

Albert Chou:

This is IT Visionaries, your number one source for actionable insights and exclusive interviews with CIOs, CTOs, and CISOs, and many more. I'm your host Albert Chou, a former CIO, former sales VP, and now podcast host.

Welcome everyone to another episode of IT Visionaries and today we have a special guest. He hails all the way from Germany, it is Boris Lokschin. He's the Co-Founder and CEO of a company called Spryker Systems. They say they are going beyond Boris, welcome to the show.

Boris Lokschin:

Thanks, Albert for having me.

Albert Chou:

Hey listen. We took a look. We always do our research on all the companies and all our guests before they joined the show. And I got to ask, because I'm not quite sure. So we understand that Spryker is headless, modular B2B commerce. But those are industry words. You know, we hear a lot of different companies will say they do headless. In your words, please define what is Spryker? And what do you guys do?

Boris Lokschin:

Good first question. Um, so let me maybe start with just a, you know, simple definition. So we are an enterprise digital commerce platform, and, uh, the platform is aimed, uh, to solve what we call sophisticated transactional business models. Now, you know, to understand what it means, uh, I think we can kind of break, break down this first sentence, sophistication, sophisticated commerce, you know, typically, you would find rather B2B-ish use cases, uh, or enterprise marketplaces use cases or IoT use cases, in this sophisticated bucket right? And the main differences is if you compare it to more commodity type of E-commerce which is very B2C retail oriented, right, then our ICP, our ideal customer profile, our you know, topics verticals, industries that we like a lot are rather, you know, on the B2B side of things, we like automotive a lot.

We like manufacturing in general, right, we like, uh, uh, pharma, med tech, life science, verticals, verticals, which would, you know, rather sit in the B2B bucket and they would all share the same thing, they would have sophisticated or complex use cases to be solved, uh, with, you know, uh, tons of growth potential in digital world.

Albert Chou:

Okay, so I'm gonna kind of disclose a little bit of my background and hopefully we can close the gap in this understanding. So a long time ago as an Oracle consultant, I actually worked on two different projects. One was, uh, Cummins Powerzone, which is Cummins generators and diesel engines for those of you out there. So for, yes, you can buy as a consumer but there was a B2B portal and I was part of this. The B2B portal was insanely, I would say complicated, right because companies were buying you know, like, this portal was designed for like, it wasn't designed for you know, big house sitting in North Carolina to buy one generator. It was for like Dodge to buy a 1000 units or whatever for their next wave of trucks, or it was for a custom build, and they had to order custom parts and they had all these different, let's say rate adjustments based on how many parts you ordered, how much I- how long lead times were, is this where Spryker plays?

Like in that type of in- transactional interface, because this was designed for like the distributors as well as big time buyers to like customize their order to fit exactly what they needed.

Boris Lokschin:

Yeah, I think it's a good... it's a, it's a good analogy and it's kind of the grandfather maybe of the Spryker use case. So to say, right, I think B2B commerce as such, has evolved significantly.

Albert Chou:

Okay.

Boris Lokschin:

You know, since, since you've been on that co -uh, you know...

Albert Chou:

(laughs).

Boris Lokschin:

(laughs), on the consulting side, right. From, you know, if you think back like 15 years or so, majority of the B2B use cases were very much about, "Hey, let's build a self service portal so that our big accounts can you know, restock replenish themselves and our small and midsize account, oh, sorry, the big accounts that we can keep on, uh, uh, serving them with our account executives, and the small and mid sized accounts can restock, replenish, reorder themselves." This was kind of the, the primary use case in the early B2B commerce days. Nowadays because of digital transformation. Which means two things. Uh, we have companies, uh, who are transitioning billions of dollars from their P&Ls from non digital enabled channels to digital enabled channels. I'll give you one example like companies like, Siemens Healthineers, right they, they are not selling...

Albert Chou:

Hmm.

Boris Lokschin:

CT scanners and X-rays anymore to hospitals like they did before right? So they, they try to do this via digital channels. They tried to go into a pay per use model. They tried to build IoT models where you know, the device is reordering, you know, certain materials seeking software updates, where they run tons of data and the niche to understand the, you know, uh, users profile where they can go into pay per use model. So basically OPEX instead of CapEx model these kind of things would be rather the transition right? of revenues. And then there is also tons of Greenfield business models, which are currently being built by these large organizations, business models, new digital products and services, which did not exist before at all right. So they might still keep the old model but you know, decide to build enterprise marketplace for example, where they would bring together you know, a- other sellers or you know, partners of them, so that the experience for the customer is made easier.

Or again build IoT related use cases where you know, the devices can be maintenance appointment automatically, right, or apps where you know, customers can bypass you know, dealers for example, right. Uh, this will be new digital products and services. Um, so, so, the variety of B2B use cases is... has

increased. Uh, the buyer has changed from having been in your old Oracle days primarily the CIO to nowadays is the business.

Albert Chou:

Mm-hmm.

Boris Lokschin:

So it's the VP digital. It's the VP commerce it's the people tasked with sales, marketing, transformation, who are buying this, these products and they're not buying them for cost reduction reasons. Like in the old days, they're buying them to grow revenue. They're buying them to gain market share. They're buying them to, you know, tap into new markets, which they did not, you know, have before. So it's an... it was a upside oriented thing and they want to do it in a modern way in the most agile way possible. They want to do it fast. They want to do it with rapid time to value, nobody wants these 24 months, 36 months implementation projects anymore.

Albert Chou:

(laughs).

