

# Entering the European market for software testing services

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On the European market you need to comply with mandatory requirements and additional requirements that buyers may have. Collaborating in a team with European software developers is the most common work structure. As competition is strong, you should differentiate on quality rather than purely on costs. Specialising is also a good way to reduce competition.

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## 1. What requirements and certifications must software testing services comply with to be allowed on the European market?

On the European market for software testing services, requirements vary per industry, per segment and even per country. New legislation is always in the making. As it would be impossible to list (or to know) all possible requirements, this chapter discusses the most common requirements. For more information, see our study on the [requirements outsourcing services must comply with on the European market](#).

### What are mandatory requirements?

Legal requirements include legislation about copyright (the [Directive on the legal protection of computer programs](#)) as well as personal data protection. Privacy is highly protected in Europe, via the [General Data Protection Regulation](#) (GDPR) and the [ePrivacy Directive](#). If you do not respect these directives, you may be subject to enforcement actions and/or possible claims – even though you are located outside of the European Union.

We advise you to check the exact regulations in your European target market. All European Union member states have implemented the European Directive in national legislation. Although they are generally the same, there could be minor differences. Read more about the [legal protection of computer programs](#) on the website of the European Commission.

On the [ePing](#) website you can find an overview of country-specific measures that affect trade and differ from the international standards, as well as for the contact persons per country that the World Trade Organisation (WTO) has appointed. You can also subscribe to receive alerts (called ePing alerts) that might be relevant for your product or service.

## Tips:

Pay attention to copyright and infringement (the act of breaking or disobeying the contract) clauses in the contracts you sign with European buyers.

If you are dealing with personal data, study the GDPR's new [European data protection rules](#) and [principles](#) for a good understanding of what is allowed and what is not. For software development-specific GDPR information, check the [seven-step guide to GDPR-compliant software development](#). Be aware of what data you store and where, to be able to comply with potential consumer requests.

Use IDC's [GDPR Readiness Assessment](#) to determine how compliant you are and what you may need to improve.

Set up clear consent request forms and privacy policies that inform customers how you process their personal data. Look at the [GDPR consent guidance](#) from the British Information Commissioner's Office (ICO) and Econsultancy's [GDPR: How to create best practice privacy notices](#). Keep records of your obtained consent. For more information, see ICO's advice on [how to record consent](#).

Read more about [digital privacy](#) on the website of the European Commission. This is also where you can keep up to date on the reforms of the European ePrivacy rules.

## Security

Non-legal requirements mainly deal with security. Although you are not obliged to comply by law, they are considered minimum requirements to enter the European market.

Data security is one of the main challenges for IT outsourcing service providers. This includes both data protection and recovery systems. Many European buyers expect you to implement an information security and management system, especially in industries in which security is essential, such as finance and banking, healthcare or mobile applications. Although there is no specific legislation on this, the [ISO 27000 series](#) contains common standards and guidelines for information security.

## Tips:

Make sure you have effective security processes and systems in place, from business continuity and disaster recovery to virus protection.

Ask your buyer to what extent they require you to implement a security management system like the ISO 27001 standard.

Consider obtaining the ISO/IEC 27701:2019 certification. To do so, you will need to either have an existing ISO 27001 certification or implement ISO 27001 and ISO 27701 together as a single implementation audit.

## What additional requirements do buyers often have?

### Quality management

There is no university degree in software testing. When companies hire IT and computer science-related graduates as software testing professionals, they are expected to learn on the job. Most employers invest in

education, resulting in certification for their software testers. In some European countries, software testing trade unions are working on [a curriculum for software testing](#). An example is [Testnet](#) from the Netherlands.

As the software testing industry becomes more competitive, an increasing number of European buyers demand software testing certification. The most requested software testing-specific quality certifications are: [TMap](#) and or various levels of [ISTQB](#) certification.

Some European buyers only do business with companies that have a specific quality management system in place. Even though implementing a quality management system does not automatically guarantee good-quality software testing, it proves that you have a repeatable process, and that you are a serious company that values standardisation.

Acknowledged and common systems are [ISO 9001:2015](#) and the [Capability Maturity Model Integration](#). Other ISO standards that can be applicable to software testing services are [ISO/IEC 9126](#), [ISO/IEC 9241-11](#), [ISO/IEC 25000:2005](#) and [ISO/IEC 12119](#).

