



Is procurement overlooking the importance of language services?

Introduction

The pitfalls surrounding translation can be illustrated with the story of an HSBC campaign. The slogan “Assume nothing” was translated into “Do nothing” in several countries, an error that led to a complete rebranding of the global private banking operation, at a cost of \$10m. The more translatable tagline – “The world’s private bank” – was instead settled upon. The fact that such a large multinational company found itself in such a position should give procurement professionals pause for thought about how language services are purchased in their own organisations.

Broadly speaking, language services have often been overlooked by procurement departments, for a number of reasons. In some cases they form part of categories such as professional or corporate services and are not systematically recorded. Spend can be fragmented across many different functions. And stakeholders frequently built up relationships with various language service providers (LSPs) over time. Yet a number of pressures are leading to increased spend on language services and are combining to put the category on the procurement map in a new and more visible way.



A number of pressures are leading to increased spend on language services and are combining to put the category on the procurement map in a new and more visible way”



>> Between 2010 and 2020 the translation sector grew by 42%, while annual growth beyond 2022 is predicted to be 7% or more. Indeed, the explosion of content has meant that the need for translation and localisation grows daily, as the flow of content being generated by marketing, legal, HR and product teams shows no signs of abating. As just 17% of the world speaks English, the need for translation services to provide global-ready content is expanding.

“Language services are sourced without much, if any, input from procurement and that tends to result in a lot of suppliers, with sub optimal leveraging of translation technology,” says Armand Brevig¹, managing director of consultancy Procurement Cube. “It’s something that the stakeholders have handled themselves.”

1. Armand Brevig is author of the blog 5 Tips on How to Research the Translation Industry in 7 Days



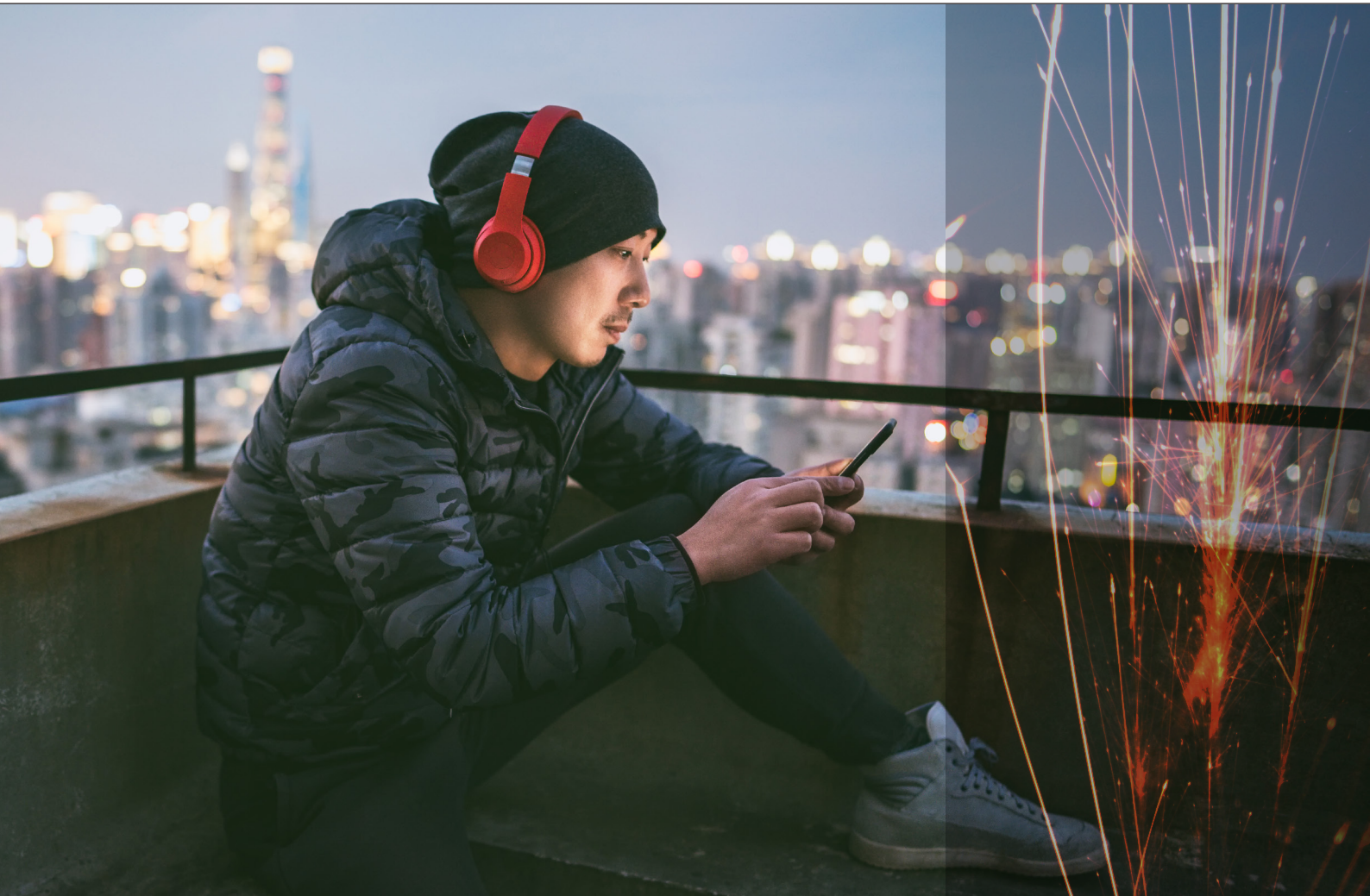
Language services are sourced without much, if any, input from procurement”

