

With many companies looking to Expand their Global Reach, SDL is providing solutions with Real Time Translation allowing businesses to Engage Customers in the Language and Media at the Moment they Choose Driving Brand Recognition and Global Revenues

**Business Services
Information Management**

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Peter Smith
CEO SDL Language Services

BIO:

Peter Smith joined SDL in 1997 through the acquisition of Polylang, where he was Projects Director. He has a long history of experience in the localization industry in roles covering project and program management, sales and operational management. After starting his career in Accountancy with organizations such as Ernst & Young, in 1990 he founded a document management company providing data storage and retrieval solutions. As Joint CEO for Language

Services, Peter concentrates primarily on providing leadership and strategic direction focused on delivery and client management in North America.

About SDL (LSE: SDL):

SDL enables global businesses to engage with their customers in the language, the media and at the moment they choose. We help businesses manage their brands, drive global revenues, accelerate speed to market and enrich their customers' experience. SDL's enterprise-ready innovative technology and service solutions span the entire customer journey and include social listening and marketing analytics, campaign management, language management and services, video and written content creation, web content management, dynamic technical documentation publication and eCommerce. SDL solutions drive global reach across multiple languages, cultures, channels and media. SDL has over 1,500 enterprise customers, 400 partners and a global infrastructure of 70 offices in 38 countries.

Interview conducted by:
Lynn Fosse, Senior Editor
CEOCFO Magazine

CEOCFO: Mr. Smith, what is SDL?

Mr. Smith: SDL is a global Customer Experience Management company. In that way, we look to provide services and software for global customer experience management. Briefly, we have a variety of software offerings from technology for translation management, global and content management offerings for web content management as well as multimedia content, multilingual social analytics,

campaign management solutions and real time translations offerings. On the service side we offer a variety of services around language management such as translation, interpretation, desk top publishing audio and video recording, offshore engineering and testing services.

CEOCFO: You seem to have a very wide range. Are there any services that you would like to add that you are not offering now?

Mr. Smith: We have a fairly wide range. The intention is that we are able to provide holistic solutions to organizations around content, creation, storage and distribution regardless of the language and regardless of the medium and format. At the moment I think we are fairly well positioned in that regard.

CEOCFO: Are you focused particularly on companies with a global presence?

Mr. Smith: It is companies who have a global presence. It can also be organizations that want to establish one and we are able to help out from that perspective. We probably work for around forty two of the fifty top global brands as determined by Interbrand. Of course they are all large multinationals in nature.

CEOCFO: Have you cornered the market, so to speak?

Mr. Smith: Almost, I guess. There are another eight to go, but we are pretty proud of our record.

CEOCFO: Is it the breadth of your offering or the quality? Why are these high quality companies choosing SDL?

Mr. Smith: I think the breadth of offering is obviously appealing. I am unaware of another organization that offers that same breadth in the same way. Also, we have a couple of unique points in that we have sixty offices in forty four countries. Therefore, we have a global spread and a scale which is also appealing to the large multinationals. From an operational perspective, again, one of our unique aspects is that we employ a large number of linguistic resources which are full-time employees in those sixty offices in forty four countries. That gives us a very good control the supply chain and management of the language output. That is particularly appealing to the large organizations as well.

CEOCFO: In addition to the language offering what are one or two of the things that you are able to do that would surprise people or that people would not know was even possible to measure or handle or work with?

Mr. Smith: There is one thing that we are particularly proud of and is receiving a lot of attention lately is around real time translation offerings. We have statistical machine translation engines that are able to plug into any content type and give pretty instantaneous translations, regardless of the content; whether it is a blog, a tweet, text, email or anything of that type. Through advanced development and manipulation of those translation engines we are also able to create very specific and high quality output engines for customers. In another step, through our linguistic supply chains we are able to post edit that content which will give a full quality publishable output. By having the technology and the linguistic supply chain we are able to offer three levels of language output from instantaneous machine translation output, through more advanced offerings and then full quality human translated output. Obviously, being able to utilize and develop the translation engines gives us some advantages on

being able to supply translated content quickly and also costs us less than our competition which makes us the choice many customers prefer. Automated translations is an area that is becoming more and more important to large organizations and one thing that we have an almost unique offering in, which is interesting.

CEOCFO: In the linguistics area, how are you able to program for idioms and little quirks in the language? How are you able to program for situations to provide one hundred percent correct translation?

Mr. Smith: From the translation engines that we have it would be a bit

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bold and unrealistic of me to say that you can absolutely do that at the moment. You will always get a degree of some error and misunderstanding, regardless of the amount of treatment you do to the translation engines. We employ a lot of statistical analysis to the engines and a lot of linguistic analysis as well. However, the only way that you are really able to express the nuances and the idioms to which you refer is through having the trained linguists actually working on it. The way that we do that is, regardless of where the source, and regardless of whether the content has gone through one of our pre-translation engines, high-priority content is always

presented to qualified linguists who work in country. Their command of English is great, but their command of local language is obviously optimal. We then have a review cycle with another equally well trained linguist as well, to catch any mistakes that the first linguist may have missed. The other way that we do it is that we have other pieces of technology for terminology management and then we have a very well defined terminology process. Therefore, any problems with language and terminology translation would actually be included within the terminology management and the linguist would be able to access the phrase indicated on the

screen that matches in the glossary. The more important question however, is “does everything need to be idiomatic?” Our belief is that with the information explosion, not everything needs to be translated to the highest degree (customer feedback on a forum for instance) and that a gist can work in those cases. The trick is to offer our customers a choice, rather than just force them to spend hundreds of thousands more translating information that isn’t as valuable to them.