### Tips:

If you (aim to) specialise in particular sectors, find out which certifications are relevant. When considering a particular quality certification, ask yourself three questions before working out the details: is it good for my company? Is it good for my clients? Does it have marketing value?

Check if you can apply for financial support to achieve quality certification. Contact your national IT association (such as [TAG Georgia](#) or [BPESA](#) from South Africa) or a business support organisation in your country responsible for (IT) export promotion.

Look at [ISO/IEC/IEEE 90003:2018](#) for a guideline (checklist) on how to apply ISO 9001:2005 for software testing. Also check out which other [ISO certification](#) might be applicable for your service.

## Corporate Social Responsibility

[Corporate Social Responsibility](#) (CSR) refers to companies taking responsibility for their impact on the world. Not only in the products or services they offer, but also concerning consumer rights, education and training of staff, human rights, health, innovation, the environment and working conditions.

CSR is particularly important to large companies and governments in Northern and Western Europe. Many European companies involve their suppliers in their CSR policies. Having a well-documented CSR policy may therefore give you a competitive advantage over companies without one. The [ISO 26000](#) standard provides guidance on CSR. For small software companies, the most relevant and practical aspects of this standard are labour practices, fair operating practices and community involvement.

You can also match the CSR policy of your potential buyer by becoming an impact sourcing destination. This is a relatively new term. It is a sourcing model that aims to improve people's lives, families, and communities through meaningful employment in ITO and BPO. This can be achieved either through outsourcing or by setting up remote or virtual teams using digital technology. Impact sourcing has good potential for companies that wish to make their business more socially responsible (buyers as well as sellers of software testing services). And it can be a Unique Selling Point (USP) for your business, because not every software tester can offer impact sourcing.

Another example of how CSR initiatives extend to small IT businesses is fair-trade software. This means

software that is developed for better prices, under decent working conditions, supporting local sustainability and with fair terms of trade. In essence fair-trade software is a part of impact sourcing. Impact sourcing has a wider reach than fair-trade software.

### Tips:

Clearly communicate your commitment to CSR in your marketing activities. Also, show that you care about your impact on society and the environment by implementing your own CSR policy.

Consider profiling yourself as an impact sourcing provider or a fair-trade software tester. See if you [meet the requirements](#) for impact sourcing supplier. For more information about fair-trade software, see the [Fair Trade Software Foundation](#) and Web Essentials' video on [what fair-trade software development actually means](#).

Consult the [ITC Sustainability Map](#) for a full overview of certification schemes addressing sustainability in the outsourcing sector.

## Up to date knowledge and skills

Software testers are not trendsetters. But, as a software testing service provider, you do continually have to stay on top of the developments in the market. European buyers expect you to be able to offer them the possibility to work with the latest technology. It is therefore very important to stay informed about the latest technologies, platforms, frameworks and innovation, and to keep your skills up to date.

European buyers may expect you to work according to the Agile concept. This is based on the [Agile Manifesto](#), representing the ability to respond to change. It focuses on how people work together, letting solutions evolve through collaboration between self-organising and cross-functional teams. Agile software development advocates adaptive planning, visualisation, evolutionary development, early delivery and continual improvement. With about [56% of companies using Agile methodologies using Scrum](#), this is the most widely-used Agile framework.

### Tips:

Stay on top of the [latest software testing technologies](#) in the market. Learn about Agile methodologies via the annual [State of Agile](#) report. Familiarise yourself with Scrum, for example via a high-quality training programme and/or apply for an internationally accepted personal Scrum certification.

Provide references, testimonials and examples of recent work, preferably on your website, as European companies often require proof of your technical skills.

Make sure your website has an extensive quality assurance service portfolio. It should present a wide range of manual and automated testing services and address a variety of methodologies and platforms.

