

December 12, 2000

I hope that Mark Homnack, founder and CEO of SimulTrans, was just having a bad day when he unleashed his intemperate and spurious attack on technology innovation in the December issue of this newsletter. His article about the demise of globalization technology companies likely reveals more about his frustration in “unlocking the value” in his own firm than it does about what is really going on in the marketplace.

The fact that Idiom and others globalization software suppliers are off to a fast and successful start should be enough to refute Mr. Homnack’s thesis. Will some of these new companies fail? Absolutely, but that is hardly penetrating insight – it’s been happening since the dawn of business. What his article misses is that some new companies will succeed exactly because of their vision and execution. They deliver value far beyond what SimulTrans and its “publicly-traded brethren” have been able to achieve in their years of low-margin translation business.

In his article, Mr. Homnack employs the age-old rhetorical device of erecting false premises and then hurling invective at them as if they were true. He speaks of an “innocent marketplace” tricked into the purchase of globalization software. From Idiom’s experience, these allegedly “gullible” buyers are seasoned executives at major international corporations who have conducted rigorous due diligence on capabilities throughout our sales cycle. Consider two claims that he says are being perpetrated on these trusting customers.

1. *“Project managers and engineers can be replaced by software.”*

Is this a HAL conspiracy out of Arthur C. Clarke? Are Asimov’s robots on the loose? Where did this talk of “naïve customers” and technology solutions being “clever ploys” originate? We don’t assert that software can replace people. Neither do our competitors. Globalization technology solutions leverage the best of human contributors, supplementing their work with software that lets computers do what they are good at. The net result of this man-machine combination is higher quality Web sites whose content is synchronized with each other in a timely fashion.

2. *“Technology is a panacea.”*

If all you offer is a low-tech hammer, then every problem becomes a translation nail. Put differently, Mr. Homnack is correct in stating that many low-margin professional services firms such as SimulTrans are not equipped to become enterprise software companies. Given their current business model, they cannot offer innovative software, strategy, and implementation services. On the other hand, Idiom’s localization partners regard our software as high-value infrastructure that increases the scalability, reach, and performance of their human translation networks. And Interwoven and Vignette have chosen to partner with Idiom to offer both our software and our professional services to their enterprise customers. Both our customers and partners believe that this combination is the only road to a successful international Web presence.

I could go on and refute each of his unfounded assertions, but suffice it to say that Mr. Homnack’s basic “graveyard awaits” premise is fatally flawed itself. Further, this doom and gloom strikes me as ironic given SimulTrans’ recent partnership with one of the globalization technology vendors for whom he is already nailing shut the coffin. Was Mr. Homnack whistling in the dark as he passed his putative graveyard – or hedging his bet? History will prove it was the latter.

Sincerely yours,

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