

# To certify or not: Staying competitive as a small LSP

Is being part of the national certification association paramount to success?

Will ISO certification guarantee business growth?

Here is what you should consider before investing time and money in standard certification.

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Language service providers (LSP) today operate in a self-regulated market that is structured through regional, national and international standards. Adhering to these standards is awarded with a set of certifications that remain pivotal to the business development of an LSP as it aims to either grow or retain a portfolio of

clientele. This certification system originates from Europe and the US, where standards were first developed as these large economies worked hard in order to realize their vision of a global economy. To remain profitable in a globalized world, LSPs today need to meet not only national but also internationalized standards.

## Driving factors

To understand how standardization became a pervasive reality across all industries, we must remember two historic developments: the industrial revolution and the European project.

First, the industrial revolution paved the way for organizations to grow beyond their regional locales,



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which in turn sparked the need for a common system to adhere to. Consumers rallied for a system that ensured accountability and their own safety from products they consumed and used. Certifications were developed to divide producers into recognizable groups for consumers. This development reached right across various industries such as transportation, communication, and production. Second, as Europe rose from the ashes of WWII, political leaders attempted to avoid a future conflict by blending national interests with economic integration. This led to the second wave of standardization. As European economic hegemony grew, institutions such as the International Organization for Standardization (ISO) gained power, and businesses across various sectors achieved certification for their operations through a controlled, six-stage process. This system of certification fit well into a globalizing world and was thus adopted across markets and industries.

## Weighing up the pros and cons

For small businesses, the benefits of acquiring domestic or international certification might appear vague and negligible in the short term. Smaller LSPs may be highly qualified for a certification but lack the funds to fulfill the requirements. There is an evident need within the LSP market for more resources dedicated to business development. When these LSPs do choose to get certified, they might find it difficult to select the most appropriate certification body in this saturated market. To illustrate the challenges, let's take a closer look at the ISO certification.

ISO is a great example to demonstrate the prevalence and penetration of standardization. The organization does not actually offer certification – this is left to external agencies that certify businesses at a charge. ISO has sparked an entire market of businesses that don't sell anything beyond a certification associated with a reputable brand. ISO standards and certification can be found across every possible industry. It is the first choice for LSPs when it comes to international certification. The most relevant to LSPs is the ISO 9001 or ISO 17100, a certificate that focuses primarily upon quality management systems.

The benefit of gaining ISO certification lies in the accreditation value that will be recognized by prospective clients globally. However, there are two major drawbacks: First, ISO 9001 requires human and/or financial capital. If you're a small business, creating the necessary documentation in order to gain certification can cost around US \$1,000 and an estimated 461 hours of your employees' time. If your company opts to have a consultant organize and arrange all the materials and information, costs range from US \$2,000 to 50,000 depending on the size of your company and the level of inclusion that the consultant will have in the process. Second, internal audits show that retaining ISO certification requires added capital in the long run.

ISO certification has become increasingly common among LSPs, but does this prove its efficacy in promoting business? Does ISO certification have any influence on an LSP's growth? According to data that was taken indiscriminately for the ISO 9000 family of standards by the University of Kent, the answer is no, there is no causal relation between certification and business growth. There is no notable difference in profit after certification. Instead, it is presumed that companies that pursue ISO tend to perform better than their non-ISO certified counterparts prior to and after certification. However, this finding must be treated with caution, as it applies to the ISO 9000 family of standards in general and may not hold true for ISO 9001 in particular. Still, we can assume that for well-performing LSPs, ISO certification doesn't really make a difference. It is not a requirement for small LSPs to gain certification, especially when they do business with larger LSPs that have this certification. Growth will only be driven by the LSP's internal strategy, which can include ISO but should not be based upon it.

Regional certifications play out a bit differently. Institutions that accredit regional standards often borrow from international standardizations, although they tend to have the added benefit of lower costs, more lenient adherence policies, and a smaller pool of competition. This makes it easier for LSPs, but also results in the certification being taken less seriously. In Europe, there are limited options for regional certification institutions such as, for example, the German Federal Association of Interpreters and Translators, or the Institute

of Translation and Interpreting in England. Regional certification associations in the EU answer to the European Union of Associations of Translation Companies (EUATC). The EUATC allows all these regional institutions to come together to form a Europe-wide network. In the US, certain associations have made similar attempts, but have so far fallen short or were drowned in the mix of different certification options. Here, the Small Business Administration (SBA) consults small businesses on what paths they should take in order to gain business expansion while providing them with certifications that can increase their chances against larger competitors. SBA often guides companies through local county certifications, city-wide certifications in relevant economic hubs, and statewide General Services Administration (GSA) certification. The GSA allows any company that holds their certification – regardless of size – to bid on federal contracts. As the GSA deals with one client and multiple vendors, a price war often occurs to outbid the competition. But quite often, small businesses manage to benefit from smaller scale contracts and are able to gain an immediate return upon the certification investment. Because the certificate provides access to a closed market, growth is easy to attain through the bidding process. If it becomes lucrative enough, LSPs seeking growth might even hire someone specifically to respond to the requests for quotes. Of course, there is a limit regarding the amount of profit that can be derived from certification. Certifying through GSA means that there is only one client, so if you're an LSP providing a poor diversity of languages, your services might not be required once translation into a particular language is finalized. Engaging in such a federal contract is only advisable for LSPs that can handle diverse languages and a fluctuating workload. Demographic-specific certifications such as the Women's Business Enterprise National Council (WBENC – a part of the Small Business Administration) or the Minority Business Enterprise (MBE) provide the advantage of a broader network and increased prestige in contrast to businesses that do not hold the certifications. However, considering application and membership fees, there is no easy answer as to whether the investment will pay off. For some, these certifications have proven to help with business, but as these certifications are

subdivided into regional chapters, the subsequent division of networks of both LSPs and prospective clients creates a cost barrier to access them effectively. The WBENC attempts to tie these networks together through summits, meetings and workshops; yet again, capital is required to engage with these efforts. To further complicate things, certain vendors within WBENC will often require additional local certifications. LSPs must take all these variables into account and thoroughly research the demographic that a certification grants access to.

## So should I get certified?

Standards are a phenomenon of social, technical, economic, and legal activity that have a dramatic effect on business, society, and culture. Certification for these standards, however, does not hold the same importance as it may have in the 1990s, when the world saw new heights in interconnectivity. Successful companies often already adhere to the standards that are required for certification. It would be best for a company to evaluate the need of certification upon a simple set of assessments. First, does the certificate provide exclusive access to a market? Second, does the certification add value to the brand and reputation of my company? And finally, does the certification allow me to attain something that my peers already have? Answering yes to these questions after thorough analysis will show you, which is the best certification for you.

The last question is perhaps the most important one because, in some cases, adhering to standardization is paramount to staying competitive. If all your competitors have certification, gaining this certification is merely a requirement of competition. However, to really stand out from your competition, the quality of your services remains the most important factor, regardless of certification. While we're accustomed to proving our status through memberships and accolades, the most important element will always be the quality of the work we produce, which is a standard all its own.



## Further reading

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