

**The ALC Link**

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**Happy New Year 2006!***By Mary Majkowski*

I READ RECENTLY THAT PEOPLE ARE ALWAYS SO WORRIED about what they eat between Christmas and New Years, but they really should be more concerned about what they eat between New Years and Christmas! As we move right along into the new year of 2006 we look forward to new ventures, new possibilities at every turn.

The Leadership and Committee Heads met in Santa Fe January 19-21 and we present the plans for the coming year beginning with Executive Director, Bob McLean's report.

Bob also provides an introduction to a new ALC ad hoc project led by Marla Schulman of Schreiber Translations, Inc. addressing language service scheduling problems experienced with GSA projects.

Suzanne Robinson reports on the International Meetings including EUATC, the Language Standards Summit and the International Corporate Language Council meeting and how they apply to the ALC.

Steve Iverson provides an update on the upcoming Milwaukee Conference.

Our member profile this month is Bill Graeper: "So you want to start a language company?"

Jack & Company outlines Five Oversights That Can Kill Your Business and in the Human Resources area Scott Cohen explores the ups and downs of Performance Management Systems and how employees respond.

Please continue to send your articles (up to 500 words in Word format) by email to me or Bob McLean ([bmclean@alcus.org](mailto:bmclean@alcus.org)). If you see an article in another publication that you think would be of interest to another ALC member, let us know and we'll ask about the possibility of reprinting it in *The ALC Link*. Enjoy the issue!

**Executive Director's Report***By Bob McLean*

January is considered off season in Santa Fe, but the state capitol of New Mexico, with its mix of Indian and Mexican influences, offered a great atmosphere and warm hospitality for the ALC's third Winter Meeting. This

is one of only two opportunities annually when the ALC's Leadership Team meets face-to-face, and the single opportunity to discuss long-term, strategic issues.

There were several important decisions resulting from this meeting, where the committee chairs and board members meet the first day, the board only the second — all traveling to Santa Fe at their own expense — a significant financial contribution to the association without which such a meeting would be impossible.

- The site selection process for the 2007 Annual Conference continues. Having already decided on an East Coast destination, the board has asked me to pursue options in two cities: Portland, ME, and Providence, RI.
- For 2008 we'll move to the West. Recently you received notice of an email survey asking you to rate several options. We'll report the results of the survey soon, and if a hotel that suits our needs is identified, its name.
- The 2008 Winter Meeting will be held in either Miami Beach, FL, or Boulder, CO. I'm exploring hotel options in both cities as this newsletter goes to print. The board is also considering the addition of a one-day or half-day training event the Thursday before the meeting that would be open to all ALC members. You'll hear more about these plans in June during the 2006 Annual meeting in Milwaukee.
- The Nominating Committee has been established and the process of selecting new board members is underway. There will be at least two vacancies to fill. Look for the opportunity to nominate an ALC member, or yourself, in emails we'll send in the coming weeks. (If you'd like general information on the process, please call me at any time.)
- We're going to create a new Ambassador Program to welcome new members, and to help first-timers at the June conference. I'll be asking for volunteers in May who will help prepare first-timers understand the format, dress code and general expectations for the event and how they can get the most out of it.
- The board approved a resolution requiring all members, and new members, to sign a statement indicating their intention to follow the ALC's Code of Professional Conduct and Business Practices.
- Due to the very positive reaction to the first ALC webinar, others are planned for this year — if we can get the support from several committees, all of which need additional volunteers. Can we sign you up for one? If so, send me an email at [bmclean@alcus.org](mailto:bmclean@alcus.org).

## **GSA Project To Encourage Contracting Process Improvements**

THE ALC HAS STARTED A NEW PROJECT designed to address problems language companies have experienced with the General Services Administration (GSA) Federal Supply Schedule 738 II. Marla Schulman (Schreiber Translations, Inc.) will head this ad hoc project.

The project participants, companies that are already on the GSA Language Services Schedule, would seek to educate the GSA representatives involved with the schedule about our industry and services. The goal of this dialogue would be to convince the Government to transform the Language Services Schedule into a more dynamic vehicle that allows vendors to perform services for the Government in the most efficient, cost-effective way possible.