Boris Lokschin:

They want to do it lean and fully composable so that they can, you know, launch MVPs. They can invest couple of \$100,000 Max for one use case, prove it and then roll up the next one instead of going for the seven digit investments before they get any result out the door. So the methodology has changed. The buyer has changed, the use case has evolved. And this is why we also referring this now back to my initial statement. It's not B2B commerce, we call it sophisticated commerce because there is more than just B2B-ish use cases, that these companies and they would all share the same thing. Multi-trillion dollar industries and verticals with low digital penetration, digital commerce penetration. By low I mean of- as low as below 5%. For sure below 10%.

Albert Chou:

Yeah.

Boris Lokschin:

While the commodity commerce is the B2C retail segment, selling fashion online, selling, you know, brands selling electronics, books online, which is very commoditized, uh, in a completely different market from where we play.

Albert Chou:

So the way you described it, I'm thinking about these, like you, you mentioned before, these are for businesses that maybe have less than 5% market share, or 5% of their business is online retail a- at this moment, and they're tau- so they're typically not built for that in this idea of composable modularized commerce means, hey, already got a tech stack for us. Don't mess with what I got. I want to integrate an ad like you said new revenue lines and I'm want try to... try this out. We look you up on LinkedIn, we see that you're a Co-founder of multiple different businesses. Some of them have been exited to like retailers.

Boris Lokschin:

Mm-hmm.

Albert Chou:

Is that how you learn that this problem of opportunity existed? Like how did you discover this? Because it's one of the things that we, we talk about with a lot of different co-founders and stuff is like on the consumer app side. There's always a lot of engineers exposed to the problem. So for example, if we're talking about social platforms or dating, like just reality is like most of us are exposed to that right.

Boris Lokschin:

Right.

Albert Chou:

But B2B problems, you have to be inside the problem to know it even exists, then you have to be super intelligent to be like I can solve this problem I'm observing. How did you observe the problem? Let's start there. You... What were you doing where you said, "Hey, something is needed here." Were people already asking for it, or did you kind of hypothesize and see that this was an opportunity?

Boris Lokschin:

Yeah, I would say both things. So Spryker is my third commerce technology business. I, as you correctly said, I, I, uh, built launched and you know, um, had some success was two businesses before. The first one we, we build a platform that you know from today's point of view, we would call the SaaS shopping cart, you know, I did... it was called (laughs), like this, like this back then. And we sold it to one of our largest clients, which was... who was a large electronic retail chain. The second business was an interesting one because we took an open source commerce product which was very, very famous back then, we took AWS, which was in its infancy. Basically, it was just [inaudible 00:08:54] EC two services. So we took the infrastructure as a service layer, we took the application and we built the platform layer in between ourselves, so that we had the full stack SAAS product without owning two or three stacks.

Albert Chou:

(laughs).

Boris Lokschin:

Which was a very interesting, uh, learning this business was acquired by a NASDAQ listed, uh, company. And when I joined them, uh, you know, I together with two other guys, we were leading the, we were leading the digital commerce portfolio, which back then had all the major enterprise platforms such as, uh, ATG that you know, acquired by Oracle, uh, Hybris, pre SAP acquisition.

Albert Chou:

Pre-SAP, S, A, P yeah.

Boris Lokschin:

Uh, Magento pre Adobe acquisition, um, and Demandware pre, uh, Salesforce acquisition.

Albert Chou:

Yeah.

Boris Lokschin:

So we were sitting on all these major mid market to enterprise platforms. And as part of a larger group with you know, people deployed globally, uh, w- with my previous two companies. I was primarily selling to B2C retail companies and, and, and serving B2C retail customers. Now as part of this larger group and through you know, good account management companies of that size typically do, you know, when they are already in an account, they open up for another product line. We were pulled in by, uh, we increasingly pulled in by new verticals and by new use cases that were not on the B2C retail side by insurances. By banks, publishers, clubs, like sport clubs, manufacturing companies, wholesale distribution, etc. Right. And this was the point when I started to see and notice a couple of things. First, it was very clear that all the major enterprise and mid market Congress platforms back then were primarily designed to sort of B2C use case.

None of them was designed for pure B2B only world, and the ones who were rather B2B-ish, right? They were very narrow, you know, in terms of like B2B only. No marketplace, no subscriptions, no this, no that, no lo- IoT. So it was very, very narrow. So this was the first observation. Second one was the one that I already shared about, methodology. You know, and, and the, the, the buyer started to change. All of a sudden we were talking to business people. We were talking to marketeers to salespeople who didn't issue an RFP to save 3% cost per year...

Albert Chou:

(laughs).

Boris Lokschin:

...to get the bonus pay, right?

Albert Chou:

Yeah.

Boris Lokschin:

On, on cost savings, right? Their business KPI was different, they were sitting... they were calling us from 40, 50, 20 billion dollar companies very often market leaders in their niche or in the space, you know, and, and the conversation went very often like this, "Hey, we are a market leader for whatever tool production for, you know, certain tools or for silicon isolations for Windows, or for, you know, uh, corporate business printing machines. We are 45 billion company. We were tasked by our shareholders, by our family office, by our board, we need to go through digital transformation we are playing catch up, because we have not invested and we have not executed this transformation five years ago when we should have started. Now we are behind. There are already competitors, digital native competitors eating our lunch eating into our business model. So we want to transition five to 10 billion out of our 45 within is the next three to five years."

Albert Chou:

(laughs).

