The Total Economic Impact of the GlobalLink Localization Suite
As Used by a Global Hospitality Group
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Executive Summary

The Internet population in every country in the world is set to increase over the next five years, with emerging markets representing a growing percentage of the global total. Consequently, companies are increasingly looking to international markets to find new revenue opportunities.\(^1\) However, building and operating successful international websites can quickly become a complex and costly endeavor. This is an area where technology such as localization suites can help limit the complexity and keep costs under control.

Translations.com commissioned Forrester Consulting to conduct a Total Economic Impact™ (TEI) study and examine the potential return on investment (ROI) enterprises may realize by deploying the GlobalLink Localization Suite. The purpose of this study is to provide readers with a framework to evaluate the potential financial impact of the GlobalLink Localization Suite on their organizations.

The GlobalLink Localization Suite is a modular set of tools designed to manage the complex demands of international communications and to streamline the localization process. The suite comprises modular applications that can function independently or as part of an integrated, end-to-end solution. For a more detailed overview of the GlobalLink Localization Suite, please refer to page 11.

To better understand the benefits, costs, and risks associated with a GlobalLink Localization Suite implementation, Forrester interviewed an existing customer, a global hospitality company based in the US, that has multiple years of experience using the GlobalLink Localization Suite.

“We have a very strong localization program and what we do, we do quite well. And part of that is due to the platform and the technology that’s been made available to us by Translations.com.”

~Senior manager of globalization, hospitality company

GLOBALLINK REDUCES TRANSLATION COSTS AND TIME-TO-MARKET

Our interview with this existing customer and subsequent financial analysis found that the organization experienced the seven-year risk-adjusted ROI, costs, and benefits shown in Table 1.\(^2\)

Please note that this business case does not evaluate the company’s localization program as a whole but tries to visualize the financial impact of the technology suite for the company and its business. The actual translation services that — for the most part — are also provided by Translations.com are therefore not included here. The company had launched its localization program more than seven years ago and deployed GlobalLink technology right from the start. The financial analysis points to estimated benefits of $9.5 million versus costs of $2.3 million, adding up to a net present value (NPV) of $7.14 million over the seven years of this evaluation.

On top of this positive financial impact, the interviewed organization also noted improved consistency and customer experience as major benefits of the localization suite.

<table>
<thead>
<tr>
<th>ROI</th>
<th>Payback period</th>
<th>Total benefits (PV)</th>
<th>Total costs (PV)</th>
<th>Net present value</th>
</tr>
</thead>
<tbody>
<tr>
<td>307%</td>
<td>6 months</td>
<td>$9.47 million</td>
<td>($2.33 million)</td>
<td>$7.14 million</td>
</tr>
</tbody>
</table>

Source: Forrester Research, Inc.
Benefits. In conducting in-depth interviews with this existing Translations.com customer, Forrester found that this company achieved benefits of about $9.5 million over a seven-year period. In particular, the quantifiable benefit categories comprise:

- **Productivity gains.** The tight integration of the localization suite with the back-end systems and the well-defined workflows eliminate numerous manual tasks and enable the company to run the localization program more efficiently. In this case, the avoided extra headcount has an estimated seven-year risk-adjusted present value (PV) of approximately $7 million.

- **Translation cost savings.** Translation memory is a central piece of any localization suite. It enables the company to reduce the costs of translations by leveraging content that has already been translated and approved in the past. Depending on the language and the type and nature of the source content, the interviewed company reports leverage between 20% and 70%. The resulting cost savings have an estimated seven-year risk-adjusted PV of approximately $1.6 million.

- **Reduced time-to-market.** The interviewed organization estimates that on average the localization suite enabled the company to launch its localized websites two months earlier. This results in incremental bookings that have an estimated seven-year risk-adjusted PV of approximately $870,000.

Costs. To achieve these benefits, the company invested about $2.3 million over the seven-year period. Costs included:

- **Technology costs.** The interviewed company invested in the whole GlobalLink Localization Suite. It started with GlobalLink Connect and TM Server. Several years later, it added GlobalLink Project Director, Translation & Review Portal, and Term Manager. In 2013, it launched the new language version of one of its branded sites using OneLink. The related license, maintenance, and SaaS fees have a seven-year risk-adjusted PV of approximately $250,000.

- **Internal project and ongoing costs.** For each launch of a new language, the company incurred internal development and rollout costs. Ongoing costs comprise internal maintenance, support, and governance costs. In total, these internal costs have an estimated seven-year risk-adjusted PV of nearly $1.7 million.

