

Off-Shoring Software Localization

Is It Really Worth It?

INTRODUCTION

Off-shoring software localization seems to be hot. It appears as everybody is jumping on the bandwagon. But is it really worth the ride? Our advice: "Think before you jump!"

Our customers have various off-shoring experiences and stories they are willing to share. This paper is based on their insight and shows that the ROI achieved from off-shoring localization projects may not be worth the ride.

KEYWORDS: *software localization off-shoring pitfalls, ROI calculation*

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WHY OFF-SHORE?

The main motivation behind off-shoring is cost cutting. Companies are hoping to gain competitive advantage by reducing the overall development costs. Oftentimes, however, they fail to consider other hidden costs and potentially the biggest threat, the cost of failure. Let's examine this a bit closer.

Localization is a complex process comprising of:

- Project Analysis, Planning and Preparation
- Professional Translation
- Language Asset Management
- Quality Assurance
- Project Management

So before we attempt to calculate the ROI, let's first understand each step.

ELEMENTS OF A SUCCESSFUL LOCALIZATION PROJECT

PROJECT ANALYSIS, PLANNING AND PREPARATION

The lack of thorough project analysis, planning and preparation almost certainly leads to a failure. And failures in multi-lingual projects are definitely not forgiving. If you are localizing into ten languages, each mistake introduced in the preparation phase will come back and bite you ten times as you will need to fix it for each language.

During the project preproduction phase, the job of a localization engineer is not only to determine the scope and prepare the files for translation but also to prevent potential problems from arising. And this requires experience. Yes, you can have a junior engineer run a word count on a document but he or she will not see the less obvious "gotchas" in complex software files or in elaborate documentation formats.

PROFESSIONAL TRANSLATION

If machine translation tools like Google Translate produced good results then there would be no need for professional translators. But the fact is that translators are still in high demand and that their ability to translate well is highly dependent on the following facts:

- They are native speakers of the target language
- They have professional translation education and experience
- They specialize in specific fields

Translators earn their living by charging for each word they translate. So, the formula is very simple and universal – the number of words times the price per word.

Translation prices are influenced by the cost of living in a particular country as well as the professional's level of education, experience, and specialization. If you do the statistics for any given language, you will find that the rates spread out nicely under a standard bell curve with the value of the standard deviation fairly low. Practically speaking, two or three cents +/-, the translation price for a particular language is set.

LANGUAGE ASSET MANAGEMENT

If you translate something once then it would be foolish not to reuse it for the same or similar content in the future. This is no news and the professional world of translation widely uses computer-aided translation (CAT) technology. Your translation/localization company may use this technology without even discussing it with you. But buyer, be aware! You want to make sure your linguistic assets are properly managed so that they are reusable to full extent and also that you keep the rights to this intellectual property. Otherwise your money has been just thrown out of the window.

QUALITY ASSURANCE

You probably would not deploy a new software product without proper testing. The same should apply to the language variants. Unfortunately, companies sometimes skip localization testing as they lack the necessary testing resources or, by the time localization is done, they are fully submerged in the new development and no one wants to even hear about the previous release. Sounds familiar? This mistake can be very costly, and we are not even talking about the impact on the company image.

Localization testing is not a trivial task and should not be treated as such. You need a professional QA team but, above all, a team composed of professional linguists/testers. While off-shoring the base product test to India or China can make sense, doing so for the language variants where the testers do not speak the target language makes very little sense.

Remember that one of the main goals of localization testing is to detect language issues once displayed in context. This can only be done by testers who have native proficiency in the target language.

PROJECT MANAGEMENT

Don't lose your time and sanity. Hire a company with professional project managers who have ample knowledge and experience in the localization industry. People who see potential pitfalls and warn you about them, who

recognize risks and avoid them, who recognize opportunities for improvement and help you implement them. Be prepared to hear “no” and “I don’t think so”, welcome questions and suggestions and do not just be “yessed to death”.

Unless your project requires simple documentation translation, do not settle for junior project managers without proper guidance. You can find yourself swimming in the project wasting your precious time. You have your own job to do.

Usually, things start well, you describe what you want, you are told that “yes” it can be done, you sign a contract, you alert your clients about the upcoming localized release and off you go... But what many companies have already learned from their off-shoring projects, you may soon be experiencing yourself. You may find yourself battling with some serious time-consuming and expensive issues.

PROBLEMS WITH OFF-SHORING THAT CAN COST YOU A LOT

The following lists some problems that are particularly painful when it comes to localization projects.

