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## Improving Interpro Translation Solutions

Kyle Ramirez

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**NORTHERN ILLINOIS UNIVERSITY**

Improving Interpro Translation Solutions

**A Thesis Submitted to the**

**University Honors Program**

**In Partial Fulfillment of the**

**Requirements of the Baccalaureate Degree**

**With University Honors**

**Department Of**

Management

**By**

Kyle Ramirez

**DeKalb, Illinois**

May 14, 2011

## HONORS THESIS ABSTRACT THESIS SUBMISSION FORM

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**ABSTRACT (100-200 WORDS):** Translation is rapidly becoming a commodity for businesses worldwide. Interpro Translation Solutions needs to find ways to gain a competitive advantage over companies that are able to gain customers through lower prices. To help Interpro, I performed a strategic audit of the company's operations. This included looking at the size of the company, the company's organizational structure, the process through which a new project is implemented, relationships with customers, the business strategy used, and expenses distributed through each department. I was able to gather this information through face-to-face interviews the various employees in the company, including the Chief Executive Officer, a project engineer, a desktop publisher, and a project manager. They each told me of problems in their specific department, as well as problems within the company as a whole. I found similarities in the problems each of the employees discussed, and brainstormed ways to fix these problems to give Interpro Translation Solutions a competitive advantage over competitors.

University Honors Program

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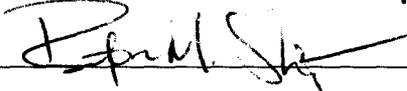
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## HONORS THESIS ABSTRACT

### Improving Interpro Translation Solutions

Translation is rapidly becoming a commodity for businesses worldwide. Interpro Translation Solutions needs to find ways to gain a competitive advantage over companies that are able to gain customers through lower prices. To help Interpro, I performed a strategic audit of the company's operations. This included looking at the size of the company, the company's organizational structure, the process through which a new project is implemented, relationships with customers, the business strategy used, and expenses distributed through each department. I was able to gather this information through face-to-face interviews the various employees in the company, including the Chief Executive Officer, a project engineer, a desktop publisher, and a project manager. They each told me of problems in their specific department, as well as problems within the company as a whole. I found similarities in the problems each of the employees discussed, and brainstormed ways to fix these problems to give Interpro Translation Solutions a competitive advantage over competitors.

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## **INTRODUCTION**

Interpro Translation Solutions is a small company based in Lisle, Illinois. It is part of the translation industry, offering services in software localization, web site localization, web application localization, on-line help localization, IBM System I localization, language translation, multilingual desktop publishing, project management, and DBCS/Unicode enablement ([www.interproinc.com](http://www.interproinc.com)). According to the company's website, the company's goal is to "provide unparalleled quality and service to companies who wish to offer multilingual versions of their products and services to their target market in order to increase market share, gain a competitive edge, enhance client satisfaction, and facilitate product usability" ([www.interproinc.com](http://www.interproinc.com)). The company believes it has an advantage over its competitors through having a "client first" attitude, a culture of teamwork, employees with experience, flexibility in meeting customer demands, open communication with clients, practicality throughout the process by having both in-house professionals and an in-country partner network, confidence to get a project done right the first time, and measuring success through the satisfaction of clients ([www.interproinc.com](http://www.interproinc.com)).

Interpro Translation Solutions was founded in 1955 by Mr. Ralph Strozza. The company currently has 13 employees. The workforce consists, of the Chief Executive Officer, a human resource representative, three sales and marketing employees, two localization engineers, four project managers, and two desktop publishers.

## **RESEARCH METHOD AND INITIAL MEETING**

I decided to use a primary source for my information, and use secondary graphical sources to back up my recommendations. Specifically, I decided to conduct face-to-face

interviews with the employees of Interpro Translation Solutions. I believe this helped increase the validity of the information that was being presented to me, as well as gave me a feel for the company culture and day-to-day operations. Although it was a two and a half hour drive to Lisle, Illinois from Rockford, Illinois, I feel it was worth it. Mr. Strozza, Chief Executive Officer, made me feel at home from the very beginning. He gave me a tour of the office, and introduced me to every employee present. He then took me into the conference room to show me a presentation that consisted of the company's goals, staff, project implementation process, and success stories. This helped me get a better understanding of the background of the company, and sparked additional questions to ask Mr. Strozza, as well as the other employee I would be interviewing.

