How to Buy Translation Services

Guide to selecting the right supplier and getting the most from the relationship

By Armand Brevig, Managing Director, Procurement Cube

Armand Brevig is the Managing Director of Procurement Cube. He speaks four languages and his diverse experience includes leading the procurement transformation of translation solutions for a global blue-chip organisation. Key benefits included total cost reduction through vendor consolidation and deployment of innovative technology, as well as risk reduction through consistent best practice processes.

Contents

Introduction

Translation is a subject close to my heart due to my life-long interest in languages. I speak four of them. This guide, however, is based on my experience leading the procurement transformation of translation solutions for a global blue-chip organisation. Key benefits included total cost reduction through vendor consolidation and deployment of innovative technology, as well as risk reduction through application of consistent best practice processes.

I want you to experience benefits like that too and avoid some common pitfalls. This guide will show you how. Specifically, it covers how to:

- take a strategic approach to buying translation services;

- ensure alignment with corporate strategy;

- establish your organisation's spends on translation services and who the big spenders are;

- understand stakeholders' perception of quality;

- collect supply market intelligence;

- develop a business case for the leadership team;

- engage with stakeholders and get their buy-in;

- ask translation agencies the right questions;

- streamline the translation process, add more value to it and take costs out;

- test the quality of translation work;

- manage change and communicate to ensure maximum end user adoption;

- manage service roll-out;

- prevent deal "leakage" to ensure benefits materialise;

- develop a long-lasting collaborative win-win supplier relationship;

- encourage continuous improvement; and

- assess when it's time to re-tender.

Language translation is a growth industry, largely propelled by increasing globalisation. It is also a highly fragmented industry with a vast number of solutions on offer. This guide will help identify and manage the translation solution that's just right for your organisation.

If you have any questions, feel free to drop me a line at armand.brevig@procurementcube.org

Yours sincerely,

Armand Brevig
Managing Director, Procurement Cube

How to Strategically Source Translation Services

We live in a world that's increasingly becoming globalised according to a [United Nations report](#), which describes our world as, "more interconnected than ever before". In a Business-to-Business context, English is often the preferred language when communicating across borders. But that's not always the case, and when it comes to communicating with consumers in other countries, the conversation needs to be in their own respective languages. Not only is that expected, it's also a legal requirement in many contexts.

How your brand communicates matters – a lot! Anyone who has tried to learn a foreign language knows how easy it is to be misunderstood, how certain things just don't directly translate, and how culture is intertwined with the way we speak. That makes the role of the translator critical.

> *"It is the task of the translator to release in his own language that pure language that is under the spell of another, to liberate the language imprisoned in a work in his re-creation of that work."*

> [German Jewish philosopher, cultural critic and essayist, Walter Benjamin](#)

Don't let translation services be an after-thought

Despite the risk of communication being "lost in translation", many companies don't give much thought to the translation part until very late in the process of entering a new market, or expanding in existing ones. To many project teams, translation is simply an after-thought. Pressure is on towards the end of the project. The stuff needs translating, preferably yesterday. Which agency can do it quickly, at a decent quality and without charging an arm and a leg?

Nobody makes great sourcing decisions under that kind of pressure. Particularly not for a service which is regarded as peripheral. As a result, many large companies do business with as many as several hundred translation suppliers. That in itself introduces hidden costs of managing an excessive number of suppliers. It's not exactly great in terms of ensuring consistent quality either. It is, in fact, a very risky approach, given the potential for brand damage, lost revenue or worse.

A strategic approach to translation services

To reduce those risks, companies need to take a more proactive and strategic approach to sourcing the right translation solutions. So, where does one start?

First consider your corporate strategy. What are your big international markets now and where is expansion likely to happen in future? Are you going after new target markets or industries? What about current and future market positioning? All that matters when selecting the translation solution providers most appropriate for your current and future needs.