- **Professional services costs.** The professional services costs for assisting with the different integrations and evaluating the technology and vendor landscape on a regular basis have an estimated seven-year risk-adjusted PV of approximately $390,000.

Disclosures

The reader should be aware of the following:

- The study is commissioned by Translations.com and delivered by Forrester Consulting.
- Forrester makes no assumptions as to the potential return on investment that other organizations will receive. Forrester strongly advises that readers use their own estimates within the framework provided in the report to determine the appropriateness of an investment in Translations.com’s GlobalLink Localization Suite.
- Translations.com reviewed and provided feedback to Forrester, but Forrester maintains editorial control over the study and its findings and does not accept changes to the study that contradict Forrester’s findings or obscure the meaning of the study.
- The customer names for the interviews were provided by Translations.com.
TEI Framework and Methodology

INTRODUCTION
From the information provided in the interviews, Forrester has constructed a Total Economic Impact™ (TEI) framework for those organizations considering implementing Translations.com’s GlobalLink Localization Suite. The objective of the framework is to identify the cost, benefit, flexibility, and risk factors that affect the investment decision.

APPROACH AND METHODOLOGY
Forrester took a multistep approach to evaluate the impact that Translations.com’s GlobalLink Localization Suite can have on an organization (see Figure 1). Specifically, we:

› Interviewed Translations.com marketing and sales personnel, along with Forrester analysts, to gather data relative to the GlobalLink Localization Suite and the marketplace for localization tools.

› Interviewed one organization currently using Translations.com’s GlobalLink Localization Suite to obtain data with respect to costs, benefits, and risks.

› Constructed a financial model representative of the interviews using the TEI methodology. The financial model is populated with the cost and benefit data obtained from the interviews.

Forrester employed four fundamental elements of TEI in modeling the GlobalLink Localization Suite’s service:

› Costs.
› Benefits to the entire organization.
› Flexibility.
› Risk.

Given the increasing sophistication that enterprises have regarding ROI analyses related to IT investments, Forrester’s TEI methodology serves the purpose of providing a complete picture of the total economic impact of purchase decisions. Please see Appendix A for additional information on the TEI methodology.

Analysis

INTERVIEWED ORGANIZATION
For this study, we interviewed representatives from one organization, a global hospitality company based in the US with a wide global footprint.

INTERVIEW HIGHLIGHTS
The company operates individual websites for each of its branded presences. Together the websites contain tens of thousands of pages of product, brand, and marketing content, which are continually being updated and refreshed.

To better serve its international customer base, the company decided to launch a localization program, which included the translation of all content across its branded websites into multiple languages. To cope with the amount of content and the rate at which it was refreshed, the company knew right from the start that it also had to also invest in a technology solution.

---

FIGURE 1
TEI Approach

Perform due diligence ➔ Conduct customer interviews ➔ Construct financial model using TEI framework ➔ Write case study

Source: Forrester Research, Inc.
“The amount of content that we have and the rate of ongoing maintenance made it necessary for us to seek an automated solution.”
~Senior manager of globalization, hospitality company

To be efficient, the solution needed to be tightly integrated with the main content management systems and provide stable workflows. The company decided to first deploy GlobalLink Connect and TM Server.

“The main reason for using GlobalLink was that we wanted technology that was very seamlessly integrated with our main content management systems. It was also important to us that there would be a very strong and very stable workflow for content being submitted and translated content being returned, reviewed, and published. And GlobalLink provided that for us.”
~Senior manager of globalization, hospitality company

In 2009/2010, the GlobalLink Project Director and Translation & Review Portal modules were added as SaaS-based solutions. Over the years, the company added new languages to the localization practice. At the time of the interview, all branded websites were fully translated into eight languages, while content specific to each product was selectively translated into a subset of those eight. The core localization team comprised 18 full-time employees.

The interviewed organization acknowledges that without the right tools in place, its localization program would have required considerably more staff from both the business and the IT side, and that the initiative would have simply become cost prohibitive.

“Without the technology, we would have had to staff at much higher levels to achieve the same result.”
~Senior manager of globalization, hospitality company

The translation memory allows the company to leverage translation work that has already been done and approved in the past. The server-based translation memory recognizes full and partial matches, which accelerates the translation process and contributes to lowering the costs. The company reports up to 70% of leverage in some of the core languages.