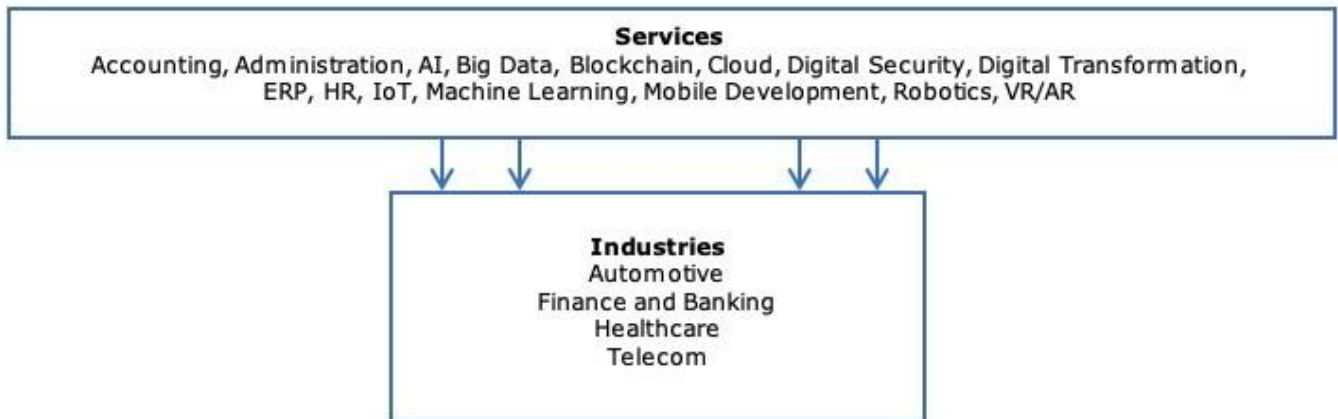
## 2. Through what channels can you get software testing services

## onto the European market?

### How is the end market segmented?

The [software testing services market](#) is very fragmented, with several big and small players. The market is also very competitive. The market is mainly segmented based on products. It is also segmented by sub-segments, such as application testing and product testing, and it is segmented based on application, such as core banking software, asset and wealth management software and other banking software.

Figure 1: Horizontal and vertical market segments for software development that have the best opportunities for software testing service providers



All software that is being developed, or changed, needs to be tested. That is why the most interesting horizontal and vertical market segments for the software development industry are also the most interesting for the software testing industry.

The most promising services currently are AI, big data, blockchain, cloud, digital security, digital transformation, (I)IoT, machine learning, mobile development, robotics and VR/AR. Of all these only cloud and mobile development are currently regarded as commodities. However, to provide services in many of the other segments your skills in these common techniques are fundamental.

#### Tips:

Monitor developments within the European software development market that are relevant for your company by conducting [Google](#) searches that combine your product with a particular niche market.

If your software testing service area is a relative commodity, you should focus on a niche market. Especially if you can find a niche market that is underserved with software or has the room/need for digital innovation/transformation.

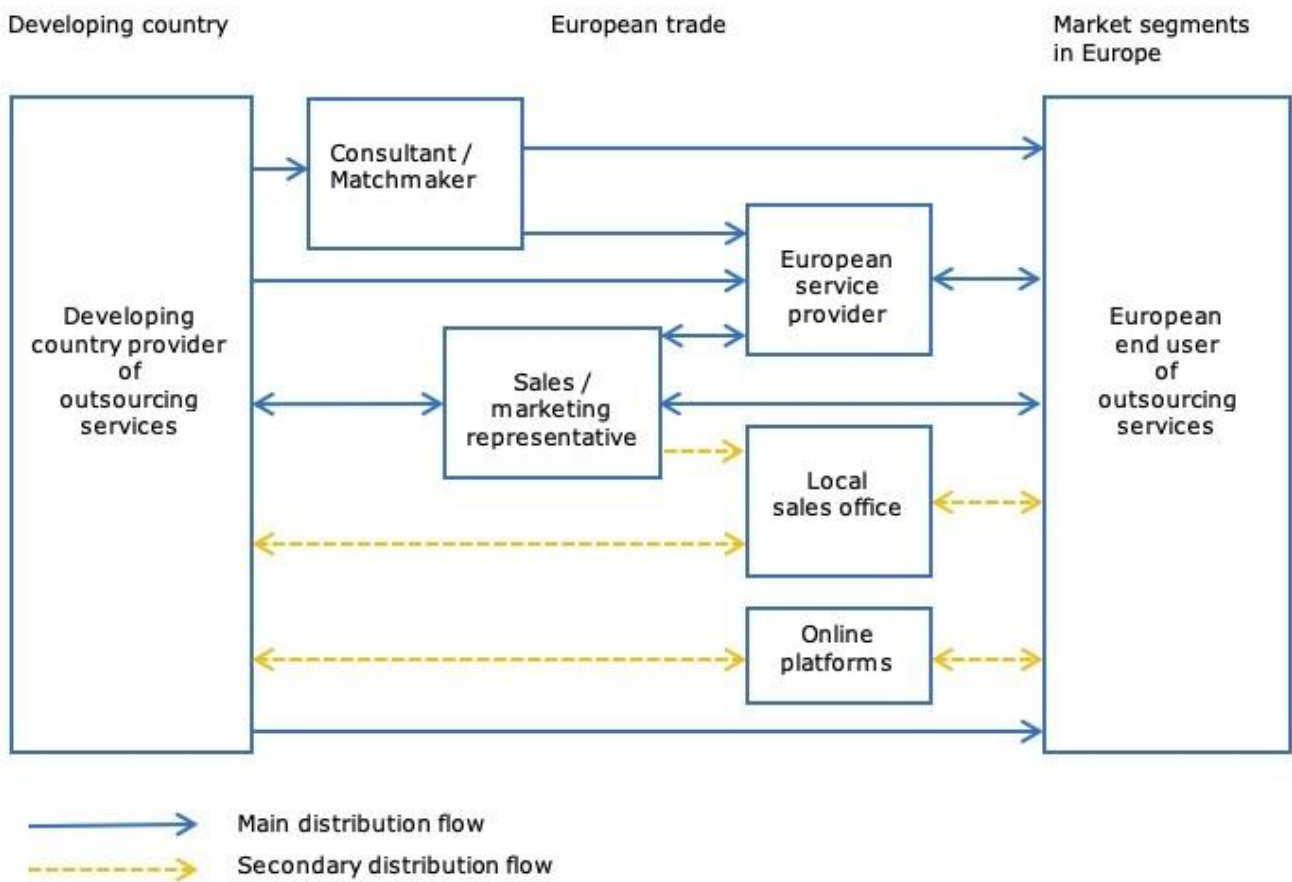
The best opportunities exist for companies that are specialised in software testing and not those that do software testing as a part of their SDLC.