Second, find out who the main users of translation services in your organisation are. Analysing spend data will give a clue. However, unless your organisation has excellent spend data quality, this may be more challenging than it sounds. Translation spend can "hide" within project spend or be subject to inconsistent coding, providing poor visibility. If you suspect inconsistent coding makes your initial spend report inaccurate, try to run spend reports against a list of, say, the top 30 translation agencies and see if that throws up new spend.

Also, as you start speaking to stakeholders find out if they are aware of other stakeholders using translation services. Stakeholders may also know about suppliers you weren't aware of. This process should enable you to create a picture that's approximately 80% accurate.

Third, now you know what the approximate spend is and who spends it, it's time to explore how translation fits into the core activities of these key stakeholders. What makes a good translator for them? What has worked well and not so well in the past? What does "quality" mean for them? What hidden costs does a sub-optimal service introduce? What does the ideal translation solution look like from their points of view? The answers to these questions are likely to vary across large organisations.

Keep it real

Once you have a good understanding of what the organisation and its stakeholders require and desire, I would always recommend informally consulting the supply market as a next step. This is to discover what the art of the possible is. What insights, innovations and technologies exist that could potentially create value for your stakeholders and the organisation as a whole.

Key stakeholders typically think they know the answers to these questions, but most of the time their "knowledge" is outdated. That's because supply markets change too fast for anyone to keep up, unless you are actually a supplier in that market. Speaking to a small handful of key translation agencies at this stage will help you shape your formal requirements into something that's most appropriate for your organisation, and something the supply market can actually deliver. It puts realism into the sourcing process.

Convincing the leadership team

The combination of insights into stakeholder requirements and supply market capabilities is what's needed to build a credible business case for the translation solution sourcing project. It provides the basis for articulating the corporate benefits in much more convincing and tangible terms.

By going through this process, you will also likely have obtained an appreciation for hidden, internal and external costs associated with the translation process. This, in turn, will allow you to build a Total Cost of Ownership (TCO) model for the translation process within your business environment (see next chapter). This TCO model is an important part of the business case, as it helps highlight areas where value can be created. If done correctly, the business case will get you the green light

from senior management to move forward with an impactful sourcing project for translation solutions.

Get More Value From Translation Agencies, While Controlling Costs

Implementing a sourcing project for language translation solutions can be a complex and resource intensive process. In large organisations the spend is often fragmented and key internal stakeholders tend to have strong opinions about which translation agency to use. The first chapter in this guide looked at how to get started with spend analysis, stakeholder engagement and building a compelling business case. In this chapter I will talk about putting together a sourcing team, how to ask suppliers the right questions and how to assess quality.

Like with all sourcing projects, it's important that the project team has representation from those stakeholder groups most impacted by the choice of translation agency. Those are the people that will care the most and, therefore, most likely to engage with the process. In large organisations it's also important to have an effective senior leader "sponsor" the project. The role of the sponsor is to be a leadership advocate for the initiative, as well as navigate the corporate political landscape to remove roadblocks or steer the project around them.

Slow down…

The project leader will probably be from the Procurement function with a title such as Senior Buyer, Category Manager or Procurement Manager. This person may be tempted to adopt a very quick pace to complete the project and demonstrate "savings". This, however, would be a mistake. Due to the often fragmented spend and divided opinions in this space, it is very important to take the time to understand the root concerns of stakeholders and why strong biases exist, if that's the situation. Taking the time to build true consensus exponentially increases the likelihood of compliance once the new translation solution provider has been selected. If genuine consensus and a plan for supporting the change are absent, all those theoretical business benefits will never become reality.

How to ask a translation agency the right questions

Asking the right questions of bidders in the tender document will determine the quality of the responses. With high quality responses you have a solid foundation for eventually selecting the right supplier. Here are a few insights that will help you craft intelligent questions:

- Knowing what types of solutions the supply market can offer. If you read the first chapter in this guide, you will already have done some initial supply market consultation to find out.