Among the initial steps will be a project to collect examples of the problems language companies have experienced, looking for trends and common causes. The survey could extend to companies outside the ALC who would also benefit from improving the way the GSA works with language companies.

This subcommittee, which falls under the purview of the ALC Advocacy Committee, plans to meet again in February. If you did not participate in the initial meeting but would like to join the conversation, contact Executive Director Bob McLean.

### **Quote**

—*Rudy Giuliani*

**When you confront a problem you begin to solve it.**

## **COMMITTEE ANNOUNCEMENT:**

### **Volunteers Wanted for the ALC's Legal Committee**

THE ALC NEEDS VOLUNTEERS FOR ITS LEGAL COMMITTEE! If you ever wanted a bird's eye view of the legal issues facing a not-for-profit trade association, now's your chance. No legal experience is required! This committee chair is the essential link between our legal counsel, Henry Hart, and the Board of Directors. The purpose of the committee is to create a core of members familiar with the legal issues faced by the ALC and to recommend action on legal matters to the Board, if required. The workload is very light, and the only commitment needed is your willingness to attend a telephone conference once a month. If you are interested, please contact

Executive Director Bob McLean ([bmclean@alcus.org](mailto:bmclean@alcus.org)), or the Board's Liaison to the Legal Committee, Steve Kahaner ([smk@juriscribe.com](mailto:smk@juriscribe.com)).

## **International Meetings**

*By Suzanne Robinson*

2005 ENDED WITH MULTIPLE INDICATIONS OF ASSOCIATION interest in influencing the future of the language industry. Three international meetings of note held in Europe were:

The Language Standards Summit, December 12-13, in Berlin

The European Union of Associations of Translation Companies — first conference directed toward individual European companies, November 25, at the International Press Center in Brussels

The International Corporate Language Council semi-annual meeting, December 11, in Berlin.

The attendees of the Language Standards Summit, “Language Standards for Global Business”, came together to address a common concern. Our industry is notably fragmented — multiple independent standards are being developed simultaneously, sometimes even competitively. The confusion of all constituencies will continue until there is agreement on valid, universally accepted norms. Sincere contributors to that effort joined forces in Berlin, including representatives from: The Institute for Applied Linguistics, Kent State University; Max-Planck-Institute for Psycholinguistics, BYU Translation Research Group, University of Japan, University of

Vienna, MITRE Corporation ([www.MITRE.org](http://www.MITRE.org)), commercial interests such as Sun Microsystems and Lionbridge, moderated by Common Sense Advisory.

Following is a brief review of some of the various electronic components and philosophies which were presented as the current framework of standardization efforts in our industry. For more detail, the conference agenda, speaker contact information and papers from each of the presentations are available for review:

<http://www.internationalization-conference.org/languagestandards/agenda.html>

The speakers generally agreed that they would make themselves available for questions and further discussion of their topics.

Standards for our industry will probably be limited to providing a foundation for 1) describing processes, 2) quality control and 3) defining a metric of quality levels. The academics, technologists and practitioners attending the summit combined their knowledge of the potential for creating a standards-based platform, spanning multiple languages, for global business.

In the ecosystem of standards, software standards enable interoperation in many domains. Some standards, which may be open, public, non-profit and transparent come from sources such as government agencies, multilateral organizations, industry associations, etc. Others are set by dominant entities such as Microsoft and IBM and are less open, but are often documented and supported.

Standards must interoperate in the broad ecosystem:

Code – for platform, middleware, integration and services

Content – for format, representation, tagging, segmentation and other non-linguistic attributes

Process for quality – ISO, CEN, ASTM, FIT, etc.

A tenet of the user technology belief system: *buying managers want standards*. Norms formalize generally agreed upon principles and conventions, eliminate incompatibility within a domain and allow definition and integration across domains. Standards simplify processes, shorten development time, cut costs and protect technology investments over time.

***Sample presentations:***

SQL (Query Language Standard) database software is regulated by ANSI, American National Standards Institute. SQL is the result of many years of research in database capabilities. It is open source, vendors use it, attempt to extend it and encourage their customers to demand it.

XLIFF (XML Localization Interchange File Format) is a specification for tool-neutral, loss-less interchange of localizable data and related information. It is formalized as an XML vocabulary through XML schema.