“Our leverage is very strong for established languages, much lower for new ones. But the leverage grows over time and increases the value of the Translation Memory.”
~Senior manager of globalization, hospitality company

Furthermore, the combination of translation memory and terminology management (handled by GlobalLink Term Manager) not only helps reduce costs but also contributes to an increased consistency in communications.

“Through a combination of style guides, glossaries, and translation memory, we are able to ensure that our branding is consistent across the translated sites.”
~Senior manager of globalization, hospitality company

In 2013, the company launched a translated site using Translations.com’s proxy-based website translation solution, GlobalLink OneLink.

“OneLink was very helpful in this instance because we wanted to roll out this site faster than previous rollouts. In this case, OneLink saved us the time and expense of a site redesign.”
~Senior manager of globalization, hospitality company

All in all, the interviewed company thinks that running a localization program of this size with the comparatively small size of dedicated staff would simply be impossible without the technology. On top of any cost and time-to-market considerations, it also enables the organization to reach a larger audience. The company even plans to increase language coverage in the coming years.
BENEFITS

Examining the impact of the technology suite on the company’s localization program, the interviewed organization reported quantifiable benefits in terms of productivity gains, translation cost savings, and reduced time-to-market. Together with the interviewees, we conservatively estimated these benefit categories, which are discussed below.

Apart from these quantifiable benefits, the interviewed organization also mentioned other important benefits in terms of an increased consistency of the content across the different sites and languages, and improved customer service by being able to reach more customers in their native languages. While not quantifiable in this case, these benefits nevertheless remain important.

Productivity Gains

One of the main benefits of the localization suite is the reduction of manual tasks as involved in the extraction and re-importation of content, versioning, and testing. Project management and revisions are also simplified. And this becomes even more important with the growing number of languages covered. But the tight integration of the localization suite with back-end systems such as content repositories, as well as the introduction of well-defined workflows, either eliminates or facilitates these manual tasks. The interviewed company is convinced that — if the localization tools had not been available — it would have been obliged to hire more staff on the business side and on the IT side to cope with the increasing complexity.

The high-level estimation of the headcount savings is indicated in Table 2 below, and its number is increasing over the years, according to the growing amount of content to be translated and the number of languages covered.

For the sake of this analysis, we assume a fully loaded annual salary of $100,000. In this case, the total cost avoidance resulting from improved productivity can be estimated to $11.8 million over the seven years.

Translation Cost Savings

The use of translation memory allows organizations to leverage content that has already been translated and approved in the past. When submitting new content, translation memory can detect words, segments, sentences, or even whole paragraphs that have previously been translated (total match) or that are very similar to approved text in the database (partial match). In both cases, it helps human translators to reduce the number of words that need to be newly translated and to ensure consistency across different translations. As the translation costs are mostly a function of the number of words to be translated, the utilization of translation memory can be seen as a direct cost saving.

Words that fully or partially match a previous translation still incur translation and revision costs. In this analysis, we conservatively estimate that for each word that was correctly matched, the organization saves $0.10, whereas for a partial matched word, the company saves $0.05.

In the case of the interviewed organization, the number of words to be translated into a given language and the

| TABLE 2 |
| Productivity Gains: Automatic extractions and insertions of content and well-defined workflows eliminate manual tasks and result in increased productivity. |

<table>
<thead>
<tr>
<th>Ref.</th>
<th>Metric</th>
<th>Calculation</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Year 4</th>
<th>Year 5</th>
<th>Year 6</th>
<th>Year 7</th>
</tr>
</thead>
<tbody>
<tr>
<td>A1</td>
<td>Assumed headcount savings (business)</td>
<td>$100K</td>
<td>$900K</td>
<td>$1.4M</td>
<td>$1.5M</td>
<td>$1.5M</td>
<td>$1.9M</td>
<td>$2M</td>
<td>$2.6M</td>
</tr>
<tr>
<td>A2</td>
<td>Assumed headcount savings (IT)</td>
<td>8</td>
<td>12</td>
<td>12</td>
<td>12</td>
<td>14</td>
<td>14</td>
<td>18</td>
<td></td>
</tr>
<tr>
<td>A3</td>
<td>Assumed fully loaded annual salary rate</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At</td>
<td>Productivity gains</td>
<td>(A1+A2)*A3</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Forrester Research, Inc.
leverage achieved by the translation memory greatly varies by language. However, for simplicity, we assume here an average number of words (growing 20% year-over-year) to be translated into the covered languages per year and a constant average leverage (see rows B3 and B4 in Table 3 below). In fact, the interviewed organization reports that while being higher for certain core languages, the leverage remains pretty stable over the years due to the amount of truly new content that is created each year. The resulting translation cost savings are indicated in Table 3.