Boris Lokschin:

So very ambitious, very ambitious asks, very time critical asks, right. And very serious investments that were behind it, in terms of we're willing to build our own digital native organization one that hires 300 people, 500 people globally. We want to hire engineers, want to hire data scientists. So not this outsource model deployed, you know, somewhere to an SI, but serious ambitions, uh, by business people and all of them, basically, as you said, like from a B2C world, we all know this, nobody's launching apps, you know, and building them for three years. You're always going for MVP you try to get things live in the first 100 days, you try to validate, you try to learn, you try to gather data, right?

Albert Chou:

Yeah.

Boris Lokschin:

And this, this kind of approach swapped over to the corporate and the enterprise world. So these people came to us and said, "Yeah, we want to do... try out this use case." but it's just a hypothesis. We don't know whether this use case will be the one, we, we need to double down on or another one, so I want to launch it in six weeks and try it out. And this was you know, these three things, new buyer, new methodology, and then of course, the technological changes, like further codification, you know, uh, emergence of, um, uh, headless of, you know, um, it wasn't called composability back then, but it was clear that it's going towards a best of breed world and not a monolithic, I buy everything from one vendor anymore.

So the technological change when I thought there might be an opportunity to build something for this ICP because it's, to be honest, much more exciting because the use cases are much more complex. It's much harder to enter this category. And more importantly, it's huge. B2B commerce alone is like more than 10 times larger than B2C retail right online.

Albert Chou:

Mm-hmm, yeah.

Boris Lokschin:

IoT congresses, more than 10 times larger than B2B marketplaces again, so the, the, the potential is, is huge, right? And if you for example, look at, at the moment we are transacting roughly 15 billion of GMV over our platform for our customers. This is less than 5% of the total revenues of our customer base. So even our existing customers...

Albert Chou:

(laughs).

Boris Lokschin:

50 billion is a lot, right.

Albert Chou:

(laughs). Yeah. Yeah.

Boris Lokschin:

Are still, are still sitting on 95%, not yet digitally enabled revenues which they ultimately will have majority of them three- 30 to 50%, the next five to seven years, they will have to shift, right and we want to be the sophisticated engine, the, the operating system for these enterprise clients to enable this type of sophisticated transactional business models.

Albert Chou:

That's awesome. There's a little bit of demand, a little bit of hypothesis, it allows you to see this coming. So one of the things that you... because you cited some examples, right, traditionally, and, and just kind of... for anyone listening who's not familiar with marketplace, I'm going to try to catch us up a little bit. Traditionally in B2C commerce, the providers like the Shopifys, the Salesforce, the Magentos is like Boris is- has listed. They're like whole platforms, like the whole pla- everything's in their platform. So you have to move all your skews into it. You got to move all the you know, the marketing the frontli- front end layer, it's inside this platform.

You can customize it of course. Your back end is usually plugged in via API's, but it is all in this platform. It sounds like you guys have developed something a little bit different. Uh, w- because you call this composable modularized, which sounds like, like you said, before that you had an experience building carts. It sounds like you guys decided to take, hey, sell this platform. In the B2B world you just don't know who's got what, and they're not going to move. They're... It's not like B2C, you can't just shift everything to one platform and say, we're going to sell through this.

Boris Lokschin:

Correct.

Albert Chou:

Like you said less than 5% of their... I mean, 5% was a goal. Like (laughs).

Boris Lokschin:

(laughs).

Albert Chou:

For these companies, 5% was a goal. It wasn't what they were doing. 95% Plus is off their existing business model existing infrastructure, existing technology. There's no possible way they're going to change what they currently have. You're an experiment. This is where I want you to explain how did you, how did you start saying like, alrighty we're gonna basically, I don't know, as unbundled we're... unbundle is my word, we're gonna unbundle Yeah, a traditional commerce platform so that basically no matter what you got, we have something that kind of fits in what you have.

Boris Lokschin:

Yeah, so this unbundle... is what to call unbundled you know, this is what, what is called composable commerce right. Uh, nowadays, so and the idea behi- behind composability is, is simple, right. So, you, you, um, the w- as you described, this, the times of these large, you know, monolithic, uh, was the, the, the term, uh, applications is over, right. So people used to buy one application from one vendor, you know, uh, best of suit, uh, uh, kind of approach everything in, you know, uh, you have only one contract, one SLA, everything is good. Now, what started to happen is that, you know, over time, many, uh,

capabilities and features that used to be a built in feature in a monolithic stack, they became very sophisticated itself. I'll give you a couple of examples, for example, search, right? Of course, every commerce engine of the, you know, uh...

Albert Chou:

Yeah.

Boris Lokschin:

The first and second generation came with a search feature, right, and Spryker also comes with a search feature. However, search is a discipline for itself right, by now.

Albert Chou:

That's right.

Boris Lokschin:

There's a tons of AI and machine learning experts. There's tons of third party services companies doing search only in the best possible way either in a generic way or even speci- uh, specialized in certain industries and on certain verticals, gathering data, building the machine learning algorithms, so that you can send them your search requests, and they give you convert optimized results. Recommendation engines, like the typical customers who bought this, you know, buy that right?

Albert Chou:

Yeah.

Boris Lokschin:

Uh, like certain features that gifts, promotions, return features. Everything which used to be a majority of things that used to be built in features in a monolithic stack, have become, you know, independent, third party services. And, and this is good this way because now you know, there is the... people that specialize so people are rather going deep and abroad. Now the question... and this was something that we started to see, you know, very, very early on, but basically the inception of the platform that, you know, if you want to, um, create, you know, the best possible... if you want to enable the best possible business outcome, and this is very, very important because it's different from the old pitch of the old, you know, [inaudible 00:18:06]. The old pitches were very much about creating technical lock in, you know, if you're using my gigantic platform, then you're technically locked in. It's very expensive for you to move off the stack.