CEOCFO: Do most of your customers take advantage of the full range of services or do you see room for growth with people using

SDL now?

Mr. Smith: There is definitely room for growth. More and more companies are taking advantage of having a choice in how much they want to invest in translating, managing and delivering a specific piece of content and how, but there is still clearly a number who just maybe use our web content management system or maybe use our translation services and not necessarily plug into the whole global information management offering, as we call it. Also, due to the nature of the size and the scope of the customers, I would say forty two of the top fifty brands, these are very large organizations, and

much of our supply would go into small components of their business. There are many opportunities to implement efficiencies through their organizations as well, just to streamline the departmental structures that they have managed information in isolated silos. Still a lot of multinational enterprises that don't have a grasp on the amount of information they produce and there are even organizations of this size that are only just starting to understand the global nature of this business. China, very luckily, has come to the forefront. There are still many opportunities for us through language expansion, both in the numbers of language, but also in some of the marketplaces; China, Russia and some of the Arabic countries, and so on.

CEOCFO: Are there particular segments and industries that you are targeting; how do you reach new potential customers?

Mr. Smith: There are many opportunities for us to develop the way that we do that. We are very operational in nature. From inception we have always prided ourselves on our operational business and quality output and never really been that heavily focused a sales organization, which has stood us in reasonable stead so far. However, to be able to continue to advance I think we have to probably get a bit smarter in the way that we do market research and customer targeting. At the moment we have a lot of direct sales momentum and we also do webinars and white papers and that type of thing to help progress. We also run some small networking events. We are quite keen on helping to generate and advance the industry as a whole. Therefore, we run a number of networking events where people who have an interest in what we are doing can come and meet other people. We usually put on a speaker around some sort of topic so that one of our customers will come along talk about how they address their particular issues and that type of thing. They are quite popular, so I think we will expand more of those.

CEOCFO: What is the competitive landscape?

Mr. Smith: Obviously, there are a lot of competitors in many of the different businesses that we have. For example, in the translation business, the lead analyst in our space estimated twenty seven thousand translation companies. The arrays of offerings are fairly huge. Most of the organizations are fairly small within that space, but very competitive. Within the web content management sphere there are people like Adobe, Microsoft and IBM, so there are quite a few of the big players out there who compete with SDL in that space. In the machine translation offerings it is mostly small companies, very heavily linguistically focused, often coming out of Universities and that type of thing. There is a broad range of competitors. For their overall holistic global customer experience management solution that SDL provides, there is not really anyone who addresses that as a space, currently.

CEOCFO: Are potential customers aware of SDL? Do you still need to explain your story?

Mr. Smith: Yes. We definitely still need to explain our story. Even customers and our employees have some difficulty in articulating our story effectively due to the complexity of our solution. Yes, I think that is something that we need to develop and get smarter on. That is probably our greatest challenge at the moment is being able to articulate it in a way, because it is fairly new. With so many apparently diverse offerings it is tricky to be able to articulate the benefits to organizations effectively.

CEOCFO: There are many companies that I speak with that find it is difficult today to attract the right people. Are you finding difficulty in getting the technical people that have communication skills?

Mr. Smith: Not so much in the linguistic area, because we are very large in that space and one of the few organizations in the translation and localization business that is able to offer a career path. Therefore, I think for people with linguistic skills, not so much. I think we are quite well known in that space. On the technical side cost has become a concern and we

have development centers here in the US. However, we are also looking to offshore centers, so we have quite large development centers in places like Romania as well, at the moment. There are some very strong universities there and a lot of very good people. I could not say that we are experiencing too many problems, but maybe in more traditional locations, we are looking to diversify the locations that we work from to be able to attract the right people.

CEOCFO: How is business these days?

Mr. Smith: It is largely good. We continue to grow and we have grown year on year since incorporation in 1999. We grew around twelve or thirteen percent last year and this year we are also experiencing some growth. The global market place is continuing to grow and our offering is so broad that we are usually able to ride out any down turns in one particular market place.

CEOCFO: Why should investors and people in the business community pay attention to SDL?

Mr. Smith: Clearly, many organizations have been heavily reliant on domestic marketplaces and due to a variety of factors having to move further afield. Customer Experience Management is changing the way we view and provide for our customers and particularly being able to do that on a global basis and ensure the same experience for any customer regardless of their language or location is really powerful. If you look at many of the organizations over the recent years you will see a change in the proportion of business that comes from international and compared with domestic marketplace that gives us more and more opportunities for growth. I also think that due to the range of services and software solutions that we are able to provide a solution for almost any organization who is looking to establish or expand its global presence. There are not too many companies that can provide that sort of array of services, so that is why people would be interested; and also the development of real time translation as well. That is getting a

lot of news and interest and we are one of the leaders in that space. We also have a developing consultancy business. We are quite pleased with the way that that has been developing and that is being able to offer, from a very independent standpoint as well, advice and a range of services for companies who are really looking and

do not understand how they can expand and how global operations work and new locations, global business consulting we have been doing now which is quite successful. The other things that we have established quite well are some large testing centers. Besides having offshore testing centers, which is quite commonplace the-

se days, we have been quite successful here in the US at offering testing services out of a base in Colorado, which is quite appealing to local US organizations as well. We are quite proud of that and the global products we have helped companies launch.



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