



The Global Manufacturing Scene

How language, culture, and communication strategy affect your company's ability to keep up with the times, compete & thrive.



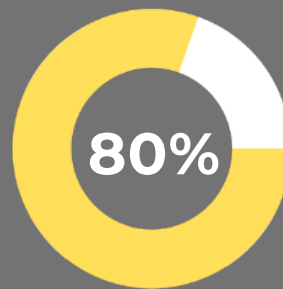
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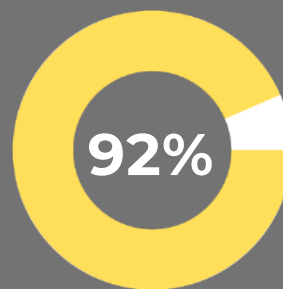
INTRODUCTION



Three years ago, a KPMG Global Manufacturing Outlook report predicted that, during the following years, the international manufacturing landscape would become increasingly competitive, with companies more focused on growth than ever before. Some contenders would drive growth through investment in technology.



80% of manufacturing executives surveyed by KPMG have a growth strategy that involves **changing the products and services** they offer to merge better with the times. These challenges would occur during the next 12-month period. On the other hand, 92% of respondents said that **expanding to new markets** is at the core of their expansion strategy.



INTRODUCTION



There is a great overlap between those who will level-up their products and those looking at expansion as their gateway to growth. The bar is set high, and companies are driven to win, with more than half of manufacturing executives labeling their strategy as "aggressive", and one in six labeling theirs as "very aggressive".

There will be winners and there will be losers, and **whether your company will be on one side or the other will depend upon how well you adapt to change, measure productivity, optimize processes, and create partnerships.**

In manufacturing more than in any other sector, growth is driven by an increase in productivity.

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One of the greatest challenges of 21st century leading manufacturers is finding the right mix between technology and human labor while keeping a flexible supply chain, and without negatively impacting the product quality or its profitability.

In this brief guide, we'll focus on the role of communication, language and culture in global supply chain collaboration and international expansion endeavors.

CONTENTS

First, we'll take a look at how digital communication tools, culture and language affect the relationship between members of a supply chain.

On the second section, we'll take a look at how we should take language and culture into account when planning our expansion to foreign markets.

In simple terms: First, we'll focus on how cross-cultural communication impacts the way get a product made. Then, we'll focus on how effective cross-cultural communication can get it to the shelf and make it a success.

05

COMMUNICATION IN GLOBALLY-DISTRIBUTED
PRODUCTION

09

CULTURE & EXPANSION IN THE GLOBAL AGE

12

TRANSLATION QUALITY & LOCALIZATION

COMMUNICATION IN GLOBALLY- DISTRIBUTED PRODUCTION

BUILDING A SUPPLY CHAIN COMMUNICATION STRATEGY

Hands-off offshoring tends to be a recipe for disaster. In order for each supplier to know what you want from them and what they can expect from you, it's best to provide them detailed, accurate explanations of your needs and goals.

Barebones descriptions don't cut it.

An effective supply chain is one that is well-integrated and consistent, and the clear exchange of communication is vital for that to be the case.

Technology has positively affected all facets of industry. And, as developments continue to arise and integrate into our everyday operations, supply chain communication becomes more secure, efficient and dynamic.



In this day and age, we've got the privilege of various low-cost, highly-effective options that we can combine to create an effective communication strategy.

Relying on more than one communication tool is, in fact, ideal, as shown on the 2006 study ***The impact of interorganizational internet communication on purchasing performance : A study of Chinese manufacturing firms*** by scholars Shaohan Cai, Minjoon Jun and Zhilin Yang, at the University of Hong Kong.

The study in question was the first to explore online supply chain communication outside of email, and it concluded that:

“

...the frequency and the diversity of Internet communication play an important role in determining purchasing performance, whereas formality is crucial to facilitating information flows over the Internet as well as to alleviating concerns about potential Internet security risks...