### **GATHERING INFORMATION**

Over the course of my three-hour stay at the company, I conducted four interviews. These were interviews with the Chief Executive Officer, a localization engineer, a desktop publisher, and a project manager. Each employee provided me with problems relating to his specific department, as well as problems within the company as a whole

Interview with Ralph Strozza (C.E.O.): Mr. Strozza provided me with great information regarding problems in the company as a whole. He also provided me brief information about the translation industry. It was shocking to hear that "mom and pops" companies dominate the industry at 85%. This means that only 15% of the market is dominated by larger businesses. Accordingly, due to the low percentage of market share available, Interpro has to develop tactics to gain some of that market share. The main problem that Interpro faces is that translation is becoming a commodity. There is only one way to translate any given word. Therefore, most

customers look at price when choosing what company to go with. Unfortunately, due to the small size of the company and limited capital, Interpro has to offer services at higher rates to make profit. This is a primary reason why customers are shying away from Interpro. Google, a reputable brand with a large employee base, can afford to offer translation services for free due to the large amount of capital it possesses. Hence, customers are wondering why they should go with Interpro rather than a free service like Google.

Mr. Strozza prides himself on a “get it right the first time” mentality. His focus is on differentiation and efficiency. The company is different in the sense that it is highly flexible to the client’s needs. If the client needs the project done by a certain time, Mr. Strozza has his employees work late nights, and weekends if necessary, to make sure the project gets done in time. He also caters to the client’s exact needs in reference to the aspects of the project. No matter how detailed the project is, Mr. Strozza finds a way to get it done. He never likes to say “we aren’t capable of doing that”, or “we will try our best”. He also focuses on efficiency in the fact that he places a high value on quality. The quality aspects of the project implementation process can be seen in the twelve steps below:

1. Project kick-off meeting
2. Glossary development and approval (by client)
3. Pre-translation engineering
4. Translation
5. **Editing**
6. **Proofreading**
7. Desktop publishing (if applicable)
8. **Quality assurance**
9. Post-translation engineering
10. **On-line validation**
11. **On-site validation**
12. **Post-desktop publishing quality assurance**

As seen above, steps 5, 6, 8, 10, 11, and 12 are all activities meant to eliminate errors in translation. Google may be free, but there are errors when using the translation service. The higher prices that Interpro charges can be seen as a premium for higher quality and reduced complications from projects having to be worked on more than once. In addition, companies with an established brand like Google use their brand to back up their work. Interpro uses actual work content to deliver results and measure customer satisfaction.

Another problem the company is facing is technology issues. The internet is extremely slow, and the computers freeze up due to network lags and database capacity. The company was in the process of upgrading to a broadband connection, as well as looking into new computers to support the databases. This is extremely important due to the high involvement of technology in implementing these projects. The company cannot take the risk of computers crashing during the middle of a project with a tight deadline. Not only would this cause Interpro to lose the sale, but it would also hurt the company image.

Mr. Strozza also indicated that he doesn't like to take small accounts. Due to the small size of the company, a small account may actually result in losing money, or a very small profit that isn't worth the time and effort. He prefers to focus on large accounts that will be repeat customers in the future, allowing for the chance to build long lasting relationships. He feels these long lasting relationships build trust and will put the company at a competitive advantage of competitors in service.

Interview with Igor Cavalleri (localization engineer): Mr. Cavalleri presented me with issues within his department. One issue was struggling with the server. There are often crashes within the server, making it hard for him to work on projects. In addition, he likes to do one task

at a time and then move on to the next one. At Interpro Translation Solutions, he is not able to do that. He has to balance multiple projects at once, and feels there isn't enough time to do that. He also has trouble prioritizing projects because some projects will take longer than others and have later deadlines than those with shorter deadlines. Therefore, he has to work on the project with the deadline coming up, even though it won't take as long. In addition to this, deadlines often change, making it hard to decide what project to actually dedicate more attention to. Due to the network crashes and changing deadlines, the engineering department is the bottleneck of the company. This results in the rest of the employees having limited time to do their parts before the deadline.

Interview with Larry Pilotto (desktop publisher): Mr. Pilotto has an issue with scheduling among the desktop publishers. There are only two desktop publishers in the company. Therefore, when the other desktop publisher is gone, he has to pick up the work. This makes it hard for him to finish one project in a timely manner and simply move to the next. It is bad enough that he has to wait on the engineering department as the bottleneck of the company. Adding that to double the work when the other desktop publisher is gone makes it hard to finish any project on time. Due to this, Mr. Pilotto believes the projects are too rush. He believes the company is focusing too much on a fast delivery. The company is trying to deliver results to the customers as quickly as possible while still maintaining a high level of quality. At some point there has to be a tradeoff between delivery times and quality.