Albert Chou:

Yeah.

Boris Lokschin:

Very expensive.

Albert Chou:

Re-platforming is a nightmare scenario for everybody.

Boris Lokschin:

Nightmare.

Albert Chou:

If you re-platform, everyone's eyes glaze over, like Ugh. (laughs).

Boris Lokschin:

Exactly, exactly, exactly but this also meant that people were, uh, and, and we encountered this in our early days, people were so much frustrated, right? So we spoke to customers who were sitting like for two, three years on a legacy stack, not because they're happy, not because the stack is... has delivered the business outcome they expected not because you know, the product made so much fun to use, but just because it was painful to migrate off, and imagine I mean, what, what damage this, this, you know, caused and still cause us to business. So our assumption was different, right? Let's instead of locking the customer in with you know, a technical login, let's build a product that makes sense for people you know, to stay on. Let's build an ecosystem which enables people to come together and gives the customer the choice. This doesn't mean that we can't provide certain capabilities. In fact, we do as I said, we do provide our own search. We do provide our own product information management and content management capabilities out of the box.

But if a customer, you know, want to rather use a different capability, they don't have to change the entire stack. They can just change one legal break and they keep the rest right, because this one legal break, you know, used by or, or, or consumed by... from another company, from, from another service makes total sense for the business, you know, in whatever way because it's, you know, hav- having more features because it's specialized, because it's, you know, maybe the price point makes more sense. And, and you know, this is what composability is about like on the, like, from a technical point of view, from a business point of view, you want to enable business agility, because what also happens is very often, uh, when people use monolithic applications, they are not using the entire stack.

Albert Chou:

Mm-hmm.

Boris Lokschin:

Like there are different statistics and different numbers, right. Uh, so I don't, I don't think there was ever like a, you know, worldwide research but the numbers that I have seen is, it's typically, it's even less than 50% of this, you know, monolithic applications you would actively be using on a daily basis, which still means you're paying directly and indirectly for the entire stack. You're paying for license costs directly.

Albert Chou:

Sure.

Boris Lokschin:

You're paying through support operations cost indirectly because we all know, the bigger the technology stack the more code you have, the harder and long it takes to fix bugs, deployment, application, do you need more infrastructure, etc, etc. So you have a lot of downsides, but you have no business values, right? And this is kind of another trend, which is underneath saying, hey, this tech needs to be always as

lean and clean as possible. Ideally, it's stripped down to the exact use case that you have. And because otherwise you can't go... if you remember what I said about business agility. You can't go for let's roll out an MVP in 100 days. If you always did everything, right?

Albert Chou:

Yeah.

Boris Lokschin:

Maybe your use case is very narrow, narrow to a channel, narrow to a cohort of users, narrow to a front end, narrow to even like a certain use case within a channel. You might need like, you know, Spryker provides 50, 60 capabilities out of the box. You might need for your first MVP, you might need maybe only three or four. And you can do so, you can... it's a very lightweight, rapidly deployed, easy to customize or to configure piece of code and then you can grow from that if this use case makes sense. You double down you add capabilities from us, you add capabilities from others. So in order to keep you know the code base, clean and lean, in order to enable business agility, in order to enable rapid time to value you need best of breed approaches, so that you can, you know, decide for the best combination of partners, and not only once at the beginning of the deployment, but also throughout lifetime. You have five years on the stack, you know, maybe in two years from now, your product department grows and gets more sophisticated and has more requirements that out of the box capabilities can't fulfill.

Maybe there's a new search which came up maybe there's a better payment provider you want to s- uh, you want to switch to. So you as a business you need this freedom to decide what makes total sense and this is you know what, what we basically saw and kind of baked into the DNA and the architecture of the platform.

Albert Chou:

So from the timeline on the website, it looks like 2014 is when you turned the lights on at Spryker is that right?

Boris Lokschin:

Yeah, end of 2014. So we founded the business and it took us some time to build the product, but end of 2014 we founded the business, yeah.

Albert Chou:

So give us an idea. So, um, I'm assuming... in the very beginning were your hands on the keyboard, were you helping develop the product along with your team?

Boris Lokschin:

Uh, no, I was, I was not, uh, coding myself. No.

Albert Chou:

That's okay. The reason why I want to ask is I want to say like, How did you solve the first... So one of the hardest things is you know, and this is what confounds a lot of technical co-founders, or even non technical co-founders, but people want to start businesses in general is like they, they, I think they agree that they want to go lean, MVP. The challenge is, what do you build first, right? (laughs). What should

you build first? And when you're solving a problem as big as what you're describing, there's a lot of options right? You can build a lot of different things...

Boris Lokschin:

Yeah.

Albert Chou:

...for yourselves. Like when you first started were you more like a, um, I mean, I'm trying to guesstimate what it was. So I'd love for you to describe this. It feels almost like you might have acted and behave a little bit like a systems integrator first, because, you know, you mentioned earlier a lot of B2B systems back, back then, were probably custom built. Like they probably got an outside vendor or their own internal dev team, most likely an outside vendor to build them some type of interface to have this thing you know started.

Boris Lokschin:

Mm-hmm.

Albert Chou:

Were you like a s- SI in the very beginning? To see like listening to customers be like, okay, they want this component because you didn't build... I don't think he built the whole platform right out the gate. Give us an idea of how you made the decisions of what to build first.

Boris Lokschin:

Yeah, good question. So, so we were not like an SI, but we were very close to our customers still. Right.

