

Localize your product to globalize your business

■ BY NABIL FREIJ

It is no surprise to most corporations in America that many companies are earning double digit increases in revenues from international sales.

Many of the most successful companies sell more than half of their products overseas, which is easy to understand considering that the European and Japanese economies combined are much larger than the US economy. If you factor in the emerging economies in the rest of Asia, South America, Eastern Europe and the Middle East, you will quickly see that opportunities overseas can be tremendous.

Software products should be expected to lead the way for exports, since the cost of reproduction is minimal compared to hardware. Once successful at home, software companies can quickly move to expand globally to gain market share and increase high profit margin revenues.

But fewer than half these companies are taking advantage of global economies.

What is holding up our exports? Why are we more successful at home than elsewhere? We do have the home field advantage here, and there are many trade obstacles that companies must deal with when exporting goods - export duties, currency exchange, local and foreign regulations, representation overseas. But is that all?

A leading issue that is keeping many U.S. companies back is lack of product localization. To localize their products, those companies have to undertake special efforts to make them meet specific local needs. This requires adding features and capabilities to their mainstream products and customizing them to meet international prospects' requirements.

One very important requirement is language. This means presenting the

product in the native language of the user. Is the extra effort justifiable? You bet it is.

Localization: A threat?

Many countries are starting to enforce laws requiring imported products to be provided in non-English languages. We all heard about incidents in France, Canada and Mexico involving U.S. affiliate companies that use English on their web sites or product labels.

In 1994, the Toubon law in France imposed the compulsory; but non-exclusive, use of the French language in all documents used to inform the user or the consumer. This includes labels, leaflets, catalogs, brochures, guarantee certificates, instructions and more. This law even applies to software products' user interfaces, online documentation and Internet pages. For more information refer to <http://www.globalvis.com/toubon.html>.

Georgia Tech Lorraine, an affiliate of the U.S. based Georgia Institute of Technology; was taken to court because its home page was only offered in English, despite the fact that it provides classes on its French campus in English only.

Similarly; French-speaking Quebec has strict laws and regulations regarding the use of English and French on products sold on its turf.

South of the border, the Wall Mart store in Mexico City was shut down to properly affix more than 13,000 labels on products to meet local language requirements.

All indications are that similar situations will occur more frequently around the world. The European Union continues to regard diversity of language as a great cultural asset and an important repository of heritage. Beginning June 1, many countries will follow France's footsteps by mandating that products sold in their countries meet their language needs.

Some executives see these events as threats. They may reconsider their global vision and focus more locally. But savvy executives see them otherwise

An opportunity?

Putting the threat aside, many prominent companies have realized that to succeed internationally they have to localize products and literature to meet international prospects' needs. They have discovered that there are many compelling benefits to product localization, which has led them to embrace it and depend on it.

For one, it gives them a tangible competitive edge over companies that insist on making their international customers buy products or services as they are sold in the United States.

How would you feel if you walked into your neighborhood's Chinese restaurant and you were offered their menu in Chinese only? Not very good - and yet we do it to our customers all the time.

Localizing your products and literature also gives your company an international image that is hard to ignore. When worldwide customers and prospects log on your Internet site to get information about your company and its products or services, and find it offered in their native tongue, it gives them security and comfort, besides making your material more understandable.

What could be a better way to tell international customers that you are committed to serving their needs than to communicate in their mother language? By localizing your products, your commitment to customers worldwide is cemented in their minds, creating entry barriers for your U.S. based competition and leveling the field with local competitors.

Many companies are already selling abroad, but are looking for ways to expand their international sales. They can do that

either by market penetration or by selling to other international regions. Consider localizing your products for both. It can be a compelling reason for customers in new markets to buy your products, as well as enabling a market penetration otherwise unattainable.

Last but not least, are your international customer support costs very high? Product localization reduces your support costs where they are the most expensive - overseas.

What language to speak?

Ask U.S. executives: "what is the language of business?" and many will respond without hesitation, "English!"

Take a closer look at their companies; you'll likely find that they do sell the majority of their products in English-speaking countries. But what about the rest of the world? English is the leading answer, but it is not the only one.

To succeed in today's economy companies have to think globally. The ones that don't will ultimately be taken over by the ones that do, or perish. To succeed globally companies have to cater to international customers.

Product localization does require a commitment from the top. It is as strategically important to the company as the company's vision. And it absolutely has to be part of the strategy for companies with a global vision.

After all, the language of business is not English. It is the language of the customer.

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