- Consensus within the project team about what aspects of those solutions would add genuine value in the translation process. Focus most questions on those aspects.

- Wording of the questions in a way that solicits complete and honest responses. Open, direct, presumptive questions, which show you have considerable knowledge of a particular topic, tend to work well. That's not just me talking – it's scientifically proven, as a series of studies published in the journal Organizational Behavior and Human Decision Processes show.

Define "value"

In terms of building consensus about what would add value in the translation process, the Total Cost of Ownership (TCO) model referenced in the first chapter of this guide is a useful tool. It looks beyond the contractual cost of the service and per word rates. It factors in all the hidden costs associated with the activities required throughout the process. The example below is for illustration only to show the principle. The actual TCO analysis will likely look different for your organisation.
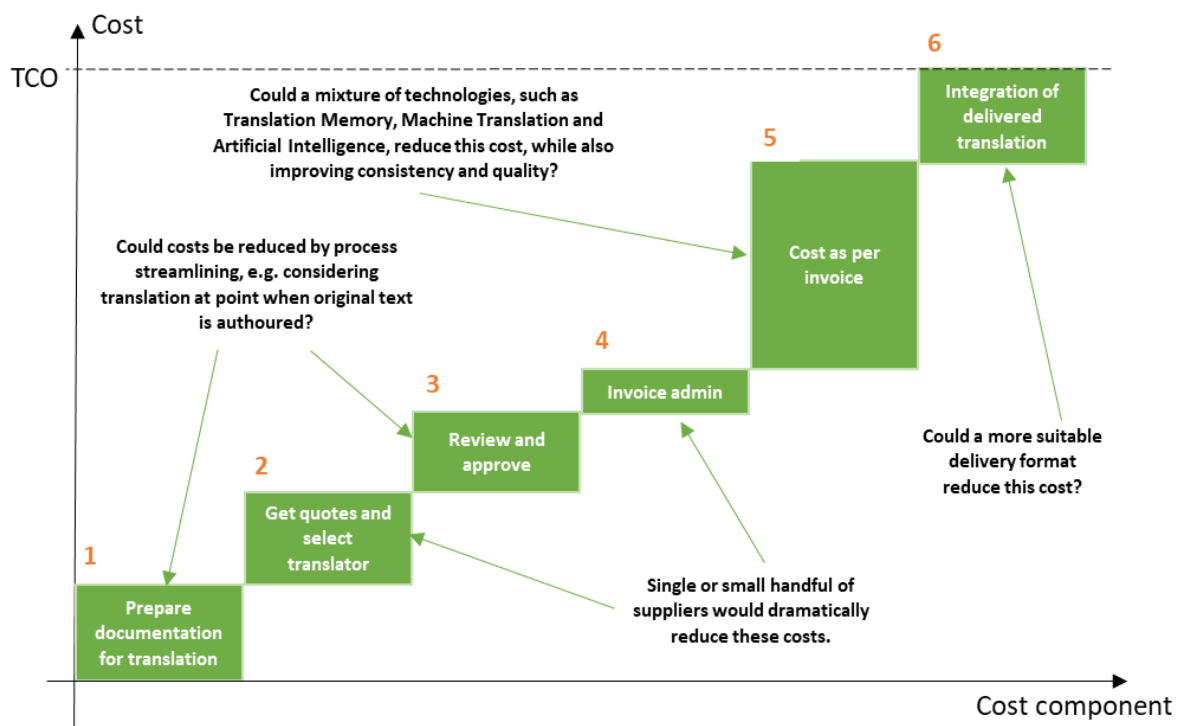
Though the boxes in the illustrative TCO example above are not drawn to scale, it is clear that the total cost picture is much bigger than just the per word rate charged by the translation agency. In fact, the per word rate only affects step 5. The job of the project team is to achieve the most optimal mix of quality and total costs in support of the organisation's strategy.