Albert Chou:

Yeah, (laughs).

Boris Lokschin:

So I don't think it's a controversial...

Albert Chou:

(laughs).

Boris Lokschin:

Uh, it's, you know, so, so, uh, the initial value proposition was, uh, very technical, right? So it was rather it was not that business feature oriented because what we heard about fr- from you know, our own experience having worked with all the other stacks is that, every time one of these, uh, one of these non-retail customers tried to use you know, uh, this rather a B2C-ish platforms back then, changing them and changing the architecture, which was never designed to do so like decompose it to modules, you know, extending it you know, adding use case that you know, people saw on a B2B side. This was very, very, very expensive, very hard to do because it just was not part of... neither the tools provided nor the architecture. So, the initial value proposition what you build kind of in the very beginning was very, very, you know, tech oriented. So, we built kind of a framework, which you know, provided this

base architecture which we still have today, which was you know, composable which was headless was decoupled front and back end which had API's, you know, uh, so we did not go deep on every single capability like adding features, feature videos, but you know, we made sure that the architecture makes sense right.

Albert Chou:

Okay.

Boris Lokschin:

And then we tried... and then we, and then we started to validate it was the first, with the first pilot customers we are going, going to them and s- and, and, you know, putting this you know, in their hands saying, Look, you know, if you would, please let us p- we heard or we knew, you guys have an RFP going on or you have any type of platform selection, right. We know that you know, by any means we would not fulfill your requirements yet because, you know, not all certification are there because no references.

Albert Chou:

Sure.

Boris Lokschin:

But we are an experienced team, you know, of, uh, technology and E-commerce veterans and people who understand the domain we- well and we guess we know what your problem is. So have a look at this right just kind of outside of the competition have a look at this, right. And people did, right. And they were like, "Oh, amazing, you know, this exactly what we need." Right. So, and then people gave us the chance and gave us the benefit of the doubt, uh, betting on this right, uh, becoming pilot customers. And then of course, you need to listen to your initial partners, you need to listen to initial clients. And this is what I think we did to, to kind of help us shape the roadmap and understand you know, do we want to go abroad? Do we want to go deep? Which capabilities first? Which capability second? Ultimately, if you look at how the roadmap is shaped today, it's a much more, you know, let's use the word again, sophisticated process.

Albert Chou:

Sure.

Boris Lokschin:

But in the beginning, it was the sta- just staying very close to our, to our customers and partners.

Albert Chou:

And then what was the first sign of success because, uh, I, I just to give you a quick update, my, my background was I had an enter- enterprise software company before and I remember building, it was for social media marketing, and I thought I understood social media and then like some of the big brands like what they were asking for, I was like, "I don't... I would never have guessed that." and so (laughs) we have to keep building. But it took a while when we had our first like feature that hit or first I guess, you know, feature set I guess. It wasn't a single features like the combination of these things. It worked for them. What was that like? Give us an idea when you were like okay, we are on the path.

Boris Lokschin:

Yeah, I'll give you a funny, uh, a funny story here. So, ironically, I would not... so I- in this bucket I would not necessarily put like features right but something, something completely different, right?

Albert Chou:

Yeah.

Boris Lokschin:

So as you, as you said as a, as a founder, and an entrepreneur, hopefully, at some point in your, in your, uh, kind of, uh, company development. You come to this aha moment (laughs) because when you wake up and like, aha, that, that one works.

Albert Chou:

Yeah.

Boris Lokschin:

So for us, this aha moment was rather kind of market traction related and I'll explain why. In the first 12 to 18 months while we were building the product and having our first pilot customer, my co-founder and I basically everything we discussed in the first part of the show, right? Uh, this how we see the market changing, how we saw digital transformation, how we saw, um, new digital products coming, how we saw the buyer changing, why new methodology is important. What is it that these B2B companies can learn from the Amazons of this world, right? How they need to rethink their, their org structure right? Uh, which roles they need to hire, why they can outsource everything anymore, right? All these kinds of observations, why companies outside of retail should build digital cameras, right? So we spoke to manufacturing companies back then they were like, "Hey, we are selling tools. What are you? What are you talking about? Are you, you... we don't have spare parts. Our dealers are selling the spare parts." We are... no, no it's much more than just selling a spare part.

So we went literally on every podcast, on every stage, into every trade show and conference we could, and obviously in hundreds of customer meetings, not pitching the product, but explaining them the problem, how the market is changing in their favor, by the way, right? B2B digital commerce with B2B marketplace, IoT will become much, much more important and why they need to do it now and the first 12 to 18 months it was the most frustrating expe- (laughs), experience ever. Because it was a little bit like universal truths. You know what I mean? It's like when you say to people, you know you need to protect the environment, you know, we need to I0- need to love our children. Everyone is yeah, yeah, sign up for this right?

Albert Chou:

Yeah.

Boris Lokschin:

But like, so the pitches, they went like this. People were listening to this. They were saying, "hey, look what you can... learn from Amazon. Yeah. Of course, look how you need to transform. This is why the budget needs to move to the CMO, CSO, not the CIO. Yeah, of course, agility. Yeah. Do you want to launch in 100 days and not two years? Yes, of course we want." So everyone signed up for these things.

But they did not understand and at the end of the meeting, it en- always ended the same "Yeah, guys, we love what you said, but show us the demo." we're like guys...

Albert Chou:

(laughs).

Boris Lokschin:

It's not about the demo, it's not about the features, right? You didn't listen, it's much more fundamental. Right? It's not a magic stick. E- even if we give you this product. If you don't transform. If you don't approach this holistically, you will fail, right?