Industry interfaces for XLIFF standards development process include:

W3C (World Wide Web Community) tag set, is a set of elements and attributes for internationalization — such as markup for bidirectional text, and for localization — information about the localization process, translatability of content and terminology markup.

Another XLIFF interface, LISA OSCAR Standards (Open Standards for Container/Content Allowing Re-Use) work with TMX (Translation Memory Exchange) allowing for the interchange of translation memories between different vendor systems, TBX (Terminology Exchange), SRX (Segmentation Rules Exchange) and GMX/V/C/Q (Gilt Metrics Exchange).

OASIS (Organization for the Advancement of Structured Information Standards) is the world's largest independent organization dedicated to the standardization of XLM applications and web services. It is a not-for profit international consortium and its active Technical Committee is open to

individual membership.

In addition to these and other technical topics were presentations of two translation quality standards programs that the ALC has participated directly in for several years:

The CEN (European Committee for Normalization) BTTF 138 Task Force, as an outgrowth of the EUATC, took on the project of coordinating the work of individual European country translation company organizations to create a European-wide quality standard. National committees from 28 countries agreed upon a final document defining terminology and specifying processes for translation service providers to best insure quality work. The ALC Norms Committee worked with the CEN task force throughout the over-three-year process.

The American Society for Testing and Materials Committee (ASTM 15.48) is in the final voting stages of the creation of the Standard Guide to Quality Assurance in Translation. It was initiated by the ATA and the National Foreign Language Center and is a tool for buyers and providers of translation services to understand and agree on the processes necessary to arrive at a product of the desired quality to serve the needs and expectations of the end user. The ALC Norms Committee has participated in the editing phases of this document over the past two years.

An interesting outgrowth of the conference discussion was the initiation of a “wiki” for standards. A wiki is an editable Web site, providing an easy way for a group to develop a body of web-based content without the contributors having to learn a complex authoring procedure. The purpose of a wikistandard and portal dedicated to a language subset will be for the standards community to discuss standards and to formulate drafts. Anyone interested in participating should contact the ALC Norms Committee.

The European Union of Associations of Translation Companies (EUATC) held its first conference directed toward individual translation companies in November. Issues similar to those of the ALC conferences were addressed with a European focus. Not surprisingly, their industry concerns and visions of the future mirror those of their American counterpart. One effort in particular by the EUATC will be beneficial to translation service providers world-wide — their syndication of Intranews, [www.intranews.net](http://www.intranews.net), the global wire service for the language industry. The ALC is investigating offering a group rate to its members for the premier service.

The International Corporate Language Council (ICLC) held its semi-annual meeting in conjunction with the Language Standards Summit. The members represent the corporate associations in the language industry from the U.S., Europe and Canada and the purpose of the meetings is to provide a sounding board for pertinent industry issues. The previous meeting was in Pasadena in conjunction with the 2005 ALC conference and the next will be held in Miami in April 2006, in conjunction with the Client Side News conference.

## Quote

—*Zig Ziglar*

**Statistics suggest that when customers complain, business owners and managers ought to get excited about it. The complaining customer represents a huge opportunity for more business.**

## 4<sup>th</sup> Annual ALC Conference Update

*By Steve Iverson*

We're making great progress in planning our 4<sup>th</sup> Annual Conference, to be held in Milwaukee, Wisconsin, June 20-24, 2006. For more information on any of these opportunities, visit the ALC website, and go to [Activites/2006 ALC Conference](#). If you need further information, contact Bob McLean.

- ◆ Information about our official airline (Northwest/KLM) has been posted to the website. Your purchase of a ticket through this offer directly benefits the ALC.
- ◆ The pre-conference workshops have been announced, and are posted on the ALC website.
- ◆ Sponsorship opportunities at all price levels are still available. Join a growing list of organizations interested in providing special support for the ALC!
- ◆ Special events are being offered for first-time attendees, and for Charter and Founding Members on Wednesday afternoon, June 21. See the website for more details.

Watch for more announcements soon regarding the keynote speaker, and fun events planned for your visit to Milwaukee!

