

MCDONALD'S HAMBURGER UNIVERSITY:

CLOUDWORDS IS THE SECRET SAUCE FOR SIGNIFICANT EXPANSION IN BILINGUAL WORKFORCE CURRICULUM WHILE DRAMATICALLY REDUCING TRANSLATION COSTS AND TIME

WHO

McDonald's is the world's leading food service retailer, with more than 35,000 local restaurants serving nearly 70 million people in 119 countries each day. As the third largest employer in the United States, following the Federal government and Wal-Mart Stores Inc., McDonald's workforce education and training impacts a large and diverse segment of the population. In 2013, 131,000 learners in more than 14,000 locations engaged in its curriculum. In addition to on-site and online learning programs, McDonald's has a global corporate education program, Hamburger University, where owner-operators send restaurant managers to learn how to run a McDonald's restaurant.

Hamburger University has seven locations around the world, with its flagship 130,000-square-foot facility on the 80-acre Oak Brook, Ill., corporate campus. Hamburger University is the hub for much of the education and training content that is developed for McDonald's U.S. and global operations.

COMPANY AT A GLANCE

- Founded in 1940
- CEO: Donald Thompson
- Revenues: \$28.1 B (2013)
- Employees: 440,000
- Restaurants: 35,000 restaurants in 119 countries
- Headquarters: Oak Brook, IL
- Business Focus: Food Service Retailer



WHY

MCDONALD'S COMMITMENT TO TRAIN SPANISH-SPEAKING EMPLOYEES

McDonald's is committed to excellence in learning and development and has earned recognition for its innovative programs. To train a global workforce requires the localization of training and education materials, including manuals, e-learning classes, workshops, internal websites, HR

materials and creative content designed for direct use with employees. In 2012, after more than 20 years with McDonald's, Fernando Vazquez joined the team at Hamburger University as its Bilingual Curriculum Design Lead to oversee the department's localization efforts.

When Vazquez joined the department, he recognized that the existing localization practices within Hamburger University limited its ability to meet the growing demand for Spanish-language and bilingual training materials in the U.S. market. As the nation's third largest employer, the company's diverse workforce includes Latino employees whose Spanish-language skills are often better than their English skills. For McDonald's, ensuring their employees are work-ready and trained is critical to operations, so training needs to be done in their native language. Vazquez was determined to find a solution to its localization challenges in order to increase production of bilingual and Spanish-language training materials to meet demands and to make McDonald's bilingual curriculum as world-class as its brand.

CHALLENGE:

Pre-existing Inefficiencies Limited Development and Expansion of Translated Training Materials

An outdated approach to translation management was impeding growth within McDonald's U.S.-based Latino markets. Relying primarily on email to communicate among team members and translation vendors, the inefficient localization process meant McDonald's couldn't adequately keep pace with the training demands of its Spanish-speaking workforce. "Sometimes it would take several days to locate a file because it was buried within an email string," Vazquez noted. The non-existence of an organized system presented multiple challenges for the team, including:

- Lack of an efficient and transparent workflow, including ability to track projects and communicate among various team members;
- No visibility into which materials were with the vendor and in the process of translation;
- No insight into who was managing projects;
- Inability to monitor progress or access status updates in a timely manner;
- No consistent, organized filing system or database of archived files, which posed severe version control issues during the review process.

In effect, the team's lack of any kind of formal translation management process caused costs to escalate due to duplicate work and little oversight into translation vendor

activity, not to mention slow turnaround times and project delays. Specifically, Hamburger University was held back by:

Paying Over and Over Again to Translate the Same Words

The best-kept secret in the translation industry is translation memory (TM), a repository of all words and phrases previously translated that, when managed and leveraged properly, yields significant cost and time savings. Unfortunately, Hamburger University's team lacked a centralized translation memory database. The decentralized, ad hoc system the team had in place prevented them from consistently receiving updated TM files from their translation vendor, so there was no way to track the already-translated content because they did not have access to the latest TM files. This resulted in increased costs and more time spent on subsequent translation projects that could have been completed much faster with access to the right files.

Project Quality Suffered

Translation memory is part of a company's overall "multilingual asset management" system, which includes multilingual glossaries and style guides that enable companies to manage and maintain a consistent brand and message regardless of which language content is translated into. Since the team at Hamburger University didn't have a translation management system, they lacked the ability to manage pre-approved messaging and terminology, which not only adds time and costs to translation projects, but also increases the risk of errors. Lack of translation memory may also increase the probability of incorrect terms being used and may reduce overall translation quality. When managing a brand as valuable as McDonald's, translation quality and consistency are top priority.

No Price Competition, No Reporting, and No Way to Scale

The Hamburger University team was initially using a single translation vendor to provide cost savings and message consistency. In fact, the opposite was happening. Since Hamburger University did not request translation project bids from other vendors, there were no competing bids for their current vendor to match, and nothing for McDonald's to compare prices to, which resulted in higher-than-average translation costs. There was simply no system in place for McDonald's to easily and quickly send bids to multiple vendors to price compare in an automated fashion.

Further, having only one vendor also limited the number and size of projects that McDonald's could manage and deliver within a given period of time. Prior to using Cloudwords, Hamburger University was only completing approximately 40 content localization projects a year, primarily training materials within the Learning and Development department.

