Keith Laska: 'It is our goal to provide local support and assurance anywhere we have a local presence'

PHOTOGRAPH: SDL INTERNATIONAL

Merged interests

Michael Benis talks to **Keith Laska**, Vice-President Desktop Technology, SDL International

Following last issue's hot news of SDL's acquisition of TRADOS, Michael Benis hooked up with SDL's Keith Laska to get the full inside story on this exciting development and its significant implications for the translation industry as a whole.

Michael Benis: SDL's acquisition of TRADOS took most people in the translation industry by surprise. Had it been long in the planning and what were the advantages you identified for both parties and their customer bases?
Keith Laska: It would certainly seem like a surprise to many! When you look at the reasons behind the merger it actually made a lot of sense. Both SDLX and TRADOS developed quality translation memory solutions, saving users of the technology millions and millions of dollars in the process. That said, current market conditions have pushed a number of issues to the forefront – issues that both SDL and TRADOS realised and understood, but couldn't possibly solve separately.

Let's look at the market. First of all, if you look at a global corporation's outsourcing level, you typically see roughly 10 per cent of their localisable content actually being sourced for translation: content such as software, some website areas and possibly help and documentation. Any truly global corporation should be localising roughly 90 per cent of their content. Imagine a global corporation whose customer support database is in English and the majority of its business comes from non-English speaking customers!

So why is this percentage so low? Simply put: the cost for outsourcing this content is too high. The complexity around the localisable content (multiple file types, database repositories, and proprietary documents) renders it next to impossible to reach and extract, much less translate profitably. Most of all, those involved in the content conveyor belt (authors, content managers, localisers, provisioners and publishers) are not even sharing data assets.

This is where technology comes in. The reach of both SDL and TRADOS technology in corporate environments, and our ability to work with and unlock that content, allows us to provide global corporations with the opportunity for the first time to release that additional content for all of the translation players in the ecosystem.

The real benefit comes in the form of Global Information Management (GIM). GIM is the process of delivering content to global markets. It's not just about localisation. It's about looking at localisation as only one of the key components of the content lifecycle, alongside authoring, acquiring, storing, provisioning and publishing. It's about aligning ourselves with this content lifecycle – and it's about everyone in the global ecosystem taking advantage of this.

MB: So if everything goes according to plan, you are hoping the acquisition will generate more work for the translation industry as a whole. That will obviously come as good news to users of both products. How difficult has it been to persuade existing TRADOS-using translation companies to look on SDL as a partner rather than a competitor?
KL: The value of the global localisation market is estimated to be between \$8 billion and \$10 billion. With combined TRADOS and SDL revenues, SDL still has less than 2 per cent of this market. There is therefore a huge opportunity for all companies within this space.

Interestingly enough, pre-merger almost 50 per cent of SDL's technology revenue came from Language Service Providers (LSPs). I think there are three reasons for this: the quality of technology and ease of use, the level of customer service offered, and the strict separation between the service and the products side of the business – and this still continues today.

With the acquisition of TRADOS, SDL has demonstrated a further commitment to being a serious technology provider. In order to succeed, SDL will need to continue to provide innovative translation technology products that fulfil our customers' needs.
MB: Has the SDLX team's reputation for providing strong support helped you convince TRADOS-using translation companies that the acquisition could work to their advantage?
KL: Best-in-class customer service remains our most important value to our customers. Product support is just one element of our customer service and we will be providing this high standard to all of our customers whether they use SDLX or TRADOS solutions. In a perfect world, we would like to be seen as a customer service company that also happens to provide excellent translation technology.
MB: The SDLX and TRADOS translation interfaces differ significantly. Do you envisage continuing this differentiation with two product lines in the future or bringing them together to combine their strengths? If the latter, do you already have a loose timeframe?
KL: We will continue to support both SDLX and TRADOS products so our customers can be reassured that their translation assets and product preference are secure. In fact, we have announced with our '5 year Product Support Guarantee' that customers will be supported on the current versions of both products until 2010, which is quite unique within the software industry.

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We will continue to develop the 'next generation' of translation technology and this will incorporate the best of breed features and functions of SDLX and TRADOS. If customers decide that they want to take advantage of this next generation of software there will be clear and comfortable upgrade paths available. Ultimately, any future product development will be in direct response to our customers' future needs and requirements.

A product roadmap will be published in the autumn, which will outline the product strategy and timeframe of our product development.
MB: Both the SDLX and TRADOS translation environments currently have certain distinctive features, such as SDLX's format painting, TagEditor's graphical tags and the Microsoft Word interface for Translator's Workbench. Will these continue as options in the future, or do you see some of these features gradually fading away in your next-generation product? In particular, has format painting had its day and is there a future for translation memory with a Word interface considering the increasing complexity of the functions offered by modern CAT systems?
KL: Both SDLX 2005 and TRADOS 7 are market-leading CAT tools. While at a fundamental level they both have translation memory and terminology management at their core, they both also have individual editing environments, some individual features and a different look and feel. Prior to the merger there was no transparency between the two companies regarding future development plans.

