



# Pink Ink

Third of a three-part series

Localization Success:  
*It's All About People*

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# Localization Success: *It's All About People*

Third of a three-part series, by Chris Langewis, ABLE Innovations, Inc.



## Review & Preview

*The first column in this series introduced the phenomenon I call “pink ink,” which represents millions in lost revenue when software firms accept unnecessary delays in shipping their products to strategic overseas markets. The second column discussed technologies that software firms need to embrace if they are to achieve simultaneous domestic and overseas shipment, or SimShip, of their products.*

Understanding the true nature of pink ink—that in business terms it translates to reduced ROI and that embracing the power of advanced technologies can dramatically help—will be indispensable to addressing lost revenue and boosting the overseas bottom line. But real success in the global software business requires more: companies must build software and associated products from the ground up with localization in mind at each stage. To achieve truly internationalized software, people are the key. This final installment suggests that fundamental changes to management objectives, compensation packages and organizational goals are all needed to erase pink ink for good.

### **Instilling A Global Mentality – At All Levels**

Fundamental changes penetrate to the core of a software business, compelling employees at all levels and across competencies to alter habits, practices, and procedures. Maximizing international revenue, through SimShip of domestic and international software releases, requires

commitment at all organizational levels, including the upper echelons. Process re-engineering is a globalization strategy, not a localization one. Before we explore this idea, we first need to make clear the damage that product developers can do when they work with only the domestic market in mind.

Imagine this scenario for a moment: What happens when an engineering team designs just for the US market? Inevitably, Japanese translations, idiomatic and accurate as they may be, suddenly crash software that’s not double-byte enabled. Arabic, which reads right-to-left, does the same. Differing international standards for things as simple as date and decimal formats wreak computational havoc. Hard-coded ASCII character-set dependencies become grenades in a Unicode environment. Worse, because there are many, complex ingredients in the internationalized software cookbook, factors overlooked in early stages can mean big headaches later for software engineers. Changes at late stages mean more rounds of QA testing, higher costs, and lower profits.

# *When Software is Ethnocentric...*

And the arterial bleeding isn't just due to problems with software production. Help texts and manuals, especially those containing unnecessary portfolios of screen shots, must wait for completed software translations, and these ancillary product delays are also a sure recipe for pink ink. Perhaps more insidious, documentation relying on Anglo-centric or ethnocentric concepts, such as baseball expressions, can cause translators unbelievable grief, slowing their efforts significantly (e.g., eliminating or explaining "After completing the update screen, you're on first. But to cross the plate, there's still some base running ahead.>"). Delays and downstream rework cost exponentially more than doing things right the first time; delayed foreign product releases, bolting buyers, and lost sales fill the pink ink pool.

Fortunately, the solution is clear: It's essential for companies to think and act with the international market in mind when building software and ancillary products. At this point some might rush to implement the solution, but hasty, superficial analysis could lead a company to conclude that the problems identified can be solved by more training, and unfortunately, that's not the case. Clearly, the entire team of engineers, designers and technical writers needs to understand how to avoid all these potential traps, but training personnel requires money and product-developer time, which, of course, also entails more money. Software developers are arguably quirky, but in the end they do operate on the basis of rational self interest. At work, this means earning money, which means hitting deadlines and reaching sales goals for the products generated by the work they do. Here's where we encounter a serious chicken and egg challenge.

# *The Sales Chicken and the Motivational Egg - Which Comes First?*

For many companies, sales goals are, more often than not, domestic. So extra efforts pent on internationalizing local products, despite some lip service to the contrary, may be viewed as a low-priority task at best. Engineering managers who are compensated based on domestic software's success, aren't motivated to invest energy and resources in internationalization. At the same time, companies often hire localization managers and make major investments in localization-enabling technologies to get products (whether they are applications, documentation, Websites, etc.) to overseas markets sooner. Their investment clearly demonstrates management's commitment to international markets, but meanwhile, the organization's motivational systems may still be focused on domestic targets. Even the best localization managers are stopped by these kinds of structural barriers.

