



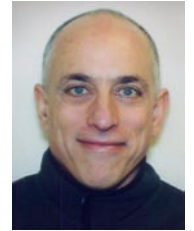
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MultiLingual Computing, Inc. • 319 North First Avenue, Suite 2 • Sandpoint, Idaho 83864-1495 USA • 208-263-8178 • Fax 208-263-6310

Globalization nerds come of age

Michael Klingner



Perspectives

In the early 1980s, I watched a movie called *Revenge of the Nerds* about two male high school geeks who, through a series of events, become the most popular kids in the school. The cheerleaders fall in love with the geeks and ditch the football players. It was not a great movie, but toward the end of the film, it dawned on me that this was truly addressing a paradigm shift in our cultural values in the United States. In the information age, with the prevalence of technology, "geeks" are essential. Nerds have become the new heroes.

There is another unsung hero gaining importance during the digital age: the Globalization Nerd. For the past 20 years, globalization teams were not an essential, popular part of US-based companies. In the past few years, however, evidence suggests that globalization units have become an accepted, popular and essential part of the production process for many corporations. To illustrate this, we will track the hiring practices of a number of Fortune 100 technology clients during the past two recessions. We will also incorporate comments from leading GILT (globalization, internationalization, localization, translation) industry personnel.

2001–2003 economic downturn

Roughly speaking, there was a recession in the United States from 2001 to 2003. In 2000, the dot-com bubble burst. In 2001, following 9/11, the Dow Jones suffered its largest one-day loss in history. The market floundered in 2002 and eventually stabilized by the end of 2003. Unemployment rates went from 4.7% in 2001 to 5.8% in 2002 and 6.0% in 2003 (Bureau of Labor Statistics, 2004). The technology sector was acutely impacted by unemployment.

At the time, we were providing staffing and localization outsourcing services to a number of technology companies, including eBay, EMC, IBM, Intel, J.D. Edwards (now Oracle), Microsoft, Oracle, Parametric Technology (PTC), Progress Software, Yahoo! and Siebel (now Oracle). Almost without exception, the companies had layoffs

in their globalization teams. These included localization project managers, internationalization engineers and translators.

People within the GILT industry are aware that there is typically a shortage of skilled globalization personnel in the United States. During this time period, there was a glut of globalization professionals on the market. Clients at this juncture did not need our staffing services to find top-notch internationalization engineers or senior project managers. They would advertise the job in the paper or online and sift through an abundance of qualified candidates.

Why were globalization units one of the first cost centers to be impacted by these layoffs? There are many possible answers. For one, globalization processes were costly and inefficient. The corresponding technology was not robust. Larger corporations had not yet centralized the localization production process, production of the software was US- and UK- centric, and core revenue was derived from domestic sales.

Tex Texin, chief internationalization architect at XenCraft, writes that "ten years ago, even during a downturn in its economy, the United States was the dominant financial, producing and consuming player worldwide. So during a downturn, companies would maximize their attention on the domestic market and reduce global efforts." End result? Globalization units were secondary to their domestic counterparts. The rest of the world was a hazier, distant planet for US technology executives. They would get there when they were encouraged to build a stronger rocket ship.

In the GILT industry, the response was similar to comedian Rodney Dangerfield's theme: "We get no respect!" Senior globalization managers were junior to their counterparts in the engineering, marketing or IT departments. Bilingual testers were not on the level of the core quality assurance engineers. Translators were ignored by the documentation team. One example involved a team of translators working at a Fortune 100 technology company. The translators complained bitterly that the English documentation was poorly written, thus causing poorly localized documentation in over 20 languages. The translators requested that the documentation team rewrite the original English version to improve the quality, "neutralize" the English and lower costs. Their requests were ignored. To the documentation team, writing English to lower the cost of localization was a foreign concept. The quality concern was an even more foreign concept. It was akin to the philosophical inquiry about a tree falling in the forest: If a tree falls in the forest and no one hears it, does it make a sound? "If the software documentation is poorly translated and no one reads it, does quality matter?"

Michael Klingner, managing partner, Anzu Global LLC, has been providing globalization staffing services – localization project managers, internationalization engineers, linguists, localization engineers and bilingual testers – to the technology industry for the past 20 years.

2007–2009 economic downturn

Many economists are calling the period from 2007 to 2009 the worst financial crisis since the Great Depression of the 1930s. The precipitants are numerous: the housing bubble, credit conditions, deregulation and weakened financial institutions. Unemployment rates went from 4.6% in 2007 to 5.8% in 2008 to 10.2% by October 2009. During this time, we continued to supply globalization staffing services to many of the same technology companies: Cisco, eBay, EMC, IBM, Intel, Microsoft, Oracle, Yahoo! and PTC. This time, the trend was different. Almost without exception, the globalization units remained intact. There were publicized layoffs in most of these companies and hiring freezes across the board. The globalization teams, however, remained largely untouched.

