AlpNet Sails with New Captain

JAAP VAN DER MEER AT ALPNET'S HELM LOOKS TO 21ST CENTURY

One of the language industry's most loyal campaigners, Jaap van der Meer, has recently been appointed President of AlpNet, the international translation company that claims to be the biggest dedicated firm of its kind in the industry. Many will find this appointment a well-earned reward for Jaap's dedication to transforming the translation/localization industry into a properly structured business sector in a global market. *Language International* asked him to spell out his new vision for AlpNet and the industry in the years ahead.

Language International: You began in the translation business by creating INK some 15 years ago. Does your new appointment represent a logical progression or a knight's move into new territory?

Jaap van der Meer: I have always been driven by the ambition to be part of the company that would dominate the emerging industry of translation and localization. Two years ago, after I had left Donnelley Language Solutions, I consciously decided to join AlpNet because I believe this company combines most of the elements that are needed to become the market leader. AlpNet is one of the biggest in sales and almost certainly has the largest network. I always called AlpNet the "sleeping giant," because although it was one of the largest in the industry, it did not always play a center-stage role. I think things have changed quite a lot in the last two years.

LI: Is AlpNet a translation company or a localizer?

JVDM: AlpNet has a good spread of business over IT, industrial clients (telecom, automotive, machinery), and services (financial, publishing). The companies you call localizers are working exclusively for the software industry and they advertise this as a major advantage.

But the software industry is very volatile, with high peaks and deep valleys, which makes it very hard for service companies to guarantee consistent profitability and competitive services to their clients. At the same time, these specialized companies often have no idea how much software is developed *outside* the mainstream software publisher's world, so they miss plenty of opportunities.

LI: Some people believe AlpNet has spread its networking wings too far across the globe. What makes you think AlpNet can succeed as a truly global supplier?

JVDM: AlpNet's integration started 10 years ago in 1987, with the acquisition of some of the largest translation/localization companies in the world. It has cost AlpNet quite a few years' hard work to make these companies—each with its own management style, history, and traditions—work together and agree to use the same technology. And it will take the newly created networks years to unify their companies. And while they are working on this integration, they will lose managers, clients, confidence—and maybe even parts of their network.

We recently added an important strength to AlpNet when we announced the "global management structure." The new AlpNet Management Board consists of representatives from every region in the network and it is they who ensure the future of the company. Previously, AlpNet made the common mistake of managing the company with a centralized approach out of a corporate head office, imposing one national culture on a global net-

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work. In my view "globalization" not only means that products need to be localized, but also that companies must "globalize" their management. In coming years, this type of globalization will cause boardroom revolutions in a number of international corporations. As a leader in the localization industry, our company must act as an example of truly globalized management. In the end this will lead to the better acceptance of products and better results.

The real benefits of a network obviously lie in sharing resources and distributing work across the network. This can only be done efficiently if the entire company works in a common, highly automated working environment. Most of the translation networks are far from implementing this sort of intranet.

LI: How do you rate technology as a business advantage in the translation market?

JVDM: As a large translation company, if you don't have your own translation tools, you run the risk of being subordinated. AlpNet's translation-memory system is the grandfather of all translation-memory tools on the market today and I believe it is still one of the best. It is unfortunate that AlpNet has kept the tools for so long for itself as a "secret weapon." We are now offering the tools again to service clients as our "technology solution." Of course it will be hard to resist the power of Trados which now seems to be emerging as a standard, to a large extent thanks to the support they enjoy from Microsoft. And because we come from the same roots in INK, I wish Trados every success. But I do believe there is room for a second player in the tools arena. AlpNet's distinctive advantage is that we can very easily customize our tools. We have filters for most formats, our tools work for double-byte languages, and our system can easily integrate with any proprietary system a client may have. And of course AlpNet offers the tools as part of a solution (including services like terminology research, corpus alignment, training, system support, etc.). We are looking at partners who can help us to distribute our tools through the Internet allowing translators to share translation memories regardless of where they work.

LI: As the industry rapidly matures into a few top-tier localizer groups and a plethora of smaller companies, how does AlpNet position itself in tomorrow's battle plan?

JVDM: Similar to what happened in the accountancy industry and in the market for systems integration and computer services, I can see the translation market split into smaller, national-scope translation companies and a few big international networks. So the question is: who will become the EDS, Cap Gemini, and Arthur Andersen of the multilingual-publishing service industry?

Translation and localization are AlpNet's core business. I am surprised to see that some of the largest companies in this market are again trying to diversify into other services. I was a close witness of Donnelley's two-year attempt to integrate translation and printing services. But it was a complete failure: the huge Donnelley sales force was unable to sell any meaningful project for the new translation division. There was simply no synergy and the integration efforts ended up in political squabbles and huge losses. I have no confidence that anyone will be able to make this sort of integration succeed; history will repeat itself.

I would add that one of AlpNet's unique advantages is that it is a publicly held company allowing many of its managers and employees to be part owners of the company. As much as trans-

lation and localization are a people's business, it is extremely important to make the personnel part of the future of the company. Maybe that is part of the reason why staff turnover at AlpNet is very low. Most of AlpNet's managers have been with the company for a long time. They want to be there when the company passes $100 million in revenues with good profits. This offers the company stability and continuity.

