be through an intermediary or during an online meeting).

Remember that 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, good partnerships require a lot of effort, permanent evaluations, feedback, and an open mind.

Tips:

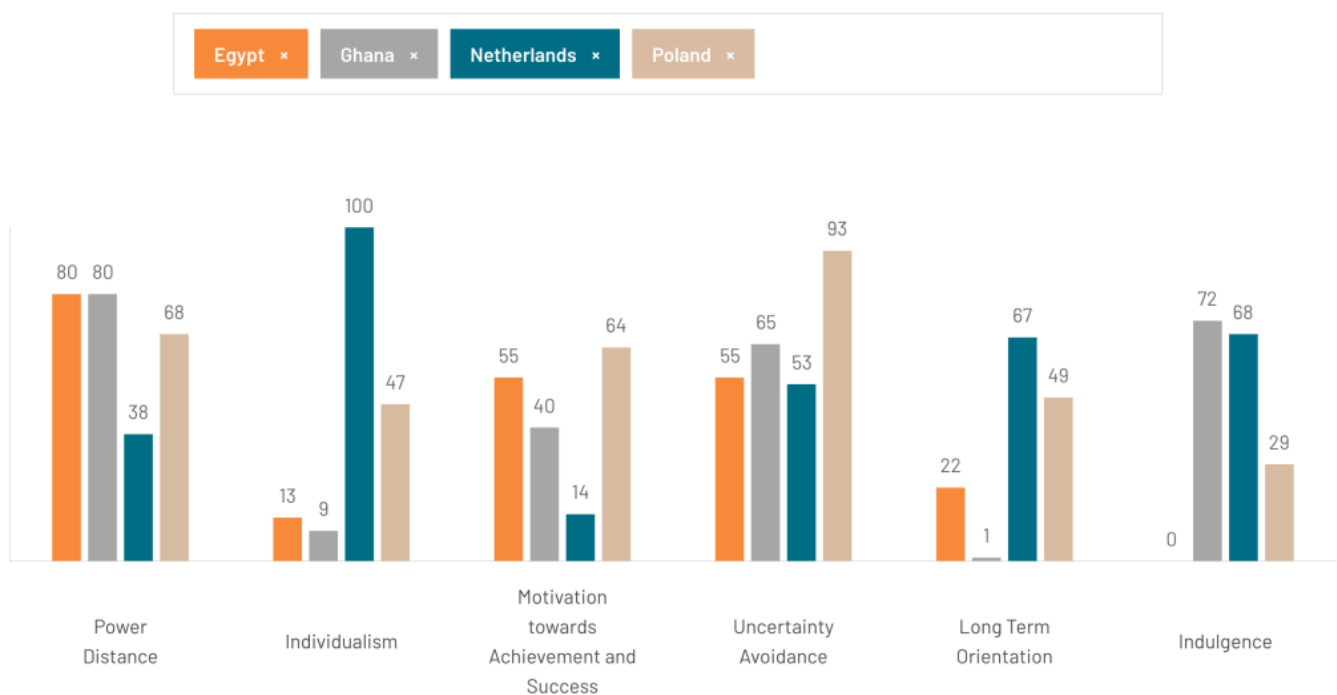
Your European prospects and clients generally value a proactive approach, commitment, communication skills, openness, reliability, punctuality, added value and cooperation. Learn about consultative selling techniques. A good place to start is [this blog by the CRM platform Hubspot](#).

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](#).

Read the book *When cultures collide*, and adjust your value proposition to the specific client or market you are targeting.

Find out how your culture compares to the culture of the buyer with whom you plan to do business. You can do that by using the [country comparison tool](#) by The Culture Factor. See Figure 1 for an example.

Figure 1: Country comparison tool



Source: The Culture Factor

The Culture Factor's Country Comparison Tool uses six cultural dimensions to analyse and compare national cultures. These dimensions are as follows:

1. Power Distance Index (PDI). This dimension measures the extent to which less powerful members of a society accept and expect unequal power distribution. A high PDI indicates acceptance of hierarchical order without much question, and a low PDI suggests a preference for equality and participative decision-making.
2. Individualism vs. Collectivism (IDV). This dimension assesses whether people in a society prefer to look after themselves and their immediate families only (individualism) or whether they belong to 'in-groups' that take care of them in exchange for loyalty (collectivism). High IDV scores mean individualistic societies, and low

IDV scores indicate collectivist cultures.

3. Masculinity vs. Femininity (MAS). This dimension explores the distribution of roles between genders. Masculine societies value competitiveness, assertiveness and material success, whilst feminine societies place more importance on relationships, quality of life and caring for each other.
4. Uncertainty Avoidance Index (UAI). This dimension reflects a society's tolerance for ambiguity and uncertainty. High UAI scores indicate low tolerance for uncertainty, leading to strict rules and regulations, and low UAI scores suggest a more relaxed attitude with fewer rules.
5. Long-Term vs. Short-Term Orientation (LTO). This dimension measures the extent to which a society values long-term planning and future rewards, as opposed to immediate results and tradition. Cultures with a long-term orientation consider perseverance and future planning more important, and those with a short-term orientation focus on quick results, respect for tradition and fulfilling social obligations.
6. Indulgence vs. Restraint (IVR). This dimension measures the extent to which societies allow relatively free gratification of basic human desires related to enjoying life and having fun (indulgence), as opposed to suppressing gratification and regulating it through strict social norms (restraint).