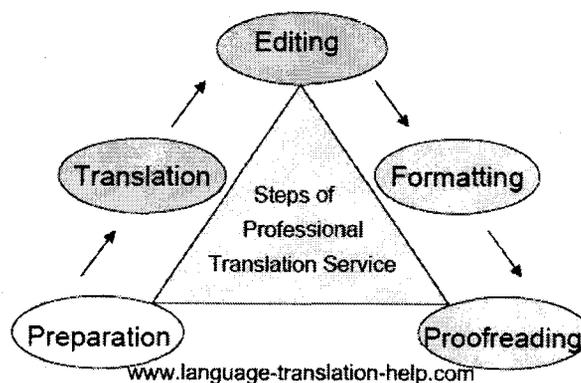
Interview with Abdel Daoudi (project manager): Mr. Daoudi talked about the stressfulness of the environment. Projects come in one right after the other. In fact, Interpro averages 19.8 projects per month. That is almost about a project every day and a half. For the

staff to be able to only focus on one project at once, they would need to finish a project in a little over a day. Realistically, with the amount of technological aspects, quality assurance, and testing involved, that is extremely hard to do. In addition, due to the small size of the company, a lot of the employees feel overwhelmed with work. They sometimes have to work late hours and weekends, losing enthusiasm and experiencing burnout. The 37.40% average profit margin on a project (figure given by Mr. Daoudi) isn't achieved without the employees working hard, and sometimes beyond hours of operation.

### **RECOMMENDATIONS**

After interviewing the C.E.O., localization engineer, desktop publisher, and project manager, I came to some conclusions on how to give Interpro Translation Solutions a competitive advantage of its competitors.

Project Execution: As seen in the project execution process, there are twelve steps to successfully completing a project. However, a few of the steps focus solely on quality. The process is a lengthy one compared to how a customer views the process. According to [www.language-translation-help.com](http://www.language-translation-help.com), the customer views the process in the five steps depicted below:



(<http://www.language-translation-help.com/professional-translation-services.html>)

The client realizes the need to prepare for the project, do the translation, edit the document, format the document, and proofread. Therefore, he or she will most likely offer a proposed deadline on how long he or she thinks each step will take. Grouping Interpro's steps into these five stages can help the company more accurately give a timeline that isn't rushed because although there are fewer steps, more time can be devoted to each step. Interpro's twelve steps can be grouped into each of these five stages as follows:

1. Preparation
  - kick-off meeting to introduce project
  - glossary development and approval
2. Translation
  - pre-translation engineering
  - translation
3. Editing
  - desktop publishing
  - post-translation engineering
4. Formatting
  - on-line validation
  - on-site validation
5. Proofreading
  - quality assurance

As seen above, the twelve step process can be broken down into five stages with sub-steps. Of course, each stage in the process should be done accurately. However, quality assurance doesn't need to be a separate step in the process. It can be done at the end when making sure every aspect of the project is accurate. Small checks can be done between stages, but the with outline of the steps above, it is easier to see how much time will be needed in each stage. This should help give more accurate deadlines, lowering the workload and stress of the employees.

Marketing: A good way for Interpro to gain customers is to increase marketing efforts.

A breakdown of company expenses is as follows:

5.75% expenditures go to Engineering

11.49% expenditures go to Project Management

16.05% expenditures go to Other Operational Costs (i.e. Upgrades, Maintenance)

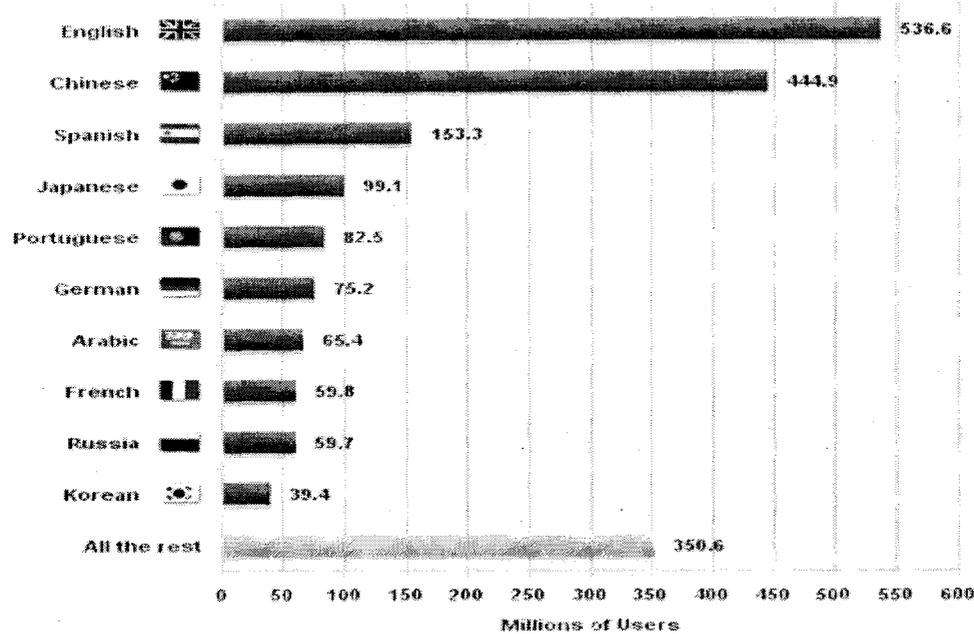
40.37% expenditures go to Marketing and Sales

