All Languages™
Translators & Interpreters

New technology enables accurate pricing, greater consistency and lower costs.

OLD BUSINESS WAY
vs.
NEW BUSINESS WAY

For many years, translation services were priced simply based on the total number of words multiplied by a cents-per-word rate.

With the advent of Computer Assisted Translation (CAT) tools, Translation Service Providers (TSP) can do much more than just count the total words in a project.

Now, TSPs can get an accurate picture of how much work is involved in translating a project by performing a Translation Memory (TM) analysis that identifies repetitions in source text as well as the TM.

Since words, phrases and paragraphs that match (or repeat) take less time to process than totally new words or phrases, prices can be adjusted accordingly. The lower the effort, the lower the cost-per-word. The TM analysis provides in-depth statistics that include:

- **New Text 0%-74%** – completely new sentences, headings or "segments"
  - These selections are charged at the highest rates as they are truly "brand new"
  - The translator will translate selections to the best of their ability
- **Fuzzy Matches 75%-99%** – portions of sentences, headings or "segments" are already translated
  - These selections are charged at a higher rate than 100% matches
  - The translator must judge whether or not the selections are usable, can be further developed or whether to start over
- **100% Matches and Repetitions** – these sentences, headings or "segments" already exist in the TM
  - These selections are charged at the lowest cents-per-word rate
  - The translator must ensure the translated match is in context and suitable

COMPARISON OF PRICING FROM A COMPLETED CLIENT PROJECT

Fixed Rate-Per-Word Model			
# Words	**Rate per-word**	**Cost**	**Comment**
20,281	$0.25	**$5,070.25**	**RESULT = HIGHER COSTS**

Variable Rate Model (Applying a Technology Discount)			
	# Words	**Rate per-word**	**Cost**	**Comment**
New text	961	$0.27	$259.47	This model charges the appropriate rate for the actual work done.
Fuzzy Matches	2,727	$0.16	$436.32	
Matched (TM & Repetitions)*	16,593	$0.08	$ 1,327.44	
Total	**20,281**	**$0.10**	**$2,023.23***	**RESULT = LOWER COSTS**

*This price was achieved as a result of a large Translation Memory being available to our team.

A LARGE TRANSLATION MEMORY HAS MANY BENEFITS

Matches and repetitions can represent a large, moderate or small % of the words in a translation project, so savings will differ from project to project. Regardless of the sitaution, a large TM will provide the greatest opportunity to reduce costs, improve consistency and speed up delivery timelines.

The most effective way to gain the benefits of a large TM is to consolidate your translation assets with a single provider. It is a widely known fact that a lot of content is re-used across the organization, so it doesn't make sense to have multiple suppliers with multiple termbases. The risks are high and the rewards are low.

Should you decide to consolidate your assets, we can provide you with technical guidance and [best practices](#) to ensure a smooth transition.

ACCEPTANCE AND DIRECTION OF PRICING MODELS

Flat cost-per-word pricing has been in rapid decline since the advent of CAT tools.

The new "variable rate" pricing model described in this paper is growing in acceptance as clients are developing greater interest in the advantages of technology in all aspects of their business and private lives. We believe that in the next few years, variable rate pricing will be universal.

The longer term direction is leaning towards a margin-based or hourly fee structure that reflects the amount of diminishing effort required from professional translators to produce quality work. When this model starts to gain traction, we will refresh this paper accordingly. If you'd like to know more today, please contact us.

For more information, please contact the Translation Team at TC@AllLanguages.com or call 647-826-1967