



Upping the Ante

As the world goes global, vendors jockey to provide the right mix of services.

by Deborah Fry



Deborah Fry

Client demands on language service providers are increasing, and high-end enterprises are moving towards greater process automation in order to cope. In addition to introducing computer support for their own internal workflows, high-end service providers are increasingly trying to integrate client processes, including via the Internet and mobile computing. Service providers wishing to take this route face a classic range of make or buy options, from the development of in-house proprietary systems to the use of standard software packages (with or without additional customization), and electronic marketplaces. The model that service providers should adopt depends on a precise analysis of who their customers are, and where they want to be in the long term.

From Mission Impossible to Business As Usual: The Drive to Automation

Today's rapidly globalizing world offers vast opportunities to language service providers who can take effective advantage of them. However, this entails a radical change in approach. Many of today's more experienced language professionals will be familiar with the classic "triangle approach" to demand management, in which customers are shown a triangle whose points are labeled "quality," "speed," and "price," and told to pick any two. While still valuable as a basic client education tool, this visualization no longer works

in practice. In fact, service providers wishing to satisfy clients today and tomorrow need to ensure they meet *five* key requirements.

High Volumes. Companies that are going global generally need substantial amounts of material translating, often into multiple languages. What is more, the rise of the Web is leading to a proliferation in the number of files involved and in update frequencies, thus increasing handling and change-management requirements substantially.

Speed. In today's global village, this content is required and, thanks to the Internet, also delivered almost immediately. At the same time, advance notification periods are frequently being slashed, meaning that set-up times for service providers are falling.

Flexibility. It is a truism of modern management teaching that change is the only constant. In such a situation, businesses are constantly adapting and expecting service providers to do the same. Today's business is radically different from yesterday's.

Quality. As its name suggests, the World Wide Web provides global exposure and global competitor access. When the whole world is watching, second-rate is not good enough.

Value for Money. As the amount of material translated increases, so does overall spending and therefore management awareness. This admittedly has its advantages since, in the parlance of venture capitalists, language services are "rising on the radar screen" of senior executives. Precisely because of this, however, service providers need to be able to demonstrate superior cost effectiveness to allay management concerns.

Achieving all five factors in practice at one and the same time is extremely difficult and, in fact, different service providers have chosen to emphasize different combinations of them. At one end of the spectrum, the global suppliers offer high throughput, speed, and flexibility at the expense of making translation an interchangeable commodity (and paying for it as such). In particular, these companies are making inroads into the technical documentation and localization segments, which are more easily

Many of today's more experienced language professionals will be familiar with the classic "triangle approach" to demand management, in which customers are shown a triangle whose points are labeled "quality," "speed," and "price," and told to pick any two.

While still valuable as a basic client education tool, this visualization no longer works in practice.

standardizable. Their uniform procedures and their ability to offset the high overheads connected with a global infrastructure by global economies of scale help make them competitive in their chosen sector.

At the other end of the spectrum, specialist niche suppliers can provide high-quality translations requiring substantial background knowledge or other additional skills. However, they are not infinitely scalable and they are acutely dependent on skilled staff. In keeping with this, they are at their strongest in those areas where understanding and stylistic issues are at a premium.

The worst of both worlds is the middle ground between these two models, i.e., relatively large or general-focus companies that nevertheless cannot offer global reach, cost leadership, or unique skill sets. This segment of the market resembles an increasingly bloody battlefield, and is currently characterized by a high level of M&A activity, and informal or formal alliances.

From Translation Support to Translation Management Support

Regardless of their strategic positioning, however, all companies with an eye to long-term survival are automating their translation processes. Computer support for translation in its narrower sense and the overall translation-management process offers the promise of productivity gains, and hence improved speed, throughput, and cost. Of course, this statement per se is hardly news, as anyone following the development of translation memory in the last 10 years knows. By leveraging past translations, tools such as the Trados Workbench, Star Transit, Déjà Vu, and SDLX have often led to substantial cost and time savings.

