ISA—the global Localisation Industry Standards Association—is celebrating its tenth anniversary this year. In the years since its foundation, it has evolved from an unofficial round table to a leading force in the global language industry. From technical standards and best practices to special interest groups and its regular international forums, LISA’s activities have consistently been designed to promote and professionalize both localization and the companies involved in it. Now, to adequately address the radical changes facing the industry as a result of globalization, the Association is taking the next step and licensing a third-party service provider, SMP Marketing, to offer promotion and marketing services. A major publicity event, to be held in San Jose, California, in October of this year, marks the start of the new set-up.

Language International spoke with Michael Anobile, director of LISA, and Alison Rowles, the LISA business manager and financial controller who will head up SMP, about LISA’s plans and the consequences for the industry.

Language International: How has the localization industry changed since you started LISA?

Michael Anobile: Well, for a start, it very definitely now is an industry—not bad going when you consider that the word “localization” itself was only coined about 10 years ago. No one has been successful in quantifying product localization costs even across single sectors, let alone across multiple ones, but it is easy enough to look at what localization means to worldwide sales in some industries. Thus, in the IT sector, English is simply not enough to sell your product and, as a result, tens of billions of dollars are being generated from a relatively small investment. To give just two examples: Cisco recently reported a tenfold ROI per market based on new product sales, customer satisfaction, and internal productivity, while Microsoft—one of the few companies that will publicly state how it leverages its localization investment—generated US$5 billion in fiscal year 1998 from localized product sales, according to David Brooks, former senior director of international product strategy.

In addition, the nature of localization has changed. Originally, it was the value added given to translation services in the early 1990s. At that time, IT customers realized that they needed more than just transla-
tion—they wanted testing, engineering, better tools, etc.—and service and tools providers soon moved to enable this as a way of differentiating themselves. But today, localization is the millennium’s business imperative, and the value added has moved all the way to enterprise globalization. This means providing a complete strategy for managing multilingual communications, both internally and externally, including products, services, branding, and everything else.

LI: So what has caused this change?
Alison Rowles: Globalization and the Internet, and a corresponding shift in the speed and scope of business. It is a truism to say that globalization is a truly worldwide phenomenon, and the speed with which it is happening is breathtaking, thanks to the Web. To give just one example, GartnerGroup Inc. is now projecting that worldwide B2B e-commerce, which hit US$145 billion in 1999, will surpass US$7.29 trillion in 2004.

Since, for the first time, global competition is now only a click away, the worldwide business market is beginning to realize that a well-localized product can provide a competitive edge. In fact, localization, backed by a strong global company, will determine who is successful and who is not. Selling an American product via an English-language-only Web site is no longer enough.

MA: This is good news for the localization industry, as the demand for its services is growing exponentially. However, precisely because the need is so massive and time is so short, there is a danger that players will start reinventing the wheel. The industry needs greater recognition and exposure, and there is a need to make sure that the expertise that LISA and its members have built up is put across efficiently.

LI: What benefits does this knowledge have in practice? For example, can it help fix the rising cost of translation?
MA: It can certainly help contain it. LISA has made substantial progress over the past years in professionalizing the language industry, with initiatives such as its Oscar term base exchange standard, its Quality Assurance Model and the Localization Industry Primer. Service and tools providers using these results—which can also be purchased by companies that are not LISA members—work as efficiently and effectively as possible. This helps keep down both up-front costs and downstream expenditure, like those on subsequent versions. What is more, the results of work by members in this area are discussed at LISA’s forums and in its newsletter, creating a repository of best practice to build on. For example, Nortel Networks and General Motors have both shared details of their extremely successful projects with attendees at LISA Forums. In this way, we can all learn from each other—something that is vital in this fast-paced business.