”

Just like our supply chains should be flexible, our communication strategy should be flexible. Make use of the best, safest tools available, and ensure your communication strategy is structured with a degree of formality that will make it predictable and easy to track for all parties involved, thus preventing information leakage.



CULTURE & COMMUNICATION

Effective communication isn't exclusively about having the right tools. Naturally, communication is not a one-sided endeavor. In order to make the most out of our relationship with our suppliers, listening to them and keeping a conversation, rather than delivering a set of instructions and then waiting for updates, might produce a clear betterment in the production process and in the quality of the product.

When we work with suppliers, we're working with specialists. Likewise, our company should benefit as much as possible from that specialized expertise. Pursuing this goal relies on a business culture that encourages true communication. But, as communication is mediated by language, global supply chains will most likely extend across two or more different cultures, where different languages are spoken. In the next section, we'll focus on the problem of language and possible ways to solve it.

THE ROLE OF LANGUAGE

As Mary Yoko Branen & Yves L. Doz posed in a 2012 article:

“Corporate language is built over time around domain-specific usages of words, acronyms and stories that often reflect the industry context and the national language environment in the country of origin”

This makes cross-national business communication not only a “linguistic” challenge but a cultural challenge as well. Very fittingly, the study in question is titled

Corporate Languages and Strategic Agility: Trapped in Your Jargon or Lost in Translation?



References, jokes, and other nuanced expressions are bound to be lost, independently of whether both parties are speaking the same language with similar degrees of fluency. When you’re communicating with someone from another culture, in any context, **cultural awareness is key.**

Cultural awareness is about slowly learning to “denaturalize” one’s culture, to be able to look at it from the perspective of an outsider and to understand that its assumptions, manners, and customs are not common to all people across the globe. Likewise, when you’re doing business in a foreign nation, take your time to understand the local business culture and comply with it. This is the cornerstone of born-global companies: **In an age of increased diversity and exchange, businesses have to be as open and versatile as possible.**



Consider going to your initial meetings and negotiations with a specialized interpreter. And, when it comes to contracts, guidelines, and patents, an English version will probably not be sufficient—not to maintain crystal clear, direct communication with your suppliers. Nor will it be enough if litigation is eventually necessary. With this in mind, it’d be ideal to translate and localize these documents, making them fully compliant with legal and cultural standards.

FINAL TIPS

Don't conduct communications simply by email.



Be flexible with your communication strategy—but don't leave formality at the door.



Have in mind that a *lingua franca* isn't the panacea.



Foster cultural awareness.



Learn the local business culture.



Consider relying on an interpreter to conduct meetings and negotiations.



Translate and localize contracts, guides, and patents.



CULTURE & EXPANSION IN THE GLOBAL AGE

ENGAGING FOREIGN CONSUMER MARKETS

Growing your business by expanding to foreign markets is a challenging endeavor, but it can garner amazing results. Penetrating a new market is about creating the right partnerships with local businesses and institutions—from distributors to banks. The shape of your foreign presence will be dictated by certain financial and locale-specific factors.



But, when it comes to how your brand will introduce itself to your new audience, there are some basic principles you should have in mind.

Global success is about having great results across different locales, and creating a network of value and information exchange. **To succeed globally, you must think locally.** Global success is repeated local success.



BECOMING A LOCAL PLAYER

To fully become a competitive local player, you must conduct thorough research of the market at hand, your competition, and the gaps you can take advantage of. A thorough understanding of local business culture, legislation, and marketing practices is also necessary.

CULTURE & EXPANSION IN THE GLOBAL AGE

WHAT GLOBALIZATION REALLY MEANS

Globalization isn't about cultural homogeneity, but about each culture becoming a mixture of indigenous and foreign customs and trends. And brands must learn to navigate in that mixture, in that melting pot, keeping a strong identity while adapting to local culture.

