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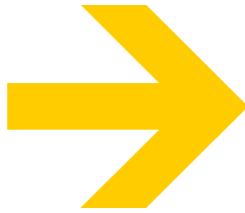
White Paper

## Translation and Manufacturing

How Managers Can Successfully Mix the Two

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## At a Glance

To build products that satisfy customers in a variety of regions, most manufacturing firms want to centralize their translation work, maintain consistency of terminology, and engage a flexible vendor well versed in manufacturing.

## Executive Summary

Business managers in manufacturing firms often struggle with the role translation plays in bringing their products to international markets. Even when the return on investment is compelling, the best way to integrate translation into manufacturing is not always clear.

In industries such as software, Web, or financial services, products are "soft." Because they do not market an assembled product, companies in these industries can make quick, on-the-fly adjustments in the factors that affect translation projects. With changes as simple as making an update available for download or reprinting, they can accommodate different product lines, staggered release schedules, varying requirements among regions, tight turnarounds, and last-minute alterations.

In manufacturing companies, these same factors ripple outward physically to shop floors, assembly lines, supply chains, and shipped product itself, resulting in costly changes. What do managers in manufacturing companies need to avoid these costly changes? What do they require in a translation partner? What roles can technology play in helping manufacturers meet goals for their worldwide products? Managers tasked with delivering manufactured products into global markets can use this paper to examine the translation landscape in their own companies and begin to answer these questions.

### Main Messages

- Unlike industries that market and support "soft" products internationally, manufacturers deliver physical goods dependent on large supply chains.
- To build products that satisfy customers in a variety of regions, most manufacturing firms want to centralize their translation work, maintain consistency of terminology, and engage a flexible vendor well versed in manufacturing.
- The ideal language service provider meets these priorities with strong processes and the constantly evolving technology to support them.

## Translation in Manufacturing

The arguments for translation in manufacturing are strong on both sides of the sale.

### Sellers Need to Translate

Manufacturing companies building a global brand have three main incentives to translate and make their products marketable – indeed desirable – in other locales.<sup>1</sup>

**New markets** – For example, in a survey of Fortune 500 companies conducted by market research firm Common Sense Advisory, international revenue accounted for 20 to more than 50 percent of the total for market segments, including electronics, chemicals, energy, automotive, consumer products, and broadly defined manufacturing. Among Fortune 100 companies, the average for revenue from non-U.S. business was 28 percent.

**High leverage** – In a sample of 50 U.S.-based companies with evolved translation programs, managers reported that incremental expenditures – on the order of 2.5 percent – in R&D, documentation, marketing, and web development enabled them to adapt their products and services for six to ten international markets. While these companies have long histories of translation and a worldwide presence, their data demonstrate that the additional cost to meet the needs of a foreign market is relatively low, once a product is already developed.

**Greater profitability** – The financial results of 246 of the top 500 multinational companies analyzed in the Templeton Global Performance Index show that business outside of home markets comprises 40 percent of the assets of large companies, while accounting for 45 percent of their corporate profits.

### Buyers Need Translations

At the other end of the transaction, customer preferences worldwide round out the case for translation, as responses from 2400 consumers across eight countries demonstrate.<sup>2</sup>

**Language on the Web** – As more buyers worldwide consult the Web early in the sales cycle, more than half of them (52.4%) buy only at websites where information is presented in their language.

**Purchases of household and manufactured items** – Most consumers (58.4%) consider it important or very important to have information in their own language when buying clothing, personal care

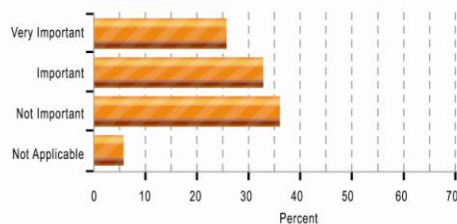
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<sup>1</sup> Source: "Beggars at the Globalization Banquet," by Donald A. DePalma and Renato S. Beninatto (Copyright Common Sense Advisory, Inc., November 2002).

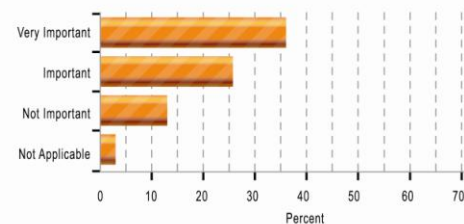
<sup>2</sup> Source: "Can't Read, Won't Buy: Why Language Matters on Global Websites," by Donald A. DePalma, Benjamin B. Sargent and Renato S. Beninatto (Copyright Common Sense Advisory, Inc., September 2006). Sample included at least 300 consumers each from Brazil, China (PRC), France, Germany, Japan, Russia, Spain, and Turkey.

products, household electrical products, and athletic equipment. This figure jumps to 68.8% of consumers contemplating the purchase of electronic devices, computers, durables, and vehicles (see Figure 1).

