

GLOBE center:

By David Richins



Redefining Globalization and Localization

California's Highway 1, from the Monterey peninsula to Big Sur, offers some of the most breathtaking scenery on the planet. Rolling grassy hills and cypress groves abruptly end with rocky ocean cliffs. The Monterey peninsula is famous for golf courses, great wine, artists, freethinkers, and oceanography. The area is also known as the "language capital of the world."¹ It is only fitting that this environment would serve as an incubator for unique initiatives designed to broaden the horizons of global business.

The Monterey Institute of International Studies, a private graduate school of approximately 700 students, announced recently that its Fisher Graduate School of International Business has received grant funds from the U.S. Department of Education to establish a Center for the Globalization and Localization of Business Exports (GLOBE). The Fisher School will collaborate with the other three graduate schools at the Institute, including the Graduate School of Translation and Interpretation, which has already received recognition in the GILT industry as a strong provider of linguistic and technical training. The GLOBE Center will focus activities on research, education, and consulting, with the goal of becoming a thought leader in globalization strategy.

A BROADER APPROACH

The Fisher School has noted the need for more educational resources in localization, based on the following observations:

- The business world needs more expertise on how to adapt products and services for foreign markets. More marketing professionals today are recognizing the need for cultural adaptation. Within new product development circles, engineers and design teams are focusing on how to design products with foreign customers in mind.² All the signs indicate that while business is becoming more globally integrated, companies are becoming more aware of national and regional differences. Yet few, if any, educational resources exist to help companies customize their products, their marketing, and their operations for global markets.
- The language industry or GILT in particular is lacking in business models on how to strategically manage the process of localization beyond the project level. A handful of educational institutions provide training in localization, but none of these comes from the perspective of a business school.

The word "localization" has become associated with the technical processes required to make products multilingual. But GILT professionals know instinctively that localization is more than language and technology. Cultural and legal differences can require the adaptation of a myriad of elements, from icons to maps to graphics. Problems occur in business functions as well. Marketing strategies, product designs, operations, and organizational structures all may require adaptation in order to penetrate foreign markets. This adaptation is often not a linguistic or technical process, but the concept is the same: companies make changes to meet the needs of global customers.

The problem of adapting global marketing and other business strategies has been a hot topic in several professional and academic circles. Yet, despite definite correlations, GILT has been detached from these discussions. Romina Marazzato, a visiting professor at the Monterey Institute, commented on the situation: “Localization started as an add-on process, left to vendors who gathered ad hoc teams from a variety of small businesses and freelancers. This unmonitored layered outsourcing model paired with the rapid growth of localization demand estranged the localization process from its final users and customers. The distancing between technical and language resources and senior client management has created an increasing gap where systematic knowledge about enterprise-wide global strategies, from global copywriting to local marketing, is desperately needed.”

There is, however, some evidence that this gap is narrowing. Some vendors are starting to offer services that appear to extend into the realm of business and marketing strategies—services such as copywriting for global marketing communications, ensuring regulatory compliance, cultural and local market intelligence, and globalization consulting. Gary Muddyman pointed out in his insightful CSN article this past June, “Managing for a World of Difference: Structuring the Next Generation GILT Company,” that companies want assistance with their international expansion goals, not just language and technology services. Certain ramifications follow:

- Some service providers may find themselves advising clients in a management consulting role when their expertise is really in providing language and technology services.
- It may be that some clients hand localization projects over to vendors without developing a thorough global business strategy or undertaking sufficient market research. They assume that the process of adapting products to foreign markets is a magical black box handled completely by the localization service providers.

GILT started out as a cottage industry, but globalization has fueled massive growth, and the lines between

various business functions have blurred. Clients need to know how localization fits in with their global business strategy. Vendors need to know how to advise their clients on how to make that fit happen. The GILT industry overall needs to extend its mindset to broader business objectives, especially given that most managers in the industry started their careers as either a translator or software developer.