5.75% expenditures go to Desktop Publishing

20.59% expenditures go to Admin

As seen above, Interpro gives a large chunk of expenses to marketing and sales. However, there is an issue of where to focus the marketing rather than how much to spend on it. I would focus marketing through one specific channel: the internet. The marketing budget should be used to pay for advertisement space on websites. Due to the size of the company, it is hard to raise capital to pay for advertising such as commercials, billboards, etc. Those not interested in the translation industry will simply brush the advertisements off, leading to sunk costs. However, by advertising on websites, there is a better chance that someone interested in the industry will see the advertisement. The company deals heavily in the technology field. Any company in another country can go to a translation company in its home country. Therefore, Interpro needs to show clients that it has a strong translation base from both the technology side, as well as the people side. This will help Interpro gain business from companies both here and overseas, increasing profits. A large portion of the company's sales comes from web site localization, so it is important to understand the dispersion of languages on the internet.. The internet is used by people of various backgrounds as shown in the graph below.

### Top Ten Languages in the Internet 2010 - in millions of users



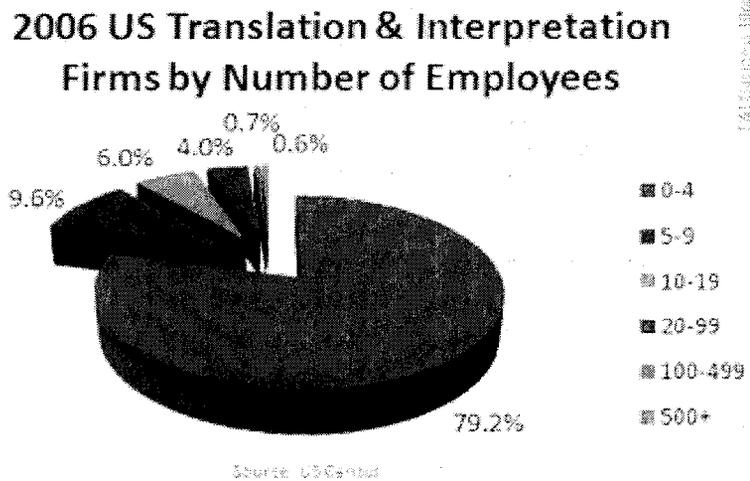
Source: Internet World Stats - [www.internetworldstats.com/stats7.htm](http://www.internetworldstats.com/stats7.htm)  
 Estimated Internet users are 1,966,514,816 on June 30, 2010  
 Copyright © 2000 - 2010, Miniwatts Marketing Group

(<http://www.translatemedia.com/future-careers-in-translation-industry.html>)

As the graph proves, it is very important to connect with people of various languages if a company wishes to grow its client base. By using the internet to market the company, Interpro is basically using technology to market additional technology. The company would be targeting in on people who browse websites related to translation. When people view these websites, they will see an advertisement for Interpro. Even if they aren't in need of a translation service, if they are browsing sites for translation, chances are they are either interested in the practice or know someone who needs a service. Marketing the company on websites related to translation helps the company focus on the target market of those in need of translation. In other words, good use is being made of the marketing budget. Part of the money should be spent on making sure the company targets the websites that first appear in a search engine when typing in words such as

“translation”, “localization”, and “desktop publishing”. Users who are searching are more likely to click on just the first couple of links that are shown in a search engine rather than going through multiple pages of websites.

Company Expansion: Although company expansion seems like it would be a good thing, Interpro is actually fitting in with quite well relative to the size of other companies within the industry. As stated earlier, 85% of the companies in the translation industry are made up of “mom and pops” companies that aren’t really known. Therefore, a majority of the companies in the industry are small. As seen below, most companies had up to four employees.