By analysing these dimensions, the tool provides insight into the cultural characteristics of different countries, thereby enhancing understanding and communication in international contexts.

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 dedication as export management and sales is commonly regarded as 'extra' work during an often already very busy week. The work should not be regarded as 'extra', however, as having a team dedicated to export management and sales will prove to be very rewarding. This is particularly true in the ITO and BPO market, which is known for its relatively 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 a target-based job. This 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 business process providers from developing countries to carry out export activities only at specific times. 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 do (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:

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. Attend only those events that fit your profile well. Many directories of trade events are available online, including [10Times](#), [Events Eye](#) and [Trade Fair Dates](#). Create a list of relevant events and update this list regularly.

More tips and examples of marketing activities are presented in the study on [Tips for Finding Buyers](#) on the European outsourcing market.

7. Be prepared for the nearshoring versus offshoring conversation

Most of your European buyers (whether current or potential) prefer to work with nearshore suppliers rather than with offshore suppliers. This means that competition from Central, Eastern and Southern Europe (both inside and outside of the EU/EFTA region) is strong. Competition is not limited to specific products or services. Competition from companies in Central, Eastern and Southern Europe is mainly about limiting and minimising risks and the continuity of services.

Competition with nearshore suppliers is likely to be disadvantageous for many IT business process outsourcing providers from developing countries, like you. However, if you are aware of this disadvantage, you can prepare yourself for questions and concerns from your (potential) partners. If you can counter their concerns, your location will probably no longer be an issue.

The following are examples of concerns that companies might have:

- Communication and time zone differences
- Data security and privacy compliance
- Cultural and language barriers
- Quality control and standards
- Intellectual property protection
- Political and economic stability of your home country
- Perceived lack of flexibility and responsiveness

The COVID-19 pandemic has made European companies more open to online collaboration and outsourcing. Remote working has blurred the distinction between in-house, nearshore and offshore teams. [Remote working has gained a permanent position](#) within 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 destinations of European countries.

8. Offer competitive and transparent prices

For ITO and BPO, price is often not the most important selection criterion, but it must be right and competitive. When you make your prospect an offer, include the price. Be transparent about the number of hours you (expect to) work on the projects and the hourly tariffs. Although ITO and BPO have their own pricing models, you should take several factors into account in order to determine the right price.

Prices for ITO are influenced by the following and other factors:

- Technology requirements
- Skill levels
- Specialisation of the company and the project
- The complexity of the projects
- Length of the contract
- Other service level agreement (SLA) requirements

In ITO and BPO, the most commonly used pricing models are transaction-based and outcome-based pricing. Given the high diversity of the business, determining average prices will require you to consider the exact services for which you wish to develop a price.

Table 1: comparison of pricing models in ITO and BPO

Pricing Model	Fixed cost	Time and Material (T & M)	Transaction based	Outcome based
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Characteristics	Suitable when the scope is well defined, and volumes are not fluctuating	Suitable when the scope is not well defined, when you do not know how many hours it will take and what the cost of labour will be	Suitable in case of well defined, stable requirements and service levels	Suitable when there is an undefined scope/ fluctuating volumes in combination with a defined outcome like usage, sales increase, reduced costs or inventory
Costs	Broadly fixed costs, regardless of the quality of delivery	Costs are based on time and material. The output may not be aligned to a defined outcome	Costs in units, but output may not be aligned to business outcome	Costs as per pre-agreed business benefit delivered
Risk	Service provider's risk on estimation, buyer's risk on delivery and quality	Little risk to service provider. The buyer carries the risk on delivery, quality, and outcome	Service provider's risk on volume estimation, buyer's risk on delivery and outcome	Mutual risk, more for service provider but including rewards
Challenges (for the buyer)	Fluctuating volume	Management overhead costs, return on investments	Scope/volume prediction, aligning output to business goals	Less risk for buyer, pay-outs linked to usage/business outcomes required
Challenges (for the service provider)	Risk on estimation	Very small risk	Volume estimation, seasonality	Potentially no revenue if business outcomes are not met

Source: [Wipro.com](https://www.wipro.com) in collaboration with Globally Cool

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.

Inflation is having an impact on the BPO industry. In 2023, the [annual labour costs in the EU rose by 4%](#), and additional operating costs (like rent) rose as well. As a result, many European BPO providers had to increase their operating costs. Prices for BPO services are expected to remain relatively high, in part because the demand for BPO is increasing. Lowering your price will not give you more work.