**Faster Time-to-Market**

The GlobalLink Localization Suite reduces the time it takes to get a website translated and up and running. For its branded websites, the interviewed organization estimates that it was able to launch these sites two months earlier on average. This has a positive impact on the purchases made through the translated site. While in reality the different language sites generate different amounts of revenue, for the sake of this analysis, we conservatively assume average incremental purchases of $150,000 during the first two months following the launch of the translated site.

**TABLE 3**

<table>
<thead>
<tr>
<th>Ref.</th>
<th>Metric</th>
<th>Calculation</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Year 4</th>
<th>Year 5</th>
<th>Year 6</th>
<th>Year 7</th>
</tr>
</thead>
<tbody>
<tr>
<td>B1</td>
<td>Average number of words to be translated</td>
<td>Growing 20% YoY</td>
<td>610K</td>
<td>730K</td>
<td>870K</td>
<td>1.04M</td>
<td>1.25M</td>
<td>1.5M</td>
<td>1.8M</td>
</tr>
<tr>
<td>B2</td>
<td>Number of languages covered</td>
<td></td>
<td>4</td>
<td>6</td>
<td>6</td>
<td>6</td>
<td>7</td>
<td>7</td>
<td>8</td>
</tr>
<tr>
<td>B3</td>
<td>Assumed % of total matches</td>
<td>40%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>B4</td>
<td>Assumed % of partial matches</td>
<td>20%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>B5</td>
<td>Assumed net cost savings per word with full match</td>
<td>$0.10</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>B6</td>
<td>Assumed net cost savings per word with partial match</td>
<td>$0.05</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bt</td>
<td>Translation cost savings</td>
<td>((B1 \times B2) \times (B3 \times B5 + B4 \times B6))</td>
<td>$122K</td>
<td>$219K</td>
<td>$261K</td>
<td>$312K</td>
<td>$437.5K</td>
<td>$525K</td>
<td>$720K</td>
</tr>
</tbody>
</table>

Source: Forrester Research, Inc.

**TABLE 4**

<table>
<thead>
<tr>
<th>Ref.</th>
<th>Metric</th>
<th>Calculation</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Year 4</th>
<th>Year 5</th>
<th>Year 6</th>
<th>Year 7</th>
</tr>
</thead>
<tbody>
<tr>
<td>C1</td>
<td>Number of new languages launched</td>
<td>4</td>
<td>2</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>C2</td>
<td>Assumed average incremental purchases coming through translated website during the first two months</td>
<td>$150,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ct</td>
<td>Faster time-to-market</td>
<td>(C1 \times C2)</td>
<td>$600K</td>
<td>$300K</td>
<td>$0</td>
<td>$0</td>
<td>$150K</td>
<td>$0</td>
<td>$150K</td>
</tr>
</tbody>
</table>

Source: Forrester Research, Inc.
The estimated revenue from incremental purchases is indicated in Table 4.

**Total Benefits**

Table 5 shows the total of all benefits across the three areas listed above, as well as present values discounted at 10%. Over the seven years of the analysis, the estimated benefits have a total non-risk-adjusted present value of $10.4 million.

“The fact that we have been using the [GlobalLink] tools for more than seven years now is a testament to these tools. It’s not only that we are familiar with them, but we also recognize that they have terrific value for us.”

~Senior manager of globalization, hospitality company

**COSTS**

In this analysis, we consider all the costs that are relevant and related to the introduction, use, and support of the localization suite. Apart from the software licenses, maintenance, and subscription costs, we also include here the internal costs for the organization to prepare, run, and maintain the environment and professional services.

**Technology Costs**

The interviewed company has a broad usage of the GlobalLink Localization Suite. The whole localization program relies on the platform delivered by Translations.com. In the beginning, the company deployed GlobalLink Connect and TM Server. In Year 5, it added GlobalLink Project Director, Translation & Review Portal, and Term Manager. In Year 7, it launched a new language version of one of its branded sites using OneLink. The related license, maintenance, and SaaS fees are shown in Table 6 below.

**Internal Project and Ongoing Costs**

The interviewed organization reports one-time project costs in terms of internal development costs to roll out and launch new translated content on the website. After the initial rollout costs of $500,000, the company launched other languages and spent another $250,000 in Year 2, Year 5, and Year 7. In addition, the company spent $100,000 in each of the years 5, 6, and 7 to accommodate translated content on the mobile platform.

