



GALA Industry Workshop
June 28, 2004

Hotel Bristol Stephanie
Brussels, Belgium

NOTES

Welcome and Introduction

Renée Sztabelski, President & CEO, Hitext S.A.

Localization Industry Metrics: Why Bother?

Rose Lockwood, Director of Research, Bowne Global Solutions

Overview:

On the demand side, recent initiatives have generated momentum from customers to share their business and process metrics. Is it time for the supply side to take a step toward market maturity by sharing data that could underpin accurate measurement of the state of the industry? In this presentation Rose explored options and proposed supply-side initiatives for creating reliable localization industry metrics.

Notes:

Industry metrics definition (business metrics)

- On the demand side there is a focus on cost and ROI, however we don't have a way to measure ROI on the vendor side
- The Localization Metrics Initiative is currently promoted by the Localization Institute as an outgrowth of roundtables, which is customer-focused. Perhaps the vendor side can create something analogous.
- Companies have collaboratively defined terms and definitions of data they are submitting. Examples:
 - G11n head count
 - Outsourced vs. in-house g11n expenses
 - Internal and external linguists
 - Resources
 - ROI – total revenue from localized products out of costs
- Objective is an external validation of costs

Analogy to Supply Side

- There is a dearth of existent data
- Initiatives need to be broad enough to reach the whole industry
- There have been several good studies in the past, however, previous efforts have been based on limited data
- Enables 'cowboys'
- The first studies of the industry were in the mid-1980s
- Would be helpful to have in tracking trends by industry, measuring own company vs. peers

What kind of data do we need and who should collect it?

- Revenue
- Size measurements: number of employees, translation volumes, etc.
- Geography and languages covered

- Product coverage
- Vendors:
 - Give: regular, consistent data
 - Get: ability to self-define sets, comparative measures and indexes
- Analysts:
 - Give: definitions and processing of data; reports to vendors; anonymity
 - Get: invaluable resource for industry analysis
- Importance of participation, question of financing
- Example of hospitality industry using Smith Barney research institute
- Would need to outsource to specialists, however, endorsement (such as from GALA) would be important
- Definition through the metrics established – each vendor defines self through their “competitive set” of data (what they decide to enter)

The presentation was followed by a discussion about the challenges and possibilities for agreeing on definitions and establishing standard industry metrics.

Global Product Development Simulation

Don DePalma, Partner, Common Sense Advisory, Inc.

Hans Fenstermacher, CEO, ArchiText Inc.

Overview:

The objective of this session was to provide an interactive and educational role-playing exercise. The audience was presented with a model business case of a product intended for global release. The session gave participants an understanding of the business issues from various perspectives and developed a list of conclusions and recommendation.

Notes:

The attendees were divided into five constituency groups: executives, sales & marketing, product development, content development and localization. Each group was given a description of the project at hand as well as a “hang-up” to resolve. Collaborating within and between departments, each group learned of potential problems in trying to reach impending deadlines. Afterwards, each department presented their conclusions to the rest of the group.

No News Is Bad News: the Localization industry, Media and Messages

Andrew Joscelyne, Bootstrap

Overview:

This session gave an overview of how the media perceives the localization industry, how industry news is being disseminated, and how vendors should think about extending their public relations.

Notes:

- What matters? Our media versus “the” media
- What news can do for the industry
 - News as facts
 - News as PR and image support
 - News as industry support
 - Marketing
- Industry news
 - L10N
 - Translation suppliers: individual and local
 - Technical writing/Authoring (Tekom, STC)
 - Tools Developers
- Communication Agents
 - The industry
 - Associations like GALA
 - National translation associations
 - Industry publications
 - The market
 - Vertical markets
 - Vendor websites
 - Consultant websites
 - Client-oriented newsletters
- The most useful news: M&A, Tools, Events, Appointments, Standards, Verticals and how they are affecting localization
- Difficulties in communication
 - Good stories: EU enlargement problems, serious accidents/legal issues related to translation, record achievements, computer translation, outsourcing/job loss
 - Identity
 - Multilingual marketplace
 - There is a problem of issues that are way too basic getting the press, rather than issues that help to promote the industry

- Identity
 - Terminology slippage
 - L10N: there are many definitions for localization, from biology to the telecom industry
 - G11n: same problem (economic globalization, political mainstream)
 - Translation
 - i18n: often used in a vague way
 - MT and TM: unknown outside of the industry
 - Importance of raising the perceived value of translation on its own
 - Amount of press given to interpretation over translation (Does interpretation hold more mystique for the public?)
 - Does our industry's terminology confuse the public? Do we agree on our own use of terminology, and does our varying usage create the confusion?
 - Question of aggregating the industry's PR in general press: who is going to do this?

- Outlets
 - Local press
 - Corporate newsletters
 - Con: often boring
 - Pro: boost identity, sense of size and capacity
 - Press Releases
 - Con: time consuming, professional job
 - Pro: Good for image
 - Blogs
 - Con: Risk of negative interactivity
 - Pro: can create a "company take" on the news
 - Key: Simple, clear message backed by powerful figures and a human story about language as usability

Price Is the Object

Don DePalma, Partner, Common Sense Advisory, Inc.

Overview:

In this session, Don discussed Common Sense Advisory's recent report on pricing, "What Translation Costs." Based on both supply-side and customer data, his presentation explored the implications of this independent research and opened the floor for a discussion on the subject. A full report based on this survey is available through Common Sense Advisory.

Notes:

- Buyers want cheap translation, low prices, no commitment, while vendors want respect
- Among contentious issues are quality versus price and lack of vendor certification
- CSA conducted a survey with practitioners:
 - Method: spoke to 50 users across 10-12 verticals (both service and manufacturing), surveying beyond the usual practitioners (50% were high tech)
- The research included 156 online surveys with LSPs, 35 interviews with LSPs and buyers and Supply-side data from responses to RFPs
- Presented data showing that spending trends are down. But why?
 - General economic conditions
 - Failure to show ROI
- Why for those spending more?
 - More languages
 - New products
 - Demands of country units
 - Acquisition of company
 - Very few spend more for ROI
- Localization project oversight typically comes from business unit or corporate
- Locus of purchase is project or product based rather than centralized
- Most companies purchase services project-by-project
- Found that there is a general satisfaction level with quality (few could point to systematic review process)
- However, when asked whether satisfied buyers would pay more to keep their vendor, the response was a resounding "no"
- Price dominates the decision matrix, followed by perceived quality, text or sample results, a previous relationship, references and a formal corporate criteria

Supply-side Data

- Many respondents to the survey chose to comment on price (showing that this is a huge issue)
- Better to deal with the localization buyer because more concerned with quality than the economic buyer
- Buying level increases with the size of the deal
- Smart vendors sidestep pricing saying that long-term relationships are more important