



The translation company is dead

The translation company is dead; long live the translation company. When the original version of this expression was first uttered after the death of Charles VI, I highly doubt 1420s France realized the catch phrase it would become.

Meant to protect the country from civil war by assuring that France never went without a monarch, the expression has long been supplanted by any myriad of things. "Branding is dead; long live the brand," "The cloud is dead; long live the cloud," and my personal favorite (from *The Atlantic*), "The Hamburglar is dead; long live the Hamburglar."

When it's transitioned from preventing civil war to a cartoon man stealing hamburgers, perhaps the "long live the" expression itself is what's dead.

Cliché as my statement may be, though, I stand by it. The translation company as we know it is dead.

When I started In Every Language in 2005, though, she was alive and kicking. In fact, our whole industry was. At the American Translators' Association's 2009 Translation Company Division conference, I gave a presentation on why translation, in face of the recession, would continue thriving. I claimed that government regulations such as Title VI and that export market conditions pretty much guaranteed translation would always be needed. And I was right.

On July 3, 2012, Bloomberg declared, "If any industries can be considered recession-proof, the field of interpreting

and translation may be one." Two days later, *Inc.* magazine announced "a boom time for translation businesses" in an article whose title described translation as a "bullet-proof business." I called it the summer of 2009 and three years later the rest of the world knew it. The translation company was not dead; long live the translation company.

So what happened? Why did I sell?

It's a question I've been asked a lot, by everyone from competitors to our freelancers to random strangers in a bar (people love to pry). I sold because I know in my heart of hearts that the translation company is dying, that the industry as we know it will never be the same again, and — nine years in to this crazy business — that I didn't want to still be in it nine years from now. In fact, I feel the translation company is probably dead already but, like an abscessed tooth, it may sit dead in our mouths for years before we feel any pain.

It's not possible to pinpoint the single moment when the translation company died. There was no gunshot; she didn't fall on the ground from a heart attack, hands gripping at her chest, forehead broken out with beads of sweat. Smartling didn't kill her and neither did Gengo. And she sure as hell didn't die from Google. She died because she is dead, because all good things must come to an end, and because of the same reason most things die — the climate around her changed to the point that she could no longer remain breathing.

No one wants to spend \$0.28 a word anymore and no one has for a really long time. Quality is not king and hasn't been for even longer. No industry can fight tech for too long and that's exactly what we did. Less than 10% of translation companies are members of our industry trade associations. And our supply chain — oh, don't even get me started on the supply chain — our supply chain is seriously whacked up.

Terena Bell recently sold her translation company, In Every Language. She is a former ALC council member, former member of the White House Business Roundtable and former GALA secretary.

This is not an industry of millionaires. This is not a field where we're waiting to be disrupted; this is a \$38.96 billion industry where the largest company does only \$490.6 million. Others may look at it from the outside — venture capitalists dumping more and more money into the old college try, thinking they've found some secret that leaders actually working in translation have missed their entire careers. But that simply isn't true.

No one can get a real market share in this business because there isn't structurally one to have. Our supply chain is segregated into freelance individuals covering all points of the world, who may — or more likely may not — have the business and the social skills it takes to serve as our rock, bottom-up. From the top, the type of clients and the way they buy is even more sickeningly diversified than we are, with purchaser titles ranging from Marketing Representative to Technical Writer to Executive Assistant to Factory Foreman. This, in a world where all points due north point at people busier than ever, where it's not unheard of to receive upward of 300 emails a day, where many company founders are so busy they can't even

go to the bathroom when they need to anymore. At a time when all we need to do is freaking make it as easy on one another as we can, the translators in our supply chain make it hard to buy from them and we in turn make it hard for clients to buy from us.

No, the translation company did not die in a single moment, but in a succession of smaller moments that encapsulated a life spent in latter years of poor health, the first being that we simply spread ourselves too thin and, being spread there, remained. "Over time," reports the National Institute of Health (NIH), "continued strain on your body from routine stress may lead to serious health problems, such as heart disease, high blood pressure, diabetes, depression, anxiety disorder, and other illnesses." No, it does not take a single moment to kill you, but rather stress on multiple points of the body over time.

In addition to stress from the outside, we have attacked ourselves from within. The translation company's supply chain, spread too thin and unregulated, is rearing its head to bite. American Translators' Association (ATA) board member Chris Durbin has long advocated for freelance translators to quit

working with translation companies altogether, to the point of militancy against them. Through her blog and other writings, she claims that rates of up to half a euro per word are out there, if freelancers will only abandon the translation company model and follow her. The logic behind this 40 acres and a mule mentality is shortsighted. In a world where free translation is a click away, I significantly doubt there's enough of what she calls "the premium market" to go around. But she is an ATA board member, a position elected by her peers, so a significant share of translators — or at least those who vote — don't think she's mad. In fact, the idea that translators should simply remove the company middle man is gaining traction inside our industry and, ignored by most translation companies, has simply gotten bigger and bigger. This leaves the body attacked from within by the supply chain it should be in symbiotic relationship with. "Cancer begins in your cells," the NIH explains, "which are the building blocks of your body...Cells from malignant tumors can invade nearby tissues. They can also break away and spread to other parts of the body."

