

Entering the European market for hybrid workspace technology

Last updated:

18 October 2022

On the European market you need to comply with mandatory (legal) requirements, such as copyright law and the General Data Protection Regulation. Buyers may also have requirements regarding quality management and corporate social responsibility, as well as industry-specific standards, technologies, and frameworks. European service providers and intermediaries are your most realistic market entry channels.

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1. What requirements must hybrid workspace technology comply with to be allowed on the European market?

Requirements vary per industry, per segment and per country. New legislation is always in the making. This makes it impossible to list (or to know) all possible requirements. Therefore, we explain the most general requirements and specify the most popular and/or promising product/market combinations. We advise you to research your own (target) market. You can regularly check websites of companies or authorities that post the latest legislation.

What are mandatory requirements?

Mandatory requirements are rules you must follow, even if you are located outside of the European Union. These are the requirements that might apply to your situation:

Rules concerning copyright

The European Union (EU) has established specific legislation to protect computer programs by means of copyright. According to the [Directive on the legal protection of computer programs](#), you have to make sure not to breach any copyright when placing your computer program (software) on the market.

General Data Protection Regulation

The [General Data Protection Regulation](#) (GDPR) was designed to protect individuals in Europe from privacy and data breaches. The GDPR is also enforced in Iceland, Liechtenstein, Norway and the United Kingdom as it has been incorporated into the [European Economic Area \(EEA\) Agreement](#), which brings three of the European Free Trade Association (EFTA) states into the European single market.

The General Data Protection Regulation is very important in the hybrid workspace technology segment, as most of these products or services work with data. You must appoint a [Data Protection Officer](#) if your company's 'core

activities involve processing of sensitive data on a large scale or involve large-scale, regular and systematic monitoring of individuals'. The [main tasks of a Data Protection Officer](#) include informing their company of its obligations under data protection legislation and monitoring compliance.

You can use IDC's [GDPR Readiness Assessment](#) to determine how compliant you are and what you may need to improve. You should also draw up clear consent request forms and privacy policies that inform customers how you process their personal data. For more information, see the [GDPR consent guidance](#) and Econsultancy's [GDPR: How to create best practice privacy notices](#). In addition, always keep records of your obtained consent; see ICO's advice on [how to record consent](#).

Personal data protection

Compliance with personal data protection legislation is a very important element in hybrid workspace technology, as almost all hybrid workspace technology deals with personal data.

The [ePrivacy Directive](#) (2002/58/EC), commonly known as the "cookie law", contains specific regulations for data protection in the electronic communications sector. For example, the directive prohibits unsolicited commercial electronic messages ("spam"). It contains strict rules on the use of cookies, and contact details may only be published with the person's consent.

A [new ePrivacy Regulation](#) was originally scheduled to enter into force along with the GDPR, but its implementation has since been delayed. The aim of the proposed new Regulation is to safeguard the confidentiality of electronic communications through stronger privacy rules. Unlike the current directive, it also covers Internet-based voice and messaging technologies such as Skype, WhatsApp and Facebook Messenger. [The latest draft](#) was released in January 2021, the regulation is not expected to enter into force before 2023.

Cyber Security Standard for Consumer Internet of Things

In 2020, the EU introduced the new Cyber Security Standard for Consumer Internet of Things; [ETSI EN 303 645](#). This is an important standard for consumer security in the Internet of Things (IoT). Several organisations have developed security guidelines for the IoT. It is important to keep an eye out for other standards that are being developed and might increase in importance in the upcoming years, such as [ISO 27403](#) and [ISO 30162:2022](#). Examples of organisations that have developed security guidelines for IoT can be found on the [Entrust](#) website, [METI](#) and the [Coderus](#) website.

Radio Equipment Directive (RED) - if you are selling equipment

The European commission is currently updating the RED. This is a piece of [2014 legislation](#) that is the regulatory framework that equipment vendors must follow to sell electronic equipment on the EU market. The proposed [new standard is scheduled to enter into effect in 2024](#). It lists three new security measure that device manufacturers must incorporate in the design of their products.

Framework Agreement on Telework

In 2002, following a European Council initiative, worker, company and public sector representatives in Europe signed a [Framework Agreement on Telework](#). This contains a number of measures to protect teleworkers, including measures to limit unfair monitoring of workers, to safeguard worker privacy and personal data, to enhance well-being, address safety risks and protect the ability of workers to exercise collective rights.