The internal ongoing costs include, for example, the hosting of some of the modules, internal support, and governance costs. These ongoing costs are estimated and increase from $60,000 in Year 1 to $120,000 in Year 7.

The total of the estimated internal costs for the interviewed organization is indicated in Table 6.

**Professional Services**

Translations.com provided professional services to the interviewed organization to assist with the major

<table>
<thead>
<tr>
<th>TABLE 5</th>
<th>Total Benefits (Not Risk-Adjusted)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Benefit</td>
<td>Initial</td>
</tr>
<tr>
<td>------------------</td>
<td>---------</td>
</tr>
<tr>
<td>Productivity gains</td>
<td>$0</td>
</tr>
<tr>
<td>Translation cost savings</td>
<td>$0</td>
</tr>
<tr>
<td>Faster time-to-market</td>
<td>$0</td>
</tr>
<tr>
<td>Total benefits</td>
<td>$0</td>
</tr>
</tbody>
</table>

Source: Forrester Research, Inc.
deployments at the beginning of the partnership and for the introduction of Project Director and Translation & Review Portal in Year 5. Our analysis therefore includes $15,000 in the initial phase and $15,000 in Year 5.

Moreover, the interviewed company used external consultants to assist in evaluating the technology and vendor landscape on a regular basis in order to make sure that they were continuing to use the best solution for their specific case. The financial model therefore includes $125,000 in the initial phase and in years 3, 5, and 7.

The costs of the professional services are shown in Table 6.

**Total Costs**

Table 6 shows the total of all costs, as well as associated present values, discounted at 10%. Over seven years, the interviewed organization incurred estimated costs that have a net present value of $2.2 million.

**FLEXIBILITY**

Flexibility, as defined by TEI, represents an investment in additional capacity or capability that could be turned into business benefit for some future additional investment. This provides an organization with the “right” or the ability to engage in future initiatives, but not the obligation to do so. There are multiple scenarios in which a customer might choose to implement the GlobalLink Localization Suite and later realize additional uses and business opportunities. Flexibility would also be quantified when evaluated as part of a specific project (described in more detail in Appendix A).

While Forrester believes organizations can take advantage of these flexibility options, quantification (using the financial industry standard Black-Scholes or the binomial option pricing models) of the additional value associated with these options for this customer would require scenario development and forward-looking analysis, which is not available at this time.

**RISK**

Forrester defines two types of risk associated with this analysis: implementation risk and impact risk.

“Implementation risk” is the risk that a proposed investment in the GlobalLink Localization Suite may deviate from the original or expected requirements, resulting in higher costs than anticipated. “Impact risk” refers to the risk that the business or technology needs of the organization may not be met by the investment in the GlobalLink Localization Suite, resulting in lower overall total benefits. The greater the uncertainty, the wider the potential range of outcomes for cost and benefit estimates.

Quantitatively capturing investment and impact risk by directly adjusting the financial estimates results in more meaningful and accurate estimates and a more accurate projection of the ROI. In general, risks affect costs by raising the original estimates, and they affect benefits by reducing the original estimates. The risk-adjusted numbers should be taken as “realistic” expectations since they represent the expected values considering risk.

**TABLE 6**

<table>
<thead>
<tr>
<th>Benefit</th>
<th>Initial</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Year 4</th>
<th>Year 5</th>
<th>Year 6</th>
<th>Year 7</th>
<th>Total</th>
<th>Present value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Technology costs</td>
<td>($500)</td>
<td>($60K)</td>
<td>($340K)</td>
<td>($90K)</td>
<td>($90K)</td>
<td>($455)</td>
<td>($205)</td>
<td>($470)</td>
<td>($2.2M)</td>
<td>($1.6M)</td>
</tr>
<tr>
<td>Internal project and ongoing costs</td>
<td>$0</td>
<td>($73K)</td>
<td>($16K)</td>
<td>($16K)</td>
<td>($16K)</td>
<td>($75K)</td>
<td>($74K)</td>
<td>($102K)</td>
<td>($372K)</td>
<td>($243K)</td>
</tr>
<tr>
<td>Professional services</td>
<td>($140)</td>
<td>$0</td>
<td>$0</td>
<td>($125K)</td>
<td>$0</td>
<td>($140K)</td>
<td>$0</td>
<td>($125K)</td>
<td>($530K)</td>
<td>($385K)</td>
</tr>
<tr>
<td>Total costs</td>
<td>($640)</td>
<td>($133K)</td>
<td>($356K)</td>
<td>($231K)</td>
<td>($106K)</td>
<td>($670K)</td>
<td>($279K)</td>
<td>($697K)</td>
<td>($3.1M)</td>
<td>($2.2M)</td>
</tr>
</tbody>
</table>

Source: Forrester Research, Inc.
The following implementation risks that affect costs are identified as part of this analysis:

› The assumed internal integration, project, and ongoing costs related to the use of technology within the localization program are based on high-level estimations. To compensate for the uncertainty, these costs have therefore been risk-adjusted to be 5% greater.