“For product or services in the following market sectors, please score the importance of language to your purchase decision.”



Personal care and household products



Big ticket items like electronics and automobiles

*Figure 1 - Language Matters Most When Buying Complex or Expensive Goods (Source: Common Sense Advisory, Inc.)*

**Ongoing relationship** – To move beyond a transaction to a relationship, consumers worldwide are uniformly even more demanding, with 74.7% agreeing that “I am more likely to purchase the same brand again if the after-sales care is in my own language.”

As steep as these preferences are, they become understandably steeper for consumers with little or no knowledge of another language. They also help shape decisions about what to translate.

## What are manufacturers translating, and why?

From starting the sales cycle with global customers through building a product in their language and developing a long-term relationship, there are plenty of materials to translate.

- **Marketing materials** – As noted above, you may be able to engage prospects who do not know your language but like your product; however, the conversation will eventually lead to questions you must answer in their language. Translated point-of-sale collateral, brochures, ongoing-contact pieces, and FAQs demonstrate a willingness to meet these prospects on their terms.
- **Web content** – With more customers using the Web in their purchasing process, companies of all kinds benefit from making content available in local languages. Several companies known for “soft” products translate Web content into dozens of languages: Google, 103; Microsoft, 39; Yahoo, 24; Allianz, 19; Megaupload (Hong Kong), 19; Citigroup, 17. Many of the world’s best known manufacturers also invest in translating their Web presence (see Table 1).

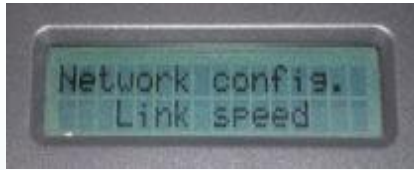
- Shop floor instructions – Customers are not the only audience in need of translated content. Even in domestic plants, employees often need materials – standard operating procedures, instruction manuals, HR policies, job safety information – in their own language, whether for regulatory compliance or simply because informed workers execute their tasks more effectively.

<b>Company</b>	<b>Home Country</b>	<b>Number of Languages on Website</b>
<i>General Motors</i>	<i>USA</i>	<i>35</i>
<i>Robert Bosch</i>	<i>Germany</i>	<i>34</i>
<i>Nissan Motor</i>	<i>Japan</i>	<i>33</i>
<i>IBM</i>	<i>USA</i>	<i>32</i>
<i>BMW</i>	<i>Germany</i>	<i>30</i>
<i>Toyota</i>	<i>Japan</i>	<i>30</i>
<i>Hewlett-Packard</i>	<i>USA</i>	<i>29</i>
<i>Matsushita (Panasonic)</i>	<i>Japan</i>	<i>26</i>
<i>GlaxoSmithKline</i>	<i>UK</i>	<i>26</i>
<i>Ford Motor</i>	<i>USA</i>	<i>26</i>
<i>Samsung</i>	<i>South Korea</i>	<i>25</i>
<i>Unilever</i>	<i>UK</i>	<i>22</i>
<i>Siemens</i>	<i>Germany</i>	<i>21</i>
<i>LG Electronics</i>	<i>South Korea</i>	<i>21</i>
<i>Toshiba</i>	<i>Japan</i>	<i>18</i>
<i>Daimler Chrysler</i>	<i>Germany</i>	<i>16</i>
<i>Canon</i>	<i>Japan</i>	<i>15</i>
<i>Hyundai Motor</i>	<i>South Korea</i>	<i>14</i>
<i>Bayer</i>	<i>Germany</i>	<i>13</i>
<i>Fujitsu</i>	<i>Japan</i>	<i>11</i>
<i>Sony</i>	<i>Japan</i>	<i>10</i>

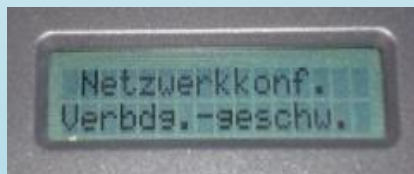
*Table 1 - Top Global Manufacturer Websites<sup>3</sup>*

- Products – The products themselves often consist of pieces with translatable text, such as instrument panels, keypads, dashboards, indicators, gauges, and meters. Over time, manufacturers learn to externalize this text to pieces changed out from one language to another at assembly time.
- Documentation – Well-developed manuals, instructions, and user guides reduce the domestic support burden, and properly translating these documents reduces the even more expensive global support burden. A well-translated help system saves money on answering support calls from customers around the world.