Armand Brevig, managing director, Procurement Cube



Between 2010 and 2020 the translation sector grew by

42%



An overlooked category

Brevig says that traditionally, procurement has viewed language services as a “sub sub-category” of professional services. But in a large multinational company it can represent millions of pounds of spend, which is being driven upwards by the advancement of global trade and the tremendous growth in content.

“For most procurement professionals, it’s not something they’re particularly familiar with,” says Brevig.

Yet, work done by Brevig has shown the potential for savings of ~20% with an overhaul of how language services are purchased. But in order to achieve this, procurement professionals will have to reassess their understanding of this oft-overlooked category.

Brevig adds: “Given the persistent growth of the translation industry, it’s likely that spend levels and the opportunity to reduce translation costs in your company are growing every year.”

“

In a large multinational company, language services can represent millions of pounds of spend... driven upwards by tremendous growth in content”

Obsession with cost-per-word

The language services market is characterised by a multitude of providers, not the least because the barriers to entry are so low – a translator with access to a laptop is able to set up shop. This has produced a market where people tend to view translation as a commodity, with cost-per-word the dominant purchasing differentiator. But cost-per-word is only part of the picture, as there are a multitude of other charges and ‘hidden costs’ that can be triggered by the behaviour of stakeholders. It also fails to take into account costs concealed within the wider content supply chain (CSC) and the value that can be unlocked with a more holistic approach.

Procurement professionals hoping to access that value will need to understand a number of things: how the organisation currently interacts with its current LSP(s), where there are opportunities for optimisation, and the impact that could have on stakeholder goals and objectives.

This leads to a three-step process:

1

Map spend.

Get an understanding of total spend and which stakeholders incur the most. Find out their goals, frustrations and where there are opportunities for process optimisation.

2

Quantify the benefit potential.

This involves looking across the entire CSC and considering efficiency gains from consolidation, working differently, better use of technology and supplier innovation.

3

Illustrate the benefits of a more strategic approach.

This means bringing to life how a strategic approach to language services can better support not only departmental goals and objectives, but those of the wider business too.

The content supply chain

Central to this work will be forming a clear understanding of the CSC, or content ecosystem, which will typically contain the following elements: content creation and management, stakeholder involvement and touchpoints, content routing, the sourcing of translation services, preparation of content for translation/localisation, the review and approval process, supplier management, as well as the delivery and integration of the finalised content. Buyers should bear in mind the aim is to reduce total costs, rather than the price alone, and should focus on the value delivered to the business.

Through a close review of the CSC with all relevant stakeholders, it's possible to develop a strategic approach to translation services, bearing in mind that not all content is created equal. For instance, consideration needs to be given as to whether the content is going to be visible for a long time, or if it's only likely to be relevant for a short period? By considering such questions it's possible to decide which work can be automated and which requires a human hands-on approach.



Consideration needs to be given as to whether the content is going to be visible for a long time, or if it's only likely to be relevant for a short period”





>> It's also worth considering that the technology involved in translation and localisation has moved on dramatically in recent years, with one of the basic aims being to make human translators ever-more productive.

Extensive databases of translated content segments, known as 'translation memory', can be built up over time to reduce the amount of human intervention and assist the work of human translators. Not only does the use of translation memories save time and money, it also means that efficiencies and accuracy both increase as the database expands.

Meanwhile, machine translation (MT) has dramatically improved in both capability and accuracy, often now being used to take care of high volume or low-risk tasks, depending on the nature of the content and the level of translation quality required. MT can be combined with human intervention at the end to review and amend where necessary, a process called 'post-editing'.