However, this agreement has not yet been implemented in all EU member states. That is why there currently is a [scattered picture of national, regional and local laws, and sectoral and company-level agreements](#). The European Council is now considering working on a new agreement on telework or hybrid work. This is not in effect yet.

Tips:

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

Stay informed about [what the GDPR and other privacy regulations mean for the hybrid workspace technology market](#).

Please also read our Market Entry reports on [\(I\)IoT](#), [big data](#), [ML/AL](#), [VR/AR](#), [blockchain](#), [software development](#) and [mobile applications](#) if you work with those technologies or products.

What additional requirements do buyers often have?

Security

Data security is one of the main challenges for hybrid workspace technology. This includes both data protection and recovery systems. Many European buyers expect you to implement an information security and management system. Although there is no specific legislation on this, the [ISO 27000-series](#) contains common standards and guidelines for information security.

ISO 27001 is an internationally recognised standard that provides requirements for an information security management system. Companies can become ISO 27001 certified if they comply with the standard. ISO 27002 is a supporting document to ISO 27001 that gives guidance and advice on the implementation of information security controls. Other supporting guideline documents in the ISO 27000-family are ISO 27003 and ISO 27004. ISO/IEC 27701:2019 is a certifiable privacy extension of ISO 27001, supporting compliance with the GDPR.

Tips:

Make sure you have effective security processes and systems in place, from business continuity and disaster recovery to virus protection. Consider obtaining the ISO/IEC 27701:2019 certification. To do so, you will need to have an existing ISO 27001 certification, or you will need to implement ISO 27001 and ISO 27701 together as a single implementation audit.

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

Quality management

Some European buyers only do business with companies that have a quality management system in place. Such a system shows that you are well organised and able to deliver the required service quality. They include, for example, backup and recovery schemes, network and infrastructure security, communication plans and relocation options.

Obtaining ISO certification will help you do business in Europe. It shows your commitment to quality. If European companies can choose between ten different hybrid workspace technology companies of which one has an ISO certification, they will prefer the ISO certified company, except if that company is twice as expensive.

Acknowledged and common systems are [ISO 9001:2015](#) and the [Capability Maturity Model Integration](#). Other

ISO standards that might apply to hybrid workspace technology services are [ISO/IEC 9126](#), [ISO/IEC 9241-11](#), [ISO/IEC 25000:2005](#) and [ISO/IEC 12119](#).

Tip:

Show you are a professional company. Have good references, obtain relevant industry certification, respond quickly, communicate regularly, offer constant quality, comply with contractual agreements, and have a good and stable management team to lead the outsourcing project.

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 when it comes to:

- consumer rights;
- education and training of staff;
- human rights;
- health;
- innovation;
- the environment;
- working conditions.

Documented CSR policy

CSR is becoming increasingly important to companies and governments in Northern and Western Europe. Having a CSR policy on your website is particularly important in Germany, Sweden, France, Austria, the Netherlands, Ireland, Spain, and Finland. Having a well-documented CSR policy gives you a competitive advantage. The [ISO 26000](#) standard provides guidance on CSR. For small companies, the most relevant and practical aspects of this standard are labour practices, fair operating practices and community involvement.

Become an impact sourcing destination

You can also match the CSR policy of your potential buyer by becoming an impact sourcing destination. Impact sourcing is a sourcing model that aims to improve the lives of people, families, and communities by providing meaningful employment in the information technology outsourcing (ITO) and business process outsourcing (BPO) sectors. 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. And it can be a unique selling point (USP) for your business.

The environmental impact of hybrid workspace solutions consists of its energy consumption. You can easily limit this by designing/developing [energy-efficient applications](#) and carefully selecting/recommending (green) webhosts.

The social side of sustainability is the biggest challenge – but also an opportunity! You can make a social impact by becoming an [impact sourcing](#) provider. This is becoming a big trend in outsourcing. The impact sourcing model aims to improve the lives of people, families and communities by hiring and training people with limited employment opportunities.

However, sourcing and training these people requires quite some upfront investment and effort from you as their employer. You can look for support from local impact sourcing initiatives, work readiness programmes, and (non-profit) training institutes like South Africa's [Maharishi Institute](#).

Tackling this challenge and setting up an effective recruitment and training strategy has the following benefits:

- access to a large(r) talent pool in a competitive market;
- loyal and motivated workforce;
- strong competitive advantage;
- positive social impact on your employees and community.

For your buyers, this means:

- better supplier performance;
- stable/reliable supplier workforce;
- meeting inclusion and diversity goals;
- positive social impact.