› The majority of the professional services costs that are taken into account in this analysis are not related to the implementation but are related to consulting and research services. These costs are deemed to be low risk in this case and are adjusted to be 2% higher.

The following impact risks that affect benefits are identified as part of the analysis:

› The financial impact of productivity gains and faster time-to-market are both based on high-level estimations. It is of course difficult to estimate avoided headcount and the number of truly incremental bookings in retrospect. Both benefits have therefore been risk-adjusted to be 10% lower.

› The estimated translation cost savings are deemed low-risk, in part because the benefit measurement has already been treated conservatively and is adjusted to be 2% lower.

Table 7 shows the values used to adjust for risk and uncertainty in the cost and benefit estimates. Readers are urged to apply their own risk values based on their own degree of confidence in the cost and benefit estimates.

### Table 7

**Cost and Benefit Risk Adjustments**

<table>
<thead>
<tr>
<th>Costs</th>
<th>Risk adjustment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Internal project and ongoing costs</td>
<td>↑ 5%</td>
</tr>
<tr>
<td>Technology costs</td>
<td>➞ 0%</td>
</tr>
<tr>
<td>Professional services</td>
<td>➞ 2%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Benefits</th>
<th>Risk adjustment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Productivity gains</td>
<td>➞ 10%</td>
</tr>
<tr>
<td>Translation cost savings</td>
<td>➞ 2%</td>
</tr>
<tr>
<td>Faster time-to-market</td>
<td>➞ 10%</td>
</tr>
</tbody>
</table>

Source: Forrester Research, Inc.
Financial Summary

The financial results calculated in the Costs and Benefits sections can be used to determine the ROI, NPV, and payback period for the organization’s investment in the GlobalLink Localization Suite. These are shown in Table 8 below.

Table 8 below shows the risk-adjusted ROI, NPV, and payback period values. These values are determined by applying the risk-adjustment values from Table 7 in the Risk section to the cost and benefits numbers in Tables 5 and 6.

### TABLE 8
Cash Flow: Non-Risk-Adjusted

<table>
<thead>
<tr>
<th></th>
<th>Initial</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Year 4</th>
<th>Year 5</th>
<th>Year 6</th>
<th>Year 7</th>
<th>Total</th>
<th>Present value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Costs</td>
<td>($640K)</td>
<td>($133K)</td>
<td>($356K)</td>
<td>($231K)</td>
<td>($106K)</td>
<td>($670K)</td>
<td>($279K)</td>
<td>($697K)</td>
<td>($3.11M)</td>
<td>($2.23M)</td>
</tr>
<tr>
<td>Benefits</td>
<td>$0</td>
<td>$1.62M</td>
<td>$1.92M</td>
<td>$1.76M</td>
<td>$1.81M</td>
<td>$2.49M</td>
<td>$2.53M</td>
<td>$3.47M</td>
<td>$15.6M</td>
<td>$10.37M</td>
</tr>
<tr>
<td>Net benefits</td>
<td>($640K)</td>
<td>$1.49M</td>
<td>$1.56M</td>
<td>$1.53M</td>
<td>$1.71M</td>
<td>$1.82M</td>
<td>$2.25M</td>
<td>$2.77M</td>
<td>$12.48M</td>
<td>$8.14M</td>
</tr>
<tr>
<td>ROI</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>365%</td>
<td></td>
</tr>
<tr>
<td>Payback period</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>5 months</td>
<td></td>
</tr>
</tbody>
</table>

Source: Forrester Research, Inc.