Albert Chou:

Yeah, it's a capability. It's more like a capability than a methodology. You got to subscribe to it first before anything works.

Boris Lokschin:

Exactly, exactly, exactly. This was very frustrating. And then, and so we went you know, every second day right, basically every week, and then, and then, and we got rejected by many companies that said, yeah, yeah, we understand fundamental you guys are right, but you know, we need something with, you know, this, that feature. So and then 12 to 18 months, and I still remember this day, like, I think it was like 18 months or so after, after we, we, we launched. Out of a sudden, more or less, all of a sudden, more or less overnight, the market changed, the market flipped. This is actually the risk and the chance of a market education driven, go to market approach, right? If you're creating a market if you are doing the market, the heavy lifting evangelism the market education stuff, two things can happen to you like as an entrepreneur. One is, right, at some point the market flips like to, to, to what you said, then you will be the one, th- the thought leader, the one who always said it will be like this, right? Everyone will want to talk to you.

The second thing that could happen is the market doesn't flip or flips way too late, right? Then you're out of business, okay?

Albert Chou:

Yeah.

Boris Lokschin:

Which happens to the (laughs) majority of people. In our case, luckily, you know, the market flipped like and, and started like people who rejected us like six months ago, five months ago, were calling us and saying, you're the guys you know, we had this meeting nine months ago, six months ago, you told me I need to do this. I just went for a better tool with more features and I failed. It's still not live, the partner still tells me it's 18 months it's already 2 million spent.

Albert Chou:

Wow.

Boris Lokschin:

Uh, you know, every update cost me 600,000 euros, uh, my business, my, my board gives me hell, etcetera, etcetera, right. So, so, we need to talk again, can you come in and, and, and now we listen to you and now we are ready, and we are open minded to do... not just to buy software from you but to do the transformation as we should. And this changed like basically overnight. And all of a sudden we we're, we we're to thought leader so you know, have always seen the markets like this right and people... and I think this was kind of the change moment, and then everything became much easier, partners were easier to acquire customers are easier to... analysts started paying more attention, etc, etc. So this was, uh, the, the, the aha moment for us. Af- after eight months of, of suffering...

Albert Chou:

Well, that's I mean... in the lo- in the grand scheme 18 mon- that's very good timing, you know what I mean, because we... you got to disclose how you discovered this problem, you know, customers are already kind of talking about... you kind had a hypothesis, we should probably just match this up. Turns out, you know, it took a li- 18 months for the story to resonate, (laughs), but the timing (laughs), was pretty pretty darn good. Um, you know, and so this is one of those things where it's like, when you hear it now, I think it's clearly obvious that this is the way the markets going, but probably I agree with... well pro- back then people are like, sounds good, but you know, give me a all in one platform.

Boris Lokschin:

Exactly, exactly.

Albert Chou:

The- they're like, give me an all in one platform. We keep seeing all these other, uh, consumer companies do an all in one. Why can I have an all in one, and the market eventually cat- caught up, you know, I want to shout out your company a little bit because when it was first put across our desks, we you know, a lot of technology companies want to be on IT Visionaries. We always want to learn a little bit about it. And before we say yes or no, but what was fascinating to us is okay, you're already being recognized by Gartner, Magic Quadrant for digital commerce, you already recognized, uh, for marketplace operation applications. You guys have raised big... a good deal of money now and it looks like you have raised since 2020. So I think you guys are probably doing great financially, um.

Boris Lokschin:

Yeah.

Albert Chou:

Give us an idea. Where is the company today? Because on the website, the logos that you guys carry now, uh, you know, major companies like, like Ricoh, like Aldi, like Toyota, like Siemens, they're on your... this, these are huge companies, obviously.

Boris Lokschin:

Mm-hmm.

Albert Chou:

And when we think of Toyota, we usually think of it, you know, like I said, like, toy- most people think Toyota is like dealerships, like who's selling B2B, you know, like a lot of these companies they don't

really understand like, how these transactions are flowing, but you're carrying huge companies give us an idea where the company is today, and what you guys are up to.

Boris Lokschin:

Yeah, so I mean, we are a 600, uh, 600 plus another 50 people in 45 countries. So we are remote first, uh, company, you know, we have a... obviously a media Central and North America being our core markets, but we you know, rapidly do expand and APEC for example, as well, which nor planned...

Albert Chou:

Sure.

Boris Lokschin:

... for this year will be pulled forward. There's a lot of you know, interesting, uh, uh, demand, uh, coming from you know, we are very disciplined when it comes to our ideal customer profile, as I said, right. So it needs to be you know, it needs to be within a sophisticated bucket, right? It needs to be you know, companies typically with, you know, a billion above revenues, you know, in the, you know, manufacturing services. Uh, in, in retail, we only like food and groceries a lot, right? This is, uh, because it's also huge, a huge market in automotive, lifestyles, medtech, you know, um, basically around the world as I said, we do process roughly 15 billion in GV, uh, more or less equally like a certain US a certain, uh, [inaudible 00:34:44] and then, uh, and then APEC and yeah, I mean, we, we are very proud, you know, to be recognized by the analysts, uh, obviously, you know, for, for everything we do. We are even more proud to be recognized by our customers and partners because, as you might know, there are also, um, uh, customer review platforms which increasingly play an important, even maybe more important role because this is not just an opinion of, you know, a group of analysts.

Albert Chou:

That's right.

Boris Lokschin:

Which, you know, I don't want to diminish. I don't want to diminish this.

Albert Chou:

(laughs).