## Quote

—*John F. Kennedy*

**For time and the world do not stand still. Change is the law of life. And those who look only to the past or the present are certain to miss the future.**

## MEMBER PROFILE

*By Bill Graeper, CEO Certified Languages International*

## **So – you want to start a language company!**

One man's look back at 10 years.

IN 1994 I WAS A DATABASE PROGRAMMER in Portland, OR. Among other things, I was figuring out how to make businesses more productive using computers. Through 45 years in business I have owned or run; telephone companies, a telecommunications consulting company, a travel agency, a property development company, a steel foundry, a marine parts manufacturing, electronic counting equipment, beverage equipment, a dental marketing company, a computer sales company. As you can see, there is little rhyme nor reason to them, except that my intent in every one was to make money. Some did, many didn't. I am a serial entrepreneur — very good at starting things and not as good continuing them. In many of my ventures from 1980 on, computers became a central theme in making the companies work well and efficiently. It became obvious that it would be easier for me to learn how to run computers than it would be for me to teach someone who knew how to run them, how to run a business. This brings me around to 1994.

I was called by a computer sales company to help one of their customers — a language company — get out their bills. It was taking two weeks to send out invoices, and this was hurting growth. After spending a few days solving this problem, I looked at the business they were doing, primarily interpreting, and how it could be made bigger by broadening the marketplace from local to regional, and from regional to national.

In 1996 I started Certified Languages International on the premise that it should be as easy to perform an interpretation in Miami, FL, as it was in Portland. I started selling this premise to any company that needed language work done, and promised that we would provide all their language solutions regardless of the language, at one low price. That is still the way we do business. My wife Helen and I sat in our 10' by 12' office for 2 months without an order! Helen answered the phone, if it rang, and I proclaimed to the world that we were the best at solving language problems and were growing by leaps and bounds. In November 1996, two months after we started, a State of Oregon social service agency gave us an order. To this were added orders from an insurance company I had been hounding, and a local teaching hospital who gave us a try. I would find an interpreter, look at their abilities, and if necessary drive them to the appointment to make sure they got there.

Today, Certified Languages International is performing thousands of orders a day to customers in 46 states, in-person, via telephone, and translation, through a network of thousands of interpreters/translators and the skills of 45 employees. That it took 10 years to achieve this, and that we were successful at all, is probably due to luck and perseverance as much as anything. It took five years of 90-hour weeks to keep the overhead low. It took a five-way heart by-pass to point out that one person couldn't do

everything. That was the beginning of understanding that other people can do a fabulous job doing what needs to be done. It may not be done the same way, but it will get done. Entrepreneurs do not make great managers, since we tend to let the details get a little cloudy.

Our Vision at CLI is to provide excellent customer service all the time at all levels. There is no one more important than our customer, and everybody at the company adheres to this principle.

Since 2000 I have relied on senior executives to make sure CLI does not mess up the details of providing excellent service. I no longer have daily decision-making powers, which is fine with me. This change has allowed the company to explore relationships with other companies through ALC; to be active in promoting the benefits of working with language service companies; and to explore new and exciting opportunities for our company. From these efforts will come continuing growth within our industry.

## Quote

—Anita Roddick

**If you think you're too small to make a difference, you haven't been in bed with a mosquito.**

## Five Oversights That Can Kill Your Business

BUSINESS OWNERS USUALLY HAVE LONG TERM VISIONS for their enterprise, but most business failures happen quickly, before the owner is able to change course or implement strategies that will correct the situation. The fatal gap between planning and performance is often the result of one of the following set of factors, although two or more of these can occur simultaneously and accelerate the organization's demise. Take a close look at your own business and be sure none of these are taking shape under your nose while your eyes are focused on the horizon.

### **1. The business becomes undercapitalized**

Entrepreneurs are never risk averse to the same degree as bank managers and insurance companies. Their optimism can allow them to become exposed to a situation where the cash runs out and the business has to shut its doors. Most businesses operate on some sort of external finance, but the wise business owner has access to additional funds for those times when the cash on hand is inadequate. This gives them the option of tapping into extra funds if the shortfall is only temporary. You might have to sell part of the business or borrow against personal assets; whatever course you take, be sure to have it lined up well in advance of the time when it may be needed. A fallback source of finance is an essential for any business.

