

Corporate language
and terminology planning

In the global Enterprise (E)

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SDL International

E?

Defining E, Drivers for E, Types of E


Global E...

- > 50% Revenues from foreign markets
- > 5.000 Employees
- > € 1 Billion

What drives E global?

Economies of Scale

- the "economies of simplicity and standardization" to essentially price-out and replace local competition
- Competitive Advantage by leveraging markets strategically



Convergence of tastes

- Emergence of a global market for uniform consumer products

Grow, grow grow ... from new markets

Theodore Levitt –
The globalization of markets


Types of E...

MultiDomestic Formation

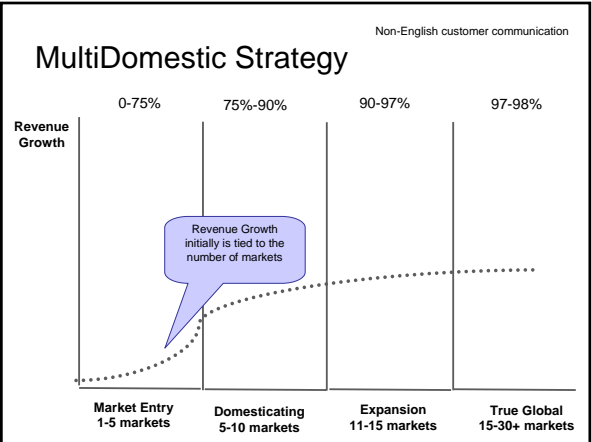
- Each market is viewed as its own self-contained market and a company sets up parallel organizations in each market
Local language = Business Language

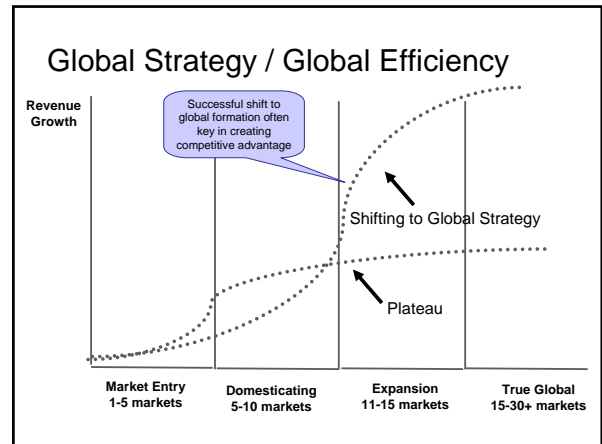
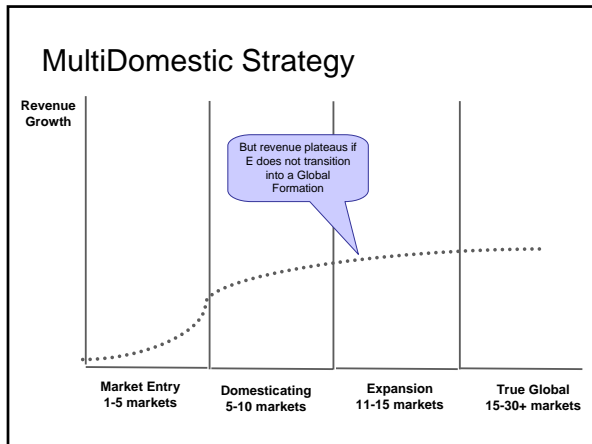
Global Formation

- There is a coordinated effort across the company to pursue a strategy, leverage efficiencies and learning across regions and use the global position as a competitive advantage
English = Major Business Language for critical processes



Christopher A. Bartlett et al: Manging across borders
Kenichi Ohmae: The borderless world