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There is still an assumption that because almost everyone speaks at least one language, everyone can do the job of a professional localizer. Thus, many managers still see localization services as a non-strategic cost generator—a necessary or even unnecessary evil. This simply isn’t true. If companies are making over 50% percent of revenues abroad, localization is very much their core business and, in fact, permeates every aspect of their activities. And if you’re betting your farm on a foreign-language product release or market presence, you should take as much care over it as over your domestic ones. This means that, while cost is definitely a consideration, issues such as quality and fitness for purpose are also vital. This means that one of LISA’s main jobs is to educate management about how they can design and organize their business processes to get the best results.

LI: Is this where SMP comes in?
MA: In the past 10 years, LISA has done a great deal to promote the localization industry in many different ways. We have held press conferences in a number of different countries and our Global Strategies Summit in Washington D.C., which LISA co-sponsored with the US Department of Commerce was instrumental in reinforcing the message with the US administration. However, while LISA is well positioned to gain press and advertising advantages, as a nonprofit entity its resources are limited. Of course, the association has been successful because it was always run as a business, but it has never had the luxury of government subsidies, and no single country or special interest group invested funds to kick-start it. In addition, its scope of activities is limited by its nonprofit status and association charter.

SMP Marketing offers LISA additional flexibility to drive marketing activities forward. By separating the marketing function from the LISA administration, we can downsize the organizational infrastructure while maintaining the ability to promote LISA to a much wider audience. The association will become more portable, productive, and focused. LISA administration will focus on membership requirements and services, and the resulting stronger, member-focused back-office, coupled with the support of a dedicated marketing arm, will enable the director to focus on expanding LISA’s membership base. We want to bring in a wide range of new companies taking their products and services through the localization process. In addition, LISA administration can help members have greater involvement in developing content and technological initiatives, which will keep the association at the forefront of the industry.

AR: LISA revenues are member- and conference-fee driven. If LISA members have a choice on where they will spend their marketing dollars, it is in the best interests of the association and the industry to spend it where it returns the most promotional and content value. However, this is not always within the LISA mandate. The creation of SMP Marketing, as a business-driven entity, means that industry players with the financial resources to back press and marketing programs can select activities to promote their own organizations.
while working with LISA to reinforce the goals and objectives of the association. As an example, individual members may be highlighted in a publicity piece, but inclusion of the LISA logo and information on the association would also promote general interest in the industry.

L1: But why use a different company?

MA: Originally, the aim was to set up a for-profit LISA spin-off company focused on the promotion of the localization industry. This would have been similar to the “football club” model or other not-for-profit groups that set up a company to sell their T-shirts and mugs. This entity was to have promoted the industry, and—by its affiliation with LISA—the latter’s members, guidelines, business practices, surveys, and special interests. Unfortunately the legal hurdles relating to the ownership proved to be overwhelming for a non-profit, membership-driven organization. Therefore, we have changed the model and LISA has licensed SMP Marketing (the acronym stands for “Small, Managerial, and Professional”) as a third-party service provider to manage the marketing of the association, permitting it to use the LISA trademark and name.

L1: What does this mean in concrete terms?

MA: Alison Rowles owns SMP Corinne Anthamatten, who is currently employed by LISA, will join her to manage the conference side of the business. In effect, Alison will continue to be responsible for almost all of the relationships and projects that she helped put in place since 1996. Alison is currently winding down her LISA controllship and business management responsibilities. We expect a transition period to last through year-end 2000.

AR: From my point of view, SMP primarily exists to broaden LISA’s membership ranks in terms of vertical business exposure and expertise. The LISA mission remains unchanged, but it will use third parties, like SMP, to drive membership and maintain the association’s preeminent position. In the old days it was relatively simple to get one of the members to share their database or invite clients or partners to a forum. Today however, by virtue of the industry’s intense competition, members must concentrate on developing their own business priorities. It is LISA’s job to increase the playing field by facilitating access to content, more expertise, and global coverage.

In fact, links with other associations and joint program development will be key in growing the association’s membership.

For example, LISA is building a Content Partner Program. This year we have agreements in place with organizations like the IIR, SIA, IWIPS, and the ATA. We either manage portions of their programs and/or help them promote their events. We are being approached by other conferences and trade organizations desiring to have their constituencies understand the importance of localization and globalization expertise. LISA members are in the ideal position to help them accomplish that. LISA administration will concentrate on establishing more of these valuable relationships.

