

Keys to a sustainable interpreting and translation business for freelancers

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Who am I?

- ▶ I attended Colegio Hudson in Vicente López, Buenos Aires, Argentina.
- ▶ Hudson was a “*comercial*,” a high school with a business orientation, so we took accounting and typing classes starting in 8th grade.
- ▶ In 10th grade I had a paid position at the school.
- ▶ Freelance English teacher in Buenos Aires, and applied these Business Plan concepts in my 20s.

What is a business plan?

A short definition

Definition of 'Business Plan'

A written document that describes in detail how a new business is going to achieve its goals.

A business plan will lay out a written plan from these viewpoints:

- ▶ marketing,
- ▶ financial, and
- ▶ operational.

Sometimes a business plan is prepared for an established business that is moving in a new direction.

<http://www.investopedia.com/terms/b/business-plan.asp>

What is a business plan?

(A more complex definition)

Investopedia definition of Business plan:

A business plan includes

- ▶ a description of a company or small business,
- ▶ its services and/or products and
- ▶ how the business will achieve its goals.

<http://www.investopedia.com/terms/b/business-plan.asp>

What is a business plan?

Investopedia definition of Business plan:

The plan includes

- ▶ the overall budget,
- ▶ current and projected financing,
- ▶ a market analysis and
- ▶ its marketing strategy approach.

<http://www.investopedia.com/terms/b/business-plan.asp>

What is a business plan?

Investopedia definition of Business plan:

In a business plan, a business owner

- ▶ projects revenues and expenses for a certain period of time and
- ▶ describes operational activity and costs related to the business.

<http://www.investopedia.com/terms/b/business-plan.asp>

What is a business plan?

Investopedia definition of Business plan:

The idea behind putting together a business plan is

- ▶ to enable owners to have a more defined picture of potential costs and drawbacks to certain business decisions and
- ▶ to help them modify accordingly before implementing these ideas.

<http://www.investopedia.com/terms/b/business-plan.asp>

Marketing - What is our business?

Get credentials that are highly respected in the United States:

For translation

- ▶ ATA certification for translation
- ▶ NYU certificate in translation
- ▶ MA in translation, etc.

Marketing - What is our business?

Get credentials that are highly respected in the United States:

For interpreting:

- ▶ State court interpreting certification
- ▶ National certification as a medical interpreter (CCHI, National Board)
- ▶ State certification as a medical interpreter (Oregon, Washington)
- ▶ RID certification for ASL interpreters

Business plan development

Consult with experts!

SCORE is a national network that provides low cost education and mentorship to entrepreneurs.

SCORE is a nonprofit association dedicated to helping small businesses get off the ground, grow and achieve their goals through education and mentorship. We have been doing this for over fifty years.

Because our work is supported by the U.S. Small Business Administration (SBA), and thanks to our network of 11,000+ volunteers, we are able to deliver our services at no charge or at very low cost.

<https://www.score.org/about-score>

Marketing - showcasing our product

- ▶ Develop a nice website. Have the people from SCORE critique it.
Hire a professional. Designers are even better if they represent our target clients.

Here is a link to my site: www.gauchati.com

- ▶ Get good business cards. Have them reviewed by SCORE.
- ▶ Develop a business plan. SCORE can help with that too.
 - ▶ <http://www.score.org/>

Marketing - finding clients

Let's talk about this. Freelancers puzzle over these things on listservs.

- ▶ Where do we find business?
- ▶ How do we establish a relationship with a client when we find one?

Marketing - Networking

- ▶ Start local, with your local Chamber of Commerce. Even if you don't get a lot of business initially, you get comfortable with the business world and the networking.
- ▶ My local Chamber has “how to network” events.
- ▶ Your local Chamber members are an encouraging group that wants to see you grow.
- ▶ Translators and interpreters don't show up: there is no competition!
- ▶ Be committed: keep your relationship-building appointment no matter what.

Marketing - finding clients

Go where the clients are.

- ▶ Chamber of Commerce. In Hillsboro, Oregon, we have this group:
www.hillchamber.org
- ▶ There might be a Spanish network in your local Chamber.
- ▶ If your language is German, join the German-American Chamber of Commerce, or research their members!
- ▶ See how a Russian colleague is developing connections in the chemical field:

<http://ata-sci-tech.blogspot.com/2014/05/how-not-to-attend-professional.html>

Negotiation: it is about meeting the client's needs

- ▶ Start by getting to know your prospective client.
- ▶ How does your product add value to their business?
- ▶ How can your product solve problems their business is facing?
- ▶ If they don't need your services now, they may know someone who does.
- ▶ Leave the discussion of money for last.

ASTM - creating a framework for teamwork

- ▶ See my ASTM-based chart for discussing a relationship with a client
- ▶ Translation worksheet:
<http://wp.me/a5uXWG-8h>
- ▶ Interpreting worksheet:
<http://wp.me/a5uXWG-kb>

Accounting: what to keep track of

Tracking resources and expenses to make sure resources aren't stretched too thin.

