To Translate or Not To Translate?
Building a Business Case for Translation

Understanding

- Questions to Consider Before Translation
- Key Steps in Identifying the ROI for translation
- Primary Translation Incentives
- Reliable Business & Production Metrics to Measure ROI
- Strategies to Increase International Success
- Tactics for Cutting Costs on High Quality Translation
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Building a Business Case

Introduction
As organizations employ people or gain clientele from different cultures and backgrounds, we all work with those who speak different languages, whether in our own company or those with whom we do business. While diversity brings new facets to business, the bottom line is still the same: corporations need to operate efficiently and at a profit.

The presence of an organization in the global arena generally leads to a rapid increase in its sales revenues. It also aids in building global brand equity, in maintaining competitiveness against global competition, and in reducing geographical market reliance. Surprisingly, though, international efforts are often given low priority within the corporation, and thus, communication teams are forced to do more with less in order to meet global market needs. Consequently, achieving a high ROI from global communication initiatives is extremely important, starting with the initial decision; to translate or not to translate?

Look Before You Leap
Before starting a translation or localization project, an organization must first determine what business requirements the project will address. Some questions to consider upfront:

- **What is the desired result of this translation?**
  For example, is this translation contributing to reaching sales targets, meet legal requirements or are there other obligations? In short, what is the desired ROI? This question is the central focus of this white paper.

- **What business needs influence corporate localization requirements?**
  Is this an apparent need currently or are you working proactively in consideration of future goals? Can translation projects be postponed until a later date or is it imperative to start the process now in light of outside contributing factors?

- **Can the desired results and business needs be achieved without translation?**
  Is translation a nicety or necessity? Is translation a pre-existing expectation of your target audience? If the answer to this question has yet to be determined, perhaps developing a test group or pilot translation strategy would be beneficial before establishing a long-term policy.

- **What is the long-term plan?**
  Consider the ongoing translation & localization plan, including project sequence and potential support needs. How does this project fit into long term translation strategies? “Failure to consider the short and long-term business requirements driving a project can add expense and result in localizations that do not meet business needs or which will poorly serve your customers” (LISA, 2004).
What are the budgetary restrictions?
Determine the budget for translation in light of your desired results and business needs. Your translation & localization cost is the opportunity cost to reach your desired target market or achieve your business goals in a diverse sector. A secondary question to consider here is “How much of this cost can be absorbed internally?” While bilingual staff members may be able to complete an internal quality assurance review, be careful not to assume too great a risk by using staff members to translate if this is outside of their intended job description. While they are familiar with your company, you may sacrifice the expertise an external translation company can provide, and this approach could end up costing you more in the long run.

Do the project expectations line up with your budget and timeline?
Unrealistic budgetary restrictions or diminished turn-around times may limit your service quality mitigate your expected results.

The Necessity for ROI
Due to the difficult economic landscape over the past few years, cost cutting has become the mantra, and doing more with less has become imperative. Companies serious about succeeding in the current global economy have come to the understanding that the value of each component of the corporation should be re-assessed and identified in a quantifiable manner. Consequently, proving the value that translation & localization adds to your company is now a strategic necessity.

To add strategic value to the overall translation process, it is important to identify, define and communicate the business’s need to its teams. What are you trying to achieve? What issues, priorities and results are of interest to executive management? For example, the project may be to translate four systems manuals into three different languages. However, how will the company measure, track and judge the success of the entire effort (not just the translation aspect of it)? Even with the most beautifully translated text and an efficient localization process, if a company does not make sales in the target market, the entire effort cannot be viewed as a success.

Defining ROI & Establishing Objectives
To define the value of an initiatives contribution, the organization should aim to determine the quantifiable return (or gain) within a specific time period as a result of a quantifiable investment.

One of the first steps in calculating ROI is to clarify ROI objectives, or answering the primary question “What is the desired result of this translation?” with quantifiable results. ROI objectives need to be objective and measurable. In addition, it is important to assign a
specific time period to the calculations, such as ROI over a one-month period or a three-year period. Without these parameters, ROI becomes too vague.

When determining desired ROI objectives it is imperative that organizations also identify key obstacles and established expectations from their target market.

Obstacle: Overcoming Language as a Barrier
Global companies are working hard to become more nimble and competitive in all the markets in which they compete. One of the most effective methods of increasing competitiveness is to find ways to utilize intellectual capital (knowledge) in all its forms and to communicate that knowledge and learning across the value chain. This includes:

- Ensuring that the global workforce is trained to corporate standards.
- Teaching suppliers worldwide how to use your products or other logistical tools.
- Communicating key information about new products and services.
- Increasing the level of trust and receptivity for your products and your company as a whole.