Good examples are Techno Brain and Sama. [Techno Brain](#): an impact sourcing pioneer and winner of the 2021 Global Impact Sourcing Award. They provide training and employment to underprivileged people in for example Kenya and Uganda. [Sama](#) (India, Kenya, Pakistan, South Africa, Uganda) lifts many employees out of poverty by providing training in topics like digital literacy and soft skills, and a living wage.

Develop fair trade software

Another example of how CSR initiatives extend to small IT businesses is fair trade software: software developed for better prices, under decent working conditions, supporting local sustainability and with fair terms of trade. In essence, developing fair trade software is a way of impact sourcing. Impact sourcing has a wider reach than fair trade software.

Tips:

Show that you care about your impact on society by implementing your own CSR policy. Clearly communicate your commitment in your marketing activities. It can be a unique selling point (USP). Emphasise how you as an impact sourcing provider match the CSR policy of your potential buyer.

Look at examples of small software companies engaging in CSR. Telit has included a [Modern Slavery Statement](#) in a bottom tab bar on their website, which means that you can see it on every page. Read more about CSR in practice on the website of the [European Commission](#). Consult the [ITC Sustainability Map](#) for a full overview of certification schemes addressing sustainability in the IT outsourcing sector.

For more information about fair-trade software, see the 'Fair Trade Software Foundation and Web Essentials' video on [what fair-trade software development means](#).

What are the requirements for niche markets?

European buyers often require you to comply with a sector-specific and/or industry-specific standard or code of practice. In healthcare, the standards developed by Health Level 7 ([HL7](#)) and the United States' Health Insurance Portability and Accountability Act ([HIPAA](#)) are important. In the automotive industry, [MISRA](#) and [AUTOSAR](#) are the two main coding standards used, but [ISO 26262](#) and [ISO 15504](#) are also applicable. For the banking industry, the [Basel Committee on Banking Supervision](#) is important. Basel I is the minimum requirement, and therefore often not considered sufficient by European clients. Aim to get the [Basel II](#) and/or [Basel III](#) standard.

Tips:

Look at our [Buyer Requirements](#) study for more information on the IT outsourcing sector in general.

We advise you to check the exact rules that apply in your European target market. On the [ePing](#) website you can find an overview of country-specific measures that affect trade and which differ from the international standards.

2. Through what channels can you get hybrid workspace technology on the European market?

How is the end market segmented?

The market for hybrid workspace technology is a horizontal market because such solutions can be used in various industries. As shown in Figure 1 below, the market can be segmented by type of hybrid workspace solution (horizontal market segmentation) and by type of industry (vertical market segmentation).

Please note that this Figure does not give a complete overview and only covers software development for hybrid workspace technology. There are also opportunities for product development. These are mentioned below in the running text about trade channels under the sub-header 'Direct sales and online marketplaces'.

Figure 1: Horizontal and vertical market segments with opportunities for hybrid workspace technology



Source: Globally Cool

In the services industry there are good opportunities in e-learning and human resources services (for example, HR applications). There are also opportunities in smart building solutions.

This market segmentation applies to all countries in the European Union (unless stated otherwise), although there are significant differences between the countries. For more country-specific information, please also read our [Market Analysis study](#).

Through what channels does hybrid workspace technology reach the end 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 the trade structure for outsourcing. This structure is more or less the same in every European country.

Figure 2: Trade structure for selling hybrid workspace technology in the European market



What is the most interesting channel for you?

The most common and promising market entry channels are European service providers and consultants/matchmakers. Another option is to work with a local sales office or direct sales (possibly through online platforms).

Which market channel is your best option depends on your type of company, the nature of your product or service, your target market and the available resources for market entry. You should understand that, regardless of which trade channel you choose, your own marketing and promotion is a vital part of your market entry strategy, for which you are responsible.

European service providers

Service providers from developing countries find a European service provider (ESP) 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. A European service provider that is similar to your company would be your most suitable contractor. Ideally, this company should design, develop, market, sell and maintain hybrid workspace solutions that are similar to yours.

The relationship between an ESP 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;
- work orders on an if/when necessary basis.

Tips:

Approaching European service providers directly is only recommended if you have experience in the target market. Otherwise, you should consider working with a consultant/matchmaker.

