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Adrift in the Global Marketplace



Product globalization plays a key role in modern business.

Then why have so few companies found a strategic home for this pivotal issue?

BY RORY J. COWAN

Technology companies—indeed, large enterprises of all stripes—currently derive significant portions of their revenue and profits from international sales. Top-tier computer hardware, software, and communications firms gain anywhere between 45 to 60 percent of their revenues from outside the US. Typically, the highest growth areas are projected to be foreign markets.

Additionally, they are moving from an era of mass production to one of mass customization, adopting one-to-one sales and marketing models. These companies recognize the strategic need to tailor their products and services to specific geographic markets. Market globalization capabilities can have immediate effect on customer perceptions, buying habits, and corporate or brand images. Ultimately, effective globalization can impact revenue streams and profitability.

Globalization: Who Owns It?

Despite this growing strategic need for a coordinated globalization effort, few firms have a home or sponsor for the process. We have not seen the emergence of a Chief Globalization Officer; few enterprises even have a globalization office. Usually, the work of globalization involves a wide range of individual localization activities that are performed within “pockets” of the organization. Not only are such functional silos focused solely on a go-to-market release cycle, they may be unaware of localization activities hap-

pening elsewhere in the enterprise. In many cases as well, these activities may lie beyond the core competence of individual functions.

Consider the spiraling complexity that results: a multitude of localization activities, tailored for a multitude of geographies and cultures, performed across a multitude of operating business units and functions.

Beyond the evident cost redundancies of supporting overlapping, duplicative localization work, the opportunities for bottlenecks, glitches, missed schedules, and confused agendas are abundant. With a multiplicity of products in release cycles, these “opportunities” for delay and missed targets are compounded. What suffers is the product, which even if it is localized on schedule, may not be of appropriate quality. Indeed, for all the apparent duplication, it is possible for critical activities not to happen.

Making matters worse, knee-jerk reactions to collapsing product cycles force fast-moving technology companies to create not only faster, better, less expensive products, but to create them multiple times for each localization effort. And this is not solely an internal development or product-development issue. It is echoed as a marketing/service/support problem.

Having globalization requirements that arise in all corners of the enterprise but are satisfied in none is a problem demanding an immediate solution.

A fast-moving technology firm must forge the necessary relationships to “glue” its localization efforts together.

Business Process Reengineering Revisited

More powerful, distributed technology has already delivered increasingly efficient means of tailoring business workflows. Walls surrounding traditional functions of the post World War II organization such as accounting, manufacturing, inventory control, and even human resources have fallen and organizational structures flattened. Today, transactions flow seamlessly through an organization from loading dock to general ledger, sometimes untouched by manual interaction.

So too, can those involved in the globalization of products and services envision similar workflows involving intertwined globalization transactions flowing across the enterprise. Rather than slowing or impeding product cycles, globalization complexities—properly managed in strategic fashion and leveraging new Internet capabilities—might actually accelerate productivity and improve quality.

Enterprise-Wide Globalization Services

The effective globalization of an individual product requires a coordinated localization effort, one that tracks the product's life-cycle through development,

Pockets of Globalization Across the Enterprise

- Development
- QA
- Developer Relations
- Customer Service
- Technical Publications (Documentation)
- Sales and Marketing
- International Regions
- Human Resources

Globalization Needs of the Enterprise

- Beta & Performance Testing
- Functional & Linguistic Testing
- Logo and Compliance Testing
- Managed Communications
- Multilingual E-Support
- Training—CBT & Print
- Print "Marcom" Localization
- Internet & Extranet
- Multilingual Demos
- Digital Printing & Fulfillment
- Content Management
- Intranets
- Double-Byte Internationalization
- Software Localization
- Documentation Translation
- Complex Desktop Publishing

testing, market launch, and ongoing post-sales marketing and support. Within those broad lifecycle categories, individual activities ought to be linked.

As the graphics below suggest, an effective globalization effort is not only a flow of activities, but an integrated flow. The process should be dedicated to supporting the rapid introduction of "whole products" into local markets. As such, it must be cross-functional and emphasize the interfaces among particular localization activities.

Today, through the use of advanced technologies, especially workflow software systems, better knowledge-management systems, and the Internet, individual functions and localization activities can be integrated—glued together—by acting with an Enterprise Globalization Services (EGS) strategy. These services, as the name suggests, view globalization from the perspective of the entire enterprise and its strategy, as well as from the individual activities that must be performed to localize a particular product.

The process of localization should be seamless and the result should be a cohesive product across locations with support and services that enhance it locally and globally. In addition, and of critical importance, the process must maximize the transfer of knowledge from one localization activity to another. This knowledge transfer is, essentially, the glue that holds the relationships together. It assures a consistent high-quality product, and in turn, directly impacts customer satisfaction. It speeds the process. At the same time, the knowledge itself is preserved for subsequent globalization efforts.

Technology firms know that time-to-market is critical. Too often, enterprises lose their advantage in the global marketplace because the localization component is behind schedule. Dedicating attention to the entire localization process through an EGS strategy can foster a sharper focus, across organizational functions, on the activities critical to that effort.

An EGS approach affords better understanding of the full lifecycle needs of the "whole product" from early beta through post-sales activities such as automated help desks. The best solutions for specific localization problems can be introduced as part of an integrated product-planning process, not as afterthoughts. EGS inte-

grates this expertise into an overall solution for a particular product, an entire product line, or an entire business.

The focus, therefore, can be re-applied to individual products, the specific activities required to localize them, and how they can be performed both quickly and accurately. Combined with the preservation of knowledge—both across localization activities within a project and across projects themselves—the process becomes increasingly efficient.

Enterprise Value

Enterprise Globalization Services, therefore, aim to provide cohesive strategy for an enterprise's globalization needs. It is not merely the convenience that this "single-point" services approach affords that makes it valuable. Rather, the EGS approach solves a critical problem for the enterprise. By extracting the process of localization from parts of the organization where it is currently attended to piecemeal, such an integrated approach lets the enterprise focus on developing products that are innovative, differentiated, and appropriate both globally and locally. That, in turn, powerfully contributes to competitive advantage.

In other words, globalization becomes a successful enterprise strategy when the enterprise itself is free to concentrate on creating valuable products, confident that these can be effectively localized swiftly and consistently.

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