What is new, however, is the focus on integrating island solutions. Thus large corporations that can control their environments effectively, such as Nortel Networks, are making increasing use of end-to-end language-processing solutions combining translation memory, terminology management, machine and human transla-

tion, and other linguistic and IT tools. In Nortel's case, the stated goal was to produce a 50 percent savings in translation costs.¹ Large service providers, too, have also invested considerable sums in setting up end-to-end solutions. In fact, users in the fast-moving localization industry have generally long since passed the point of no return: they simply could not functionally manually any longer. Commercial tools suppliers are mirroring this trend by providing increasingly robust interfaces, support for interchange standards such as Oscar,² and, in some cases, multiple language technologies within a single package.³

Increasingly, however, individual language technologies have reached industrial strength, providing real productivity gains for clearly defined applications rather than substantial new breakthroughs in functionality. This has led to a new focus on computer-aided translation management, as opposed to translation technologies themselves. Key products in this area are workflow and project-management automation, Internet, network and telecommunications functionality, and content and document management. Here, too, individual products have long been available in discrete areas, but there is now a more general move towards automating end-to-end administration.

The Automated Translation Lifecycle

At their most comprehensive, end-to-end translation-management solutions typically offer the following types of functionality:

- automatic dispatching of requests for quotations and work by the client to the vendor (including via the Web, WAP, and other innovative access media);
- automatic or semi-automatic quotation generation and management (including text counts), and order confirmation;
- automatic registration, storage, filtering/conversion, and other preparation of incoming files;
- integration of sales and project-management teams;
- automatic project management and scheduling functions;
- integration of language productivity tools such as translation memory and machine translation;
- automatic or semi-automatic translator selection (using predetermined profiles and availability data) and subsequent job routing, complete with necessary background information;
- automatic routing to downstream functions (QA, engineering, DTP, etc.);
- automatic client dispatch;
- integrated tracking and tracing functionality (job status monitoring);
- integrated invoicing functionality (including subcontractor accounts);
- automatic indexing and archiving of jobs and related materials;
- automatic payment functionality (credit card or account).

Such automated solutions potentially offer the following key advantages:

- more rapid and reliable processing of increased volumes of files (productivity and quality);
- improved client response times;
- greater consistency and quality of client data;

(continued on page 42) ◀

- possible shift of responsibility for information provision to client;
- client workflow integration and hence greater customer loyalty, up to and including proprietary desktop links;
- 24 x 7 processing (and hence time-zone independence);
- lower credit risk (where credit card payments are used).

Critical Success Factors

Of course, the process and technology issues that need to be solved are not trivial, since translation workflows vary widely. Service providers in particular are often forced to support multiple processes for multiple customers, while different types of work may require radically different approaches. In addition, as has already been seen, the industry is highly dynamic and any solution must be highly flexible. Customer acceptance is crucial, and process fragmentation on the client side is often a major barrier. Last but not least, service providers should adequately estimate the time, expense, and skills required to design, develop, and implement any solution (not forgetting any client-side functionality), since failure here could seriously damage the operations and image of the company.

The Three Flavors of e-Translation

Service providers wanting to implement end-to-end translation management support have three basic approaches to choose from:

- to develop their own, proprietary solutions by combining in-house functionality and stand-alone solutions in discrete areas;
- to select and adapt commercial workflow-management packages (these may be either generic solutions or ones tailored to the language industry, such as the TRMS system from Ordiplan's GENER-X);
- to offer their services via a translation "vortal"—vertical (i.e., industry-specific) portal, electronic e-agency, or translation marketplace.

The first two solutions are basically proprietary. Essentially, they allow service providers to retain their corporate identity and management of the client relationship at the expense of a more or less substantial development effort and commercial risk. Their Web-site front ends, with their highly visible offerings, are particularly well suited to attracting new clients, as well as providing existing clients with a repeat point of entry. A variant on this theme is to market the service via a partner site in order to increase exposure: thus Lernout & Hauspie is offering translation services via Microsoft's Office Update Web site.

Even more interesting in terms of client-relationship management and brand recognition are proprietary icons installed directly on clients' desktops. By clicking on these, customers can dispatch work directly to their preferred supplier electronically, thus bypassing the competition. The benefit to clients, in addition to ease of use, is that processes can be tailored to their precise requirements, and friction at the client/supplier interface can be reduced.