**2. Products are aging or becoming unfashionable**

All products have a life cycle, from their launch to eventual withdrawal from the market. During this time the price goes from premium when new, to discount when old. Businesses that hang on to the same old products and don't develop replacements or adjust their pricing policies throughout the cycle will eventually lose customers as better options come onto the market. New businesses often start up with older products or products that have peaked and are on their way down. Even if their entry into the market was inexpensive their future will be short. Monitor the marketplace constantly and know where your products are in their life cycle. Replace aging products before they have to be discounted or written off.

**3. Sales and expenses forecasts aren't being met**

Business plans always involve estimates of sales and the expenses required to achieve them. Because there usually has to be an investment before income is generated, it's easy for a business to spend too much before it becomes aware that forecast sales levels will never be reached. Your business should have in place a system of KPIs (Key Performance Indicators) that include monitoring of both sales and expenses and tracking them against the plan. Have strategies worked out to deal with variations from the plan; be sure the strategies are realistic and implement them without delay when the alarm goes off.

**4. Marketing is becoming ineffective**

Even if your products are in demand you still have to market them well. The best products won't sell themselves; you have to create a marketing plan that will attract your target audience and convince them to purchase these products from you. Too many SMEs market in an unplanned, haphazard manner with poor media selection and badly communicated messages. They don't spend enough, and as a result what they do spend is wasted. Use the services of a marketing expert, at least to develop a marketing strategy when you're planning the year ahead. Work to a plan and monitor progress against it. Ad hoc marketing is usually a failure.

**5. The risks in the outside world are ignored**

Every business is affected by conditions outside its control. Economic swings, the arrival of new competitors, natural disasters and supplier failures are just some examples of these. You should be aware of the potential risks and manage them appropriately. Workshop with your team and advisers to identify the risks your business faces. Create a response for each risk that will enable you to continue trading and minimize the impacts on your business. Take out insurance cover for those risks that can be insured against, and safeguard your premises, your people and yourself.

*Article provided by Jack & Company, 348 East 6400 South, Suite 110, Murray, UT 84107*

## **Legal Tip:**

*By Steve Kahaner, JURISCRIBE*

### **IS YOUR BUSINESS (TRADE) NAME PROTECTED?**

A lawsuit or the threat of a suit alleging that your company should stop using its name can be quite a shock. Loss of name identification and the costs associated with it can even threaten the viability of a small business. Do your homework to ensure that you have the right to use your chosen business name. Simply filing a fictitious name statement or incorporating the business does not necessarily give you the absolute right to use the name. A trademark search is the only way to be comfortable that a particular name is available. Once the search has been completed and you have determined that the name is not already in use, you should then determine whether or not to register the name with the U.S. Patent and Trademark Office. Be aware, however, that registration in the United States will not necessarily protect the name in other countries, and that separate filings may be required in order to protect the name in those countries in which you do business.

## **Employees Don't Respond To Most Performance Plans**

*By Scott Cohen*

IT'S NO SECRET THAT MANY PERFORMANCE-MANAGEMENT SYSTEMS AREN'T WORKING. This goes from the top to the bottom of organizations, from boards who adjust executives' performance goals so they can receive pay that appears to have no relationship to company results, to levels lower down, where large numbers of employees are indifferent or unmotivated by the plans.

A recent Watson Wyatt survey on the effectiveness of performance-management systems shows that only three out of 10 workers really believe their company's plan does what it's intended to do: improve performance. Instead, most say what's measured on those forms their supervisor completes has little to do with their actual job. Positive feedback is rare, and, even if a review is dazzling, it doesn't translate into raises and bonuses.

The crux of the problem at most U.S. companies is this: Performance reviews are usually nothing more than an exercise in compliance. Generally these reviews don't give employees honest feedback, don't measure relevant information, and don't set goals for the current year. In the end there's no accountability. If a manager isn't developing his or her people, something needs to happen to that manager, but in most cases, nothing does.

### **Managers Need to Build Trust**

For performance management to work, the operative word is trust. Without it, employees and managers won't be able to have an ongoing, honest

dialogue about expectations on both sides. Managing a person's performance is about far more than filling out forms, it's about setting goals and aligning those individual goals with those of the company. And we know it works — research shows organizations that do a good job of goal setting and alignment demonstrate four times the total return to shareholders of companies that don't.