### Through what channels do software testing services end up on the end market?

Most people and businesses have recovered from the initial shock of the COVID-19 pandemic. The time is right to start looking for new business opportunities in the European software testing outsourcing market. As a

service provider in a developing country, you can use several trade channels to enter the European market. Figure 2 provides an overview of that trade structure. This structure is more or less the same in every European country.

Figure 2: Trade structure for outsourcing software testing services in the European market



## What is the most interesting channel for you?

Your most common and most promising market entry channel is working in a team with European software developers. The selection of a channel depends on the type of your company, the nature of your product or service, your target market and the available resources for market entry.

Regardless of the channel you choose, your own marketing and promotion is a vital part of your market entry strategy, and you are responsible for it. In any case, the software testing market is a trust business. Most deals will be closed by companies and people recommending each other.

## Working as a team with European software developers

The software testing industry has changed its way of working. Initially, the most popular process was to develop the software and then throw the testing phase over the fence to a group of testers and wait for them to figure it out. But software developers learned that collaboration with testers is very important, even so important that they prefer to work in teams through the whole software development process. Even if the team members are located in different parts of the world, they still prefer to work as a team.

## Subcontracting by European service providers

Subcontracting by European service providers means that European service providers subcontract software testing services to you. A European service provider that is similar to your company would be your most suitable subcontractor. Ideally, this company should design, develop, market, sell and maintain their own software

products and offer software testing services similar to yours.

For software testing services, a European service provider is usually an Independent Software Vendor (ISV) in the target country, or a specialised software testing provider that does not necessarily develop software.

The relationship between an ISV and a subcontracted supplier is generally characterised by:

- trust
- interdependence
- a structured relationship (functions, tasks, communication and procedures)
- potentially limited marketing visibility and market access opportunities for the subcontracted supplier
- no intellectual property (IP) rights, or a loss of IP rights for the subcontracted supplier. Generally, software testing does not create many IP related objects. However, IP is important in software testing, because the tester might have access to (part) of the source code if necessary.
- work orders on an if/when necessary basis

You can find a European service provider to partner up with either directly or by working together with a matchmaker and/or a sales representative. Because many European companies prefer to deal with a local contact person, an intermediary is a good option.

### **Tips:**

Attend relevant industry events in your target country to meet potential partners. For example [Agile Testing Days](#) in Germany, [European Testing Conference](#) in the Netherlands, [EuroSTAR](#) online for the 2021 edition, [National Software Testing Conference](#) in the United Kingdom, [Nordic Testing Days](#) in Estonia, and [Swiss Testing Day](#) in Switzerland. Keep in mind that most events for 2021 will be online events. Costs for attending online events are generally lower than the costs of in-person events. So if you have never attended a software testing event before, this year might be a good year to start.