As a result, administrative overheads in the areas of tendering, billing, and job handling are minimized, and the speed of processing and productivity should increase. However, such a solution depends on a stable and proven client-supplier relationship, which may have to be formalized at a departmental, divisional, or even enterprise-wide level. In addition, client IT departments have to be informed of and approve the installation of any local software.

M-commerce devices (e.g., cellular phones and wireless PDAs) offer an additional potential front-end for such systems. While bandwidth limitations and small display sizes currently limit the uses to which these devices can be put, it is clear that they can provide at least a subset of translation management functionality. For example, according to Mark Kelley from the Berlitz press office in Ireland, the company is developing a WAP-enabled near real-time quotation service, which is based on the Quotel functionality available on its e-commerce site, BerlitzIt.com.⁴ In addition, suppliers can use these devices to offer new access channels to integrate clients: thus OracleMobile.com offers a terminology look-up service that is powered by Systran.

The third approach to implementing workflow management and the electronic marketplace involves substantially less internal effort, at the risk of a dilution of brand equity and reduced customer loyalty. This is due to two key facts: first, the application service provider running the marketplace assumes the role of intermediary to a greater or lesser extent, and second, such sites generally provide many-to-many access for suppliers and customers.

That having been said, a number of different permutations on the marketplace concept exist. Some of them can best be classified as "e-agencies," translation brokers, or facilitators: thus freelance translators and service providers can submit quotations for translations on sites such as eLance.com. A further development of this are the attempts at vortals such as the site recently started by Trados (TranslationZone.com). In addition to providing access to a database of suppliers, such sites generally offer information on the language industry in the form of press clippings, articles, and stock quotes. This serves to enhance the site providers' standing in users' eyes and to increase their commercial attractiveness.

At the other end of the e-marketplace spectrum are technologically advanced end-to-end environments for supporting client-supplier translation workflows such as that offered by Uniscape.com or WorldPoint.com. Such sites offer Web-hosted globalization technology and resources in return for a time- or project-based fee or other payment model, allowing clients to outsource the translation process and, in some cases, design and manage customized workflows, within this overall environment.

Like their more nakedly proprietary cousins, these marketplaces offer clients the environment needed for servicing high-volume language needs. They hold out the promise of productivity gains through automation and global sourcing, but coupled in this case with substantial reductions in investment requirements. They are thus particularly interesting for smaller vendors who do not have the financial or human resources to develop extensive in-house

Even more interesting in terms of client-relationship management and brand recognition are proprietary icons installed directly on clients' desktops. By clicking on these, customers can dispatch work directly to their preferred supplier electronically, thus bypassing the competition.

solutions. In addition, since service providers are, at least in theory, interchangeable in this model and quotes can be easily obtained and compared, e-marketplaces are also likely to contribute to the continued downward pressure on prices. Implicit in this model is a view of translation as a commodity that is constantly produced to the same standards. This also allows the marketplaces to focus on the high-volume, high-throughput segments of the market, and hence to offer a potential alternative to the global suppliers.

Here, too, some marketplaces have moved beyond this model to offer "blind" interchange, in which individual clients and service providers can conduct their business without being seen by other participants. In this case, the potential benefit to the parties resides in the productivity gains offered by the technology. As a result, such systems are potentially interesting to more specialist customers and service providers who wish to enhance existing relationships without investing heavily in their own infrastructures. Interestingly enough, Uniscape reports that some vendors have begun using its solution in-house, as their own backend systems, in order to make their organizations more efficient.⁵

Positioning for the Electronic Age

In view of this rich range of technological choices, how can service providers and clients decide what is right for them? As always, the place to start is with a careful analysis of your existing business and goals. What segment of the language business are you in? What are your strengths and weaknesses and who are your competitors? What type of customers do you have or want to have, and how many of them are direct? Which of the five factors do they want you to improve? And under what constraints are they working? How important is retaining your brand equity—i.e., having your name known? Last but not least, how much can you invest in terms of both time and resources?