AR: SMP Marketing is really a fulfillment company assisting LISA in accomplishing its mandates, and it has been licensed by LISA to perform a set of tasks including managing conferences and promoting LISA programs and products (the LISA QA Model, The Localization Industry Primer, surveys, etc.). In addition, it will develop and manage advertising and PR programs, working with a wide range of business periodicals to continue to develop localization inserts—such as those we have already placed in Global Business and J@pan, Inc. The two organizations may develop other joint programs and projects in the future.

Another example is our San Jose Global Strategies Summit on October 18-20 [see below for further details].

AR: I see nothing but benefits for the association and its members in taking localization to a wider audience. The fact that LISA employees are driving this new effort forward ensures that the message is correct and that there is a proven record of successful growth and expansion of the association structure. In fact, the new structure is modeled on the World Economic Forum—another Swiss-based not-for-profit association supported by a number of international business enti-
ties—and on successful organizations such as the OMG. These groups have gained worldwide recognition and have maintained the leadership position in their respective fields. This is where the localization industry has to go.

MA: LISA's integrity and the association's mandate remain intact. Members benefit from increased exposure, regional expertise and the involvement of more companies to further special interests. Our track record of performance and growth speaks for itself. The same team that has taken LISA to its successful status today will continue to take it forward. This includes supportive members and a proactive board. An additional advantage for LISA members is that they remain in a privileged position for all SMP events in terms of participation, sponsorship and promotion opportunities. Non-members get easier access to content and experts—at a higher price.

What is more, LISA has a history of working with third-party suppliers, many of which are member companies. They understand our objectives and, even more importantly, they understand the industry. We have contracted service organizations to manage the LISA Forums, and independent companies to manage our publications as well as most of our technical support. We have also worked closely with a number of PR firms around the world to help us market and promote LISA events. Believe me, I know how difficult and expensive it is to find a marketing company with the skill set and interest to develop this industry. Last but not least, LISA is always on the lookout for other partners with whom it can add value for its members in new areas. We are always willing to explore constructive suggestions.

MA: The real difference between the Global Strategies Summits and/or Training Seminars and the Forums is that only LISA members can host the latter. With this in mind, the content of the Seminars is much less localization-specific. The key goal is to attract new vertical businesses and break the world's perception that LISA is only for software developers. In fact, attendees to Global Strategies Summits may well be hearing about localization for the first time, whereas LISA Forum attendees will spend more time addressing localization implementation issues, engineering requirements, and more in-depth regional concerns regarding content, language, technology, and business issues.

AR: Of course, this doesn't mean that the San Jose event hasn't been structured for LISA members. In fact, it has been structured to expand the membership base. This seminar focuses on the future and on pulling together the critical business elements required for successful globalization. At the root of this is language, as it always has been, only that message is now being taken to a larger audience.

The first day has been developed for newcomers to today's international business issues and will put the reasons to "go global" on the table while addressing the globalization consultant, and how companies in this fledgling industry can better manage the press. This day is rounded out by four very interesting client/vendor case studies.

MA: The benefit to LISA members and others lies in the ability to network with a whole new set of potential clients, partners, and companies facing similar problems but coming from different backgrounds. I think it is also important to get in on the dialog being developed with publications like Business 2.0 and Red Herring, along with analysts from groups like IDC and Forrester.

LI: How can the localization industry get involved?

AR: Support these programs and help us to be more active with the press. Copy SMP (Alison@lisa.org) on your press release and, when possible, include the name LISA and its Web site address (www.lisa.org) in your own publicity programs. We recently put out a call for industry spokespersons and received a tremendous response. As we promote the industry, we will call upon those people to help address the vital issues. By working together with SMP Marketing and LISA, members can gain critical exposure. At the end of the day—if we can all promote the industry—everyone will benefit.

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