**Globally Speaking**

**Podcast 045**

**The General Theory of the Translation Company**

R I’m Renato Beninatto.

M And I am Michael Stevens, and today on Globally Speaking we have just an entirely different format, Renato. Are you going to be able to handle it?

R I will try hard.

M Instead of Renato serving as his normal host, today Renato is an interviewee, as a co-author of a book that is now out. We wanted to hear him and his co-author share what their experience has been like writing the book, what it is about, and if our listeners can benefit from it. We’ll let them introduce themselves.

T Hi, my name’s Tucker Johnson. I co-authored The General Theory of the Translation Company with Renato Beninatto. I’ve been in localization services for over a decade now, started out as a translator, worked my way up through project management, program management, dabbled in other stuff. I love the industry, I love languages, and I love sharing what I’ve learned and what I haven’t learned with the rest of you guys. Hope you enjoy the book.

M And so today we have a very interesting dynamic on Globally Speaking and that is we have two guests talking to us at this time. Tucker’s co-author some of you may know because he also co-hosts this podcast. Renato is here.

T Can I just say, this is the first time I’ve ever heard someone introduce it as Tucker’s co-author instead of me being Renato’s co-author.

M We’re setting a trend. We’re setting a trend here.

T Thank you! I appreciate it.

R I am Renato Beninatto. I am Tucker’s co-author in The General Theory of the Translation Company and it was a fantastic experience. I have a lot of experience in this industry. I’ve been wanting to write a book for ages, but I don’t have the discipline to write a book and I needed to find somebody that was smart, that knew the industry and that had fast fingers and a lot of patience.

M Tucker, does that describe you?

T I have fast fingers, that’s what my wife has always told me.

M Nice. Well, I think first, since this has been a desire for years, why a book? Why would you guys go down this road?

R Why don’t you tell the story, how I approached you?

T So the story is I used to write and we have Libor Safar, no, we don’t, okay. So I used to write blogs for my current company and had a lot of fun doing that. I’ve always really loved writing and love localization, love writing about localization, and so I dabbled in that for a while.

M But I think there was another area of content that you create that may have been a greater motivation for you to be involved with the book deal.

T Right. So as much as I love localization, sometimes we can all feel like we’re getting in a rut, right? So I started looking around for a side project and this is long before I talked to Renato Beninatto, and I decided that I was going to start publishing a web comic. It was called *Cynercism*. I bought the domain, I figured out how to host it myself, and I started drawing these web comics. They’re not great, but it was something to do, something to pass the time.

M So that’s the second piece of content. I was actually thinking about one other piece of content that you create.

R That I read very often.

M Oh God! So this is actually a big ploy to get you more friends on Facebook.

T The real story is that I got myself a job through Facebook. I’ve had people tell me before that my Facebook posts were not quite as professional as they should be.

M You’ve probably almost lost some jobs because of the Facebook...

T Oh, I’ve almost lost jobs for many reasons, but the Facebook... I can be controversial, I like to poke fun at myself and others on Facebook, and one day... I hadn’t heard from Renato for months, and one day he calls me out of the blue and, ‘Tucker, I’m writing a book.’ I say, ‘Oh, great. Good for you, Renato.’ ‘I want you to write it with me.’ I say, ‘Well, okay. Sure. Why?’ Renato’s been around this industry. Everybody knows Renato, and he’s got a lot to say. Anyone who’s ever sat down with him knows that. “So, why do you need me? Why do you need me to write a book? Why me? There are plenty of other people in this industry.’ He says, ‘Tucker, because I read your Facebook posts and they make me smile.’

M That’s great. So you were bringing a level of entertainment and joy.

R Well, I believe that part of telling a good story is also entertaining the people. You can learn by being entertained. I get bored. I fall asleep if I’m reading something that doesn’t engage me, and I would have hated to write a book that was that academic and that boring. So I told Tucker, ‘Tucker, this is the content.’ The content is based on a course that I teach at the Monterey Institute, the Middlebury Institute of International Studies at Monterey, and I had the material, I had the PowerPoint, I had the recording of my lessons, and I wanted to transform that into a book, but I didn’t want it to be boring. I wanted it to be entertaining. I said, ‘Tucker, I want people to read this book and smile.’ I must confess that when I read the first draft, by the third page I was cracking up.

M Even in this podcast we’ve interviewed authors of other books that are related to this industry. Some of them are very helpful to help understand the theory of global digital marketing or how do you set up a global support team within a large corporation? There are a lot of good resources, there are technical resources out there for people in our industry, but this book doesn’t really cover any of those things necessarily. It’s different. Can you describe that difference for me?

T So we like to say, and I know it’s kind of a cop out, but we like to say we don’t give you the answers in this book, but hopefully you’ll walk away from reading this book knowing how to ask better questions. What we try to provide isn’t how to do things. When Renato and I were talking at the very, very early stages and the first draft, he said, ‘We want the What and we want the Why. We don’t want the How. The How is boring.’ Not necessarily boring. The How can be fascinating, but the How is specific to you.