The Leveler

This analysis is important since automated workflow technologies offer both an opportunity and a threat. While they are enabling the language industry to do the impossible at once, they are also lowering entry barriers for new competitors. A basic, advertising-level Internet presence can now be paid out of petty cash and, once on the Web, competitors are literally only a click away. Clients who are dissatisfied with the service they are getting are finding it easier than ever before to research and try out alternatives, and to compare apples with apples, especially in the case of the new marketplace.

What is more, in an increasing number of cases customers may be able to choose not only between apples and apples but also between apples and pears—in the form of instant machine translation and/or dictionary look-up functionality that provides no-frills multilinguality for information purposes. Free machine translation services such as those offered by Lernout & Hauspie, WorldLingo, E-lingo, and Systran can give consumers a first-pass translation that may or may not lead to subsequent human intervention (WorldLingo, for example, automatically submits a quote

for human translation along with its free Web-based email translation).

In my opinion, global language service providers will attempt to bind their core customers to them via their own proprietary translation-management environments. However, they are also likely to use electronic marketplaces, partner Web sites and vortals (both within and outside the translation industry) as additional channels where this makes sense. This approach is consistent with the crucial importance of global branding in this segment of the business and with the existing range and technological sophistication of these service providers. For them, the semi-open or open electronic marketplaces will not add significant value unless and until they become the dominant form of sourcing work.

Specialist niche players with well-established brand names will tend to follow a similar approach to the globals, i.e., one based on direct customer interaction and customer retention. However, their solutions will be less complex in technological terms and their development and implementation resources may well be strained by the need to manage demand and growth. To the extent that they can clearly communicate their strengths via the electronic marketplaces, they may therefore be interested in this form of facility. Standard workflow packages are another interesting option, as are partnerships and co-hosting deals with other specialists in complementary areas.

Medium-sized and smaller generalists are likely to take a mixed approach focusing on multiple channels. This is likely to include an increase in cooperation between players in this segment, up to and including the idea of establishing networks of "virtual globals."⁶ The challenge here will be not to get caught between a rock and a hard place—i.e., to compete with the process and pricing efficiency of the more homogeneous global players while offering superior content specialization and quality.

The situation for freelancers is largely similar, in that they can choose to remain generalists or focus on specific areas where they can generate added value. Given the large volumes of materials now needing translation, there will be a tendency for them to work increasingly for translation companies or agencies as subcontractors,

unless they actively build up their own stable of direct clients. However, this does not mean that a selective approach is not possible. In all cases, name recognition based on competence and professionalism is vital, since failure to establish this means being relegated to relatively menial tasks that will be candidates for continuing language automation. Staying familiar with the latest technology and discovering ways to leverage its benefits without overtaxing generally limited resources will be major challenges for freelancers. Personal Web sites coupled with the use of translation broker and electronic marketplace sites are effective channels here.

At all levels, suitably qualified service providers will also have a role in creating and implementing automation solutions. As companies scramble to go global, they are facing multiple challenges that often overtax their internal resources. Service providers are filling the gap, advising customers on new developments and technolo-

A basic, advertising-level Internet presence can now be paid out of petty cash and, once on the Web, competitors are literally only a click away. Clients who are dissatisfied with the service they are getting are finding it easier than ever before to research and try out alternatives, and to compare apples with apples.

In my opinion, global language service providers will attempt to bind their core customers to them via their own proprietary translation-management environments. However, they are also likely to use electronic marketplaces, partner Web sites and vortals (both within and outside the translation industry) as additional channels where this makes sense.

gies, and on process reengineering, as well as supplying more and more qualified, high-value services.

Thus the increasing automation of the translation process does not necessarily spell the demise of human language workers, although their role does require redefinition. The complexity of human communication, the scale of services needed, and the relative youth and innate limitations of language engineering mean that humans—at least the adaptable ones—should not feel consigned to the scrap heap. Indeed, for professional service providers who can supply the intelligence and the added value needed to drive the processes and machines, opportunities have rarely looked so good.

Deborah Fry is co-director of Fry & Bonthron Partnerschaft, a specialist language services and consulting company based near Frankfurt, Germany, and Editor of the LISA Newsletter. She can be reached at deborah@fb-partners.com.