In preparation for rapidly changing business dynamics, the Monterey Institute’s GLOBE Center has positioned itself to lay the foundation for a new breed of global business professionals. The center has set out to apply the localization mindset of the GILT industry to the business world in general, and, in the process, globalize GILT.

RESEARCH, EDUCATION, CONSULTING

The GLOBE Center is leading the research effort for innovation in localization by gathering information from relevant sources. Monterey Institute faculty are undertaking research to determine the major localization problems that arise when companies attempt to enter new markets. Information and findings from faculty research are compiled and classified in an information database. This database is a continually expanding body of knowledge that serves as a framework for consulting and educational activities.

The GLOBE Center research is also geared toward generating strategic guidelines for companies on how to manage various globalization issues. By combining and synthesizing expertise from a variety of business areas, the GLOBE Center will be able to provide a broad resource base and comprehensive guidelines for managers on how to adapt strategies, products, and operations for global markets.

A portion of this research effort is dedicated to providing business models for the language industry. This may include guidelines for clients on how to select markets, prioritize languages, manage vendor relationships, and apply effective technologies and processes for managing multilingual content.

Such research will enable faculty to construct instructional modules that will be incorporated into

“A PORTION OF THIS RESEARCH MAY INCLUDE GUIDELINES FOR CLIENTS ON HOW TO SELECT MARKETS, PRIORITIZE LANGUAGES, MANAGE VENDOR RELATIONSHIPS, AND APPLY EFFECTIVE TECHNOLOGIES AND PROCESSES FOR MANAGING MULTILINGUAL CONTENT.”

various educational programs. For example, the Graduate School of Translation and Interpretation at the Monterey Institute has expanded its offering of translation degrees to include an MA in Translation and Localization Management. This program will combine the technical and linguistic expertise of the Translation School with the strategic management strengths of the Business School. The degree has three areas of focus: language translation, technology, and business. Part of the two-year program will focus on developing translation skills that allow students to do professional translation work when they graduate. Students will also improve their knowledge and skill in technology tools such as computer-assisted translation, software localization, machine translation, and terminology management. Finally, the program will provide a survey of basic business management areas, such as project management, marketing, economics and business strategy.

Individuals seeking a more general business approach to localization will have the opportunity to earn an MBA with a specialization in globalization and localization. Instructional modules and courses that draw on content from such areas as cross-cultural understanding and communication, managing innovation and change, technology transfer, marketing across borders, strategic partnering, international business law, and managing diversity will be provided. MBA students will also have the opportunity to cross-enroll in the Translation School to take advantage of courses such as Software Localization and Project Management.

In addition to degree programs, one of the GLOBE Center's partners, the Monterey Bay International Trade Association, will host a web-based course on e-commerce intended for industry practitioners. Other curriculum programs, such as practitioner training seminars, may be developed depending on needs, opportunities and resources.

Students who are pursuing a degree program will be provided opportunities to work on localization consulting projects as part of their curriculum. The capstone course required of all MBA students at the Fisher School, the International Business

Plan, is a faculty supervised consulting project for area companies and organizations involving teams of five or six students. The work of the team results in a specialized business plan for company penetration of overseas markets. Over the past several years, an increasing number of International Business Plans have dealt with localization-related issues. Companies participating in business plans have included large IT companies such as Hewlett-Packard, Cisco, Oracle, Sun, and Seagate as well as agricultural firms such as Ernest and Julio Gallo, Transfresh, Hilmar Cheese, and the Monterey Pasta Company. Other di-

five reasons
Blackboard partnered with Welocalize

Blackboard
www.blackboard.com

"Blackboard selected Welocalize because of its excellent reputation, experience and knowledge in providing integrated globalization services that offer robust, time sensitive solutions to the international demands that arise with global enterprise technologies." Andrew H. Rosen
EVP and General Manager, Blackboard International

experience, knowledge, reputation, integration, agility

welocalize

specialized in integrated e-learning globalization services

www.welocalize.com
800.370.9515

Blackboard is a registered trademark of Blackboard Inc. and is used by permission. All rights reserved. Copyright 2001 © Welocalize. All Rights Reserved.

verse companies have ranged from the Pebble Beach Corporation to Sequoia Energy.