Use industry associations to find potential customers in Europe, such as [Association for Software Testing](#), and [Nederland ICT](#) in the Netherlands. Or see if your country has interesting associations, like the [ISTQB](#) in Kenya.

Use outsourcing associations to find potential customers in Europe: for example the [Global Sourcing Association](#) (GSA) in the United Kingdom, [Outsourcing Verband](#) in Germany and [Sourcing Nederland](#) in the Netherlands. The GSA also launched a Partner Platform. It is the first open platform that publishes and ranks the performance of service providers. This platform allows you to promote your profile to a huge audience of potential customers.

## **Consultant/matchmaker**

A consultant/matchmaker is a person or a company with a large number of relevant contacts in a specific market segment or industry. As an intermediary, they are a 'door opener' and not an agent to make cold calls or send cold emails.

Make sure you properly inform your consultant/matchmaker about your company. They speak with many potential customers and are often involved in creating long lists of potential outsourcing providers. The more information they have on your company and the better they understand your capabilities, the more they can spread the word about you.

If you work with a consultant/matchmaker:

- the consultant/matchmaker makes appointments with prospects for you
- the presentation and sales process remains in your own hands
- you pay a retainer + success fee (which can be expensive)
- the consultant/matchmaker usually has multiple clients
- you need to set clear expectations and objectives to measure their performance

A retainer + success fee construction can be expensive. While the success fee depends on what the intermediary has delivered, you have to pay the retainer (usually a fixed monthly payment) regardless of their performance. Together, they should provide a strong motivation for the intermediary to deliver: the retainer should be high enough to cover some of the costs, but low enough to encourage delivery. A properly drafted contract, by a lawyer, is a must!

You also need to determine an exit strategy in the contract, with a clearly defined period after which the contract can be terminated without any further consequences. This period is usually not longer than three or four months, after which the contract will be evaluated and can be terminated or prolonged. For this period, there should be clearly defined delivery expectations and targets for the consultant/matchmaker (such as the number of relevant contacts, meetings and leads). You could also negotiate a trial period.

### **Tips:**

When contracting an intermediary, involve a good lawyer who knows the applicable law of the country where the intermediary resides and has previous experience with this type of contracting. Pay special attention to exit clauses, success criteria, deliverables and payments.

Also consider the option of contacting headhunters to find the right software testing project for you.

If you think you meet the requirements to be an impact sourcing provider, look at the multiple options of consultants and matchmakers that specialise in impact sourcing. Examples can be found at the website of [Impact Hub](#).

## **Sales/marketing representative**

Another type of intermediary is a sales/marketing representative. These representatives are more involved in the sales process than consultants/matchmakers.

When working with a sales/marketing representative:

- the sales/marketing representative contacts prospects for you
- the sales/marketing representative also makes the sales and sometimes manages projects
- you pay a retainer + success fee (which can be expensive), or a fixed monthly fee
- the sales/marketing representative can have multiple clients or work exclusively for you

A good sales/marketing representative has a large, relevant network, so they do not make cold calls to provide services for you. Their success fee is often a percentage of the projects they bring in. Your expenses will rise by having to pay a sales/marketing representative, but you will be free to focus on your core business and search for other markets yourself.

### **Tips:**

Like with consultants/matchmakers, involve a good lawyer when contracting a sales/marketing



representative and include exit clauses, success criteria, deliverables and payments.

Be cautious if intermediaries (both consultants/matchmakers and sales/marketing representatives) work based only on a success fee, because either they are excellent at their job, or they are desperate and may not (be able to) deliver. Also be cautious if intermediaries want to work for you part-time besides their regular job, because they are often so busy that they do not deliver.

## Local sales office

Ideally, you should establish a local sales office in your European target market. A local presence makes it easier to build up long-term relationships with customers through personal contact. It also increases your credibility, builds trust and allows you to retain complete control over your marketing and sales activities. However, this is very difficult in practice, as it requires a lot of experience and large investments. Most companies in developing countries are simply too small and do not have the financial strength for this. And it is only viable if there is a verified market for your services.

### Tips:

Be aware that establishing a local sales office will be very costly and you will need to have a strong financial position.