The ultimate goal is to provide next generation technology that all of our users can move to seamlessly, so our goal is to make sure that everyone feels comfortable with this migration. I'm sure the product roadmap coming out in the autumn will help to show users exactly what road the two products will take towards meeting each other as one. The most important thing is that we ensure our customers are giving the input into new product development, and we will be backing that up with numerous (and openly published) results of surveys and user group requirements.
MB: Since the commercial demise of IBM's Translation Manager, there hasn't been a translation memory product on the market that is supplied with an existing terminology database, although there are an increasing number of glossary programs on the market, some of which – like Babylon – offer premium content from established dictionary providers. Does SDL have any plans in this area? Other potential developments that *bulletin* readers would be interested in hearing about are whether you plan to develop example-based machine translation technology that makes greater use of terminology databases within TM by 'repairing' fuzzy matches (like STAR's Transit) or bringing sub-sentence matches and terms together to form better fuzzy or even 100 per cent matches (following the lead of Atril's DVX). I ask that in particular because SDLX persevered with the integration of machine translation and translation memory until very recently. Is that now definitely over or do you still think that there are benefits in bringing the two technologies together?
KL: It is the customer that provides direction for future product components – if our user base is requesting any feature, it is our responsibility to 1) make it easy for those customers to provide feedback and 2) implement what they require. All the matters you have raised are interesting questions for us to follow up with our user base on for sure.
MB: We are already seeing a movement towards web-based translation memory. What other developments do you see in the

crystal ball? Can translators and translation companies, in particular, look forward to greater support from future products in areas such as checking/editing and quality control features?
KL: Web-based translation memory and terminology are already available with SDL and TRADOS TM Server, TeamWorks, SDL Translation Management System and our online terminology products. In the next couple of months SDL will expand on the product offerings with an SDLX-based translation system aimed at LSPs and small/medium-sized Corporate Language Departments, which will also provide online TM sharing combined with SDLX 2005's Quality Assurance module.
MB: With such a comprehensive range of products now on offer for translation companies, what are your plans for project management products that can integrate with a company's invoicing, payment and accounts systems?
KL: TeamWorks and SDL Translation Management System already provide this functionality and we will be providing SDLX and TRADOS Application Program Interfaces to enable customers to integrate with other software systems within their company environments.
MB: Do you have any plans for less complex products that could serve the needs of smaller translation companies or freelance teams?
KL: Yes, we will shortly be launching a mini-workflow product, designed specifically for LSPs, small corporate localisation departments and freelance teams, that will be extremely cost-effective while attending to the exact need that these customers have – automation, data centralisation and project management. It's our goal to deliver what our customers actually need.
MB: TRADOS has in recent years had a rather fragmented structure in terms of the physical locations both of its development and customer support teams. Is that all about to change? Where will the brains and the hands of the new organisation be based?
KL: SDL is a global company with over 45 offices worldwide. It is our goal to provide local support and assurance anywhere we have a local presence.
MB: Yes, but what about your software development activities? Will they now be brought together in Maidenhead, or will you continue to have separate development teams all around the world?
KL: The merger of SDL and TRADOS enables us to combine our development skills and resources and we will continue to have teams located all over the world.
MB: A number of reasons for the acquisition have been speculatively proposed, over and above a simple good business opportunity, chief amongst them that software development costs in a relatively small industry, such as the TM industry, can only be sustained by achieving greater economies of scale. Do you believe there's any truth in that?
KL: The principal reason for the acquisition is based on the benefits to the industry as a whole of combining SDL and TRADOS technology resources and intelligence to raise the profile and importance of translation and localisation through the concept of Global Information Management. It is true that greater economies of scale will benefit our customers by providing more innovative and technologically advanced product solutions at a lower cost of ownership. Both companies shared the vision of GIM, but both realised they could not accomplish it alone.

TRADOS had the technology infrastructure, and SDL has the resources to grow this. Together we can make it happen.
MB: How do you see the SDL-TRADOS acquisition affecting competition in the TM market?
KL: Combining the revenues of TRADOS and SDL, SDL still has less than 2 per cent of the global localisation market. If this industry is valued conservatively at just $8bn, there are clearly huge opportunities for all companies within this space.

Both SDLX and TRADOS are TMX Certified. TMX is an open and independently monitored standard that allows data transfer of your translation memory assets from one product to another. It is therefore integral to users of translation memory tools because it enables them to 'free' their translation assets and allows re-use with any translation memory tool that supports the global industry standard.

SDL is as committed as ever to championing open standards and with both SDLX and TRADOS achieving TMX Certification level 1.4b, our customers have assurance that they will maintain control over their translation assets in the future. SDL has been one of the longest-running supporters of open standards, and we will continue to support this. As a result, our acquisition of TRADOS should stimulate the growth of this market and competition within it, which will be to everyone's benefit.
MB: Industry observers have drawn parallels between your own acquisition and the acquisition of Bowne by Lionbridge Technologies that was announced shortly afterwards. They also look back on Bowne's acquisition of Mendez, SDL's own translation company acquisitions over the years and those of its UK competitor The Big Word. A frequent comment has been that margins right across the translation profession have become so tight that increasing economies of scale are the only way to keep profitable. Do you believe there's any truth in that? Do you see an emerging trend towards consolidation in the industry and how do you see this affecting competition?
KL: There are a number of ways to look at growth in the marketplace. You can either 'throw bodies' at a problem, or you can use technology to help decrease costs and open up new markets.

We have chosen the latter. The idea of GIM is to open that market and allow for additional content to be translated that previously was thought to be too complex or difficult to get to. Interestingly enough, all players in the global ecosystem should benefit from this – from corporations who can afford to reach more markets, to language service providers who will receive more business, and freelancers who can benefit from a lower total cost of translation technology ownership.

'Economies of scale will benefit our customers by providing innovative and technologically advanced product solutions at a lower cost'