Language can be a significant barrier to achieving this end. One would intuitively assume that learning in a second language is more difficult for adults than learning in their native language. Research supports that common sense view but also raises the prospect that there may be serious consequences for any business that takes a monolingual approach to multi-national communication.

While employees may be required to read and write English (the company’s first language), the same does not apply to suppliers and customers. Furthermore, it is very likely that the employees themselves may not fully understand information that is critical to the corporation’s success in the global market.

Obstacle: Some difficulties Second Language readers may experience are:

- They may lack knowledge of English grammar and syntax and, therefore, read word by word, resulting in lower overall comprehension.
- They are challenged when reading idiomatic expressions and unfamiliar grammatical construction, especially with more complex sentence structures.
- They may encounter too much unfamiliar vocabulary to grasp the overall concept. They also may lack appropriate “repair strategies” to use when meaning is lost or misinterpretations occur. (Mora, 2002)
- They may lose the meaning of references within the text, such as with the frequent use of pronouns. Pronoun usage may be different or less frequent in the native language.
- Connectives may be overlooked or misunderstood, resulting in a loss of the relationships between concepts and ideas.
- They may not be familiar with a specific genre, story “grammar” or the literary devices used in text.

From a merely linguistic standpoint these factors may also come into play:

- Different conceptual frameworks may be activated that misguide their reading.
- Expectations of what is normal may differ and cause breakdowns in coherence.
• Cause and consequence chains can differ and / or be more emotional, evoking strong reactions in the reader.
• Symbols may differ.
• Second Language readers often use strategies that are applicable to the orthographic system and the grammatical and syntactic patterns of their First Language. These may or may not transfer into the Second Language text.

These findings, together with other published research, support the view that materials in one’s second language are not as effective as those in one’s first language and that second language readers consistently fail to realize how much of what they think they understand is, in fact, wrong.

Established Expectation: High Propensity to Buy in Native Language
In 2006 the Common Sense Advisory conducted an eight-nation survey with over 2,400 consumer participants regarding purchasing decisions and online shopping preferences based on language factors.

• 52.4% of buyers purchase only at websites where the information is presented in their native language.
• 68.8% of consumers consider it “important” or “very important” to have information in their native language when purchasing electronic devices.
• 83% of buyers felt that having pre-purchase information in their native language was a critical factor for important purchases.
• 56.2% of consumers stated that having information in their own language was more important than a low price.
• 74.7% of buyers confirm that native language communication contributes to an ongoing business relationship. “I am more likely to purchase the same brand again if the after-sales care is in my own language.”
• Even with information available in their native language, the inability to use local currency or credit cards hinders many international buyers from finalizing a purchase.

While this study focused specifically on online shopping, the apparent value placed on translated materials is applicable to additional buying scenarios, especially those with similarities in remote purchasing and high value decision making. **Awareness of buyer needs and expectations are invaluable when developing translations strategies.**

What are the business implications of these findings? **KPMG reports that over 80% of cross-border mergers result in loss of value to shareholders putting in question deals with an estimated volume of $2.2 trillion. Language and culture are reported to be the two biggest barriers to successful completion of the deals. (BBC News, 1999).**

Continued global expansion and the importance of educating employees, suppliers and customers as rapidly and effectively as possible suggests that it is time to take a hard look at multilingual communication. Access to information in one’s native language is key to
ensuring that comprehension and implementation is actually taking place and that knowledge is really transforming the profitability of the global enterprise.

**ROI Metrics**

Once ROI objectives have been clarified, it is important to look to metrics to track results in a consistent framework. Metrics can be defined as units of measurement that “show you the ways to achieve dramatic improvements in your processes. They continually ask what outcome or dependent variable, is a function of another, independent variable, to dig out the information that improves your performance” (Brue, 2002). The results of the metrics can be utilized to record trends, efficiency, capital, etc.

First and foremost, the organization must determine exactly what it is trying to accomplish or determine. Metrics are then identified based on what is relative to the subject matter (i.e.: ROI, change in market share, career progress). Finally, metrics are verified when tracking progress against previous records or a company’s given standards or goals.

Metrics are divided into different categories. The categories identified in this document include **Business Metrics** and **Production Metrics**.