### TABLE 9
Cash Flow: Risk-Adjusted

<table>
<thead>
<tr>
<th></th>
<th>Initial</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Year 4</th>
<th>Year 5</th>
<th>Year 6</th>
<th>Year 7</th>
<th>Total</th>
<th>Present value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Costs</td>
<td>($668K)</td>
<td>($137K)</td>
<td>($373K)</td>
<td>($238K)</td>
<td>($111K)</td>
<td>($697K)</td>
<td>($291K)</td>
<td>($725K)</td>
<td>($3.24M)</td>
<td>($2.33M)</td>
</tr>
<tr>
<td>Benefits</td>
<td>$0</td>
<td>$1.47M</td>
<td>$1.74M</td>
<td>$1.6M</td>
<td>$1.66M</td>
<td>$2.27M</td>
<td>$2.31M</td>
<td>$3.18M</td>
<td>$14.24M</td>
<td>$9.47M</td>
</tr>
<tr>
<td>Net benefits</td>
<td>($668K)</td>
<td>$1.33M</td>
<td>$1.37M</td>
<td>$1.37M</td>
<td>$1.54M</td>
<td>$1.58M</td>
<td>$2.02M</td>
<td>$2.46M</td>
<td>$11.0M</td>
<td>$7.14M</td>
</tr>
<tr>
<td>ROI</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>307%</td>
<td></td>
</tr>
<tr>
<td>Payback period</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>6 months</td>
<td></td>
</tr>
</tbody>
</table>

Source: Forrester Research, Inc.
Translations.com’s GlobalLink Localization Suite: Overview

According to Translations.com, it offers a variety of content solutions and services for its clients, including website localization, enterprise translation services, software localization, multilingual search engine optimization, and localization outsourcing. Over 2,000 of the world’s leading organizations currently use Translations.com’s GlobalLink Localization Suite to manage their multilingual content more efficiently and cost-effectively. Translations.com’s GlobalLink Localization Suite consists of modules that can function on a standalone basis or can be implemented as an end-to-end globalization management system. All of the GlobalLink modules can be hosted by Translations.com or deployed on-premises.

The GlobalLink Localization Suite comprises the following modules:

› **GlobalLink OneLink.** OneLink is a PCI-certified web localization technology that enables organizations to launch secure multilingual sites in as little as 30 days with virtually no client-side IT involvement. By continually monitoring the source site for updates and automatically submitting new or changed content for translation, OneLink ensures that every language version of a website always reflects the most current content. Functioning as a proxy between the source-language website and the end user, OneLink requires no software installation or back-end systems integration.

› **GlobalLink Project Director.** As the hub of the GlobalLink Localization Suite, Project Director coordinates and automates all facets of the translation process. Offering a combination of multi-vendor management capabilities, automated file preparation, real-time project tracking, and customized reporting, Project Director streamlines enterprise-wide translation workflows in a web-based environment. Additionally, when paired with GlobalLink Connect, Project Director can provide business process automation for clients who maintain content in complex back-end repositories.

› **GlobalLink Connect.** GlobalLink Connect enables clients to streamline the process of extracting and re-integrating content from various back-end repositories such as databases and CMS systems. Automated change detection functionality eliminates the project management burdens of working with highly dynamic content. In addition, GlobalLink Connect removes any IT dependencies normally associated with exporting and re-importing content, allowing for greater internal efficiencies and faster turnaround times. GlobalLink Connect currently supports integration with over 15 of the world’s leading CMS and e-commerce platforms, including: Adobe Experience Manager, Demandware, Drupal, Documentum, Ektron, EPiServer, Fatwire, hybris, Kentico, OpenText, Magento, SharePoint, Sitecore, and TeamSite. In addition, GlobalLink Connect is compatible with any JDBC-compliant database and includes an API for building custom integrations for virtually any client-side system.

› **GlobalLink TM Server.** Reusing existing translated content from multiple sources and vendors is one of the most effective ways to reduce costs and maximize productivity in managing global content. Through TM Server, globally dispersed translation resources can access the most recently approved language assets and leverage previously translated content. Over time, the accumulation of translation memory (TM) reduces the costs and time required to create new translations while raising overall quality and consistency in brand voice.

› **GlobalLink Term Manager.** Term Manager is a web-based glossary tool that allows translation managers to modify, review, search, add, and delete terms in real time so that global translation teams always have access to the most up-to-date terminology assets.

› **GlobalLink Translation & Review Portal.** Designed to minimize logistical challenges in the content approval process, Translation & Review Portal provides a web-based environment to manage all facets of content review. All review is managed in an intuitive interface that provides in-context preview for supported file types, task assignment, tracking, and audit report functionality. Edits can also be automatically captured back into translation memory to further drive efficiencies in the review process by closing the feedback loop between reviewers and translation teams.