Attend relevant (online) industry events in your target country to meet potential partners and competitors. This also allows you to learn more about their business culture. In the hybrid workspace technology market, there are quite a few online events, often free of charge. For example: [Interop Digital](#) and [Workplace](#). And do not forget to attend fairs that fit in with the technology you work with, such as the [IoT World Europe](#) in the United Kingdom. Do your homework and select the events very carefully. Only attend events that match your profile well. Many trade events directories are available online, such as [10Times](#), and [UK Exhibitions](#).

Use IT-industry associations or outsourcing associations to find potential customers in Europe. Examples are: [Bitkom](#), [NL Digital](#), [Tech UK](#), [BIMA](#), [Association of British HealthTech Industries](#), [African Agricultural Technology Foundation](#), [Global Sourcing Association](#), [German Outsourcing Association](#) and [Sourcing Nederland](#).

Consultants/matchmakers

A consultant/matchmaker is a person or company with many relevant contacts in a specific market segment or industry. As an intermediary they are a door opener, not an agent to make cold calls or send cold emails. Always 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 and 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 and success fee arrangement can be expensive. While the success fee depends on what the intermediary has delivered, you must pay the retainer (usually a fixed monthly payment) regardless of their performance. Together, they should provide a strong incentive 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.

Matchmakers make appointments with prospects for you. However, the presentation and sales process remain in your own hands. This means that a consultant or matchmaker is a good option for you if you feel comfortable taking care of the presentation and sales process yourself.

You also need to determine an exit strategy in the contract. It is in the absolute interest of the service providers to clearly define a (shorter) 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 – for non-delivery for instance – or prolonged for another period). For this period, there should be clearly defined delivery expectations and targets for the consultant or matchmaker, such as the number of relevant contacts, meetings and leads). You could also negotiate a trial period.

Tips:

Work with 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. Avoid marketing coverage and activities limitations in your contracts.

Think about who would be a good sales representative for your company. Although convenient, your uncle who lives in Germany might not be the best choice.

Pre-COVID-19, various organisations have organised matchmaking sessions or missions where companies from developing countries could participate. Find out if there are any organisations in your country that offer matchmaking sessions (on- or offline).

Direct sales and online marketplaces

You can also try to sell your hybrid workspace technology directly to European end users. Many European companies are looking for ways to improve the remote working tools they currently have or invest in entirely new solutions.

You could do this through innovation and the development of disruptive technologies, by attracting investment, possibly through crowdfunding, and by establishing start-up companies as spin-offs of your company, often in collaboration with the producer of the physical products in question.

Crowdfunding is defined by [Fundable](#) as a method of raising capital through the collective effort of friends, family, customers and individual investors via online channels, such as via social media and crowd funding platforms. By making use of different European crowdfunding platforms, you can find potential investment partners based in Europe and raise capital to help develop business ideas further.

Electronic marketplaces are a cheap marketing tool that may make direct sales easier. Although they mainly contain smaller projects for freelancers, they could lead to pilot projects for companies. However, you would need excellent end-market knowledge.

For most suppliers from developing countries, it is very challenging to sell hybrid workspace technology directly. Sometimes, suppliers from developing countries team up with other service providers to make an offer for direct sales to European customers. Having one or more customers in Europe will help you find another suitable European customer, as references are a must when you want to enter this market through direct sales.

The main characteristics of direct sales to end users are as follows:

- There must be a direct relationship between the service provider and the end customer.
- You must have a lot of exporting experience.

Direct sales to end users can be interesting if you:

- have experience in the European market;
- are a large company;
- want to target large European end users;
- focus on a small, underserved niche market.

Tips:

Find leads in online marketplaces. For freelancers and very small companies: [UpWork](#), [Fiverr](#) and [Freelancer](#). To find leads and to display your knowledge and skills: [Github marketplace](#) and [LinkedIn](#). First, you need to have a good website, and second, a good LinkedIn profile.

Make sure you have a professional, high-quality company website, where you present full, accurate and up-to-date details of your product/service offering. Make it compatible with mobile devices such as smartphones and tablets, as these are increasingly popular in Europe. Also, invest in Search Engine Marketing and Search Engine Optimisation, so potential customers can easily find you online.

Take a look at sites such as [Crowdsourcing Week](#) and [Silicon Canals](#) to learn more about crowdfunding and to find the best European platforms. Different platforms are used in different countries. For more information on finding business through online marketplaces, please read our study about [finding buyers on the European outsourcing market](#).

3. What competition do you face on the European hybrid workspace technology market?

Which countries are you competing with?