Consider establishing your own office if you have already established a client base in the target country/region, or if you have a well-founded indication of the demand for your services/products. If you decide to establish an office, involve your sales/marketing representative.

Look for alternatives to lower your costs, such as business incubators or government incentives to bring your business to a particular country or region.

## Direct sales and online marketplaces

You can also try to sell your software testing services directly to European end user companies. Many European companies are looking for cost reduction and delivery capacity, which developing countries can often provide. This is one of your unique selling points. However, you should be aware that these end users might not have qualified IT staff to work with.

New electronic marketplaces may make this easier. These marketplaces are a cheap marketing tool. They are expected to lead to lower transaction costs for searching, evaluating, integrating and monitoring cloud services. Although they mainly contain smaller projects for freelancers, they could lead to pilot projects for companies. However, you need excellent end market knowledge.

Direct sales require experience in the European market. This strategy is most suitable for relatively large providers that want to target large European end users. Your best bet is to focus on a small, underserved niche market. However, for most suppliers from developing countries it is very challenging to sell software testing services directly. Sometimes, they work together to make a direct sales offer. Having one or more existing customers in Europe will help, as references are a must when you want to enter this market through direct sales.

## Tips:

Look for potential leads in the field of software testing on online outsourcing marketplaces. For example, [UpWork](#) and [Freelancer](#) (freelancers), or [Ariba](#) (corporate).

Combine offline and online promotion channels to develop as many contacts as possible. This maximises your chances of finding suitable partners/customers. Use (professional) social media platforms as a marketing tool to reach potential customers. [LinkedIn](#) can be particularly useful for making initial contacts and conducting market research.

Have a professional, high-quality company website, where you can present full, accurate and up-to-date details of your offering at low cost. Make it compatible with mobile devices and invest in Search Engine Marketing and Search Engine Optimisation, so potential customers can easily find you online.

## 3. What competition do you face on the European software testing services outsourcing market?

### Which countries are you competing with?

In general, European companies prefer to outsource services to providers within the same country (also known as homesourcing, or simply outsourcing). For more information on nearshoring versus offshoring, see our study on the [European market potential for software testing services](#).

Because software testing has become a team effort, most European companies prefer to work with companies that match at least three business hours per day with their own business hours. This means that most companies in the far east will not be ideally located as a software testing services partner.

The [Global Services Location Index](#) (GSLI) ranks the competitiveness of ITO/BPO destinations based on four categories: financial attractiveness, people skills and availability, business environment and digital resonance. For software development services, we have selected six countries that can be considered your strongest competition. The GSLI5 weighs the following selection criteria: digital resonance 60%, business environment 20%, financial attractiveness 10%, and people and skills 10%.

### India

India has [one of the largest software testing pools](#) in the world. The country continues to lead the GSLI, mainly due to the combination of excellent English language skills and low-cost services, because when it comes to digital resonance, India only takes the 17th place.

India was one of the countries to successfully tap into the first ITO and BPO demand wave and has been consistent in developing low-skilled workforces to meet traditional demand. However, with the current digital transformation, a gap has emerged between the demand for digitally savvy professionals and the talent pool that India is producing.

This illustrates that although offering competitive rates is important, you should not compete only on price. As relatively simple (and therefore cheap) tasks can be automated, your focus should be on excellent skills, knowledge and creativity, which have a higher value. Demonstrating your commitment to quality through references and quality management systems is key to building trust among potential European clients.

### Poland

Poland is a major player in software development outsourcing. Poland is home to [almost 30,000 software](#)

[testers](#), which is the second-largest CEE developer population, after Ukraine. Poland ranks number 14 in the GSLI. As a Central and Eastern European (CEE) country, it benefits from European buyers' preference for nearshore providers due to [proximity, language, cultural similarities and relatively small time differences](#) (if any).

CEE developer rates are higher than in offshore destinations; however, these rates generally do not deter European buyers, as they are often prepared to pay for the benefits that nearshoring offers them. Poland saw an increase in ranking by 10 points, primarily due to its financial attractiveness and start-up activity. Learn more about Poland as an ITO or BPO destination by reading their [destination guide](#), issued by the German Outsourcing Verband.

## Egypt

Egypt is a strongly emerging African destination for offshoring. Its time zone (GMT+2) partly overlaps with Western and Northern Europe, eliminating the time differences generally associated with offshoring. The country ranks 15th in the GSLI, as its considerable investments in infrastructure and cybersecurity are boosting the country's business environment performance.