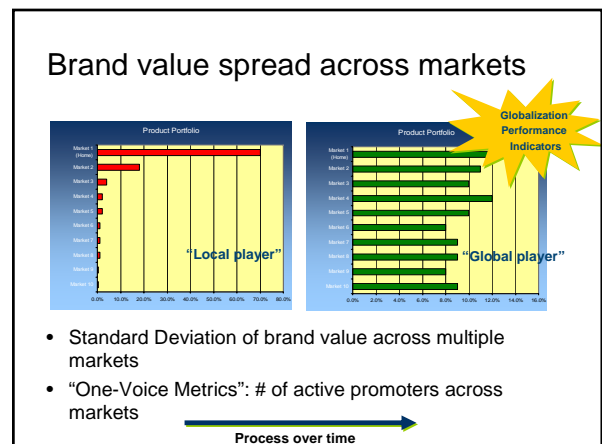
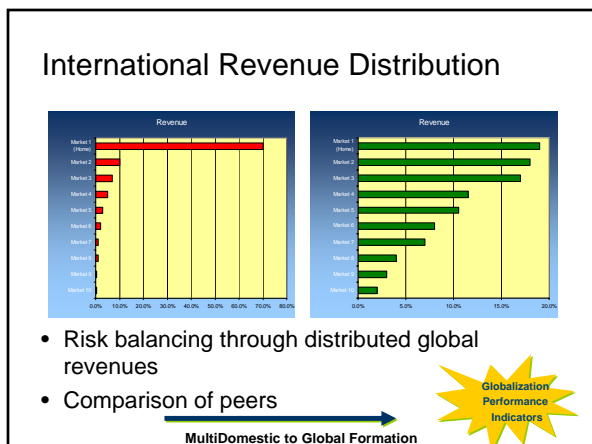


Why is this relevant for Terminology?

Companies following a multi-domestic strategy are less ready to embrace a global terminology strategy in the sense of coordinated corporate language compared to global formations

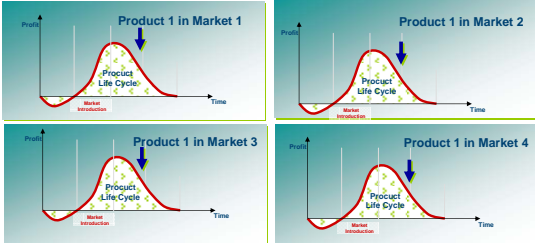


How do you recognize globally successful E?

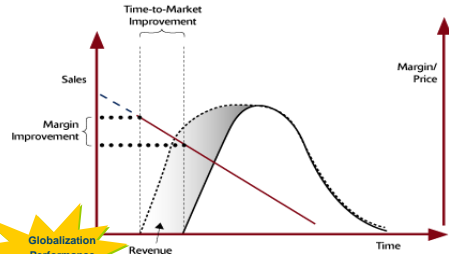


Synchrony of Product Life Cycle Stages

- Operational complexity is largely reduced if product life cycles correspond to each other in multiple target markets



Product Release Champions



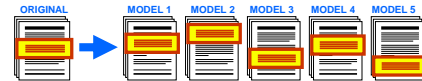
Enabled for dynamic publishing

“Fastened by a **steel** 3-1/2” threaded bolt”

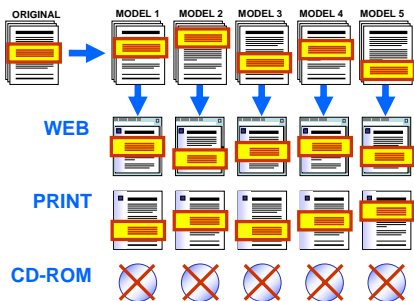
“Fastened by an **aluminum** 3-1/2” threaded bolt”



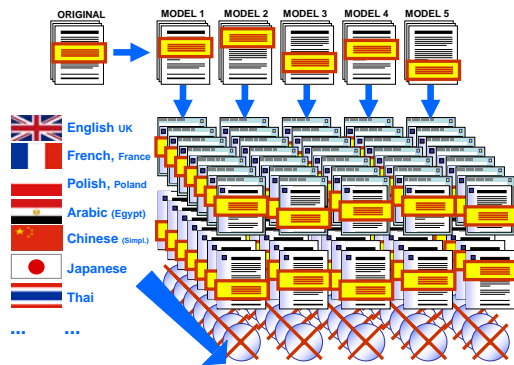
...affects many models...



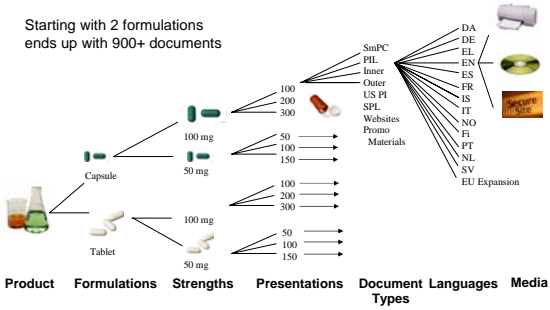
Requires multiple renditions...



