**Episode 66**

**Selling Software in Today’s Localization Landscape**

**Featuring Bjoern Lux of XTM**

Michael I’m Michael Stevens.

Renato I’m Renato Beninatto.

Michael And today on Globally Speaking, we are talking about sales. We oftentimes only talk about services.

Renato Localization and language services. But our friend today—because of a change in sales methodology—stopped selling language services and started selling software. Let’s hear about his journey.

Bjoern My name is Bjoern Lux, I work in sales at XTM selling translation management software.

Renato And how long have you been doing that?

Bjoern A year and a half now.

Renato We have always worked selling services as LSPs. Now you have moved to another side, another dimension of the business. How different is it selling technology from selling services?

Bjoern I realized that I’m really bored with selling services. I got really frustrated with selling services because it’s a commoditized business, it’s about word rates and the cheaper the better.

Michael A light bulb went on for you.

Bjoern The first light bulb went on in a client meeting I had and they were like, “Well I work with vendor A and vendor B. Why should I work with you? What’s different?” I didn’t have an answer, I really didn’t. I said, “Well, seriously, if you like me, and if you like the PM I’m introducing you to, then that’s why you should work with me.” So, I figured I’d go into software. It’s something more tangible. Does it do this or not? Does it do this well or not? It’s a black and white answer.

Renato Well you’re still in the language services space?

Bjoern Yes.

Renato And tell us, what does XTM do exactly for people who don’t know it?

Bjoern It’s translation management software. The idea is to manage your localization program entirely, using one platform, integrate your vendors. We’re focusing on translation buyers and enterprises, mostly on mature and large enterprises. It’s a very, very deep system, it’s not—

Renato A desktop translation memory tool.

Bjoern Yes, exactly. It combines everything from linguistic asset management, workflow management, vendor management, cost management. It’s all about automation. Design your workflows, design your localization program and then put in on rails.

Michael We spend a fair amount on the podcast talking about sales, and oftentimes it’s from this full-services mindset. When you decided to get out of services, did you have a really strong grasp on selling a product?

Bjoern I went to XTM, actually, because we had a joint customer—the LSP I was working for at the time and then XTM—and I noticed that it was just a much more strategic decision that they were making. Laying the groundwork was the technology.

Michael Yeah, because often the center of the program is that product.

Bjoern Then everything else came around it, so I said, “I want to be at that center.” That’s one of the things that we tell our customers—have your TMS in place and everything around it can just be exchanged. You can plug in the vendor.

Michael So you started thinking about product and all that, and then you already had a relationship, so that made sense. Even the way you’re paid is different. Services tends to have really complex commission models and there is a lot of variation in that. On the product side, what are some things you can let people know who may be interested in it?

Bjoern I like that it’s more predictable. You know you’re going to sell like a $100,000 subscription, and that’s going to renew at $100,000, ideally a little more, the next year. You’re not chasing after words. You don’t sign a big contract and then you have to try to gather all these words because they’re all scattered around the company somewhere, and then you’re running after them. You might think you’re signing a one-million-dollar deal but really…

Michael You’re always signing a one-million-dollar deal.

Bjoern There might be a million in five years and then you’re cut out of your commission already.

Michael Oftentimes, we who get involved in sales like to have control over our earning potential. Sometimes that means you want to earn a whole lot; sometimes it means you want to have more free time but know exactly what you’re going to make. Products often help people do that.

Bjoern Yes, exactly.

Michael What you need to do for it. So, it’s very controllable, and I think that appeals to a lot of people.

Bjoern The thing that’s really nice and takes a big headache away as well: you don’t have to talk about margins anymore. You don’t have to fight with your production teams, you don’t have to see, okay I sold it at 20 cents a word so how are we going to make a margin on it? Are we going to be able to turn a profit?

Michael What about the competitive landscape? Do you feel like you’re competing against more people?

Bjoern No I’m competing with a lot less. In the beginning, it was difficult for me to see what our sweet spot is, who I am going after. But now I know that, and I know how good my chances are of winning going in. And I have a really clear idea of who is going to be my competitor, who’s going to be the first ten that are selected in RFP and then I can almost predict who’s going to end up on the shortlist just because it’s feature-based. We do A, they’re looking for A; that’s awesome, and I know my competitor is not doing A, so they’re probably going to get kicked out after the first round.

Michael What is the biggest mistake you see people making early on when they are choosing vendors to look at for TMS?

Bjoern A customer will list a hundred different features that they want, and the biggest mistake is saying that all these hundred things are crucial. These are must-haves, and I’m not going to waive any of those, they’re all important, they’re all must-haves. And that’s not going to happen.

Renato This is a characteristic that is happening across the board in procurement or in the buying process. It’s happening in recruiting a lot, where companies want to recruit the perfect candidate, that candidate that matches all ten requirements that they had listed as being crucial, and sometimes that person doesn’t exist; sometimes that product doesn’t exist.

 It’s a matter of finding the best fit and creating a ranking system. You can weight your decisions and your factors when you’re making comparisons. There are some things that are crucial and really, really important, and some that are nice-to-have and you can ask your software developer or your supplier to put that in the roadmap. And maybe you’re not going to get it at installation time; maybe you’re going to get it six months later, a year later.

Michael Yeah, and that does happen in products as well; like, the product matures, the clients have input, oftentimes about development, own it and make the final decision, so that’s an interesting piece of it, too. I wonder if we don’t have those expectations because consumers get so much. Like, Apple gives us so much that for B2B products now, buyers have always expected everything.

Renato I think that what is happening now is because there is so much choice. I love a story that I heard from a CTO once. He was describing how they were going to outsource. They used to develop software internally and they decided to outsource the software and they made a list of requirements that was absurd. He goes to the developers who say, “But these are things that *you* cannot develop.” “Yeah but we’re buying, so we can ask.”

 You don’t know what the agenda is, what is going on…sometimes there’s an element of revenge, right? “I don’t want to buy no stinking technology; we can develop it ourselves.” Then an executive makes a decision that you’re going to acquire that technology, and the stakeholder starts making unreasonable requests. “I need this pink little cat in this screen,” and that becomes a requirement.

Bjoern I think it’s more about you have a lot of people who have large groups of people that are making this decision. You have your localization people, you have your marketing people, you have your developers, and everybody wants something, and everybody wants his thing to be the most important. If you’re buying a new phone, you’re a consumer. It’s just you. You can determine if one product is perfect for you or not. It’s the dynamics of the group, and there needs to be somebody in the company that says, “All right, we have one hundred requirements and those are spread between eight people; there’s going to be a few winners and there’s going to be losers.”

Michael It seems like you have made a transition, you’ve enjoyed it. How many years were you selling services previously?

Bjoern Fifteen.

Michael Fifteen?

Bjoern Yeah.

Michael So like thirteen years from now, we’re going to check in and see if another light bulb goes off?

Bjoern I don’t want to be working anymore in thirteen years!

Michael Nice, even better!

**End of conversation**