

La mondialisation: Les faux problèmes et les vrais défis

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Q Who's here?

A 1/3 researchers, 1/3 translators, 1/3 teachers & students...?

A constant: even at events announced as “client-rich”, there are never many clients in the room.

Ever.

*(We are talking to
ourselves.)*

- Translation—a service where many (most?) buyers can't judge quality.
- There is very little genuine feedback. And perhaps because of that you hear the craziest things...

“Our clients keep coming back,
so they must be happy.”

Translation company owner

“My clients must be happy;
they’ve never complained.”

Freelance translator

Really?

“OK pour le devis [compte tenu des circonstances, je suppose que nous n'avons guère de bargaining power malgré un prix très cher (0.40 € / mot versus 0.18 € chez nos (mauvais) traducteurs habituels) justifié par une qualité que je comprends comme éprouvée sur un vocabulaire technique financier].“

*Genuine inadvertent client statement:
Company Y*

Conclusion:

It is naive to assume
that no news is
good news.

Quelques faux
problèmes :

- “Prices are going down, down, down.”

Oh and this is due to:

- Competition from far-off places where the cost of living is low.
- Competition from software.
- Competition from incompetent translators (“amateurs”) who are working for pin money.

Red herrings, all of these!

(And above all, nothing new: translators have been saying all this for ages).

Or, more accurately,
the reflection of a poor
sense of priorities, a poor
grasp of client relations,
and poor business
practices on the part of
translators.

All coming home to roost.

1. If you make poor business decisions and don't build change into your business model, you must live with the consequences.

2. If you are selling on price alone, you are digging your own grave (and—potentially—pulling others down with you).

3. Select your market segment with care. Note that some of the “big players” are not doing all that well once you look at the figures. E.g., Lionbridge has been operating in the red for the past five years (no wonder they are desperate to lower prices and increase their margins. “Big” does not necessarily mean “sustainable.”

B	C	D	E	F	G	H	I	J
All figures and information hereunder can be found in Lionbridge's annual reports 2009 and 2008 (www.lionbridge.com)								
Lionbridge								
Income statement	2004	2005	2006	2007	2008	2009	2004-2009	
Sales	154 101	236 262	418 884	451 994	461 432	389 250	2 111 923	
Operating expenses	234 986	234 986	403 858	442 974	575 609	387 878		
Operating profit	7 166	1 276	15 026	9 020	-114 177	1 372		
Other income (expenses)	-26	-5 189	-19 928	-13 232	-5 128	-5 380		
Net profit (loss)	7 140	-3 913	-4 902	-4 212	-119 305	-4 008	-129 200	
loss per share	-0,08	-0,08	-0,08	-0,07	-2,14	-0,07		
Balance sheet								
Shareholders Equity	87 466	149 735	156 688	156 154	39 670	41 029		
Debt	25 922	170 242	164 812	176 909	144 512	111 690		
Total assets	113 388	319 977	321 500	333 063	184 182	152 719		
Cash	38 450	25 147	27 354	32 248	37 978	27 432		
LT debt	0	90 268	77 855	71 751	55 700	24 700		
Leverage (Equity/Total Assets)	77%	47%	49%	47%	22%	27%		
Return (Profit/Sales)	4,63%	-1,66%	-1,17%	-0,93%	-25,86%	-1,03%	-6,12%	
2005 : acquisition of Bowne global Solutions								
2009 : accumulated deficit of \$235.4 million								
2009 : cumulated goodwill (\$204,3 million) reduced to 83,7 million in 2008 through an impairment charge of \$120,6 million on acquisitions realized before 2006.								
This means that the remaining goodwill (excess of price paid over asset value for acquisitions) is still TWICE the amount of the remaining equity								
Treasury situation improves over time (cash at hand vs LT debt) but what if there is a new depreciation on goodwill ?								
A 50% depreciation (40 million dollars) would wipe out the remaining equity.								
Interestingly, the annual reports don't say a word about Executive Compensation (directors' salaries)								

4. If you haven't yet figured out that *you must specialize* (regardless of language combination) you've also missed the boat.

5. “Technology bad, human good”? Look closer:

- Many translators have been early adopters of new technologies.
- Technology can be a source of increased productivity.
- ***Selective use*** of technology is a boon for all.

Les vrais défis ?

1. For people targeting premium segments (and others): get your writing up to speed.

Tim Martin (EC, DGT, speaking in Vancouver in 2002):

[...] But my point about introducing *compulsory* writing courses, both creative and technical writing, is the following: students don't actually know when they graduate what is good writing and what isn't. *They simply don't know*; they are not in a position to judge. And most of what they will be confronted with—what they *are* confronted with, certainly in my organization—is poor writing, not the well-formed writing of literary translation. This makes it extremely important that fledgling translators be able to not just translate but to *correct* where necessary, to improve where necessary [...]

2. Just as important: get everybody up to speed on interacting confidently, pleasantly and efficiently with clients.

Tim Martin (EC, DGT):

[...] This makes it extremely important that fledgling translators be able to not just translate but to *correct* where necessary, to improve where necessary, **and above all to be able to argue their case, on the telephone, or by e-mail with a client, or with an author, *en connaissance de cause***. They must know what they are talking about because they know that “this is an ill-formed sentence.” [...]