“

Machine translation can be combined with human intervention at the end [of a translation] to review and amend where necessary”

Seventeen ways to say 'Put the plug in the wall'

Jane Freeman, vice president of sales at RWS, describes how, when working with a software company on marketing, technical and HR content, they were able to strip out £½m in costs by blending MT and human input. "If we were to translate all the content in a traditional manner, we would be looking at costs of about £1.5m," she says. "But by looking at their content and assessing its fitness for purpose, we've put forward a blended model with a mixture of machine-led and human optimised, as well as full human translation, which has led to a reduction in cost of ~£500k. So the savings can be significant."

The key to a strategic approach is the ability to be more structured when content is created in the first place. This means considering where and how content is created and published, and whether there are any opportunities to improve the efficiency of the process and achieve cost savings. Freeman gives the example of a company where its translation memory was not producing expected results and savings. "So we looked back at the source content and we found there were about 17 ways of saying 'Put the plug in the wall'. Now if you multiply that by the number of languages they're using, that's massive," she says. "So just tweaking one element of the source content showed significant savings throughout the process".

"If you've got a structured way of writing content, it reduces the amount of effort when translating, which reduces the cost."

Freeman goes on: "Procurement needs to look at the total cost of translation and consider what the content journey looks like. Because a lot of savings can be made by streamlining that journey. Procurement, having that overall visibility of the business, is in a really good position to join the dots of that content journey and cut a lot of the wastage."

Blend of machine-led, human optimised/translation led to cost reduction of

~£500k

“

Procurement needs to look at the total cost of translation and consider what the content journey looks like”

Jane Freeman, vice president of sales, RWS





Choosing an LSP

What is the best approach to take when sourcing and evaluating LSPs?

This is complicated by the fact that the characteristics of what constitutes a “good” translation can be subjective, with different stakeholders, such as legal and marketing, likely to have widely differing opinions. In an ideal world, a set of criteria by which vendors can be judged should be established, which will require asking all key stakeholders what “good” looks like to them. Vendors can then be asked to produce sample translations relevant to these particular departments.

“When it comes to evaluating LSPs the scoring of quality can be really tricky because it’s objective,” says Brevig. “Nevertheless it’s really important that quality standards are met. Procurement professionals should take the lead in developing an objective methodology for scoring quality. This will probably involve translation samples, but when doing so it’s procurement’s role to make sure those samples are evaluated fairly, transparently and objectively.”

Working with stakeholders to optimise the CSC takes a lot of effort and a key consideration will be their experience in terms of identifying CSC optimisation opportunities for clients. “The better the track record vendors have in terms of identifying content supply chain optimisation opportunities for clients, the more likely they are to be able to deliver value for your project,” says Brevig. “While the capability to identify opportunities is critical, those vendors who can also demonstrate that they have helped their clients convert those opportunities into real value for businesses are those most likely to have a positive impact on your organisation.”



When it comes to evaluating LSPs the scoring of quality can be really tricky because it’s objective”

Armand Brevig, managing director, Procurement Cube



>>

For Coca-Cola Europacific Partners (CCEP), the world's largest independent Coca-Cola bottler, translation within the company had grown organically to a point where there were multiple suppliers, a lack of central governance and standardised processes, consistency issues with terms and tone of voice, and a limited use of automation, plus time-consuming translations. But with 180 sites and 79 manufacturing facilities, CCEP had a tremendous demand for translation. Having to deal with multiple suppliers meant it was hard to keep track of expenditure and there was a considerable administrative burden.

Following a lot of time and work to understand the issues and challenges, CCEP decided to work with RWS, using the company's tools to set up a Translation Management System with a comprehensive translation memory capability, together with significant input from MT. As a result, more than 50% of total translation volume is now processed by MT and translations that would previously have taken days are carried out in minutes.

Elitza Dublewa-Servatius, manager, automated translations at CCEP, says: "By using a combination of RWS technologies, we achieved a much higher amount of total translated words at much lower cost than initially planned.

"There are a lot of hidden benefits when using RWS translation technology. Luckily, with RWS we have a partner who always opens our eyes to these additional benefits, so we really get the most out of the technology."

Total translation volume now processed by MT is more than

50%

“

There are a lot of hidden benefits when using RWS translation technology”

Elitza Dublewa-Servatius, manager, automated translations, CCEP

What are the risks?

A successful partnership with an LSP does require some self reflection on the part of procurement. So along with a set of good jointly-developed KPIs to ensure the relationship is on track, procurement should consider its role as a customer. “I think that’s an area that’s often neglected by procurement professionals,” says Brevig. “Are you paying your invoices on time? Are you supplying the vendor with information that they need in a timely manner so they can provide a good service to you?”