Ripples through all target languages...



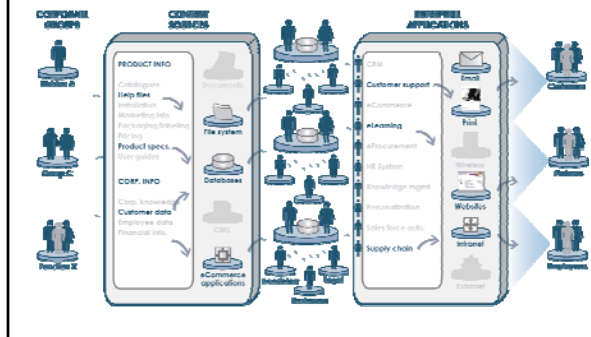
Pharma: Example Product Information



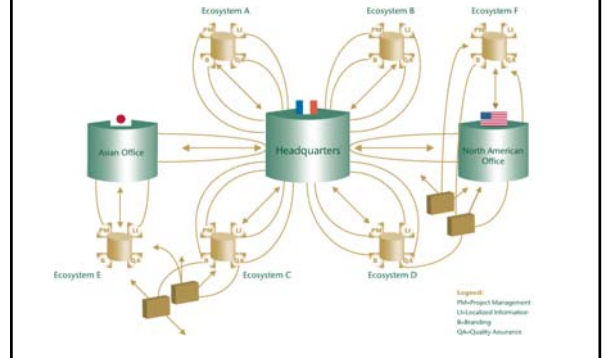
E and Multilingualism

Multilingual Processes in the E

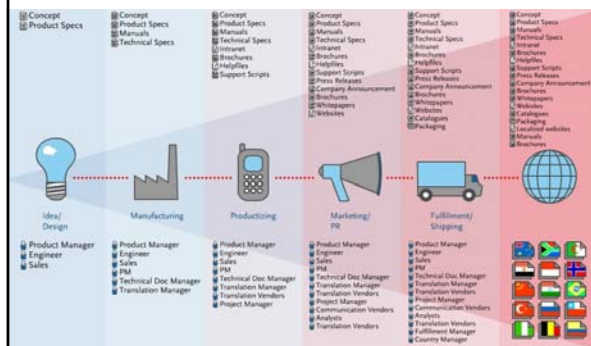
Multilingualism in the E



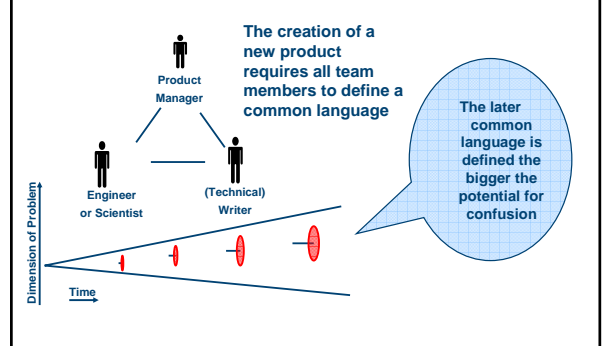
E: Communication fragmentation

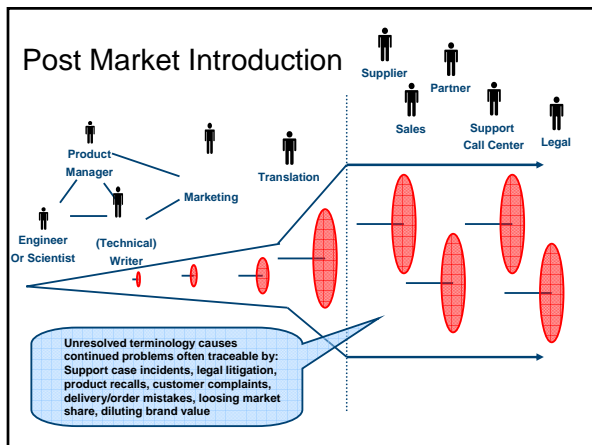
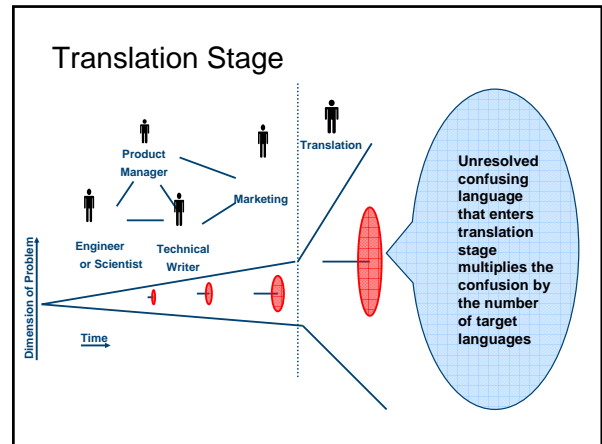
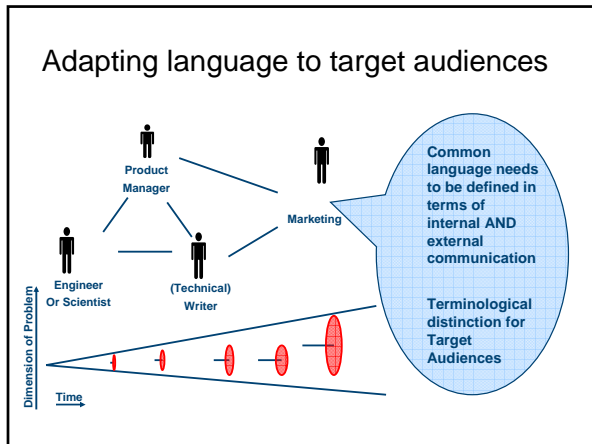


Product Evolution



Early Product Life Cycle





Multilingual Drive per Region

Example Pharma:

Europe	English	non-English
until 2004	7.69%	92.31%
until mid 2006	5.00%	95.00%
1.1.2007	4.36%	95.65%

- Label Submission and Multilinguality per Region*
- English to Non-English Ratio [source language to target language] in %

US 90:10

JP, Brazil... 50:50

Europe 4:96

*Submissions are only valid for one region

Global E Initiatives & Terminology

- ### Global Initiative is the ...
- Transformation of a deficient current state process into an improved future state process utilizing
 - Internal resources
 - Most likely external resources
 - Sometimes technology supporting the future state process

Dilemma Terminology Issues

- Cross-Departmental
- Cross-Functional
- Cross-Geographies

...Hardest (most costly, politically difficult) type of global initiative for the E...

So, there must be very good reasons to engage...

Are there financial incentives to engage?

Financial Benefits?

- What does “value” mean if we talk about the “value” of an initiative?