Egypt is home to a large technically educated workforce that is [skilled in English, Arabic, French, German, and other European languages](#). The [New Administrative Capital](#) is designed as a Smart City using the Internet of Things and big data analytics, and is meant to create an Egyptian Silicon Valley. The project 'Digital Egypt' is expected to improve its position as a strong competitor in the software testing market. Learn more about Egypt as an ITO or BPO destination by reading their [destination guide](#), issued by the German Outsourcing Verband.

## Romania

Romania is home to [more than 25,000 software testers](#), which is the third-largest CEE developer population, after Ukraine and Poland. The industry development is propelled by the presence of global companies such as Hewlett-Packard, Huawei, Ericsson and Gameloft. It currently ranks number 32 on the GSLI.

The value of Romanian IT service exports is estimated at €4 billion in 2020. Over 95,000 IT professionals are engaged in its IT sector. Around 32,500 graduates annually enter the market. Learn more about Romania as an ITO or BPO destination by reading their [destination guide](#), issued by the German Outsourcing Verband.

## Ukraine

Ukraine is home to [nearly 50,000 software testers](#), which is the largest CEE developer population. The [value of Ukrainian IT services exports](#) in 2019 was estimated at more than €2 billion. Exports of IT services from Ukraine increased by 15% from 2019 to 2020, reaching a total of 16% of all services exported from Ukraine.

Ukraine ranks 42nd in the GSLI. Although Ukrainians generally have [low English proficiency](#), most Ukrainian software testers actually have [intermediate to upper-intermediate English language skills](#). Ukraine's hourly developer rates are relatively low for a CEE country. This is comparable to rates in Asia. Combined with the high perceived quality of Ukrainian developers and the general benefits of a nearshoring destination, these relatively low costs make Ukraine an attractive destination for European buyers.

Ukraine was named the "Offshoring Destination of the Year" by the GSA in 2017. In Ukraine, 24% of IT specialists are software testers, and 19% of them have 7+ years of experience. Annually 15,000 graduates enter the market. Thus the supply of software testing specialists in Ukraine is high and the competition for talent is moderate. Learn more about [the benefits of software testing](#) outsourcing in Ukraine.

## Czechia: opening up to be a subcontracting destination

Czechia is opening up to be a subcontracting destination. It already is a well-known CEE destination for nearshoring. Like Poland, the country benefits from its location close to the main Northern and Western European markets.

It ranks number 34 in the GSLI, and it has a very good reputation among European software development companies. Czechia is among the top-20 countries that [strongly invest in the development of the tech sector](#). Total funding makes up 2% of the country's GDP, surpassing tech giants like Canada and the United Kingdom.

Every year approximately 9,000 technical graduates enter the Czech IT market. About 130,000 professionals are employed in its information and communication sector. The number has grown for the past ten years and has increased by 49,400 people.

However, the market faces a challenge to attract new employees. [Many Czech companies with IT vacancies struggled to fill these positions](#). Since 2012, and from 2015, Czechia has ranked either first or second in the European Union in this respect. This may drive Czech software companies towards subcontracting.

### Tips:

Specialise in specific vertical markets and/or niche market segments to avoid competition.

Visit the websites of IT outsourcing associations and software development and/or software testing associations in particular, to get a better understanding of competing countries. Examples are the [Central and Eastern European Outsourcing Association \(CEEEOA\)](#) and the [Ghana Export Promotion Authority \(GEPA\)](#).

## Which companies are you competing with?

The software testing services market is characterised by mergers and acquisitions. This means that the landscape of competing companies can change quickly. Examples of successful software testing service providers from the abovementioned six countries are:

### India

[TestMatick](#). A large software testing company that has its headquarters in the USA, but has most software testers located in India. They are praised for their high-quality software testing and their good communication skills. Detailed reporting, thorough testing, good teamwork. Find more software testing companies in India and their reviews on the [website of Clutch](#).

### Poland

The key software testing providers in Poland are [N-iX](#), [Excadel](#), [Qburst](#), [Cleveroad](#), [Sii Poland](#) and [Comarch](#). Sii Poland is the largest technology consulting, digital transformation, BPO and engineering service vendor in Poland. They employ over 5,000 people. They do have some difficulties with keeping the staff they have. They are investing in offering more staff training to keep their employees happy and give them the ability to grow. Find more software testing companies in Poland, and their reviews, on the [website of Clutch](#).