› **GlobalLink TransStudio.** As a next-generation translation platform designed specifically for linguistic teams, TransStudio provides translation memory integration. By enabling translators to work within an intuitive desktop application, TransStudio can be integrated with TM Server to drive even greater efficiencies and content reuse.
Appendix A: Total Economic Impact™ Overview

Total Economic Impact is a methodology developed by Forrester Research that enhances a company’s technology decision-making processes and assists vendors in communicating the value proposition of their products and services to clients. The TEI methodology helps companies demonstrate, justify, and realize the tangible value of IT initiatives to both senior management and other key business stakeholders.

The TEI methodology consists of four components to evaluate investment value: benefits, costs, risks, and flexibility.

**BENEFITS**

Benefits represent the value delivered to the user organization — IT and/or business units — by the proposed product or project. Often product or project justification exercises focus just on IT cost and cost reduction, leaving little room to analyze the effect of the technology on the entire organization. The TEI methodology and the resulting financial model place equal weight on the measure of benefits and the measure of costs, allowing for a full examination of the effect of the technology on the entire organization. Calculation of benefit estimates involves a clear dialogue with the user organization to understand the specific value that is created. In addition, Forrester also requires that there be a clear line of accountability established between the measurement and justification of benefit estimates after the project has been completed. This ensures that benefit estimates tie back directly to the bottom line.

**COSTS**

Costs represent the investment necessary to capture the value, or benefits, of the proposed project. IT or the business units may incur costs in the form of fully burdened labor, subcontractors, or materials. Costs consider all the investments and expenses necessary to deliver the proposed value. In addition, the cost category within TEI captures any incremental costs over the existing environment for ongoing costs associated with the solution. All costs must be tied to the benefits that are created.

**RISK**

Risk measures the uncertainty of benefit and cost estimates contained within the investment. Uncertainty is measured in two ways: 1) the likelihood that the cost and benefit estimates will meet the original projections, and 2) the likelihood that the estimates will be measured and tracked over time. TEI applies a probability density function known as “triangular distribution” to the values entered. At minimum, three values are calculated to estimate the underlying range around each cost and benefit.

**FLEXIBILITY**

Within the TEI methodology, direct benefits represent one part of the investment value. While direct benefits can typically be the primary way to justify a project, Forrester believes that organizations should be able to measure the strategic value of an investment. Flexibility represents the value that can be obtained for some future additional investment building on top of the initial investment already made. For instance, an investment in an enterprise-wide upgrade of an office productivity suite can potentially increase standardization (to increase efficiency) and reduce licensing costs. However, an embedded collaboration feature may translate to greater worker productivity if activated. The collaboration can only be used with additional investment in training at some future point in time. However, having the ability to capture that benefit has a present value that can be estimated. The flexibility component of TEI captures that value.
Appendix B: Glossary

**Discount rate**: The interest rate used in cash flow analysis to take into account the time value of money. Although the Federal Reserve Bank sets a discount rate, companies often set a discount rate based on their business and investment environment. Forrester assumes a yearly discount rate of 10% for this analysis. Organizations typically use discount rates between 8% and 16% based on their current environment. Readers are urged to consult their respective organization to determine the most appropriate discount rate to use in their own environment.

**Net present value (NPV)**: The present or current value of (discounted) future net cash flows given an interest rate (the discount rate). A positive project NPV normally indicates that the investment should be made, unless other projects have higher NPVs.

**Present value (PV)**: The present or current value of (discounted) cost and benefit estimates given at an interest rate (the discount rate). The PV of costs and benefits feed into the total net present value of cash flows.

**Payback period**: The breakeven point for an investment. The point in time at which net benefits (benefits minus costs) equal initial investment or cost.

**Return on investment (ROI)**: A measure of a project's expected return in percentage terms. ROI is calculated by dividing net benefits (benefits minus costs) by costs.

A NOTE ON CASH FLOW TABLES

The following is a note on the cash flow tables used in this study. The initial investment column contains costs incurred at “time 0” or at the beginning of Year 1. Those costs are not discounted. All other cash flows in years 1 through 3 are discounted using the discount rate at the end of the year. Present value (PV) calculations are calculated for each total cost and benefit estimate. Net present value (NPV) calculations are not calculated until the summary tables and are the sum of the initial investment and the discounted cash flows in each year.

Appendix C: Endnotes


2. Forrester risk-adjusts the summary financial metrics to take into account the potential uncertainty of the cost and benefit estimates. For more information on Risk, please see page 10.