**Business ROI Metrics**

To increase the value of the translation services as perceived by the CEO, by the board of directors, and by sales and other departments, then it is imperative to speak the language of the CEO and apply business metrics to the conversation. In this way, translation transforms from a perceived cost center into a strategic value-add operation.

Examples of business ROI metrics include:

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<thead>
<tr>
<th>Example</th>
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<tbody>
<tr>
<td>Translated product sales vs. non-translated product sales.</td>
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<tr>
<td>International sales vs. shareholder value.</td>
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<tr>
<td>Proactive sales vs. passive sales.</td>
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<tr>
<td>International sales vs. translation &amp; localization costs.</td>
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<td>Market share vs. translation costs.</td>
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<tr>
<td>Time-to-market vs. sales.</td>
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<tr>
<td>Number of translation staff members vs. translated product sales.</td>
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<td>Translation costs vs. international revenue.</td>
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**Production ROI Metrics**

Production ROI metrics measure the efficiency and cost effectiveness of one’s translation process. Production ROI metrics are important in confirming effectiveness from a purely operational perspective. These metrics do not reveal anything strategic regarding the intrinsic value of what is being measured. For example, it might be discovered that cost-per-word for translating into Brazilian Portuguese is lower than the industry average, but this does not explain whether the company should be localizing for the Brazilian market in the first place.
Two Methods of Identifying and Verifying Metrics

1. Measure divisional financial performance tracked monthly on a control chart.
2. Record the change in market share of the different businesses.

Examples of production ROI metrics include:

- Headcount vs. throughput.
- Internal employee costs vs. the costs of outsourcing.
- Costs of single-sourcing vs. multi-sourcing.
- Cost per word, per page, per graphic.
- Cost per correction.
- Cost per one day delay (due to server downtime, delays in development, etc.).
- Number of days delay.
- Percentage of text re-use through translation memory (100% matches, fuzzy matches, etc.).
- Cost per reduction (or increase) in text re-use.
- Agent-to-agent transaction costs.
- Number of transactions per project.
- Time-to-market vs. volume.

Identification and Verification of Metrics

A company must first identify what type of metrics it will utilize. Once the types of metrics are determined, only then can the organization produce the data needed to be input into the metrics.

Paul Germeraad (2003) gives plenty of examples of how metrics should be identified and verified. One example involves determining when the corporation should receive its money’s worth from its R&D dollars and what size organization is required so that only value-adding functions are left. “From these efforts, it was found that the best overall metric for the outcome produced by incremental R&D was to measure divisional financial performance tracked monthly on a control chart,” (Germeraad, 2003). Another example provided includes how to determine whether or not R&D provides the best service to the operating divisions and its customers in the form of new services and products. The best metric was to record the change in market share of the different businesses.

Solution

How Metric Results Should be Utilized

Using metrics for monitoring performance is fundamental for all organizations, as they provide a picture of whether or not the company is performing successfully and proficiently. Metrics help organizations focus on what is important for the company to survive and compete well in the market. In addition, metrics are used to determine how well the
company’s processes really are and what it can do to maintain high quality. By implementing metrics, companies are able to evaluate how to execute better quality performance activities from each department that is involved and responsible for creating, managing, and obtaining value for the company.

If the metrics result in answers that are favorable to the company, it proves that the organization is doing well and a project is moving along successfully. The company should use the metrics to continue to progress at its level of superiority. If the metric results yield an outcome that is below the company standards or goals, the organization must find ways to mitigate the situation and determine what it can do to better itself.

**Strategies for Translation Success**

**Reducing Translation Costs**

Although ROI based on business metrics can involve many data points that might initially be outside the easy reach of those in translation production, production-related ROI is an area in which these individuals can have a direct and immediate impact, especially in the area of reducing costs.

Fortunately, there are various ways to spend wisely on translation, eliminating many potential costs and optimizing production ROI. **The following are examples of how translation costs can be minimized, thus improving one’s translation ROI.**

**Proactive Preventative Approach**

Rework during the translation process is one of the biggest efficiency killers in translation. Being proactive and preventative helps avoid rework, thus streamlining the translation process.

Along with rework, excess volume is a significant cause of unnecessary translation costs. For example, documentation can contain unnecessary text and content, redundancies, wordy writing, vague phrases, modal auxiliaries, and similar yet needlessly non-identical text segments. **A straightforward method for cutting translation, layout and publishing costs is to eliminate these items.** To that end, an internal documentation audit can be highly effective.

**Efficiency as the Central Focus Point**

The translation process must integrate with your existing processes and workflows. Translation does not need to be its own separate product with unique machines and assembly lines. In fact, translation is at its best when incorporated within your standard production planning, melding in with your timeliness and content methodology.