Freeman emphasises the importance of ongoing optimisation. “Is the total pro-rata cost of translation reducing naturally? If it isn’t, there’s something wrong with the partnership because as a translation partner gets to know your content, you should start to see the cost begin to reduce or you should be able to process more content with the same budget.” She says successful partnerships should include regular business reviews covering areas such as market developments or productivity tests to see if different approaches could cut costs.



Successful partnerships should include regular business reviews to see if different approaches could cut costs”



>> Perhaps the single biggest risk lies in contract leakage if stakeholders continue to use their old vendors because the contract is not being managed properly, and therefore doesn't deliver, or if procurement failed to get meaningful buy-in at the start. "It may be very tempting for procurement professionals to rush the project through to quickly realise savings, but if stakeholders aren't with you those savings will remain theoretical," warns Brevig.

The benefits of getting it right are illustrated at Netgear, where a team of three people manage 600-800 translation jobs a year – a total of up to seven million words – with each job requiring translations into 10-25 languages. Without access to the appropriate tools it would take four people just to move content through the workflow, with no time left to review or make improvements. The effective use of RWS technologies and processes has meant that cost savings of 63-77% and a 62% time saving for the team have been achieved.

Maggie Chen, director – localisation programme management at Netgear, says: "Fortunately, RWS is much more than an LSP. For more than 15 years they've not just given us great localisation services, but have been there with advice on the way we work. For more than 10 years they've also been providing us with solutions from the RWS technology portfolio that have dramatically simplified our lives."

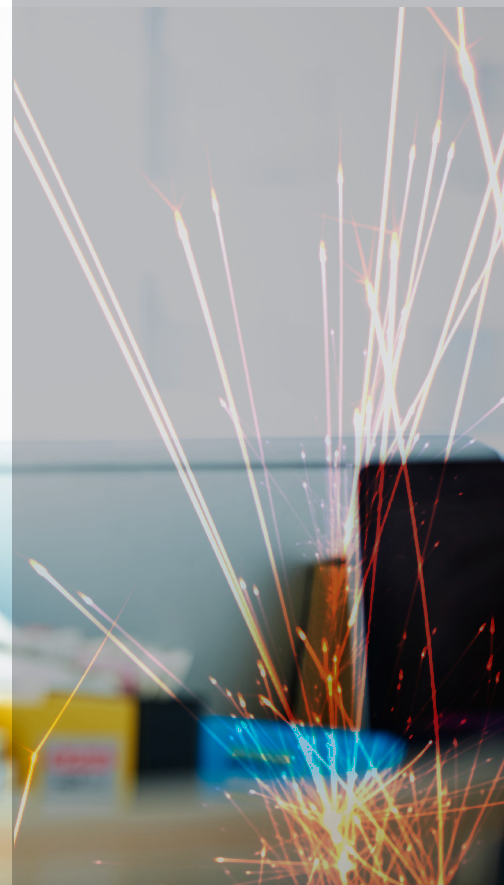


For more than 10 years, RWS has provided us with solutions that have dramatically simplified our lives"

Maggie Chen, director,
Netgear

*Effective use of RWS
technology results
in a time saving of*

62%



Key takeaways

- 1** Procurement has traditionally overlooked language services but there are many opportunities in the category. The aim must be to reduce total costs, rather than price, and to focus on value.
- 2** A commoditised cost-per-word approach to language services procurement will not provide a full cost picture.
- 3** Procurement professionals should use a three-step process to identify, consolidate and rationalise language services spend.
- 4** An understanding of the entire content supply chain is necessary to truly deliver value.
- 5** Any overhaul of language services is doomed to failure unless stakeholders are brought along on the journey.



About RWS

RWS Group is a unique, world-leading provider of technology-enabled language, content and intellectual property services. Through content transformation and multilingual data analysis, our unique combination of technology and cultural expertise helps our clients to grow by ensuring they are understood anywhere, in any language.

Our purpose is unlocking global understanding. By combining cultural understanding, client understanding and technical understanding, our services and technology assist our clients to acquire and retain customers, deliver engaging user experiences, maintain compliance and gain actionable insights into their data and content.

Our clients include 90 of the world's top 100 brands, the top 20 pharmaceutical companies and 19 of the top 20 patent filers. Our client base spans Europe, Asia Pacific, and North and South America. We work in the automotive, chemical, financial, legal, medical, pharmaceutical, technology and telecommunications sectors, which we serve from 80+ global locations across five continents.

Founded in 1958, RWS is headquartered in the UK and publicly listed on AIM, the London Stock Exchange regulated market (RWS.L).

For further information please visit www.rws.com.