Two limited resources:

- ▶ Time
- ▶ Money

Not tracking these resources leads to not being able to keep our word.

Fixed expenses: Cost of doing business

- ▶ Having a car
- ▶ Training
- ▶ Dictionaries
- ▶ Smartphone
- ▶ Taxes
- ▶ Health insurance
- ▶ Errors and omissions insurance
- ▶ Tax preparation
- ▶ Office supplies
- ▶ Business cards
- ▶ Notepads
- ▶ Internet service
- ▶ Travel to the country where our language is spoken every few years
- ▶ This is not an exhaustive list!

Activity-based expenses

- ▶ Mileage
- ▶ Parking
- ▶ Extra travel time
- ▶ Travel, lodging, meals
- ▶ Other costs

These activity-based expenses can be calculated by the contractor and added to the base rate of the product. Negotiations can then take place on an objective basis.

Expenses: Vehicle expenses

Cost of ownership - Consumer Reports

<http://consumerreports.org/cro/2012/12/what-that-car-really-costs-to-own/index.htm>

Over the first five years of ownership, the average car costs more than \$9,100 a year to own according to Consumer Reports

Cost of ownership - Kelly Blue Book

<http://www.kbb.com/new-cars/total-cost-of-ownership/?r=700448630087905200>

Vehicle expenses

Cost of ownership per mile

<http://www.getrichslowly.org/blog/2006/05/31/the-true-cost-of-car-ownership/>

In 2013, the American Automobile Association (AAA) said that, on average, it costs 52.2 cents to drive one mile.

The 2013 federal mileage rate for business was 56.5 cents/mile.

The 2016 federal mileage rate for business is 54 cents/mile.

Time: Non-billable work

The following items are non-billable but are part of the 40-hour week for a contractor. They often take at least 8 hours a week.

- ▶ Networking
- ▶ Billing
- ▶ Following up on clients
- ▶ Negotiating
- ▶ Training

Time: Personal

- ▶ Non-billable work during personal time leads to
- ▶ Distracted work during work time, leads to
- ▶ Not keeping work commitments, leads to
- ▶ Poor quality work, leads to
- ▶ Losing clients

Target income

Two approaches:

- ▶ What would be the take home pay of someone in an equally prestigious/interesting job?
- ▶ What bills do I want to be able to pay?

Why check a target?

If we don't know where we're going we will never know whether we got there.

Salaries of comparable professions

Teachers:

Average starting salary: \$35,180

Average salary: \$52,770

Average 10 year increase: 30%

<http://www.teacherportal.com/teacher-salaries-by-state/>

(national averages in the US, data gathered November 22, 2013)

Salaries of comparable professions

Nurses:

Licensed vocational nurse: \$39,000

Registered nurse: \$42,000

Clinical nurse specialist: \$75,000

Nurse practitioner: \$93,000

<http://healthcareers.about.com/od/compensationinformation/tp/Nurse-Salaries.htm>

(national averages in the US, data gathered November 22, 2013)

Market research

2010 Interpreting Marketplace:

- ▶ 73% of interpreters provide written translation
- ▶ 50% are ATA members
- ▶ Average annual reported income expected \$33,515 in 2010. The largest group earns less than 10,000/year.
- ▶ These numbers are from the InterpretAmerica survey of 2010.

Market research

Court Interpreting Research survey by Robert Joe Lee:

<http://www.courtinterpretingresearch.com/>

IMIA compensation survey of 2010

http://www.imiaweb.org/uploads/presentations/2010_45.pdf

MMIA compensation survey of 2006

<http://www.imiaweb.org/about/compensationsurvey.asp>

ATA compensation survey of 2006

https://www.atanet.org/docs/compensation_survey_2007.pdf

Two ways to figure it out:

- ▶ Start from your target
- ▶ Start from what you know of the market

The translator's rate is subject to mainly three factors:

- ▶ How much money the translator wants to earn in a period of time
- ▶ How many units the translator can process in that time
- ▶ What amount the client is willing to pay

http://wiki.proz.com/wiki/index.php/Determining_your_rates_and_fees_as_a_translator

Proz.com resources

- ▶ Rate calculator:
- ▶ <http://www.proz.com/translator-rates-calculator/>

- ▶ Average rates charged
- ▶ <http://search.proz.com/employers/rates>

- ▶ Proz wiki article on determining rates and fees:
- ▶ http://wiki.proz.com/wiki/index.php/Determining_your_rates_and_fees_as_a_translator