India, Malaysia, Brazil, Vietnam, Philippines and Egypt can be considered your strongest competition, but the Baltic countries and Central and Eastern European (CEE) countries are also strong competitors.

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. In this chapter, we have linked up the country scores in the GSLI with the most competitive countries for hybrid workspace technology providers.

Table 1: Global Services Location Index

| | | | |
|--------------------------------|--------------------------------------|----------------------------|-------------------------|
| Financial attractiveness (35%) | People skills and availability (25%) | Business environment (25%) | Digital resonance (15%) |
| Compensation costs | ITO/BPO experience and skills | Country environment | Digital skills |
| Infrastructure costs | Labour force availability | Country infrastructure | Legal and cybersecurity |
| Tax and regulatory costs | Educational skills | Cultural adaptability | Corporate activity |
| | Language skills | Security of IP | Outputs |

Source: [Kearney analysis](#)

India continues to lead the Global Services Location Index (GSLI). This leading position is mainly due to the country's unique combination of low-cost services and English language skills. This attractive profile makes India a particularly strong contender on the IT outsourcing market. To stay ahead, the country will need to prepare itself for the transition from lower skilled jobs that may be replaced by robots to more creative and highly skilled work. This applies to other low-cost countries as well.

However, India is increasingly regarded as a 'bulk' destination and not a place to go to if you are looking for very good quality work. Because hybrid workplace technology generally concerns innovative thinking and highly skilled work, India will need to step up its game if it wants to stay in the lead.

In addition, India's language advantage is getting smaller, as many other countries are catching up, while India's overall language skills have not improved.

European buyers often associate extremely low developer rates in Asian countries with poorer project quality. They think that cheap service providers must compromise on the skills and experience of the service developers, or even their working conditions.

Malaysia ranks third in the GSLI, mainly thanks to its large and relatively highly educated workforce with English language skills. In addition, Malaysia has a relatively high digital resonance score.

Malaysia has a strong software development industry with a good reputation as an ITO and BPO destination. The country is a strong competitor in the hybrid workspace technology industry.

Brazil ranks fifth in the GSLI. Sao Paulo is rapidly becoming the digital hub of Latin America, [they are attracting more start-up investment than Chile, Colombia, Argentina and Mexico combined](#). Although Brazil is not (yet) a very common hybrid workplace technology outsourcing destination for European companies, its four point jump in the GSLI compared to the last edition (2019) suggest that the Brazilian outsourcing sector is performing well.

In 2019, the global IT sector registered a 5% growth. Brazil achieved an increase of 10.5% in that same year. [In 2020, the sector achieved an even bigger growth percentage of 12%](#). And while much of the world struggles

with a shortage of skilled workers, it is less of a challenge to find skilled software development professionals in Brazil.

Vietnam is a small but strong IT outsourcing destination that currently ranks sixth in the GSLI. During the pandemic its IT outsourcing sector remained stable and operationally effective and it continued to grow. [They say it is due to their loyalty, commitment to planning ahead and their ability to adapt](#). This also gives Vietnamese companies a good reputation as reliable outsourcing partners.

However, just like the Philippines and Malaysia, Vietnam will have to invest more in digital resonance if it wants to keep its place in the top ten in the coming years.

The Philippines rank ninth in the GSLI. The country, which has mostly been in the top ten in recent years, performs very consistently. The Philippines' digital resonance score, however, falls short, which is something the country will really need to invest in if it wants to stay in the top ten.

The Philippines is a popular outsourcing destination because of its costs, market competitiveness, and good software background. According to the [Philippines IT Market report](#), software development in the Philippines has become one of the more established sub-sectors of the country's IT industry.

Egypt ranks fifteenth in the GSLI. It is a strongly emerging African destination for IT outsourcing. Its time zone (GMT+2) partly overlaps with Western and Northern Europe, eliminating the time differences generally associated with offshoring. Its considerable investments in infrastructure and cybersecurity are boosting the country's business environment performance. The [new administrative capital](#) (New Cairo) is designed as a Smart City using the Internet of Things and big data analytics, and is envisaged to become the Egyptian Silicon Valley.

Wages in Egypt are still low, while its workforce is increasingly well-educated. However, the Egyptian government is encouraging tech graduates to become freelancers, which makes it challenging for companies to create a solid team.

[Egypt is also home to several home automation companies and startups](#), many companies on this list also provide hybrid workspace technology solutions.

Tips:

Compete on the quality of your services, rather than just on costs.

Specialise in specific horizontal/vertical markets, emerging technologies and/or niche market segments to avoid competition.