Assess "quality"

Because we all have our personal preferences, quality can be subjective when it comes to translation services. Of course, if a translation contains errors that distort the meaning, it's clear cut. But there are many grey areas where it's not so clear, or the error is minor. When using translation samples to assess quality, it is therefore very important to use a consistent evaluation method that distinguishes between technical accuracy and personal preference. If your company has captured its preferences in a "style guide" or similar document, it's also important to make such guide available to the supplier, so they can be taken into account when translating the sample text.

Here are some suggested criteria to use when evaluating test translations:

- Is the translated text comprehensible?

- Are messages of source and target text the same?

- Are cultural references appropriate for the target audience?

- Are writing style and tone appropriate for the target audience?

- What type of errors were made and how frequently (e.g. wrong term, omission, spelling, sentence structure, etc.)?

Using the same criteria and scoring matrix will enable more objective comparisons, even if a number of team members are involved in carrying out the assessments.

Do you need a pilot phase?

One thing a translation sample will not give you, is a flavour of how the ongoing working relationship will be. Will the translation agency deliver on time? Will they deliver on their promises? How responsive are they? How flexible are they? How consistent is their quality? A paid pilot phase, once the number of candidates has been substantially reduced, is therefore worth considering.

How to Roll out a Translation Service Staff Will Want to Use

The first and second chapters in this guide covered spend analysis, stakeholder engagement, building a business case, creating a sourcing team, asking intelligent questions to select the right supplier and assessing quality. But how do you make sure the language translation agency you select delivers all the business benefits promised? This final chapter of the guide explores how success can be achieved by avoiding "deal leakage", effectively rolling out the new service, and implementing good Supplier Relationship Management.

The job is not yet done just because a contract has been signed with a new language translation agency. "Compliance" now becomes a key challenge. Will internal stakeholders actually use the new service or simply continue using the multitude of translation agencies they have always used? If it's the latter, all those amazing business benefits everyone has worked so hard to define and negotiate will simply evaporate into thin air. Value will "leak" out of the deal. So, how can this undesirable situation be avoided?

Manage change

The answer is effective change management. Though consolidating suppliers and switching can hardly be classified as major organisational change, it's a change to the internal users of translation services nevertheless. And as such, it should be effectively managed to ensure the new desired behaviours are adopted across the board.

Assuming you have followed the advice in the first chapter of this guide, the new translation solutions agreement should work for all key stakeholders, and at leadership level all relevant stakeholder groups should have bought into the new way of working. But, it's the people further down in the organisation that, through their actions (or inaction) will determine whether the project becomes a success.

So, at this stage in the change management cycle it's about engaging with users to communicate expectations and overcome any inertia there may be. Communication needs to be clear, consistent and remind users why the new solution serves them better than the old ones. The chosen supplier

will likely be able to help with this, as they have been involved in rolling out their services in other organisations.

Manage the service roll-out

Also, to allow space for taking corrective action, a phased roll-out should be considered. This is particularly helpful in large organisations. Built into the roll-out phases should be a "grace period", giving users a realistic time-frame for finishing their engagements with legacy suppliers. Trying to change supplier mid-way through a project will only cause delay, added costs and potentially lower quality.

However, once the "grace period" is over, all legacy suppliers must be removed from procurement and financial systems. Any user insisting on carrying on with a legacy supplier then will need to justify this to management. Only in exceptional cases, if at all, should permission be granted.

Manage the supplier

Rolling out a new solution is one thing. Ensuring that the new solution continually improves is quite another. To ensure continued benefits improvement, a suitable Supplier Relationship Management approach needs to be put in place. This goes beyond just ensuring that the services are delivered to the standard outlined in the contract. It's about building a mutually beneficial business relationship where joint re-thinking and innovation can thrive.

One aspect of building that type of collaborative environment is regular Business Performance Meetings to jointly agree and track Key Performance Indicators (KPIs). If both parties are involved in developing KPIs, both parties are more likely to see the benefits of these KPIs. This, in turn, means that both parties will be more committed to tracking and improving them. The purpose of KPIs is not just to measure performance of the supplier, but also to measure performance of the buying organisation. Do you, for example, pay invoices on time and provide the information the supplier needs on time?