 One of the things that we talk about in this book is this concept of different niches within the language services industry, and everybody has to figure out their How for themselves. So what we can talk about is the What, like what is important, and the Why, and why it’s important, why you need to address these things, and that’s what we cover.

M So you came up with this very big title, The General Theory of the Translation Company. Talk a little bit about the title and then we’ll get into what is the general theory?

R Well, The General Theory of...

T Sounds impressive, doesn’t it?

R Sounds impressive. John Maynard Keynes wrote a book that revolutionized economics in the 20th century, and I wanted to have a big title and something to sound important. I mean, who doesn’t? The idea behind the text is essentially that there are many things in common about the business of translation and I chose specifically the word translation instead of localization, because this applies to all the aspects of the language business. What we wanted to capture here is important things. What are all the roles that people have in an organization from project management, vendor management, sales? What are the support activities? What are the things that are common to every translation company?

 We want an executive, a CEO, a business owner, to be able to define what are the criteria that they want to use to measure their success. How do they manage their margins? How do they manage their performance? This is where Tucker’s input was very important. I have the executive experience, I have the sales experience, I have the client-facing experience, but I know, but I don’t know in depth, and I don’t have the pain of managing projects on a daily basis. This has been Tucker’s successful life in all the organizations that he worked, has always been dealing with clients and dealing with projects and making sure that they’re profitable, they’re delivered on time, and then they are delivered with the quality that the client expects.

M Now, some of our listeners may have just gotten very scared who have worked with you guys over the years. How many stories of previous clients did you include by name?

T That’s a point that I was going to make about the title. The General Theory of the Translation Company.

M Okay, so you’ve protected the innocent.

T The innocent have been protected. We have censored all names and likenesses in this book, and the reality is we don’t tell stories. Any incriminating evidence in this book is completely self-incriminating. It’s pointed right back at us. It was important to us to write a book that is general and holds these universal truths about the language services industry, and by universal I mean ubiquitous in the language services industry, and also atemporal. We want this book to have just as much meaning 10, 20 years from now as it does today. So we’re not going to be getting into the latest XLIFF 2.0 neural machine translation crowdsourcing automation system, right? We don’t touch on that. We touch on technology. Technology is currently the largest influencer, external influencer and internal influencer that drives innovation in this industry, and it will be 20 years from now.

R But the role of technology’s going to change according to the reality of the time, but we know that there is a role for technology, as there is a role for sales, as there is a role for... I don’t know, market realities and external factors that influence... human resources, availability of talent and things like that. These are all constants that you’re going to have to deal with at any moment. It was true 10 years ago; it’s going to be true 10 years from now.

 It’s this idea of... and I often repeat this, is focus on those things that are permanent. Focus on things that don’t change. Hopefully we captured here a lot of this, things that are permanent in the translation business, and they apply to translation companies, they apply to interpretation companies, they apply to single language vendors, they apply to multi-language vendors, they apply to regional language vendors, they apply to men, they apply to women, they apply to gay people, black, white, yellow. We’re all-inclusive.

M Yes, equity like I’ve never seen before in this book.

R It’s the reality of our business.

T The General Theory isn’t just a title of a book that we thought sounds cool, it is a framework that we lay out, complete with graphics in the book that Renato has presented on already at different conferences, and it’s around this idea of... there are three different components to the General Theory of the Translation Company. There’s your external forces, your market influencers is what we call them, then there are the seven support activities of the LSPs, and those are the support activities that need to build out the logistics and the framework of a language service provider in order to enable the three core functions of vendor management, project management and sales to add value.

 And I think this is something that’s raised more than a few eyebrows of people that have read it so far, is that our thesis is essentially language services providers only add value to the language services value chain through these three core functions: project management, vendor management and sales. And we get a lot of, ‘Sales? Sales doesn’t add value. What are you talking about?’ Read the book.

M Yes, that sounds like a good lead. That’s a good lead into the book, absolutely. But what you find is that translation being one of those places in the world, many skillsets could go and probably earn money on their own, but they’re not excited about a function like sales and going out and promoting themselves and doing that. So that is a level... I won’t steal the book’s thunder, but that does make sense for that. Bring us into the taste... you gave us sort of the framework, but the general theory.

T The general theory is a framework to allow us to have a common language to discuss things that are common to all language service providers. It’s something that’s specific... notice it’s The General Theory of the Translation Company, right? So this is primarily marketed towards language service providers and translators who maybe want to go into business for themselves. All it takes is a website to start your own translation company.

M When I started in the industry I remember someone said if you have a computer and a phone, you can have a translation company.

R That’s your old time, because now you don’t even need the phone.

M Yes, Skype, exactly.

T So what this framework does is it walks through the book in a certain order for a reason. It starts with the market influencer analysis. So that’s when we go through each of the five market influencers and see what are the forces in the language services industry that affect the language service provider? What are the influencers in the market that are common to all LSPs that have an effect? And these are shamelessly stolen directly from Michael Porter. It’s Michael Porter’s Five Forces analysis. It’s the threat of new entrants, bargaining power of customers, threat of substitute services, industry rivalry and bargaining power of suppliers.