(<http://tandibusiness.blogspot.com/2009/06/fragmented-translation-industry.html>)

Interpreting the graph, Interpro would fall in the 6% of companies with 10-19 employees. In other words, it isn’t abnormal for Interpro to have only 13 employees. However, I would recommend hiring an person who is skilled in both engineering and desktop publishing. This new employee could help Mr. Pilotto out when the other desktop publisher is gone, as well as work on network issues and database crashes, allowing Mr. Cavalleri to continue working on a project. This would also help smooth the process of project implementation since engineering is

the bottleneck of the company. By reducing the network hassles that Mr. Cavalleri has to deal with, he will be better suited to focus on the task at hand, allowing the project to then move to the following department without much lag.

Customer Relations: I believe Interpro does a great job of building trust through long lasting relationships with clients. However, there needs to be more of a focus on taking smaller accounts as well as large accounts. The company may lose profit at first by taking smaller accounts because the operating costs of the project may outweigh price of the project. However, taking smaller accounts can lead to referrals. The company prides itself on “getting it right the first time”. Therefore, if the client doesn’t have to come back to get the same project worked on again because of errors, he or she will most likely be satisfied with the project. This can lead to future projects from the same client, or other companies the client may keep in contact with. It is important to not disregard small projects because of the Pareto Rule. This rule states that 80% of a company’s demand comes from 20% of its customers. If Interpro loses part of this 20%, it will have trouble gaining sales due to its selectivity in taking projects. A small client may end up being part of the 20% that makes up Interpro’s 80% of demand in the future.

## CONCLUSION

Interpro Translation Solutions is a great company with a close-knit culture. The small size of the company helps keep this culture in tact. However, all of the recommendations seem to resonate from expansion of the company by at least one employee to clear up the workload on the engineering department and reduce time lags. This will help the company deliver a project in a timely and accurate manner. My recommendations are based on one-on-one interviews with employees in the company, as well as graphical information relating to the translation industry.

They are meant to serve as a result of my analysis of the company to help it gain a competitive advantage.

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## Improving Interpro Translation Solutions

By Kyle Ramirez

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### How Does Interpro Compete?

- ▶ Translation has become a commodity
- ▶ Differentiation strategy
- ▶ Free services vs. efficiency
- ▶ Do not focus on company brand to back up translation quality
- ▶ Client base made of repeat customers through long lasting relationships

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### Project Execution

- ▶ 12 step process
- ▶ High focus on quality assurance
- ▶ "Get it right the first time"
- ▶ Streamline process to reduce time lag on quotes
- ▶ Upgrade PC's and internet

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### Marketing Efforts

- ▶ Intensive marketing campaign (commercials, online ads, magazine ads)
- ▶ Position company as top in efficiency and trust
- ▶ Let people know why the price is worth it

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### Company Size and Service Expansion

- ▶ 3 Sales and Marketing, 2 Localization Engineers, 4 Project Managers, 2 Desktop Publishers
- ▶ Hire additional employees to help streamline process
- ▶ More workers decrease "bottleneck" department, allowing for quicker results
- ▶ Tap into different product lines to expand brand awareness and increase profits

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### Staffing

- ▶ Use structured behavioral interviews, cognitive ability tests, and performance tests (high validity in predicting job performance)
- ▶ Alignment with organizational goals
- ▶ Job shadowing
- ▶ KSAOs align with requirements in job specification for each department

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### Relationships with Customers

- ▶ Take small accounts
- ▶ Loss in short run, gain in long run
- ▶ Referrals
- ▶ Brand awareness
- ▶ Short term relationships lead to long term relationships
- ▶ Pareto Principle (80-20 Rule)

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### Engineering Issues

- ▶ Struggle with server and administrative issues
- ▶ Not enough time with projects (too many projects at once)
- ▶ Adaptation to changing technology
- ▶ Priorities and deadlines change
- ▶ Bottleneck of company
- ▶ 5.75% of total expenditures goes toward engineering

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### Desktop Publishing Issues

- ▶ Problems with scheduling
- ▶ Only 2 desktop publishers
- ▶ Each project is treated as its own "island"
- ▶ "Interrupt driven environment"
- ▶ Each employee covers many areas
- ▶ 5.75% of total expenditures goes toward desktop publishing

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### Commonalities?

- › Stressful environment due to balancing multiple projects with different deadlines at once
- › Sometimes work weekends and late hours
- › Lose enthusiasm and experience burnout
- › Not enough time to learn new tool properly or follow up on projects

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### Possible Solutions

- › Hire person between engineering and project manager to focus on server and network issues (Technical Project Manager?)
- › Train employees on new tools and technology
- › Expand company to allow employees to focus on one project at once, allowing for increased quality and less fatigue
- › Motivate employees with incentives and company events
- › Brainstorm improvement ideas with employees to improve morale

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### Questions?

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