Which companies are you competing with?

Examples of hybrid workspace technology providers are:

[Commedia](#) – an India-based provider of work-from-home solutions headquartered in Mumbai. This relatively young company emphasises its talented workforce and its ability to find excellent solutions. This illustrates they want to step away from India's reputation as a bulk destination.

[TDCX](#) – A tech company from Malaysia that added work-from-home solutions to its portfolio. They have a dedicated page under 'services' that lists all their work-from-home solutions, such as augmented performance

and remote hiring.

Bashar Soft – a software development company from Egypt that has tapped into the hybrid workspace technology market by developing two employment platforms that have become very popular in Egypt: WUZZUF and FORASNA.

Tips:

The above companies teach us that you need to emphasise the skills of your workforce and the solutions your hybrid workspace technology offers, step away from being a bulk destination, and display your best work (portfolio) on your website, and that specialisation creates opportunities.

Search company databases to find more competing companies. These databases can be free, like [company.info](#), paid databases made available through chambers of commerce (such as the Dutch [Kamer van Koophandel](#) in the Netherlands), or commercial databases like [Bold Data](#). Identify which databases are suited to your search and use them to create a list of potential customers to target.

Which products are you competing with?

Unless you are selling your own hybrid workspace solution directly to the European market, your product is the service you offer. This means that the real question here is: what makes one service provider different from another? The answer is: technical knowledge, available capacity, references, domain knowledge, flexibility, reliability, communication and language capabilities, quality management, security infrastructure, vertical and/or horizontal market focus, and niche market orientation, among other things.

Most hybrid workspace solutions come with a certain overhead of IT-related tasks. They require software updates, routine maintenance and a continuous strategy for the development and implementation of new features. If you can offer to take care of these tasks continuously so that the users of your product can focus on their core business, that will make you stand out from your competition.

There is space in the market for innovation and developing your own hybrid workplace technology products. It is a challenging market, but there are good opportunities for companies that want to develop and sell their own innovative product.

Tips:

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

Keep an eye on the innovation initiatives for the technologies you use. A good place to start is the studies CBI has written on topics like [\(I\)IoT](#), [big data](#), [ML/AL](#), [VR/AR](#), [blockchain](#), [software development](#) and [mobile applications](#).

4. What are the prices for hybrid workspace technology outsourcing?

The price must be right and competitive; however, it is often not the most important selection criterion.

Most hybrid workspace technology projects are so diverse that creating a price breakdown that suits all (or even most) projects is impossible. It requires so much estimating and unforeseen elements that only a very rough estimate can be made of the total cost. Also, if the project makes use of Agile methodologies, it requires a different approach that makes it difficult to estimate the cost of the whole project when the project has only just begun.

The biggest costs of hybrid workspace technology development is the cost of employees. Wages for these employees have been going up quickly over the past ten years. This is expected to continue because of the increasing shortage of skilled hybrid workspace technology developers.

When you do not use Agile methodologies, determining the price of a hybrid workspace technology project starts with determining the work that must be done, the time it will take, the skills needed, the people who will do the work and their salaries. You then draw up a planned, detailed schedule (including milestones and a delivery schedule), so you know how many people will spend how many hours on the project. Do not forget to calculate the costs of overhead, unforeseen costs and other costs, and of course your expected profit margins.

Based on this process, you can calculate the total price, the hourly price as well as the average price for the project. The hourly price is the one you communicate to your prospects. In any case, talking with your prospects is the best way to make sure that your prices are competitive. And if they are not, what is the justification (one that the prospects will accept!) for that?

When you make your prospect an offer, include the price. Be transparent about the number of hours you expect to work on the project and the hourly rates. Break down your rates by stating the rate for each person working on the project (for example: junior developer, senior developer, designer or tester). For more information on pricing models in outsourcing, please read [this document](#).

Good quality hybrid workspace technology should save the company money, because work processes run smoother, and workers feel more included and are happier and more productive. Companies are willing to pay for that.

Tips:

Study average prices in reports such as those by [Cleveroad](#), [IT Jobs Watch](#) or [Pricing Solutions](#). Also research the average salaries for various roles in your work process via platforms like [Payscale](#). Analyse your costs and profit expectations to calculate your price and find the right price for your service.

Create the “ideal” client person to help you tailor your offer. For example: “a technology provider with fewer than 200 staff in the Rhineland area, specialised in videoconferencing solutions for the workplace”.

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

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