Conversations during Business Performance Meetings should include joint problem solving and idea generation. For example, exploring innovation that could help overcome a challenge or deliver value in some other way.

At some future point you will want to know whether the negotiated deal is still competitive compared to what other suppliers have to offer. The most common way of checking that is to run a Request for Proposal (RFP) process. However, running an RFP is time consuming, and therefore expensive, for both the buying organisation and suppliers. But are there any alternatives?

Perhaps avoiding RFPs altogether is not the solution. But neither is routinely repeating an RFP every year or every second year. It disrupts the supplier relationship and makes it harder to jointly build business value. One alternative option to consider is defining certain trigger points that would justify an RFP. If, for example, jointly defined KPIs relating to "partnership value delivery" fall below a certain threshold.

These trigger *value delivery KPIs* could be defined to measure the additional value creation you would expect from a long-term partnership style relationship. So, it's not about the supplier continually reducing their margin, as this will eventually become unsustainable. It's about both parties working jointly on taking costs out of the process, improving quality and reducing variability. That requires creativity, collaboration and long-term thinking. KPIs that measure *partnership value delivery* could, for example, be based on the following:

- Cost and quality impact of innovation supplier has brought to the table

- Cost and quality impact of supplier's process improvement ideas

- ROI of joint improvement projects

What's Next?
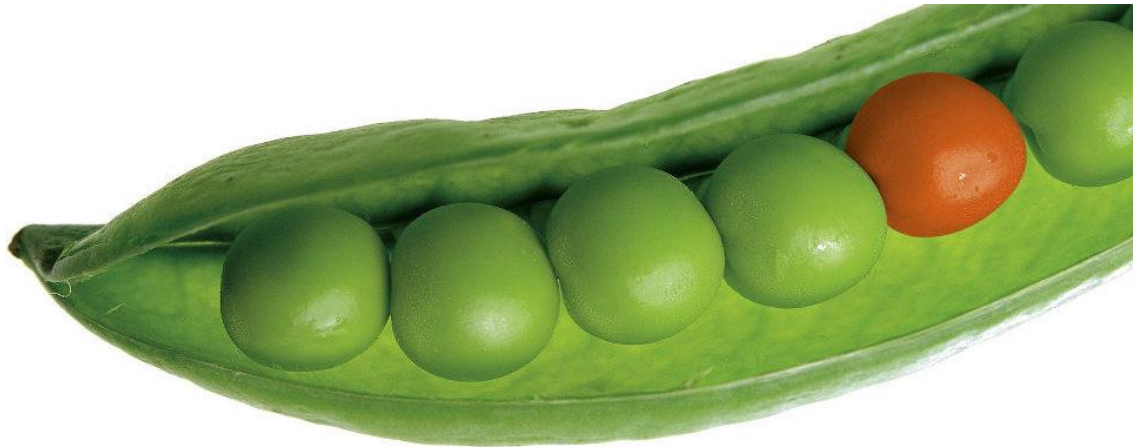
Having read this guide, you are now in a good position to derive maximum business value from your organisation's language translation spend.

You will also have discovered that there are many challenges associated with sourcing the right translation solution. Risks are high too. Getting it right has a direct impact on revenue and the perception of your brand.

Procurement Cube has the expertise and passion to ensure you get it right the first time. Our approach is direct and business focused. Business Focused Procurement is about more than cutting costs – it's about creating business value and competitive advantages. Strategic sourcing is not a tick box exercise. It's a practical enabler for creating maximum value in the most resource effective way.

Procurement Cube has delivered business value to start-up companies, small companies, large international companies, and public-sector organisations. We have brought creativity, fresh thinking and new perspectives to client challenges.

So, let's talk to explore how we can partner to help you deliver the most successful translation sourcing project.

info@procurementcube.org