Math

My personal spreadsheet: a simple way to set a target rate

<http://wp.me/a5uXWG-5y>

Expected translated words/hour: 300

Expected reviewed words/hour: 1000

Interpreter math

- ▶ 1 hour for:
 - ▶ Driving to each appointment,
 - ▶ Getting in and out of each parking lot, and
 - ▶ Time for each appointment to run late
- ▶ Realistic appointments:
 - ▶ 8 am, ending at 9,
 - ▶ 10 am, ending at 11
 - ▶ 12 pm, ending at 1
 - ▶ 2 pm, ending at 3
 - ▶ 4 pm: administrative time (not an appointment) - can be swapped for another block
- ▶ $4 \text{ appointments/day} \times 5 \text{ days/week} = 20 \text{ appts / week}$

Interpreter math

- ▶ 4 appointments/day x 5 days/week = 20 appts / week
- ▶ 80 appts/month
- ▶ 800 appts/year
- ▶ (10 months/year, discounting vacations, slow times of year, holidays, time for conferences, etc.)
- ▶ The two months off are because summer and Christmas are slow times for interpreters in any field, with schools, courts and businesses on slow schedules.

Math

CalPro, published by the ATA:

Can go from your target or from what the market will bear.

http://www.atanet.org/business_practices/calpro_us.php

Washington interpreter spreadsheet

This is a two week report from an actual interpreter.

HOURS PAID	MILES
78.00	1717.77

He's on track to making \$60,000/year. Is it worth it? Is it sustainable?

HOURS PAID	
Hours of interpreting	78.00 h
Time driving 1717.77 at 35 mph (this counts as time at work)	49.08 h
Admin time	10.00 h
Total time worked:	137.08 h
Hours/day (137.08 hours/10 days for two weeks of work)	13.71 h
\$32.50/interpreting hour	\$2535.00
\$/hour worked (total dollars divided by total hours worked)	\$18.49/h
mileage money reimburses for car expenses, so it is not included as income	

Taxes

IRS quarterly estimated tax payment form at <http://www.irs.gov/pub/irs-pdf/f1040es.pdf>

What if the numbers don't add to what we want?

If we can't make the income we want, we can hone our skills and credentials

- ▶ Professional associations list trainings on their sites.
- ▶ www.atanet.org
- ▶ www.najit.org
- ▶ www.imiaweb.org
- ▶ www.ncihc.org
- ▶ www.ostiweb.org
- ▶ www.ohcia.org

What if the numbers don't add to what we want?

If we can't make the income we want, we can find another job

Worksource Oregon says, on its website:

WorkSource Oregon, the state's public workforce system is here to help you get a job, increase your skills, and explore training options. Oregonians looking for work should visit their nearest WorkSource Oregon Center to find staff and services dedicated to helping Oregonians get back to work. The Job Seeker Resources on this website are additional online resources to assist you.

<http://www.worksourceoregon.org/>

When profits don't meet expectations

- ▶ We start to work longer hours
- ▶ We accept lower rates to get more work
- ▶ We aren't available to network to find better clients
- ▶ Our accounting suffers
- ▶ We get in trouble with the IRS
- ▶ We start to work weekends
- ▶ We lose quality because we aren't fresh

Material gleaned from conversations with colleagues.

Accounting: How to keep track of it

- ▶ There are several accounting systems on the market. I use Quicken and Quickbooks. Others use other products.
- ▶ The issue isn't what product we use. It's just a question of choosing a product we find useful, and sticking with it consistently. An accountant can guide us in that decision. SCORE consultants are available to guide entrepreneurs in these steps.

Professional help

The value of an accountant:

- ▶ Set up your accounting software properly
- ▶ They know how to reduce our tax load

I had an accountant set up QuickBooks, and I run it myself on a daily basis. A bookkeeper checks my accounts every month to fix problems I have, and a CPA does my taxes. For me, this means I have help when I need it, and I do the daily work without burdening the accountant with the details.

Professional help

The value of delegating:

- ▶ A teacher in my teachers' training school gave us this advice:

Don't delegate the work that must carry your imprint, your voice.

Delegate the work that others can do better and will distract you from what must carry your imprint and your voice.

I added this:

- ▶ Delegate the administrative work others can do for you so you can do your art, and try to make sure the delegated work helps you generate work that pays better than what you paid!

How to keep a client coming back

We asked these questions in the Negotiation step:

- ▶ How does your product add value to their business?
- ▶ How can your product solve problems their business is facing?

It's about the client!

- ▶ Clients start small. It can take a few years to develop a good client.
- ▶ Small clients that are very connected with the community are very important clients. They give referrals!

Other resources

Blog by Corinne McKay. Post: What is “the right rate” for your translation services?

<http://thoughtsontranslation.com/>

Jonathan Hine: You are worth it! Cost: \$6

<http://www.scriptorservices.com/>

ATA Savvy Newcomer blog

www.atasavvynewcomer.org

Stay in touch!

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Resources at:

www.blog.gauchati.com

<http://blog.gauchati.com/some-business-practices/>

(site set up for my medical interpreting students)