Tips:

Research the average salaries in your European target country (for example, through reports such as those by [Cleveroad](#), [Indeed](#), and [Glassdoor](#)). You can also research the average salaries for various roles through platforms (like [Payscale](#)) or read documents (like this one on [BPO industry wages](#)).

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

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.

Do not compete only on price, but on quality. Please refer to the buyer requirements study to find out [what requirements outsourcing service providers must comply with for the European market](#). Read more about payment terms in the study '[Tips to Organise your Export](#)'.

9. Invest in country branding

Buyers of ITO or BPO services often have concerns about the quality, security and reliability of services offered by providers in developing countries. A strong, positive country brand can help decrease these concerns. When a country is known for its talent, infrastructure and stable business environment, it reassures potential clients that the providers within that country can deliver high-quality services. As stated before, trust is a significant factor in outsourcing decisions. A positive country brand creates a sense of reliability.

The challenge is to write a compelling profile of your country as a destination for ITO or BPO, supported by facts.

A good country image can give credibility to brand images. Examples include Swiss watches, French wine, Danish designs, Thai hospitality, Italian fashion and '100% pure New Zealand'. Research has proven this to have a very strong influence on the willingness of customers to purchase products and the price level they are willing to consider.

Tips:

Promote the capabilities and advantages of your country as an ITO or BPO destination whenever possible, including on your website.

Cooperate closely and actively with IT or BPO associations and other business support organisations (BSOs) to improve the image of your country as an outsourcing destination.

Find out your country's position in the [2023 edition of the Nation Brands Index](#) by Ipsos. This is a general ranking (not based on any specific product or service).

[Read more about country branding](#) (look for [examples of country branding](#) for products or services). You can consider including a leaflet or a page dedicated to your country in your promotion material.

Read what the consultancy company Kearny says about [building a thriving domestic tech sector](#).

10. Invest in top talent to promote retention

Good talent is scarce, especially in the outsourcing industry. Attracting and keeping the right talent is a critical element of success. Many [developing countries are experiencing a phenomenon known as 'brain drain'](#) — the migration of talented people to other countries. Many outsourcing providers in developing countries are aware of this phenomenon. To prevent your employees from leaving your company — or even the country — you should make sure your company is an attractive place to work.

Even with limited resources, there are practical steps you can take to attract and retain the right talent. With the right strategy, you can build a strong, loyal team that will contribute to the long-term success of your business.

Tips:

Highlight opportunities for career growth. Be sure to emphasise the career-development opportunities within your company. Talk about mentorship programmes, on-the-job training and the potential for advancement. Candidates are more likely to be attracted to a company where they see the chance to grow and develop their skills.

Make your company more appealing by offering flexible work options. This could include, providing remote work opportunities, flexible working hours or other benefits that improve work-life balance.

Provide a supportive, positive work culture to make your employees feel valued. You could do this by offering team-building activities, by supporting mental health, by encouraging autonomy and trust, by recognising and rewarding positive contributions, and by ensuring open communication.

Invest in employee training and development. You could invest in training programmes or sponsor employees to attend industry conferences or workshops. This demonstrates your commitment to their professional development and helps keep your team up to date with the latest skills and technologies.

Look at what government agencies can do for you doing 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 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.

The following are examples of European BSOs that might be relevant for your ITO or BPO company:

The Centre for Promotion of Imports from developing countries ([CBI](#)): a government-funded organisation that supports more than 800 entrepreneurs to become successful exporters in the European market. They offer market information for various products and services, they offer export coaching programmes, technical support, they inform and influence policy makers and involve 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. They bring together the interests of German importers with those of exporters in emerging growth markets.

[Deutscher Outsourcing Verband](#) (German Outsourcing Association): an independent member organisation supporting ICT sectors in Germany and internationally.

[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 following are examples of local BSOs:

The Uganda Export Promotion Board ([UEPB](#)). This organisation offers business support to Ugandan companies that sell (or seek to sell) products or services in the global market. For example, they organise an export promotion tour, participate in trade fairs and trade fair support. On their website, you can also find market information on various products and services, export guides, market analyses tools and much more.

Figure 2: Logos of various support organisations



CBI
Ministry of Foreign Affairs



Source: Corresponding websites of the support organisations, 2024

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. Examples of BPO and/or ITO associations are [SLASSCOM](#) from Sri Lanka, [Basis](#) from Bangladesh and [Fedesoft](#) from Colombia.

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.

In addition, look at the programmes of embassies of your European target country. They may also prove to be a starting point for doing business in specific areas (like personal support or import guides). For example, the Dutch embassy in your country might arrange a trade mission of local business process suppliers to the Netherlands to connect them with Dutch companies and explore opportunities for collaboration.

Read our additional 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.

[Globally Cool B.V.](#) carried out this study in partnership with Laszlo Klucs on behalf of CBI.

Please review our [market information disclaimer](#).