Consulting projects funded by the GLOBE Center may be as comprehensive as the International Business Plan, or may be focused on more specific issues. The GLOBE Center will work with its partners to identify the clients that can most benefit from consultation on adapting their products to export markets. Using students and faculty advisors from the Monterey Institute, we will conduct studies for these clients to address their specific globalization needs.

The GLOBE Center is partnering with local business organizations, including the Monterey Bay International Trade Association, the Marina Technology Cluster, and the U.S. Department of Commerce Export Assistance Center of Monterey. In addition, a number of GILT associations, including the Localization Industry Standards Association (LISA), have agreed to cooperate with the Monterey Institute to help develop curriculum programs.

TOWARDS A NEW OUTLOOK

Today's global marketplace is torn between similarities and differences, homogeneity and incongruity, "Jihad and McWorld."³ Technology, communication channels, and favorable trade policies drive companies to go global in order to reap profits from new markets and to develop huge economies of scale. But differences such as language, culture, and legal regulations serve as obstacles to globalization. These differences are felt today more than ever. The GILT industry has unsurprisingly emerged to fill the niche where the homogenizing force of technology collides with the dividing influence of language.

In order to succeed in global markets, companies must do more than simply translate their

messages. They must leverage both explicit (legal and technical requirements) and tacit (cultural and human factors) knowledge about foreign markets in multiple business functions.⁴ As companies cater to local differences, they must also explore potential global scale or scope economies in order to succeed in today's competition.⁵ To achieve both objectives requires advanced strategies, methods, and technologies.⁶

International ventures require initial planning at the strategic level. The process is similar to remodeling a house. It is possible to complete a remodeling project in an ad hoc manner, without a plan, but this would not be advisable. You must start with a definite blueprint, and then coordinate the efforts of contractors or employees who handle various aspects, such as framing, masonry, drywall, roofing, etc. Likewise, in the business world, international ventures should begin with a global strategy that takes into account the requirements of foreign markets and the global competitive landscape. Then managers must coordinate the efforts of the various business functions needed to complete the initiative, both internal and outsourced.

In an ideal world, the language and technology solutions offered by the GILT industry should seamlessly integrate with all other international business functions, whether they involve marketing strategies, product design, global logistics, or company organization.

The GLOBE Center has been designed to help companies see the big picture as they expand globally, and connect them with the resources they need to succeed. Today's global business world needs a new generation of conceptual thinkers and advisors that can see how all the pieces fit together. The Monterey Institute is laying the foundation for such

a generation. Together, the GLOBE Center and the GILT industry have the international vision to extend globalization and localization to new levels.

FOOTNOTES

- ¹ See <http://www.monterey.org/langcap>
- ² The 2005 annual conference of Product Development and Management Association (PDMA) is dedicated to global product development issues. See <http://www.globalexec.com/pdma2005>
- ³ Benjamin Barber 1996, *Jihad vs. McWorld: How Globalism and Tribalism are Reshaping the World*, Ballentine Books.
- ⁴ Mohan Subramaniam & N. Venkatraman "Routines Leveraging Knowledge Across Borders For Global New Product Development Capability: An Empirical Examination", Working Papers for The Carnegie Bosch Institute, 98-12.
- ⁵ Theodore Levitt 1983, "The Globalization of Markets", *Harvard Business Review*, vol. 61, no. 3, p. 92. This provocative article helped spark a major debate on whether companies should standardize or adapt marketing to global markets.
- ⁶ See Pankaj Ghemawat 2003, "The Forgotten Strategy", *Harvard Business Review*, vol. 81, no. 11, p. 76. Also see Luc Wathieu, Yu Ivory Liu, and Gerald Zaltman. "Rooting Marketing Strategy in Human Universals." In *The Global Market: Developing a Strategy to Manage Across Borders*, edited by John A. Quelch and Rohit Deshpandé. San Francisco, Calif.: Jossey-Bass, 2004.