How can this trust be created? Very simply, managers need to be upfront with their direct reports. They need to treat their direct reports with respect and be vested in their success. Managers need to be clear about what they expect and be candid in their communications. A once-a-year mandated conversation focused on the performance evaluation does not build this trust. Instead, it comes through daily and weekly interactions through which a solid working relationship is built over time.

It's not as if managers love the process now either. They feel it takes too long, the forms are tedious and complicated and, in the end, nothing is accomplished. Managers know an employee's raise isn't usually linked to review results and, worse, company performance isn't either — all employees could be rated outstanding but a company might still be 20% below revenue targets.

St. Jude Children's Research Hospital in Memphis, Tenn., had to take a hard look at its performance-review system last year. The hospital's plan didn't align employees' jobs with broader strategic objectives and had clearly outlived its usefulness. One sign was that it had a bad case of ratings creep — managers used only the top two of five possible rankings when evaluating employees. “It got to the point where ‘meets expectations’ was perceived negatively by the majority of our employees,” said John Nash, St. Jude's chief operating officer.

The system was so inflexible it couldn't be applied to different groups of employees within the organization — secretaries, scientists, physicians, nurses and executives. Instead, these different groups felt they had to develop their own solutions so the hospital's system would work for them.

After recognizing the plan's flaws, St. Jude overhauled its performance-management system and now has one that's easy to use (and available online) and can be adapted to the varying occupations within the hospital. The new system gives a far truer snapshot of how staff is doing and enables managers to work with each employee to create a plan for accomplishing specific goals. Furthermore, employees who achieve more stand to gain more, both in terms of rewards and greater opportunities.

### **No More Beating around the Bush**

But organizations need more than a form and a set of instructions on how to complete them. Candor in the employee-manager relationship is also essential. One reason managers say they hate review time is that it involves confrontation. No one likes to give bad news or critical reviews; it's much easier to just look the other way and hope problems will go away. But they

don't. It's far better to opt for honesty — no more beating around the bush or relying on the employee to figure out something is wrong. Managers have to build the confidence and skills to confront issues directly without making it a personal attack.

Sounds easy, but for many managers, this is a new skill. Just saying, “I need you to do this, and I don't see you doing it” is not nearly enough. Managers need to learn how to diagnose the root cause of the problem. This often involves putting aside their preconceived notions and learning how to listen and communicate in a way that gains buy-in and commitment. Often times, this involves providing help and assistance to ensure the employee is successful.

And that brings up the issue of clarity, which is the balance between telling and asking. We often assume someone in a position of leadership has all the answers, that they are the experts. But managers need to recognize that learning comes from asking questions of their people and understanding their needs and perspective.

Finally, there has to be a reward for good performance. Without a link to a reward — monetary and otherwise — there's little incentive for improvement. A company should think broadly about rewards: If Sue is a better performer than John, it's obvious the two shouldn't get the same salary increase or bonus, but they also shouldn't get to attend the same number of conferences or be given the same development opportunities, either. That's because performance management is ultimately about identifying your top performers — your potential leaders — and finding out what it will take to not only develop them, but also keep them.

Companies haven't had to pay too much attention to retention in the past few years but as the economy improves, they should start. Employees know that job opportunities are here or just around the corner for them and are less committed to staying with their companies: A recent survey by ExecuNet notes that 68% of 278 employed executives are unhappy with their jobs, while three out of 10 workers surveyed by Watson Wyatt in early 2004 say they would leave their employer if they could. The fix for this can be relatively straightforward — an effective performance-management system. It doesn't require spending vast amounts of cash on benefits and incentives, and it will give employees a reason to stay while boosting the bottom line.

Ideally, proper performance management enables a company to effectively handle its work force — helping those falling behind to improve and rewarding those who meet or exceed expectations. It's time to look at systems that don't achieve these goals.

*Mr. Cohen is the national practice leader of the talent-management practice at Watson Wyatt Worldwide, a human resources consulting firm. He is based in Washington, D.C. This article appeared in CareerJournal.com, The Wall Street Journal Career Site.*