Through the implementation of translation metrics, efficiency can be defined, tracked and improved upon. By focusing on efficiency in every facet of one’s translation production process, translation costs can be slashed and throughput increased. For example, in the area of communication among global teams, communication protocols can be established and extranets leveraged to ensure seamless collaboration. Standardizing on everything from
Having experienced people leading a company’s localization efforts can help the company to leapfrog many common trouble areas and can help to educate the entire company on the requirements for global success.

Plan for the Long Term
It is often the case that, the more the planning, the smoother the translation process. The opposite of this is true as well: the less planning involved, the more unanticipated problems tend to surface during translation and the publishing of materials.

Translation costs can be managed most effectively when a company plans sufficiently and for the long term. For example, when developing software, a specification requirements document should be established, including all translation, internationalization and localization requirements. This document acts as a foundation for the entire development team and ensures that translation needs are met in the core development process.

Another example includes update management. This is often an afterthought when planning and budgeting for translation. However, product updates are common in order to meet customer expectations or demands. This is true of a software application, a Help system, product documentation, a website, marketing collateral, etc.

Ideally, a 12-month update plan should be established early, so that the update process will be efficient and budgets can be organized accordingly.

Avoiding Common Mistakes
Another strategy for minimizing translation costs is to learn from the plethora of examples and lessons readily available from those who have been in the translation industry for years. Partnering with an experienced Language Service Provider with expertise in your industry sector will help your organization to leapfrog many common trouble areas and can help to educate the entire company on the requirements for global success.

Translation can be a smooth process. Factors that tend to disrupt the process are commonly upstream, in the area of planning and budgeting, as well as in the implementation (or lack thereof) of the technical requirements into one’s core products for all of one’s global market needs.

Not trying to overextend one’s organization also helps to ensure success. Instead of trying to go into too many countries all at once, an incremental approach is usually a far more reliable and cost-effective approach.

Determine What Should Be Translated
In the end, what should be translated is a highly specific decision based on your company’s operating strategy. However, when examining materials, determine:

- What is the predominate language in use in each country, and is there a formal “language of the business”.

“Having experienced people leading a company’s localization efforts can help the company to leapfrog many common trouble areas and can help to educate the entire company on the requirements for global success.”
• The impact on the organization of having translated materials.
• The potential impact on business development of having material in the native language.
• The potential improvement in retention rates for both clients and staff.

Once these factors are known, a sound translation strategy can be developed and executed throughout the global organization. **We recommend that the central content or communications team work along side their vendor Project Manager to administer the translation program, ensuring consistency and accuracy of the materials delivered.**

By engaging a professional translation services firm, each file that is translated becomes part of a central “Translation Memory” (TM) that is stored centrally. Future translations access this TM, and phrases that were translated previously do not have to be translated again. This process can dramatically reduce the cost and turnaround times associated with future translation projects. It also ensures a consistency of message across all projects.

The ability of an organization to repurpose existing materials for use in other countries is critical to quick execution and ensures maximum return on its investment.

**Elements Other Than Language to be Considered**

Language, however, is just one element of the overall program that must be considered when introducing courses on a global scale. Graphics, analogies, testimonials, and assessments are all crucial elements to delivering a message and gauging its effect. As a result, an organization must examine each of these components as well when considering the impact on its audience. Senior CGS Project Manager Joyce Moua further stipulates that “maintaining the company brand while taking into consideration the truth that, what may work in one country may not work in another, is just as important as the actual translation” (Moua, 2011).

**Conclusion**

Organizations that develop a consistent strategy for developing and deploying translated materials in line with specific ROI objectives and metrics will see improvement in several key areas:

• Connection between the translation program & overall corporate goals and direction.
• Cleaner Integration of multi-lingual communication strategies and sales ventures.
• Greater efficiency in diverse initiatives.

In today’s global economy, it is essential to minimize costs and increase one’s translation ROI. In tomorrow’s economy, it is important to go well beyond this and to identify, measure, track and report cross-departmental ROI metrics to assist the company in achieving global success.
About CGS

Carmazzi Global Solutions (CGS) is a comprehensive language management company that provides customized solutions for our global clients. **Our mission is to enable world-wide clients to connect cultures - moving them from language to understanding, and propelling them into an international presence and success in the global marketplace.** Our core business includes document translation and localization, on-site interpretation and telephonic interpretation.

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**Sources**


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