Although Hamburger University only contracted with one vendor, there was no efficient way to accurately track project spend. Since the team couldn't verify whether their translation memory was being leveraged, there was no

way to know whether it was saving them money; and their inability to track projects efficiently via email meant materials were unintentionally duplicated. Without insight into costs per project, as well as overall translation spend, budgeting for additional translation requirements was difficult.

With no automated workflow, no insight into project status, no way to compare costs with other vendors, and no ability to track costs, the team was unable to increase the number of translation projects in order to meet demand. Something had to change for the quick service giant. Fast.

HOW

SOLUTION: ORDER UP! CLOUDWORDS' PLATFORM SERVES MCDONALD'S APPETITE FOR EFFICIENCY

Cloudwords solved McDonald's translation challenges and enabled the company to initiate the localization growth they had been hoping to kick-start since 2012. "By implementing a superior platform, we now have complete transparency into our localization process, host our own translation memory, and are able to take advantage of a state of the art vendor management community to find the best translation providers and costs for our needs. Because of Cloudwords, we have cut our average cost per translated word in half," said Vazquez.

With Cloudwords, Hamburger University is able to effectively host and incorporate their translation memory, style guide and glossary files, resulting in higher quality translations, faster project turnaround times, and reduced costs. Moreover, Vazquez points to a new system created to reduce errors and keep tabs on accurate translated phrases. "We created a language advisory council consisting of 25 people who work in key linguistic areas of the country and mirror the linguistic map of the Spanish-speaking population in the U.S. Our team regularly sends words and phrases to the council to ensure our translations are relevant for our audiences, which helps us grow an exceptional TM and glossary for our continued growth. And, if there is ever a conflict on a translation, the council is available to help us find a resolution."

Now, with Cloudwords, McDonald's is on track to complete more than 350 localization projects in 2014 for several different U.S. and Latin American-based McDonald's departments, including HR, Operations, IT, Creative Services, Legal, Menu Innovation and 52 other internal partners. According to Vazquez, this growth could not have been possible without the Cloudwords platform.

In addition to an increase in completed localization projects, McDonald's is experiencing a cost savings of approximately \$10K per quarter just in bid benchmarking. "With Cloudwords, our localization spend has been rationalized, while our project completion rate has increased because our team is much more efficient – we finally have visibility into project status and activities, allowing us to reduce time spent tracking down elusive files and following up via email," remarked Vazquez. "Cost savings and market growth are extremely important to McDonald's as we grow our business within the Spanish-speaking markets in the United States."

In addition to multilingual asset management, automated workflow, and better cross-functional collaboration, Cloudwords' reporting and analytics capabilities gives McDonald's unprecedented access to data. Now, Vazquez can easily pull reports to track spend, project completion

rates and timelines, and the growth of their translation memory database to determine how much money they're saving by leveraging TM files and vendor competition.

Expanding Cloudwords to More Departments—Bringing Efficiency to More Teams

Following Hamburger University's deployment of Cloudwords in 2012, Vazquez soon became the Cloudwords expert and champion within McDonald's and wanted to communicate to stakeholders the value of Cloudwords' platform to the company. For Vazquez, the biggest challenge was convincing a team that using a single translation vendor was not cost effective. To demonstrate his point, he showed teams that Cloudwords gives users the ability to easily send out multiple project bids to multiple vendors simultaneously, then view and select a vendor based on costs that also incorporates the vendor's use of TM – ultimately saving them money.

Thanks to his team's success with Cloudwords, Vazquez is able to demonstrate to other potential adopters of Cloudwords across McDonald's the following time and cost savings the team is experiencing:

- Improved workflow time efficiency: 52% (average time spent relative to planned)
- Reduced average days to project completion: from 24 to 17

- Yielded bid benchmark savings: \$10K per quarter
- Realized translation memory savings: 7% of total spend
- Increased Spanish-speaking user satisfaction of the Learning Management System (LMS): from 93 to 95%

A Grand Vision for McDonald's Internal Translation Requirements

"At McDonald's, our main goal with Cloudwords is to streamline, simplify and modernize our translation and localization processes in order to increase capacity and reduce costs," said Vazquez. While he is currently focused on using Cloudwords to translate materials for McDonald's Spanish-speaking workforce, he feels large pieces of the U.S. Spanish-speaking market as well as internal departments remain untapped, and he plans to continue educating other departments of his team's success with Cloudwords so that his team can eventually become *the* official department within McDonald's that handles all localization projects for the U.S. He would like to see an increase from its current rate of completing 340+ projects a year to 700-1,000 projects in the coming years. Moreover, Vazquez sees his department moving beyond translation for just the U.S. market. His goal is to demonstrate the value his department brings to the company and aims to be the go-to department for all of McDonald's internal translation needs company-wide.

"The reality is that people internally are seeing what we're doing in a very different way than two years ago. We are now being viewed as a very valuable translation resource within McDonald's. We are able to present localization KPIs; we have streamlined and made the process more visible; and we now host our own translation memory and glossaries and have much better utilization of them. With Cloudwords, there is simply much more at our fingertips with just the click of a mouse. All of this has come with better translation vendor management and has resulted in more desirable translation costs. The team is more professional now than when I came on board two years ago, and more reliable as a service organization. We look forward to continuing to evolve into the premiere translation department for McDonald's by increasing efficiency and bringing additional cost savings to the company's bottom line."

— Fernando Vazquez, Bilingual Curriculum Design Lead, McDonald's Hamburger University