Microsoft is an exception here, for good reasons. Its globalization development is many years ahead of most technology firms. With its Windows 3.1J version in the early 1990s, it had already invested heavily in and profited from its globalization production efforts. If many of the technology companies are the personification of youth – confident, aggressive and inexperienced – Microsoft is middle-aged, experienced and prone to forgetfulness. Consequently, when public layoffs hit Microsoft, its underperforming profit centers were impacted, globalization units included.

Taking this into account, has the GILT industry “come of age”? Why were the globalization units passed over this time, during recent layoffs at these same Fortune 100 companies? One explanation is that US technology executives now view globalization units as an accepted, efficient and essential part of their business. The globalization units are quite profitable.

Michael Anobile, executive director of the Localization Industry Standards Association (LISA), notes that anecdotal reports indicated in the late 1990s that every dollar spent on localization opened up revenue opportunities of about ten dollars. If a company invested \$100,000 in localization, it expected to gain about one million in sales based on that investment. By 2006 that figure had changed to a consistent \$25 in revenue for each \$1 invested in localization. “While this doesn’t mean that there is a 25-to-1 return on investment (since there are other costs besides localization to consider), it does show that the cost of localization has fallen dramatically, largely due to automation, competition from low-cost centers and improved communications infrastructures. As these ratios continue to improve, we will see companies look at ‘foreign’ markets as core markets rather than afterthoughts,” says Anobile.

To summarize, several factors have contributed to the maturing of the globalization industry:

- better, more efficient tools for engineering, testing and document management
- better pricing for outsourced localization tasks (translation, testing)
- better, more experienced personnel to manage the globalization processes
- better processes for global communication – the internet, XML, HTML

Texin provides another spin on why the GILT industry has changed: “For companies that have nearly saturated their American and European markets, China is a source for financial backing as well as a sizable revenue opportunity. Add to this mix opportunities for cost reduction by outsourcing to Chinese partners. Outsourcing has become much more acceptable and commonplace today, a significant game change from several years ago.”

In short, life, profits and opportunities on planet United States have been dwindling. Corporations have been forced to invest in their globalization rocket ships to reach the distant international markets and explore profits globally. To the surprise of many, the

current cost of this globalization rocket ship is quite affordable. A team of less than 30 can oversee global production for a Fortune 100 company. The translation, editing and testing can be outsourced to vendors. Personnel from international offices can be “borrowed” to review or test the final version of the software. A tools expert can streamline the documentation flow.

One current Fortune 100 company has a globalization unit of 24 people overseeing international revenue of \$420 million annually. This consists of a director of globalization with six global program managers. Beneath them are eight localization project managers. There is a global testing team of five people, three tools experts and an “evangelist” who works internally to spread the gospel of centralized globalization. *Voilà*, a globalization rocket ship!

This is quite an efficient, cost-effective and streamlined production process. Of course, there are many other people, groups and costs related to the \$420 million revenue generated. This globalization unit, however, makes it all work. If one of the 24 people leaves, he or she would need to be replaced for the process to run smoothly.

PTC also has a well-respected, fine-tuned globalization process, headed by Karen Combe, the vice president of localization. She agrees that the localization industry is maturing: “At PTC, everyone knows that we have to localize our products, since over 60% of our revenue comes from outside the United States. There is not even a discussion of whether or not to localize. When we make acquisitions, money is routinely budgeted and allocated for localization of the new products. The recent leaps in technology with MT and GMS have also contributed significantly to a maturing localization industry.”

Even translators now are being heard. In one recent example at a Fortune 100 client, a French linguist complained to management that the review process was slow and inefficient, causing delays in the localization release. Rather than being censured, she was put in charge of the localization review component. She changed the process for 15 reviewers. End result, she was empowered and the efficiency improved.

“There’s a concept out there of ‘singularity’, the moment when the rate of technological change becomes impossible for humans, unaided, to comprehend,” says Arle Lommel, director of standards at LISA. “It sounds like science fiction, but it describes where we are right now in our industry in terms of technology and process. My first LISA Forum was in 1997, and I remember that the big question at the Forum was whether or not translators should use translation memory tools and whether they actually offered an advantage. We had folks in attendance who still didn’t use e-mail and had been using word processors for maybe a year. Now you look at it and these same people are working with MT, dynamic corpora, advanced terminology tools, Skype, instant messaging. So, we are working on jobs and projects that we couldn’t even have comprehended 15 years ago, and it all seems very natural. We do so much more now, but real costs have gone down and continue to go down, with the effect that localization is expected, not an added feature.”

Globalization professionals were once marginalized in corporate America. Now, they play a valued and essential role. The macro trends contributing to this shift in roles include internet growth, lowered vendor pricing, improved tools technology and streamlined production processes. The shift in hiring practices over the past two recessions underscores the new identity of the GILT professional. This is a time when translators’ suggestions are being implemented by senior management and Fortune 100 CEOs are consulting their VPs of globalization for advice about corporate direction. The GILT industry is truly coming of age in America. We are witnessing the Revenge of the Globalization Nerds. *Incroyable!* **M**