This counterproductive cycle is at the heart of pink ink. The localization manager's success, and more importantly, the success of the firm's overseas operations, depends on nothing less than a realignment of the organization's motivation and reward systems so that value is placed on both domestic and overseas business. One way to turn people's thinking around is by changing the bonus system across the board. If half the company's bonus pool is made contingent on international product-release and sales goals, product developers understandably develop a sudden, acute interest in internationalization.

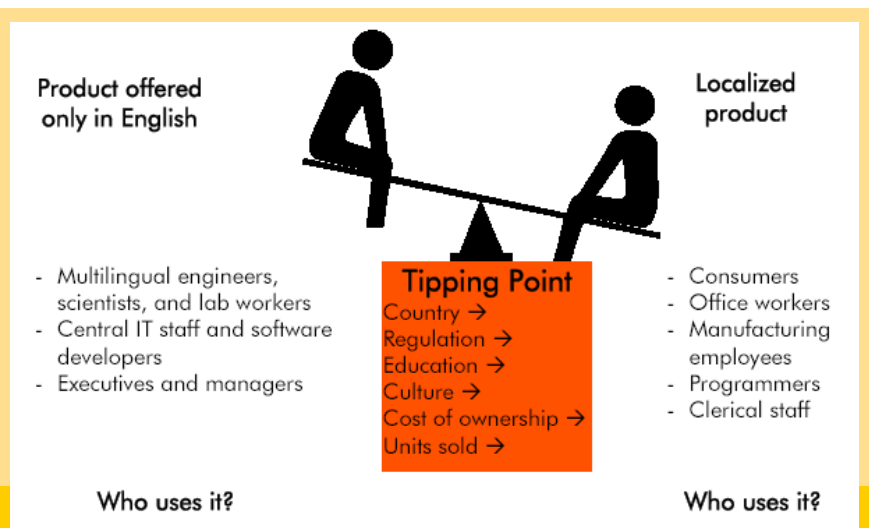
Consider this situation, for example: Let's say that your company has amended its incentive compensation programs so that half of your bonus is dependent on domestic goals and half upon the company achieving specific international goals. A typical goal might be to increase international revenue by a target percentage (as most companies aspire to derive at least 50% of their total revenue from outside their domestic market). If all goes well, the international goals are achieved; you get the bonus and you are happy. Now let's play the other hand: instead, your company suffers a 6 month delay in getting product to overseas markets, revenue opportunity is lost and targets are missed. Margins are less than optimal. By not taking advantage of localization-driven revenue opportunities, the company bleeds pink ink for six months. No bonus for you.

For most of us, the alternative is clear. With the motivation of the right incentives at play, people can and will change. Changing management-by-objective structures to reflect a strong and clear international mission can bring about positive results. Although this kind of change might be initiated at lower levels, and should surely be discussed at all organizational levels, successful initiation of structural change and organizational preparation for selling overseas comes from the top. There is no avoiding it: eliminating pink ink by increasing overseas revenue means that top management must tie corporate incentives to international success.

# The Role of Localization Managers, and of C-level Executives

Localization managers are also important players in this overall picture. Localization managers sometimes get blamed for chronic pink ink, but often they should be acknowledged for their efforts to grow overseas revenues for a company, even in the face of a product-development environment with little incentive to think internationally. As mentioned in the first column in this series, because traditional accounting systems don't capture the losses represented by pink ink, even experienced executives from already profitable software firms may fail to see what's NOT happening - that is they may fail to see the profits flowing away fast.

Until relatively new technologies like sentence-memory and localization engineering products appeared on the scene, there was no way to deal with pink ink even if executives had noticed the phenomenon, but today, the situation has changed. If executives recognize the costs and causes of pink ink now, those with the power and willingness to change their company's compensation and reward systems can dramatically increase international revenues and boost corporate performance by motivating people to improve international sales. And, also important, since localization costs so little in comparison to the future value it can bring to a company ([CommonSenseAdvisory](#), 2002), sharp-thinking executives will re-think their internal localization support systems in the months ahead, as well as search out advanced technology (see Pink Ink 2 for specific ones) and partner with reliable localization providers, preferably those that will guarantee cost savings, quality and on-time delivery.