Boris Lokschin:

Uh, but, but you know, if you have like 10s or hundreds of customers who are actively using the product, uh, you're telling and sharing their experience like all of us would do on Airbnb or, or...

Albert Chou:

Sure.

Boris Lokschin:

You know, on booking.com. You know, this is definitely a value, uh, we would rate you know, very high there. So, you know, um, which, which... and this is, by the way, an important, uh, anecdote here as

well. You know, this is my third B2B company, right? And what I always, what I always liked and disliked about this space is that... And I, and I'm always saying at some point in my life, I need to do something for B2B-sh, because the good thing in B2C... and I have many frie- um, more B2C-ish, and I have many friends who have B2C startups and build some apps or whatever. The good thing B2C is that the buyer of the product is always the user of the product.

Albert Chou:

Yeah.

Boris Lokschin:

Right? And you would vote with the most honest thing that you have, which is your wallet, you know, for this app or for this phone, right or for this whatever right, a- a- airpods, uh, and you deci- because you decide, you're deciding basically for yourself, right?

Albert Chou:

That's right.

Boris Lokschin:

In B2B, the buyer of the product is never the user of the product. So you would, you would spend like months like 5, 6, 7 months within like a deal lifecycle, talking to tons of people, like procurement, le- legal, like commercial finance, right?

Albert Chou:

Yeah.

Boris Lokschin:

On the customer side.

Albert Chou:

Yeah.

Boris Lokschin:

And none of them will ever see...

Albert Chou:

And then the CFO, the CFO comes in out of the left field, like it's too expensive. (laughs).

Boris Lokschin:

The CFO, the CEO, the owner is like you know, you name it. You will you sometimes have like as many as 30, 40 different individuals, you know, uh, being part of such a complex, uh, buying, buying process.

Albert Chou:

Sure.

Boris Lokschin:

And guess what, none of them will ever use the product.

Albert Chou:

That's right.

Boris Lokschin:

Or many of them will never even see the product, right? So you deal with people buying a product, uh, to be used by someone else. And this is why these reviews are so important, because these reviews are then actually from the users, right? And this is very easy to B2B, and, and especially for enterprise products, you know, for the procurement people to select something to put into the hands of the developers, into the hands of the marketeers the content managers, which will they hate, right because the tool will be the cheapest.

Albert Chou:

Yeah.

Boris Lokschin:

Or you know, the most compliant one is the RFP but not the most usable one, not the coolest one, not the easiest to develop with one right. Which is which is very important. So yeah, uh, I think that, uh, this is why reviews you know, on top the analysts matter a lot to us.

Albert Chou:

Yeah, no doubt about. Well, Boris, I want to say thank you for joining us today on IT Visionaries and sharing what Spryker is up to, you know, one of the things like we always say, and we say this to every CEO, by the way, so you're not... you're the same. It's like when you read a website, a lot of times the you know, your marketing team, has included some of the buzzwords that the... you know, your market's looking for but it's not clear to everyone else, like what are you doing? What are you guys talking about? So it was fun sitting down hearing the problem set, the solution set, understanding that composable commerce basically is what you consider... this is the way I would describe it now. Is... If I were to describe it to anybody, I'd say think of a B2C commerce platform. It's all in one. But what Spryker has done is they've broken it apart, and that you can then integrate the component parts you need best for your business.

And in enterprise grade, ultra complex problems. They have an ultra simple solution that you can build on top of depending on what it is specifically, like you said in the value chain that you need, whether it's just merchandising, whether it's just search, whether it's, uh, order of fulfillment pick pa- I- I remember one of our clients we actually had a client recently, um, this was a different... this, we pitched a podcast to, but they were explaining how they were a manufacturer of barbells. They manufacture metal, metal and barbells and they were trying to go B2C For the first time or B2B, B2C, Like let people order the barbells directly from them and they were talking about how hard it was.

Boris Lokschin:

Right.

Albert Chou:

They couldn't figure out how to get just the pack slips into the people's hands of what it was. So every business Ultra complex, Spryker integrates with all. Boris, I want to say thank you for joining us on the show. But before you go, we want to learn a little bit more about you, it is time for the lightning round. The lightning round is brought to us by Salesforce platform. The number one cloud platform digital transformation of experience. Boris, this is where we ask you questions outside of the world of work, so our audience can get to know you a little better. You ready?

Boris Lokschin:

Okay. I'm ready. Yes.

Albert Chou:

All right. Sometimes we mix some of the questions, uh, a little bit of work. So we'll start from this one. This is a fun one. Okay. Spryker has got a unique animal mascot. What animal is it?

Boris Lokschin:

This is an oryx antelope, which is the only antelope which is not only fast and agile and flexible but can also battle a lion, uh, because it has these straight horns and it's very powerful and strong. The usual, the normal antelopes, the so called kudus ones that you see in Africa, they eventually get eaten by lions.

Albert Chou:

There you go. Alright, so who picked this as the mascot? Did you pick this as a mascot or did... (laughs). How did you find out about this animal?

Boris Lokschin:

You want a... you want a marketing story or you want the truth? (laughs).

Albert Chou:

I want to know from you. (laughs), how did you guys pick out? How did you guys pick out this Oryx? Because, I mean, in my defense, I believe that most people do not know what an Oryx is. (laughs).

Boris Lokschin:

Yeah, look, look. So I think, I think the you know, we, we, went... while we were searching for a company name, we just need a placeholder and we just called it you know, Project Oryx. I think that was just kind of randomly selected, right, because we like this. So this was kind of the placeholder before we had an actual company name. We were searching for this, uh, company name. And, uh, you know, now there are tons of stories that our PR team can tell you about why it's called Spryker. But the truth of the matter is that we just needed something which we could secure all the domains for, which would be globally avai- (laughs). Globally available.