In *Globalization and Culture: The Three H Scenarios*, building on the work of Appadurai and Ritzer, scholars Abderrahman Hassi and Giovanna Storti explain this view of globalization, in the following terms:

"Heterogenization represents a process which leads to a more inwardly appearing world due to the intensification of flows across cultures. Hence, local cultures experience continuous transformation and reinvention due to the influence of global factors and forces. It is important to keep sight of the fact that according to this perspective, cultures do not remain unaffected by global flows and globalization in general, but the actual crux of the culture remains intact and unaffected, as has always been with only peripheral surfaces directly impacted."

Cultures become more permeable, without losing their identity, so brands must do the same. Let's take an example from another industry. In 2014, writing for BBC Future, Mark Pagel notes:

*"Stroll into your local Starbucks and you will find yourself part of a cultural experiment on a scale never seen before on this planet. In less than half a century, the coffee chain has grown from a single outlet in Seattle to nearly 20,000 shops in around 60 countries. Each year, its near identical stores serve cups of near identical coffee in near identical cups to hundreds of thousands of people. For the first time in history, **your morning cappuccino is the same no matter whether you are sipping it in Tokyo, New York, Bangkok or Buenos Aires.**"*



CULTURE & EXPANSION IN THE GLOBAL AGE

“Near identical stores” serve cups of “near identical” coffee.

The keyword is “near”. As noted in a Day Translations article about the company’s expansion strategy:

*“Starbucks formulates their menu to **fit the needs of the locals without compromising their signature brand**. Its localization strategy is a mix of local products with innovative store designs, so they are able to fully adapt to the culture of the location.”*



This balancing act between strong brand identity and local sensitivity is the key to success in any niche. Go for a targeted approach, **you can’t rest on certain parts of your target culture that you find familiar, and assume that no twitch in your message is needed.**



The fact that you’re in a region with high English penetration doesn’t mean that you can fully ignore local languages. The fact that your target country is next to your home country doesn’t mean that you can directly translate your marketing campaigns without any further considerations. These factors surely make your expansion efforts easier, and they surely matter when you’re picking which market you should expand to, but they shouldn’t be excuses for low-effort campaigns.

TRANSLATION QUALITY & LOCALIZATION

Needless to say, one should seek out excelling language assistance, both for negotiations and contracts and for marketing and communications. Throughout this text, we've used the term "localization" several times, but explained it very briefly. Let's take a closer look into what it means and why matters:

Localization is the process of adapting a product, message or campaign (when introducing this practice, we often use the umbrella term "material"), so it meets the technical, cultural, legal and functional standards of our target culture.

Localization is a more comprehensive process than translation, and it's what one should seek out for in the case of wanting to conduct a pay per click advertising campaign on a foreign locale, or when planning for the launch of a foreign version of your company website.



LOCAL ALLIES & CULTURAL EXPERTISE

Localization teams are one of the many local partners you should look for when expanding your company abroad. **Along with legal, banking and trade consultants**—both from your country's foreign trade institutions and from your target market—, **they will give your company the support it deserves to embark on an expansion process, and thrive.**

YOUR CROSS-CULTURAL ALLIES

For the last 12 years, we've provided culturally-sensitive language solutions for leading organizations across the globe. Our formula is simple: We rely on a network of more than 10 thousand expert linguists, distributed across the globe, and we make their work easier through cutting-edge technology. This allows us to offer the fast, accurate and globalization-proofed services of tomorrow, today.

Count on us for:

LOCAL ALLIES & CULTURAL EXPERTISE

- 100+ languages
- Certified for no extra fees
- Available within your very strict deadlines
- Culturally-sensitive
- Expert terminology management
- 24/7 customer support

INTERPRETING SERVICES

- Available instantly over the phone
- Available in person within 24 hours
- Professionals specialized in your area of expertise
- Insured by Lloyds of London

LOCALIZATION SERVICES

- Website, app, software, movie, game & e-learning localization solutions
- Global SEO, SEM, SMM & Content Marketing
- A multidisciplinary team of developers, markets and linguists
- Agile processes supported by top-notch technology



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