*The Tipping Point Will Favor Localized Product*

Source: [Common Sense Advisory, Inc.](#)

# Recommendations

Pink ink has numerous causes, but these 4 contribute disproportionately:

- Ignorance of the true costs of overseas product delays
- Passive, distributor-driven approaches to overseas markets
- Failure to incorporate leading-edge technologies into the localization process
- Failure to motivate and compensate people to think internationally.

Improved ROI involves addressing each of these problems in turn, but the last of these is perhaps most crucial to address: creating truly internationalized software. The essential step in achieving SimShip and turning pink ink black, depends on nothing short of globalizing the attitudes of an entire firm's people. Whether you do localization in-house or choose a trusted, proven provider, even the best localization talent can't succeed unless top management clearly states that their organization is a global one, that their products will be internationalized, and that the entire team will be rewarded based on global success.

"IN OUR VIEW, GLOBALIZATION IS AN IMPERATIVE; A NON-NEGOTIABLE CUSTOMER EXPECTATION. IT CANNOT AND SHOULD NOT BE TREATED AS AN ADD-ON FEATURE. IT IS A CONDITION OF PARTICIPATING IN THE E-BUSINESS MARKETPLACE. INSTEAD OF ASKING THEMSELVES HOW MUCH THEY WILL EARN BY INVESTING IN GLOBALIZATION, COMPANIES SHOULD ASK HOW MUCH THEY WILL LOSE IF THEY DO NOT."

Bill Sullivan, IBM director of globalization,  
April 7, 2003, [Globalization Insider](#)

This is the new reality: Software companies' future profits will depend not so much on product quality, though quality is always essential, but rather on overseas customers' product reception, in an environment in which overseas customers increasingly have many choices.

In the final analysis, avoiding red ink in the long term depends on eliminating pink ink in the short term. Advanced technology, like Wiztom by ABLE Innovations, can buy a lot of time and build international revenue more quickly in the short-term by getting current products out without a lot of re-engineering. But regardless of how or with whom you localize, pink ink is recoverable in the short-term through better channel management—recapturing the margin by controlling localization and achieving SimShip—and in the long-term by providing the vision and motivation to the people who are internationalizing the products.

With competent advice, a company can see clearly the magnitude of aligning their internationalization products and processes, and commit to the long-run advantages of doing so. Ideally, internationalization can become part of the routine, rather than an add-on. When management values and can fully appreciate what they've been losing and why, they can empower their people to clean up all traces of pink ink. Long-term success requires that vision and motivation come from the top: chief executives who promote a global mentality and who provide incentives for people to develop global products that truly reflect and complement their global objectives will generate increased ROI in the new environment. Eliminating pink ink is a process that begins and ends in the boardroom.

### About the Author:

Chris Langewis has 25 years of international software business experience. He has built global product marketing groups and led teams in the development and implementation of new technology for machine translation, computer-aided translation tools and localization process management programs.

Prominent positions include Senior Vice President, Logos Corp; President and co-founder of Globalware, Inc.; and International Product Management at Symantec, Inc. He can be reached at [clangewis@ableinnovations.com](mailto:clangewis@ableinnovations.com) or 510-226-1684.



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### About ABLE Innovations, Inc.

ABLE Innovations, Inc. leads the way in language technology and integrated globalization services, providing support for clients' worldwide translation and internationalization needs. ABLE Innovations' process management expertise and veteran localization staff dramatically reduce the complexity and costs of producing multilingual applications, Web sites and content. By offering rapidly deployable and innovative solutions, ABLE Innovations ensures qualitatively better results for clients in Technology, Life Science, Insurance and Financial Service, and Energy Industries. Commitment to clients is further supported through The ABLE Guarantee™: Cost Savings, Quality, and On-Time Delivery. Visit [www.ableinnovations.com](http://www.ableinnovations.com) or contact [info@ableinnovations.com](mailto:info@ableinnovations.com).