<sup>3</sup> Source: "Website Globalization: The Availability Quotient," by Benjamin B. Sargent and Donald A. DePalma (Copyright Common Sense Advisory, Inc., January 2008).



Manufacturers whose products use digital displays must first convey their message in a limited number of characters, and then both convey it and keep it brief. Translators have the task of conveying the message, expressing it with novel abbreviations, and rendering it in a way that users can understand.



- Packaging – Buyers of physical goods require an “out-of-box experience” that includes artwork, warranties, consumer information, compliance labels, product registration forms, and contact information. Global customers expect no less in their own languages.
- Software and firmware – Software that will display text on a computer screen is an obvious candidate for translation (or localization). However, software and firmware also display text on a growing array of manufactured products, from thermometers and medical devices to refrigerators and automobiles, where translation can be particularly difficult (see sidebar).

- After-sales service materials – To build the same, long-term relationship with global customers that they have with domestic customers, manufacturers translate materials for customer support and technical support, such as knowledgebase articles, product updates, and ongoing customer communications.
- Internal materials for worldwide offices – Partners, distributors, representatives, and employees in foreign countries need training to sell and operate overseas, and the most effective training comes through courseware, e-learning content, and company communications in their own language.

Whatever the company decides about material to translate, it must also set priorities for the translation process.

### What are manufacturers’ priorities when translating?

First among these concerns is that **translation must fit in with everything else**. Like new machinery on an assembly line, the translation function must integrate with functions that surround it. In the early going, most companies have little choice but to deal with translation as an afterthought. The product is already on shelves and in showrooms, so any work aimed at making it desirable to an overseas buyer is after-the-fact customization. But, as companies evolve in the translation process and the prospect of global revenue grows, managers review the product development process and find the best handoff and entry points for translating content.

Better fit also means lower cost. The business variables that face manufacturers – different product lines and release schedules, assembly schedules, product specifications, tight turnarounds, and eleventh-hour product changes – are daunting as it is, without factoring in translation. Making this very human-centric process integrate with production is the only way to go global profitably.

For translation to fit, manufacturers prize **centralized communication for better scheduling**. Scheduling translation work is difficult in the fluid environment of continuous product development, staggered release dates and cycles among regions, requests from different departments with tight turnarounds and strict product release dates, and special regional requests. Manufacturers with experience in translation expect and use tools that centralize communication among all stakeholders.

Developing **consistent global terminology and brand** becomes a priority as the company's international profile rises and as the translation effort spreads across the company. Manufacturers look for help in ensuring terminology leverage and use of the same words for the same products and concepts. Otherwise, terminology-silos spring up, with different translations for the same term over regions, business units, departments, and release cycles. At its worst, inconsistent translation results in the use of different terms within the same product – a big obstacle to customer satisfaction.

**Translation re-use** is important in controlling costs. As a manufacturer's body of translated text grows with time and products, it expects increased leverage between similar projects for lower costs and quicker turnaround. The technology has long been in place for this leverage, and it plays a big role in the long-term viability of any global effort.

#### The Translation Process Must:

- Integrate with the manufacturing environment
- Centralize communication to keep pace with changes in schedule
- Support the company's global branding effort and help control its unique look
- Rely on re-use of previously translated content to reduce costs
- Include a language supplier with industry expertise and the ability to scale

Most manufacturers outsource their translation work, and look therefore to an **experienced, flexible language service provider**. The outsourcing model keeps translation a variable cost rather than a fixed cost, which aligns better with manufacturers' need for the service.<sup>4</sup> They look for translation experience in their particular industry and terminology, and a good fit with their global product effort:

- If new to translation, with few processes in place, they look for a track record of satisfying other manufacturers.
- As their translation effort is gaining momentum, flexibility becomes important so that the supplier can scale up to add languages and staff quickly.
- Translation-veterans with strong processes in place rely on the supplier for new kinds of value, such as global content management or help with internal terminology-silos. They place priority on a supplier with a global footprint that mirrors their own international organization.

## The Lionbridge Translation Model for Manufacturing Companies

To address these priorities, Lionbridge offers a blended translation model of human and technical resources suitable for manufacturers of all sizes.

The translation project manager is the single point of contact for all global requirements and operations. Human contact at the day-to-day level is at the heart of all successful projects, and the project manager acts as the supplier-side champion for questions, status, schedule, and deliverables.

