



Q4 2023: Did you know?

Why costs vary so much between Language Service Companies

As the saying goes, “You get what you pay for” applies to the language service industry. Therefore, it is important to understand why some Language Service Companies (LSCs) cost more when shopping for a reputable, reliable, and experienced LSC.

Where do LSC costs vary?

Linguists with the necessary SME (Subject Matter Expertise) are one of the most significant cost factors for any LSC since they are doing the translation or interpreting work. The more qualified and experienced the linguist, the higher their fee, and their fees are driven by supply and demand. Rare languages with a rare skill set command higher rates, whereas more commonly available languages with no technical experience are found at lower rates. The costs increase when ISO 17100 requires editors who revise the original translation to have similar qualifications as the original linguist.



Other costs to consider for a viable LSC that stands behind its services with the exceptional quality demanded are as follows:

- **Staff:** Salaries for staff members such as Project Managers (PMs) and editors are the next most significant cost factor. The more skilled and experienced the staff members, the higher the salary.
- **Software and Security:** There is a significant cost for a robust TBMS (Translation Business Management System), along with supporting software such as Computer-Assisted Translation (CAT) tools, Adobe InDesign, etc. In addition, cyber security measures such as SSL certificates, cloud hosting, cyber awareness training, penetration testing, anti-malware and antivirus software, firewalls, and professional IT support costs must all factor into the service rates.
- **LSC Industry Standards and Certifications:** Credibility stems from externally validated certifications such as ASTM F3130-18, ISO 9001:2015, and ISO 17100:2015. Involvement in industry organizations, such as the ALC (Association of Language Companies) and ASTM International, adds further credibility. Attending relevant client industry conferences to stay informed about best practices and regulatory changes is also essential to delivering quality services. All these items add value for the client while increasing LSC costs.
- **MT (Machine Translation) vs. HT (Human Translation):** The use of MT to save costs is effective if errors in the final output are acceptable. In situations where the translation must be error-free and regulatory-compliant, MT introduces a substantial risk factor. Therefore, HT becomes much more critical for translation and review, as shown in the blue GLTaC 2023 Performance Metrics panel, which is also updated live on the GLTaC website.

Performance (last 12 months):	
Jobs Completed:	631
Corrective Actions:	0
Preventive Actions:	2
Continual Improvements:	59
On-Time Delivery:	100.00%
Client Satisfaction:	99.70%
Languages Provided:	74
Industries Served:	15

In summary, LSC costs are directly related to the quality of the services delivered. Therefore, when evaluating quotes from different LSCs for work that requires little or no technical experience and where the consequences of errors are low, going with the lowest-cost company might be acceptable. However, for documents that require a zero or near-zero error rate and must be technically correct and/or comply with regulations, it is critical to work with an LSC that goes well beyond the minimums.

With that said, when evaluating quotes with a wide cost disparity, you should ask yourself, “Where are they saving that much money?” “Which component of the cost structure shown above are they minimizing or leaving out altogether?” LSCs all work in a competitive market, and most seem almost identical when you read their website or literature. However, all LSCs are not equal when considering their reliability, viability, and quality of services based on proven metrics. Therefore, finding an LSC you can trust and work with as a value-added supplier of language services for the long term requires careful consideration and should be based on more than just the cost.