### Egypt

[Expleo Group](#) (formally SQS Egypt). One of the many merged companies in the software testing sector, Expleo is a large player in the software testing market in Egypt. They have more than 15,000 employees (worldwide), and their main focus is the car industry. From the six focus countries in this study, they are also a big player in Romania, Czechia and India.

### Romania

[Better QA](#) is an important player in the Romanian software testing services market. Their headquarters are in Romania and they specialise in, among others, UI/API test automation, Performance Testing, Mobile

Application Testing and Web Testing. They are praised for their professional attitude and quick responses and are generally delivering good work. Find more software testing companies in Romania, and their reviews, on the [website of Clutch](#).

## Ukraine

Key companies which provide IT testing services in Ukraine are [N-iX](#), [SoftServe](#), [Ciklum](#), [Eleks](#) and [Avenga](#) (previously known as CoreValue). Avenga was formed after a [merger](#) of several companies (CoreValue, IT Kontrakt, Seveval and SolidBrain). CoreValue was a Ukrainian-based company that had eight development labs across the country. They outgrew the start-up phase and are now offering agile services with speed and flexibility, combined with the innovative power of a start-up. Find more software testing companies in the Ukraine, and their reviews, on the [website of Clutch](#).

## Czechia

[Limestone Digital](#) is a large software development and software testing company in Czechia. They clearly state their certifications on their website (ISO 9001:2015, LPM safe and PSM I). Clients praise them for really understanding them, for their added value, for their ability to find solutions and for completing the project on schedule. Limestone was awarded the title of 'top software developer' in Czechia in 2021, by Clutch.

Other top software testing companies in Czechia are: [AVG](#), [Certicon](#), [Unicorn](#). Find more software testing companies in Czechia, and their reviews, on the [website of Clutch](#).

### Tips:

Use the services of your national export promotion agency and actively participate in the creation of export strategies.

Search company databases to find more competing companies. These databases can be free, like [company.info](#), or paid, via chambers of commerce (such as the Dutch [Kamer van Koophandel](#)) or commercial databases like [Bold Data](#).

## Which products are you competing with?

Companies that want to launch (an improved version of) software need to test it before putting it (back) on the market. In software testing, the product is the service, a necessary service that has no competition.

This means the real question is: what makes one service provider different from another? The answer is: technical knowledge, available capacity, references, domain knowledge, flexibility, scalability, reliability, communication and language capabilities, quality management, security infrastructure, vertical and/or horizontal market focus and niche market orientation, among other things. The location (country) of the service provider is also an important factor.

However, there is a certain [threat from the increasing availability of open-source and free testing tools](#). This will be one of the key restraints in the market in the 2021-2025 period.

### Tips:

Look at the company profile of [GreenSQA](#) to get a good picture of a specialised software testing provider.

Invest in country branding. For more information on this topic, see our [tips on doing business with](#)

### European buyers.

Find out how you can get a competitive advantage, based on factors such as quality, cost, technology or product characteristics.

## 4. What are the prices for software testing services?

Price used to be the main reason for European companies to outsource software testing services to developing countries, but it has been surpassed by the demand for added value.

But because staff salaries make up a large share of the costs of software testing services, and price remains important for most European companies, it means outsourcing to countries with lower wages can lead to considerable savings. For example, the average salary of a software tester in the Netherlands is €22.50 per hour. In the Philippines, this is around €3.83. This can be one of your competitive advantages.

The price for software testing services is influenced by technological requirements, skill levels, complexity of the project, length of the contract and other requirements written in the Service Level Agreement (SLA). When you focus on a niche or non-commodity market, European buyers are often less price sensitive.

Your offer should include the price, with your hourly rates and an honest estimation of the number of hours you expect to work on the project. Choose a type of [price model](#) for your outsourcing contract. The most common price model for software testing services is Time and Material, because the tester is responsible for finding errors, but eliminating them is the responsibility of the developer.

For more information, see this paper on [pricing models in outsourcing](#). Go beyond setting the right price and work out your pricing strategy. This should include, for example, your and your clients' preferred pricing model, payment terms and expectations, and how and when you offer discounts.

### Tips:

Research the average salaries in your European target country, for example via [Payscale](#).

Mention the potential salary savings, but also emphasise your good skills and added value.

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

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