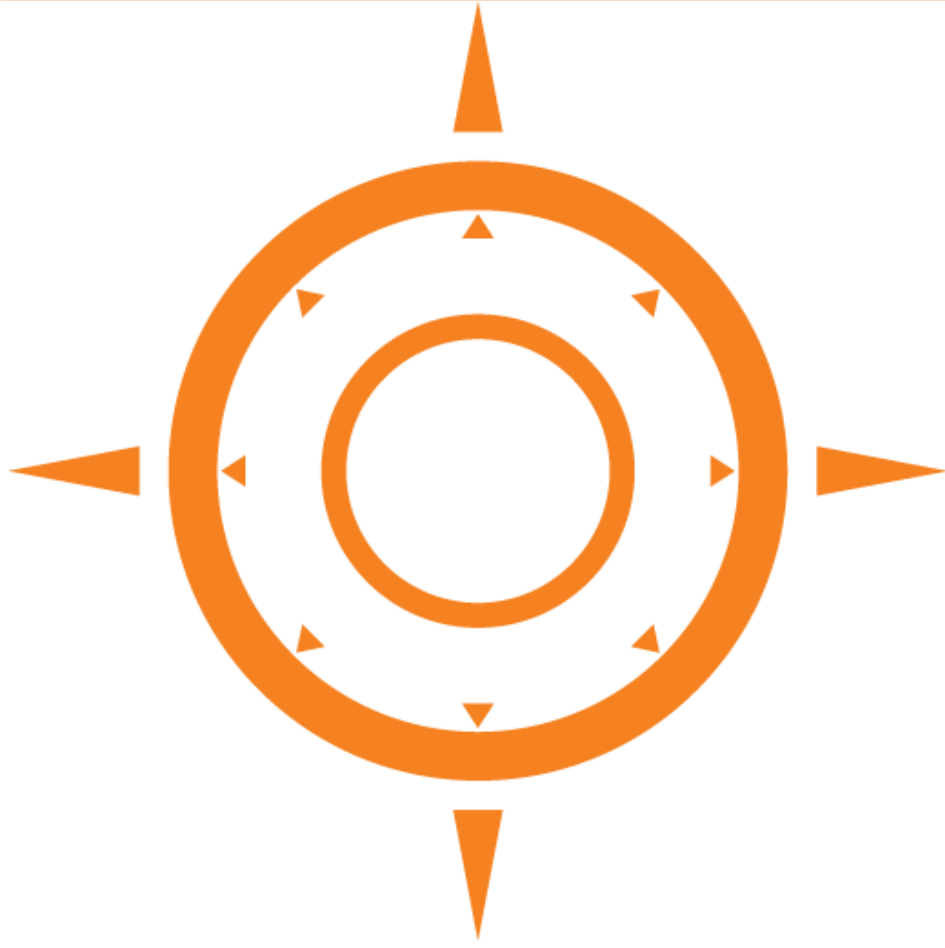# ROI: Right On In (to the C-Suite!)

2012 Internationalization and Localization Conference
15 March 2012

Topics for today's session

- **Why is ROI for internationalization still a thorn in your side?**

- **What questions should you ask and what data should you collect?**

- **What challenges do you face when defining and measuring it?**

- How can service partners best facilitate the ROI exercise for you?

- What works and what doesn't?

Why is ROI a thorn in your side?

- Let's talk first about why it shouldn't be!

  – Emerging and frontier markets are today's growth engine

  – Does anyone's company generate less than 50% of its revenue from outside of its home market now?

  – The "World" in www.com

  – The cost of not doing internationalization, or doing it reactively

Why is ROI still a thorn in your side?

- Let's discuss the reasons why it still is
  - Financial function refuses to mature
  - Decision makers don't understand that software is just "dancing content"
  - Lack of integration of internationalization topics into computer science and software design curriculum
  - Architecture vs. feature debate
  - Continued focus and emphasis downstream on localization

How much does translation really cost?

Estimated Annual Revenue Range (US$)	Average Translation Spend	
	2011 (US$)	As a Percentage of Revenue
$10 to $49.9 million	$500,000	1.00 to 5.00%
$50 to $99.9 million	$750,000	0.75 to 1.50%
$100 to $499.9 million	$933,333	0.18 to 0.90%
$500 to $999.9 million	$1,272,727	0.13 to 0.25%
$1 to $2.9 billion	$2,354,167	0.08 to 0.24%
$3 to $9.9 billion	$3,000,000	0.03 to 0.10%
$10 billion or more	$10,110,000	0.10% or less

The cost of translation was far below 1% of total revenue for almost all organizations!

Source: "Translation Performance Metrics," December 2011, Common Sense Advisory

Common Sense Advisory

Source: "Localization Return on Investment," April 2010, Common Sense Advisory

ROI soft data: Difficult to measure

- Have you lost any customers, or failed to gain them, due to non-internationalized software?

- Have you lost any market share, or failed to gain it?

- How is brand awareness outside of your home market affected by improperly internationalization?

- What would it be worth to your company if all engineers could produce world-ready code?

- How much could you improve the overall quality of your software if it was properly internationalized?

Hard data: Prepare to do battle!

- Attitude: You are an agent of change; take the bull by the horns!

- Enablement vs. cost savings

- Pay attention to your audience(s)

- Find out what KPIs your executives regularly monitor

- Challenge your CFO to meet you halfway

- Do the math, no matter how difficult

- Leverage your business intelligence function, if it exists, along with product marketing

- Hold Engineering's feet to the fire

ROI hard data: Easier to measure

- How much revenue have you lost over the last 12 months by not being able to sell product in X market? What is that market worth to your company?

- How much revenue have you foregone in the previous two launches due to product delays for local markets?

- How much do support calls/livechat/emails cost for international customers?

- How many localization bugs are really i18n bugs?

- How much could you save in internal and 3rd-party testing costs, and project management overhead, if there were no i18n bugs? How much does it cost you to fix one i18n bug in all localized versions?

ROI hard data: Easier to measure

- Total sales/revenue over a specified time period sliced by language, country, product, etc.

- Total international sales/revenue

- Market share numbers

- Number of new customers/users/partners gained

- Growth metrics for online (developer) communities

- Global satisfaction numbers

- International revenue per employee

- Overhead costs for internationalization

Source: "Localization Return on Investment," April 2010, Common Sense Advisory

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C-Suite ROI

- We know how much L10n Program Scalability has changed over the past 5 years.

- The missed Market: 27% of all Content is authored in English…

- 90% of most CRM content never gets translated. Millions linked to the Cloud never get reached.

Q&A

Questions/Issues

- How are you measuring i18n ROI? What corporate KPIs are most important to your organization?

- What's working in terms of metrics for you? What isn't?

- If you're not measuring, why aren't you?

Thank you.

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