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Yes, long live the translation company, because despite chronic stress and cancer, we are still alive. This is not a what-doesn't-kill-us-makes-us-stronger scenario — more like only the strong survive.

In Every Language was a profitable company, in the black every year but one. We were growing, with 2014 revenues 25% over those of 2013. We successfully pivoted twice — once from community interpreting agency to corporate translation partner, then from the hum-drum of standard documents to the bright and glistening future of app and website localization. We didn't lose our clients from the former iterations, but held onto them, which was part of the secret behind our growth. We were a good company — heck, we were a great company — and I'm damned proud of what I built and what we did. But in a Hunger Game of translation where even

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the runners-up wouldn't make it, I knew that we would die.

See, there's an international consolidation trend reaching across all areas of commerce. I kinda touched on it a little in the death section, that part of what makes our industry weak is that we're majorly behind in simplifying things together. Play Pied Piper music all day, but the freelancer dream of a premium market is only that. A company that spends \$15 million a year on translation doesn't want to manage 15 million translators, or translation companies, to do it. If there are three things that are certain in this life, they're death, taxes and that every LocWorld conference will have a client-side session on vendor consolidation.

This isn't just happening in translation, though. As I said, it's a reality of modern commerce period. Proctor & Gamble (P&G) is in the middle of a five-year slash of \$10 billion from its budget. How are they accomplishing this? Vendor consolidation. \$1 billion of this is to come from the marketing budget (which, in part, includes translation) with another \$6 billion from packaging materials and the remainder from supply areas as random as sugar cane.

And it's not just in how business buys, but in where we the consumer will buy. In 2010, Office Depot bought Office Max. As soon as the federal government approves it, Staples will buy Office Depot. Microsoft may likely have started acquisition of Salesforce before this article goes to press. FedEx acquired TNT Express; Shell now owns BG Group; American Airlines bought US Airways.

Acquisitions are at their highest point since 2007, with 16.5% of 2014 mergers in the pharmaceutical, medical and biotech fields. These industries are also the main ones continuing to pay an above-average price for translation and make up much of professional translation's bread and butter as a whole. The business world is coming together into the big and the bigger and while the premium market may never see its rise, the moderately priced translation market most companies sell in will fall.

So I'm going to call it, just like I did six years ago in 2009. Six years from now, the mid-sized translation company will be dead. And I don't mean dead as

in long live the. I mean dead.

When Charles VI kicked it back in 1422, his death didn't mean the end of the monarchy. Charles VII was a very different man from his father — in fact, he and dear old dad got along so well at one point he was disinherited — but "the king is dead; long live the king" was never about the man, it was about the monarchy. Rule would continue. Order would continue. How it looked was just changing.

The world will always need translation. Forget government regulations, market climates — as long as there are two people on this earth who speak, a third person will be needed to translate between them. The translation company of the future, the one that is cancer-free, alive and kicking, will be a child of this while shaped from the surrounding climate that drove its predecessor to the grave.

The effects of supply chain degradation, industry overdiversification, market consolidation and technological innovation mean that the translation company of the future will either sell over \$10 million a year or it will sell under \$1 million, but there will be no companies in between. Those that are in between right now will either be acquired to make another company bigger, like In Every Language was, or they will atrophy into highly-specialized

boutiques. Those that are big will remain generalists, while marketing target areas by way of creating unique selling propositions (think, "serving all with a focus on X, Y and Z"), and those that remain or are made small will be unable to generalize but instead be forced to microfocus (think life sciences or transcreation only, maybe underwater basketweaving). This microfocus will be not just a result of the factors I've already discussed, but one that's born out of a highly-specialized knowledge economy where no one is just a doctor anymore or even an ear-nose-and-throat guy, but a pediatric otorhinolaryngologist.

Those who sell early, before the bubble blows, will be able to sell for a higher price. No true giants in our industry means the big are in their early stages of getting bigger, and are still willing to pay to do so. Acquisition is hot, hot, hot. But there will be a shift to cold and when it happens, competitors won't have to buy you out to get you out. If you haven't grown larger than the middle by the time this change comes around, the largest companies will just do their thing while you get smaller or die.

So, everyone who keeps on asking: That's why I sold. Now you try explaining this to a stranger in a bar. **M**

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