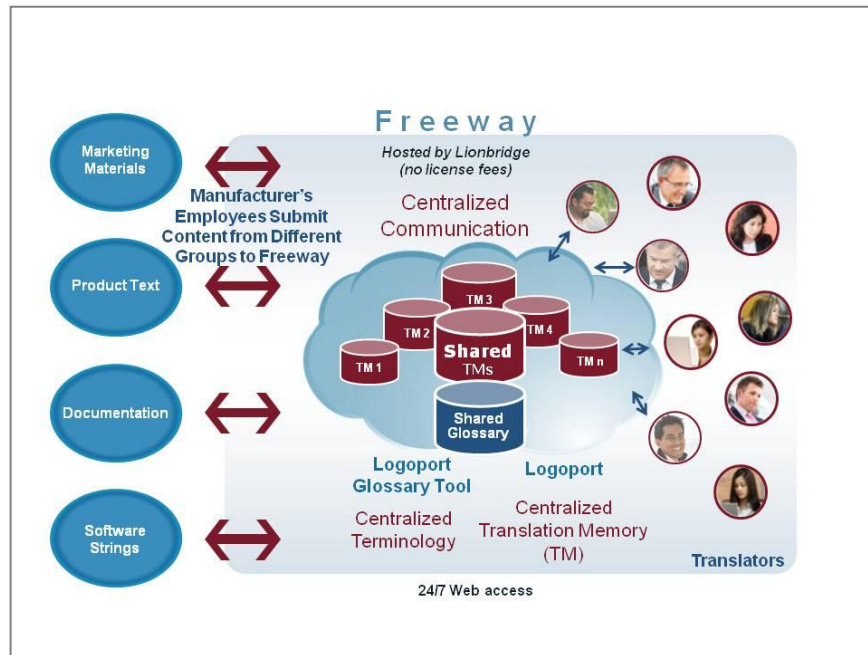
Behind the project manager is a network of translators with worldwide experience in the terminology of manufacturing and consumer products, and a team of editors, desktop publishing specialists, engineers, and testers. The project manager coordinates their efforts so that client companies can focus on their core business activities.

With Freeway™, Lionbridge's own Web-based translation management portal, manufacturers manage translation projects and budget from start to finish from a browser. Freeway centralizes the manufacturer's translation requirements across departments, offices, divisions, and regions, and is available to all Lionbridge clients and translators at no charge.

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<sup>4</sup> It also aligns better with the business model of most translators. According to the American Translators Association (ATA), 70% of its 10,600 members work as independent contractors, both full- and part-time. Only 10% are in-house employees, working for both language service providers and private companies.

By centralizing communication around all of the file handoff, job initiation, scheduling, notifications, and delivery of translation projects, Freeway cuts much of the turnaround time out of the human-centric work of translation. This allows manufacturers to integrate translation with their processes, instead of turning translation into an inconvenient bubble at the end of the production schedule.



*Figure 2 - Freeway Technology Supporting Translation*

Freeway is also a portal to other tools: Logoport, for managing translation memory (TM) databases; and Logoport Glossary Tool, for maintaining consistent terminology. Logoport keeps translation costs down by making all of the work done in the past available to translators to use on new projects. Logoport Glossary Tool helps global companies speak with one worldwide voice by ensuring translators handle brand-critical terms (slogans, catch phrases, core nomenclature) in the same way, even among the thousands or millions of words of surrounding content.

Because there are practical limits to the translation work that humans can manage and deliver – especially as they face new content in greater volumes into more languages – these technologies are essential to success in creating global products.

## Conclusion

Both the producer and user of manufactured goods have strong arguments for high-quality, translated products: Centralization makes the translation process manageable for the producer, and consistency makes the products more valuable to the user.

With manufacturing clients in industries ranging from food to heavy machinery – including more than 90% of European auto manufacturers – Lionbridge offers the scale, flexibility, and global footprint to grow with companies new to translation and the tools to add value in companies with established translation processes.

## Contact Information

### About Lionbridge

Lionbridge Technologies, Inc. (Nasdaq: LIOX) is a leading provider of translation, localization, and testing services. Lionbridge combines global language resources with proven program management methodologies to serve as an outsource partner throughout a client's product and content lifecycle. Organizations in all industries rely on Lionbridge language and testing services to increase international market share, speed adoption of products and content, and ensure the integrity of their global brands. Based in Waltham, Mass., Lionbridge operates across 26 countries, and provides services under the Lionbridge and VeriTest® brands.

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