3. Get everybody up to speed on best business practices.

4. When commentators or practitioners start blurring the line between MT/TM and human translation, get vocal: speak up!

Enter... **the Mystery Shopper.**

(Buying in translation services yourself is a good way to see what the market has to offer — and to see how your own offering measures up.)

This Mystery Shopper visited
five emporiums:

Onehourtranslation.com

Transperfect

Bob Killingsworth (freelance)

Steven Sklar (freelance)

Tectrad

- L'introduction de CODEALTA (code mnémorique: ****) sur NYSE Alternext a été réalisée via la cotation directe des 1.200.000 actions composant le capital de la société. La capitalisation boursière de la société au jour de l'introduction s'élève à 5.6 millions d'euros.

« Nous nous réjouissons du transfert de CODEALTA sur NYSE Alternext et sommes heureux de contribuer ainsi au développement de nouvelles solutions qui participeront aux succès des entreprises, » a déclaré Ronald Kent, Vice Président Exécutif Groupe et Responsable des cotations internationales chez NYSE Euronext. « Cette nouvelle introduction permettra à CODEALTA de changer de dimension et d'accroître sa visibilité pour une meilleure négociabilité de ses actions.

- Jean-François Dalla, Président Directeur Général de CODEALTA, a ajouté : *« Alors que nous venons de fêter en janvier 2010 notre 4^{me} anniversaire d'inscription au Marché Libre, le transfert sur le marché NYSE Alternext à Paris marque une nouvelle étape de la vie boursière de CODEALTA dont le chiffre d'affaires a été multiplié par plus de 12 depuis notre entrée en Bourse. Désormais, nos actionnaires vont pouvoir bénéficier d'une meilleure liquidité grâce à la cotation en continu. En outre, en étant coté sur un marché régulé et avec une visibilité boursière accrue, CODEALTA sera susceptible d'intéresser un plus large public d'investisseurs, institutionnels et individuels. »*

CODEALTA (ticker symbol: ****) has been introduced to NYSE Alternext through the direct listing of 1.2 million shares comprising the company's capital. The market capitalization of the company on the day of the introduction amounted to 5.6 million euros.

"We welcome the transfer of CODEALTA to NYSE Alternext and are excited to contribute to the development of new solutions that will contribute to businesses' success," said Ronald Kent, Group Executive Vice President and Head of International Trading in NYSE Euronext. *"This new introduction will allow CODEALTA to change in scale and increase its visibility for better marketability of its shares."*

Jean-François Dalla, CEO of CODEALTA, added: *"As we have just celebrated in January 2010 our 4th anniversary of being listed on the Free Market, the transfer to NYSE Alternext in Paris marks a new stage of market life for CODEALTA, whose turnover has increased more than 12-fold since our IPO. From now on, our shareholders will be able to benefit from higher liquidity due to the continued listing. Furthermore, as CODEALTA will be listed on a regulated market and with increased market visibility, it will likely appeal to a wider audience of investors, both institutional and individual."*

Onehourtranslation.com — oh dear.

Traduction (français > anglais)

The introduction of CODEALTA (ticker: NYSE Alternext ****) has been through direct quotation of 1.2 million shares in the capital of the company. The market capitalization of the company on the day of the introduction amounted to 5.6 million euros.

"We welcome the transfer of NYSE Alternext CODEALTA and are excited to contribute to the development of new solutions that will participate in successful businesses," said Ronald Kent, Group Executive Vice President and Head of International Trading in NYSE Euronext. This new introduction will allow CODEALTA change in scale and increase its visibility for better marketability of its shares. "

Jean-Francois Dalla, CEO of CODEALTA, added: "As we have just celebrated our 4th January 2010 anniversary of listing on the Marché Libre, the transfer to the NYSE Alternext in Paris marks a new stage of life. Fellow CODEALTA whose turnover has increased by more than 12 since our IPO Now, our shareholders will be able to benefit from higher liquidity through the continued listing. In addition, being listed on a regulated market and with increased market visibility, CODEALTA will likely appeal to a wider audience of investors, institutional and individual. "

GoogleTranslate: nearly identical.

Conclusion:

You get what you pay for, and responsiveness to clients really is important (as is asking questions).

Closing thoughts:

1. Poor clients! It's about time major corporations consider having at least one in-house translation coordinator. This would allow them to leverage existing knowledge and save money. Intermediaries are simply not doing the job right. (Signed work as an industry standard might help.)
1. Freelance translators who specialize (really specialize) and hone their writing skills have nothing to fear from globalization. BUT they must improve their online & other profiles.

3. Universities and translation programs must make sure that their students know about the market(s) awaiting them, and that they understand the options—including where they should invest their time.
4. Freelance translators, students and academics should be actively seeking out opportunities to interact with users of translation services.

“This translation business is **really** complicated—so much so that you, Mr. Client, are never going to understand it. Don’t worry your little head, we’ll handle it from A to Z.”

VS

“This translation business is **really** complicated—so much so, Mr. Client, that we’re going to need your input to get it right.”

Thanks for listening.

Questions?

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www.prosperoustranslator.com