We also detect a shift in the business model from a straightforward business-to-business service towards a more consumer-driven model. Publishers are becoming smaller while facing huge global markets. The investments in localization are often too high and these publishers will find it attractive to invite their localization partners to share in the investment as well as in the profits. If you fail to innovate and add value-added services, you will face increased competition from the old-fashioned translation agencies operating on a national and regional level.

The Captain and His Crew

AlpNet claims to be the largest publicly owned dedicated supplier of worldwide translation and product localization services, with over 375 employees in 13 countries.

Along with its appointment of a new president, AlpNet announced the appointment of a new seven-person management board. The board represents all regions of the company's network and includes:

Geraldine Lim responsible for all Asian operations. Joined AlpNet in 1983. Based in Singapore.

Dan Vincent responsible for Canada and technology. Joined AlpNet in 1987. Based in Montreal.

John Wittwer responsible for USA. Joined AlpNet in 1980. Based in Salt Lake City.

Ray King responsible for UK, Spain, and Ireland. Joined AlpNet in 1983. Based in London.

David Marshall International Finance Director and responsible for the Netherlands and Belgium. Joined AlpNet in 1988. Based in Manchester.

François Massion responsible for Germany and France. Joined AlpNet in 1989. Based in Stuttgart.

RECENT NEWS

In September, the company announced it had signed a service agreement with Oracle Software for localization of Oracle products. The projects are managed by AlpNet's European localization center in Amsterdam.

As of early September, according to company statements, AlpNet was working on two products for Oracle: InterOffice 4.1 into Swedish, Danish, Norwegian, Finnish, and Dutch, and on various On-Line Analytical Processing (OLAP) products into Swedish and Italian.

In a letter to shareholders, Jaap van der Meer reported that Q2 1997 results continued the trend of increased sales and returned the company to profitability. Sales were US$10.4 million for the three months ended June 30, 1997, compared to US$9.0 million for the second quarter of 1996. This represented a record sales quarter for the Company. The quarter's net income of US$619,000 was the second highest in the Company's history, after the second quarter of 1996.

Van der Meer on "Localization"

What is "localization" and why are they saying such terrible things about it? Although Jaap van der Meer began his career with INK, very much a software localizing pioneer, he now reckons that reality is outpacing the relevance of the label. Where does this leave LISA, the localization industry standards association he helped create, and which to him is still focused on "old-style" software-localization issues?

" Localization means far more than LISA and the software-localization industry.

The 120 members of the LISA are just the tip of the iceberg. In our daily work we serve literally hundreds of companies that bring their products to foreign markets. Whether they are car manufacturers, catalog publishers, retail chains, medical-instruments companies, or banks, they all manage information that needs to be localized. And no translation job in these areas is of the "begin on page one and finish on the last page" type. Every industry sector is moving into online information and automated models of distribution. So we find ourselves increasingly localizing software for companies outside the traditional software industry. And every time we stumble over the question: are we doing translation or localization? Although the difference is meaningless in itself, industry insiders know that this question has torn companies apart. It lies at the origins of the localization industry and the creation of LISA.

Localization was originally intended to set software (or information technology, etc.) translators apart from "old fashioned" non-technical translators of all types of documents. Software translation required a different skill set: software translators had to understand programming code, they had to work under tremendous time pressure and be flexible about product changes and updates. Originally there was only a select group—the "localizers"—who knew how to respond to the needs of the software industry, and they effectively launched our industry. From these beginnings, pure localization companies emerged focusing on testing, engineering, and project management. For the "downstream" translation load, they would lean on in-country resources. And ironically enough these competing localization companies would often end up outsourcing to the same translation resources.

"Old-style" localization companies like to hold on to the original meaning of "localization" which sets them apart so clearly from the hundreds of translation-services companies. But the boundaries are now blurring. Software publishers now have a better understanding of the technical constraints of software localization and tools are being adopted that simplify the process, allowing for version control and previewing compiled software. At the same time we see that many translation companies have built up an extensive knowledge of software. And in any case, localization is no longer limited to the software-publishing industry—it infiltrates every facet of business, from manufac-

turing and ERP software, games, home banking, and edutainment, to car navigation software, retail automation systems, medical instruments, and mobile phones, PDAs and the Internet.

So localization is no longer reserved for the software industry. And localization companies that stick to this vision of localization may be building "empires on quicksand" as Yann Meersseman said in a recent LISA Newsletter. By exclusively providing technical and project-management services to the traditional software publishers, the "old" localization companies will be increasingly exposed to competition from maturing translation companies while their clients are downsizing projects to simple "applets" or componentware.

Today localization pervades industries of all kinds, and specialization in the software industry is a weakness rather than a distinctive value. Whether we call it translation or localization, the distinctive value of our service comes from the size and stability of our operation, our (in-house) translation capacity and quality, our ability to innovate and enhance our services, and the global nature of our business.

So where does this leave an organization such as LISA? Should I introduce our clients—the cosmetics network marketing company, the car manufacturer, the bank, the retail chain and all those others for whom we localize—to LISA? I rather feel that there would be no benefit for these companies in getting to know LISA as it is today. Instead of leading the way, LISA is now trailing behind the business dynamic, lacking a clear vision of the way forward. Going to LISA Forums is still an efficient way of meeting industry players and finding out who is trying to buy whom, but don't expect LISA to offer solutions. The thousands of companies that will be needing localization services will all go through the same cycles again unless LISA or some other association offers some real guidance."

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