“Value” is defined as bottom line results that drive favorable impacts to E financial statements

Direct and indirect Value

- If a value is the single most driving factor in defining the favorable impact on the bottom line, it is called “direct value” (“direct benefit”)
- If a value merely contributes together with other values for the favorable impact on the bottom line, it is called “indirect value” (“ripple effect”)

Some Terminology

$$\text{ROI} = \frac{\text{revenues}\uparrow - \text{costs}\downarrow}{\text{investment}\downarrow}$$

- Revenue enhancement case
- Revenue protection case
- Cost reduction case
- Cost avoidance case

ROI von Terminology Initiatives

Litigation Avoidance	Soft	Terminology impact non-strategic
Fulfilling legal obligations	Soft	Terminology impact non-strategic
Quality of patents	Soft	Terminology impact non-strategic
Identification of knowledge carriers	Soft	Terminology impact non-strategic
More efficient communication	Soft	Terminology impact non-strategic
Avoidance of after sales issues	Soft	Terminology impact non-strategic
...	...	

When does the E engage?

Things went wrong

Things may go wrong

Things go well

Identified by management
if sufficient financial
impact occurs

Things that went wrong...

Release Slippage ...



Missed Xmas
business for
smartphone series
X...

Localization slipped
by 2 month...

Slip of product release by 1 month
due to late localization means loss
of **17%** of revenue potential from
local market

piggy-back

Uncollected Receivables



Revenue not fully
recognized
until local
documentation
delivery.