Problems with communication and cultural divide	
<ul style="list-style-type: none"> ➤ Lack of open admission/communication about problems or delays ➤ No questions asked by vendor team members ➤ Lack of project preparation ➤ One-size-fits-all solution ➤ Language communication difficulties between onsite and offshore teams, low level of spoken English ➤ “Yes” syndrome of vendor ➤ High employee turnover leading to a low information retaining rate ➤ Absence of advice from the off-shore team who’s too junior or inexperienced 	<p>If you think that all goes well simply because you have not heard from your vendor or when asked if all was going well they said “yes” – then be aware. You should be suspicious that something may be brewing and that eventually problems will surface. Unfortunately, this may be late in the project cycle when you will have to roll up your own sleeves, engage your colleagues and start fire-fighting.</p> <p>The basic principal of most off-shore companies is to come up with a predefined model or solution (sometimes an automated workflow) and to try to retrofit every client in that model regardless of their specific needs. They rely on junior/cheap labor trained to push the incoming jobs into a predefined process.</p> <p>Excuse our bluntness but the only time this looks good is when the sales</p>

	<p>person is doing the demo. After that, it is at best a deception and at worst a disaster.</p>
<p>Problems with buying cheap labor</p>	
<ul style="list-style-type: none"> ➤ Translators ➤ Engineers ➤ Project managers 	<p>If you buy cheap from an offshore company that means that they obtain their resources cheaply. There isn't other logic. Now that you know that a going rate for translators of a certain language is, let's say, 15 cents/word how do you explain that your offshore company is charging only 10? Are their translators true professionals, native speakers and are they experienced in your line of business? Or are they students or employees in other line of business moonlighting to earn a few bucks?</p>
<p>Problems with infrastructure</p>	
<ul style="list-style-type: none"> ➤ Unreliable networks ➤ Problems with duplicating environments ➤ Slow internet connections ➤ Unacceptable response times when accessing resources from overseas 	<p>You may not think about this from the start but it may be the technology that will bring your project to its knees. Simple issues, such as slow internet connection or unreliable networks can slow the pace of your project and put its end date at jeopardy.</p> <p>To fix infrastructure problems, you will need support from your IT department. You will need them to work with the off-shore team at the wee hours just to find out that the problem will require a significant dollar investment which, of course, has not been budgeted.</p>

WHAT THIS ALL MEANS IN TERMS OF DOLLARS AND CENTS?

Let's suppose you have a software localization project to outsource. There are ten target languages and you need a turn-key solution that includes localization engineering, translation, QA lab setup, testing. You have an option of hiring a seasoned company or off-shore it for a half of the cost. You decide for the latter. After all, you are saving 50%. Are you really?

- Seasoned company cost: \$50,000
- Off-shore company cost: \$25,000

If you believe what we said in the paragraphs above then the following hidden cost estimation will not shock you:

Hidden cost driver		Total cost
<ul style="list-style-type: none"> ➤ Problems with communication and cultural divide 	<p>For each person on your team that needs to unexpectedly spend an hour on your project, you need to count at minimum \$65/hour which is the loaded cost to your company. So let's say that a project that lasts 4 weeks requires two people to spend an extra hour or two a day (this is not unreasonable at all), then...</p> <p>20 days x 1 hour x 2 people x 65 dollars = 2,600 or 20 days x 2 hours x 2 people x 65 dollars = 5,200</p>	\$2,600 - \$5,200
<ul style="list-style-type: none"> ➤ Problems with unqualified team 	<p>If you don't have a qualified team (engineers or translators), then you will for sure have a buggy product. Now let's not forget that you are translating into 10 languages! So if you end up with only 20 bugs per language (and this is very low) and if it takes on average 3 hours to process a bug (find it, report it, triage it, fix it, redeploy it, regress it... you've got the point), then we are talking:</p> <p>20 bugs x 3 hours x 10 languages x 65 dollars = \$39,000</p>	\$39,000

➤ Problems with infrastructure – support	Again, you will need your engineers' help. Let's say this will eat up 16 hours. Then 16 hours x 65 = \$1,400	\$1,400
➤ Problems with infrastructure – hardware	If you need to replicate hardware, add server space, rent resources, the cost can start going through the roof. So let's not even speculate about it and let's give it a modest price tag of \$5,000+	\$5,000+
TOTAL		\$48,000 +

So what is now the total cost of the off-shore solution?

\$25,000 + \$48,000 = **\$73,000**

CONCLUSION

So what happened to the \$25,000 savings?

Success lies in proper analysis and project preparation. The goal is to avoid any potential defects as early as possible and avoid needing to fix them post-translation in all of the language variants.

EzGlobe's team has more than twenty years of localization experience localizing and testing complex software products. If you need help with your localization project or if you just want to ask a question, we are here to help.

EzGlobe acts as a strategic partner for companies that believe in the importance of addressing their clients, partners or employees in their own language. The company helps its clients go global by providing **professional translation, localization and internationalization services.**

Contact us at: info@ezglobe.com

www.ezglobe.com

Sophia Antipolis, France

Massachusetts, USA

Tel.: +33 4 92 94 23 90

Tel.: +1 781 322 0370