Albert Chou:

(laughs).

Boris Lokschin:

So, so, and, and then once we flipped to Stryker, then you know, we kind of fell in love with this Oryx. And apparently, some early people on our team did some research and, you know, found out that, you know, Oryx, they're fast, you know, they're flexible, which was kind of cool analogy to be, to challenge the incumbents in our industry, the slow expensive old analytic platforms, so we thought like Oryx is, uh, actually pretty cool so it's so we kept on using it.

Albert Chou:

Nah, I think it's cool. I mean, the way... it does make for good story, but it is, as now we all know it is purely coincidental, had they call their project, project Flamingo that might have been their mascot. I don't know. Maybe they would have changed it, (laughs).

Boris Lokschin:

Exactly, exactly.

Albert Chou:

So were you born and raised in Germany?

Boris Lokschin:

Uh, I was born in Russia. Uh, I came to Germany when I, when I was, when I was four.

Albert Chou:

And so one of the things that we have that America... there's... most of our audience in North America, we... for those of us who have done business with Germans, we think of Germans as very proper people. However, I've gone surfing with Germans and they are some wild animals. Um, how would you describe yourself? Away from work. Are you... do you... How do you like to cut loose?

Boris Lokschin:

Uh, So I'm a, actually I'm a water person. So everything which is water related surfi- surfing, wakeboarding, kite surfing, I like, uh, for the simple reason that you just can't have a phone in your hand, just not possible.

Albert Chou:

(laughs).

Boris Lokschin:

You know, it's a [inaudible 00:41:58]. You c- you can play, I've seen people playing soccer with the phone and still, you know, being on calls or doing some slack, right? I've seen people, uh, standing on [inaudible 00:42:06] skates and skateboards, uh, sitting in a stadium. You know, if you're kite-surfing you just c- you just can't do email. You can you know, you're completely relaxing and, and focusing on what you're doing. So I'm a, I'm a [inaudible 00:42:18].

Albert Chou:

Oh, listen, I, I, I can relate to this very well. I saw rem- I remember once seeing this, uh, like product pitch for, um, a type of glasses that you could then potentially have your airpods or it was Bluetooth and you could answer phone calls. And I was like, man, no water person's gonna want that.

Boris Lokschin:

(laughs).

Albert Chou:

And I was like, no one's go- (laughs) no one's going to want that.

Boris Lokschin:

Exactly.

Albert Chou:

It didn't... It didn't make it. (laughs). Where have you been around the world? It sounds like you might be a bit of a traveler if your... water is your hobby. Uh, you have a global company, uh. Where are some of your favorite places to go in the world?

Boris Lokschin:

Uh, so I used to... so before, before I started this, when I was still in high school. I, uh, I used to be on the national team for trampoline, trampoline jumping.

Albert Chou:

That's crazy.

Boris Lokschin:

Right which is, uh, it's yeah, it's crazy. Exactly. Uh, and as, you know, part of this team, I, I was traveling the world a lot right? So which was very interesting because my friends in school always thought that... it was pretty much like nowadays with business travel. When people are like if you speak to people who are not traveling that often they're like, Oh, you have been to San Diego and San Francisco then you flew to Chicago and th- then from there you flew to Madrid and in Paris and home? Wow, amazed. Th- the people think like you're going to the Eiffel Tower and then you're going, you know, to see this that. Reality is you're flying to the airport you're take a cab to a hotel.

Albert Chou:

Yeah, you're in some convention center, (laughs).

Boris Lokschin:

You're in a convention center right and... corporates hotel right?

Albert Chou:

Yeah.

Boris Lokschin:

Then you're taking the cab back, the cab back to the airport, you know, completely jet lagged. Take a red eye flight.

Albert Chou:

Yeah, yeah.

Boris Lokschin:

This is what happens. And this was exactly the same back then in school. When people saw, all my friends were like, "Oh, you have been to South Africa to do this competition. Oh, you flew to Japan." Like and then, it was exactly the same but no business convention center but like the gym basically, (laughs).

Albert Chou:

Yeah, yeah.

Boris Lokschin:

So, so yeah. You know I'm traveling a lot again, I like water place. I, I, I'm a warm water guy right so the water needs to be... some [inaudible 00:44:02] ocean guy. I need warm sea water. You know, this is what I, uh, what I enjoy a lot.

Albert Chou:

Well listen, I got some recommendations for you throughout Central America and South America if you're ever interested, um.

Boris Lokschin:

Mm-hmm.

Albert Chou:

If you go surfing a lot, if you're a righty, you should go to El Salvador, Las Flores. It's one of the longest rides.

Boris Lokschin:

Yeah.

Albert Chou:

If you're a... if you're goofy footer, uh, you got to go to Puerto Sandino in Nicaragua. It is so long and ripping and of course [inaudible 00:44:28] of Costa Rica is super famous. So if you ever get a chance to go to any of those places, you'll, you'll quite enjoy it. Boris. I want to say thank you again for joining stay on It Visionaries man, it was a lot of fun. You are without a doubt our first, uh, national or global trampoline competitor on the show.

Boris Lokschin:

(laughs).

Albert Chou:

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I can promise you that. That is a 100%, you are the first.

Boris Lokschin:

Thank you. Thank you.

Albert Chou:

(laughs), thanks for joining us today, on IT Visionaries.

Boris Lokschin:

Thanks for having me, Albert. It was, much fun.