Example German
engineering company:
Average outstanding
receivables around 6
Million Euros

piggy-back

Loosing market position



- Turning market position
in non-home market
triggers global initiative

piggy-back

Litigation Avoidance



- Product recalls
- Damage Compensations

May be
piggy-back

After Sales Cost



- Increased incident cases are tracked to deficient documentation

May be piggy-back

Other important markets

Things that may go wrong

Regulatory Compliance



- Delay or refusal of Product Marketing Authorization through unsuccessful compliance to regulatory obligations
- Ex. FDA/EMEA regulations



Things go well

Merger & Acquisition



- Brand Consolidation
- Defending Brand Dilution
- Re-Branding



Brands in the age of globalisation

- “House of brands” v “Branded house” (eg, Nestlé or Yum! v Virgin or Dell)
- Vital differentiator amid intensified competition (eg, Samsung)
- Key for convergence (eg Apple, Google)
- The challenge of consistence across rapidly multiplying media (internet, mobile, podcasts, video streaming, texting, blogs, wikis)
- Speed of brand destruction (eg, Arthur Andersen, Enron)

Global Brand Premium

Key performance indicator of (sustainable) future revenue growth

Corporation's most valuable assets
High valuation for value brands

Principles of global branding

Relationships
Economic Assets
Differentiated Customer Experience

Brands are about relationships

1 A brand is a relationship that creates and secures future earnings by growing customer preference and loyalty

More than your name, logo or advertising

~~Name~~ ~~Logo~~ ~~Ad~~

Everything you do defines your brand

Involving written communications

Brand as a relationship

Customer Loyalty

- **Correlation between** a company's growth rate and the percentage of its customers who are "promoters"
- The **net promoter figure** is calculated by subtracting the percentage of customers who say they are unlikely to make a recommendation from the percentage who say they are extremely likely to do so.

Frederic Reichheld
Loyalty Effect / Rules

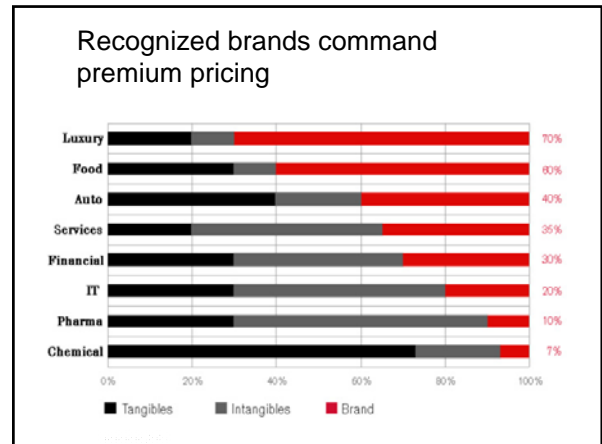
Principles of Global Branding

Brands are economic assets

2

100 BRANDS

of the world's most valuable



Principles of Global Branding

3

Branding is about a differentiated customer experience

Differentiated Customer Experience

"90% of [our] customers buy based on content, not on touching the product"

Mario Queiroz, VP Content and Product Data Management, Hewlett-Packard

WWW - You will be seen - Everywhere

- Since proliferation of the World Wide Web, businesses can no longer speak to regional markets with conflicting messages.
- This shift requires a method for the building and maintenance of reinforcing brands across all points of customer communication taking local nuances of target audiences into account.
 - Often referred to as **"One-Voice"** consistent and coordinated customer communication across all points of interaction has led to remarkable improvements in business performance and brand value.

Ogilvy & Mather
360 Degree Brand

What does this all have to do with Terminology Policies?

Key performance indicator - Terminology

- Implicit or explicitly lived practice to negotiate words with having the customer in mind

– Measurement?

- Consistency of terms across content types?
- Consistent terms across all markets?

Terminology in the E...