M So break it down a little bit for me on this. Of those five, do you guys think... and this may be in the book, it may not, I’d like to hear your opinion. Is there one that’s having more influence than others in the industry at this moment in time?

R Well, I would say that one that is important, because it has and it doesn’t have any influence, is the barrier to entry. This is an industry that has absolutely no barrier to entry. And the other one... so these are the forces that squeeze the industry from the top and the bottom. One is the threat of new entrants and the other one is the threat of substitutes.

 I think that a common problem that we have in the industry is thinking that machine translation is a substitute to the services of a translation company and it’s not. Machine translation is another service in the stack of services that LSPs provide. There is no reason for you to ignore or to be afraid of machine translation. It’s another service that you provide with human translation, with DTP, with other things.

 So the substitute to machine translation, the risk of a... the substitute to the translation industry, the threat is no translation. That’s the real threat that we have, it’s nothingness.

M If content suddenly stops being created, would be one aspect of that. If borders are closing and there’s this movement in that direction, and none of that seems to be the trend that we’re on. Content seems to grow and grow and grow with the world becoming a more open place, other than certain instances which may be taking steps back, but overall companies see markets out there and want to move into them.

R Yes, and we see new formats. I mean, we’re talking about holograms as a reality. This was science fiction not long ago. Today we’re in a hotel here in California. I was walking by the reception, there was this guy watching something in a boxful of mirrors and you could see the image. It was a hologram inside the box and he didn’t have goggles, he just had...

M Was it Princess Leia?

R I didn’t see.

T Help me, Obi-Wan.

R But new formats are going to appear. What we’re going to be working on five years, ten years from now is something that doesn’t exist today.

T And it’s going to be driven by technology.

R Absolutely.

T One of the things I like to say is translators aren’t getting any better at translating. Translators have been just as good at translating today as they have been a thousand years ago. The service that they’re providing is getting augmented through technology. We saw that with translation memories decades ago coming out, and we’re seeing it with neural machine translation moving forwards, and who knows what it’ll be in the future? Our hypothesis is that there will always be a need for translators. I don’t think that’s a controversial statement. It’s just that the translation function is going to evolve over time, as it already has. As we say all the time, machine translation isn’t going to replace translators. It already has. If you look at the volumes of words per day translated on Google Translate, machine translation has already replaced translators.

M They’re doing more translations per day than human beings are doing at this point.

T Correct.

R In one year. So Google Translate translates per day more than all the translators in the world translate in all languages in one year. That’s a lot.

M In some ways it’s replaced. So you talked about this starting as a class and being adopted from there. Who do you see this being most relevant to? You mentioned LSPs, you mentioned translators, but to me, and I’ll give you my opinion, you can tell me if I’m wrong or right, this gives a general theory, surprisingly, that’s related to give a baseline for people in business. It’s got great, great core principles to it that you can understand the ebbs and flows of our industry and really it kind of is general enough that it doesn’t matter who you are in the industry, you can benefit from it.

R I like the fact I taught this course and one of the students at the end of the course, I asked the students why and how relevant the course was for them, and one of the students told me, ‘I know that I don’t want to be in this business.’ Even that is feedback that if you learn this and you know how the sausage is made, you might decide that you don’t want to own a translation business and you’re going to be a project manager for a buyer or for a larger LSP.

 There are many other functions in the business that don’t need to address all these things, and one of the things that I wanted to say is that this is also, even though it’s not written as one, it’s also a fantastic courseware. We have a course built around this book and universities around the world who are interested, Tucker and I will be happy to teach this course wherever people are interested in having it.

M You’re teaching it, right?

R I’m teaching it at the Monterey Institute, or they changed the name, I always forget, it’s the Middlebury Institute of International Studies at Monterey.

T I think another audience, not really an intended audience, but a valid audience nonetheless, is people outside of the industry. We wanted to write a book that could provide folks that are either new to the industry because they’re just getting involved in it or they’re just interested in learning more about language services, like, ‘Hey, how does this industry work? What makes this industry tick? What drives it? What are the core functions?’

M Or if they’re interested in investing in a company in the industry it’s a great spot for you to pick up.

R Absolutely.

T So much outside investment is happening in this industry right now and this is a very digestible book. This is something that a venture capitalist could read on the plane on his way to go purchase a company.

M So where can people find it?

T The book’s available; it’s online through international online retailers, Amazon.com, I know it’s on there. It’s on Barnes and Noble.

R It’s in Kindle format; it’s in hardcover format, and sometime when we have the patience and the time, we’ll have it in paperback format also.

M When is the audiobook coming? I’m actually holding out for that, if you guys could read your own audiobook that would be great.

R Do you want to read it for us? I have an accent.

T I’ve heard a slow jazz playing in the background.

M I’ve heard the only thing worse than writing a book is doing your own audiobook.

R Oh, is it?

M Yes. They say it’s terrible.

R Who told you that, Hillary Clinton?

T We wrote this book to satisfy a perceived demand for information in the industry. If I thought there was a demand for audio format information in this industry, well, I’d tune into this podcast probably.I think this podcast covers that demand very well.

R Thank you.

**End of conversation**