- Source language terminology management is a “best practice” to shake out confusing language from the start
- Target language terminology management is a “best practice” to prevent multiplication of confusion into target markets
- Target language terminology management is a means to preserve brand dilution in target markets across global enterprise content

Foremost a business process

– with increasingly capable technology to reinforce business practice

Branding Case - AGCO

14,000 Employees
\$5 Billion

- AGCO results from multiple acquisitions:



Massey-Ferguson Challenger Fendt Valtra AGCO

- Corporate European management located in UK
- No initial synergies between various brands
- Different cultures, management structures, working processes, requirements and expectations
- Initial reluctance to unify and join a corporate-driven initiative

Overview of key challenges

1

Volume of technical documentation

- Very high number of active publications
 - One group - 200+ active publications in 15 languages
 - Another group - 17,200+ source pages for more than 78,000 translated pages
- Information was not structured and managed for re-use across publications and between AGCO sites
 - Average 50% re-use between books – all re-use is manual
- No efficient re-use mechanism and technology

Overview of key challenges

2

Geographically dispersed locations

- Inconsistent terminology
 - Same concepts translated differently on Web, brochures, technical documents, spare parts catalogues, etc.
- Inconsistently structured technical publications – across publications and across AGCO sites
 - All AGCO books have different structures – even the “in-house style” is hardly followed
- No uniform processes and methods for authoring, translation and publishing
- No central workflow

Take Away ...

- Terminology is a business practice that ultimately has to be worked backwards with the “net promoter” in mind
 - It needs to step out of the engineering / TechDoc corner being tied tighter to the end activities of the product life cycle activities (marketing, education, support,...)
- Speaking with “one voice”, terminology contributes significantly to consistency, clarity and safety for happy customers increasing the total number of active promoters
- Which in turn correlates with an organizations growth

Take Away...

- The value of terminology is largely underestimated and underrated...
- Any further investigation into this topic are highly welcome...

Description	J. Dow Price Change (%)	Market Cap (\$)
Sector: Healthcare	0.07	2545.4B
Industry: Drug Manufacturers - Major (View Info)	-0.06	1130.1B
Johnson & Johnson (JNJ)	-0.53	191.2B
Pfizer Inc. (PFE)	0.70	186.7B
GlaxoSmithKline plc (GSK)	-0.33	145.6B
Novartis AG (NVS)	-1.79	136.9B
Merck & Co. Inc. (MRK)	0.79	94.4B
AstraZeneca plc (AZN)	1.03	90.7B
Abbott Laboratories (ABT)	-0.70	70.1B
Wyeth (WY)	0.47	65.8B
Eli Lilly & Co. (LLY)	0.60	61.2B
Bristol-Myers Squibb Co. (BMY)	-0.04	49.0B
Schering-Plough Corp. (SGP)	0.19	32.1B
Abraxis Bioscience, Inc. (ABX)	1.16	4.5B
Keryx Biosciences, Inc. (KERY)	0.00	571.8M
American Oriental BioScience (AOB)	3.45	525.9M
Rigel Pharmaceuticals, Inc. (RIGI)	0.27	274.3M
Acetia Corp. (ACET)	4.30	212.3M
Novogen Ltd. (NOVG)	1.49	199.3M
Minted International Inc. (MINT)	0.49	172.1M
Spectrum Pharmaceuticals, Inc. (SPEP)	2.01	139.0M

Reality Check

- E.g. None of the top Pharma currently has a global initiative with mature terminology component...

Question?

A bold statement

- If terminology management is “lived”, we would estimate a 1% uplift in international revenue due to the ability to systematically enable brand consistency.
- What does this mean?

Value of language technology

Technology Type	Direct Value	Indirect Value	ROI Story	ROI Strategy
Translation Memory	X		Simple	Less words, less costs
Author Assistance	X		Simple, but more difficult	Better words input, less cost translation
Machine Translation	X		Simple on first sight	Not so good translated words, but cheaper and more
Workflow (GMS, Translation Production)....	X		Complicated	Process Efficiencies, before bad / after good
Terminology		X	?	Litigation Avoidance, support incidence reduction, Knowledge Preservation,

The Average Global 1000 Company has ...

Sample Value Creation Scenario will be based on this Profile

Annual Revenue:	\$11 billion
International Revenue	\$6 billion
	55% of total
Products:	100
Global Markets:	25
Localized Documents / year:	1,100
Target Languages:	20
Translated Words / year:	60 million

Source: 2003 Business Week Global 1000 Scoreboard and TRADOS

Global Information ROI

For our Average Global 1000 Company

