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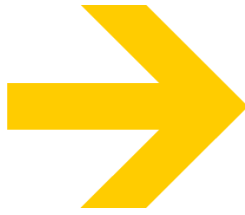
White Paper

## Local Content, Global Control

Simplifying Translation in Insurance and Financial Services

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## At a Glance

Translating content has become a basic requirement for insurance and financial services companies. The correct blend of technology, global reach, and linguistic expertise helps these businesses strike an efficient balance between security, centralization, brand preservation, and local input.

## Executive Summary

The truly global company knows there is more to “going global” than opening offices in multiple countries. Globalization is a race to develop loyal customers around the world before one’s competitors do it. The companies that win the race have learned it is not enough to meet their non-English-speaking customers in the middle of the road; they must cross the road to meet them, and translation is a big part of getting there.

So why do some industries, such as insurance and financial services, approach the translation function differently? These industries need to respect confidentiality of content, battle intense competition in several languages simultaneously, satisfy the internal and external obligations associated with compliance in a regulated industry, and overcome the fact that translation is not part of their core business. When companies lack a central translation strategy, the return on their global expansion remains low and the process remains frustrating.

This paper surveys the background and current approaches to translating materials for insurance and financial services companies worldwide. It describes the goals of these companies, the obstacles to achieving them, and what they should look for in a language service provider to overcome such obstacles. Its readers will come away with a clearer picture of how to manage the translation of insurance and financial services content. Centralized processes, linguistic expertise, and the right technology add up to a solution that helps these companies all the way across the road.

### Main Messages

- Translating content has become a basic requirement for insurance and financial services companies to win new customers and keep existing ones in overseas markets.
- Most approaches to translation suffice for one or two languages but result in fragmentation, redundancy, and loss of control of content as these companies expand their reach into multiple regions.
- The correct blend of technology, global reach, and linguistic expertise helps companies in insurance and financial services strike an efficient balance among security, centralization, brand preservation, and local input.

## Background

One language does not fit all.

Insurance and financial services companies depend on a combination of written content and customer contact to make sales. As they approach customers in other language markets, they see that trying to stick to their source language (e.g., English for an American company) is no longer an option. They cannot simultaneously go global and ignore linguistic diversity.

## Market Drivers

Several trends are both pushing and pulling companies into translation, starting with the customer base.

Prospects are more likely to buy in their own language than in a second language. A study by *Common Sense Advisory* revealed that more than half (52.4%) of consumers in eight developed countries buy only at Websites where information is presented in their language.<sup>1</sup> Away from the Web, customers are even more dependent on information in their own language and will remain loyal to a company or brand that preserves the relationship in their language.

Revenue from other countries helps protect companies against currency slumps, regional recessions, and market saturation. But when the sun never sets on the customer base, the need to deliver content in other languages is perpetual as well.

Companies in developed countries also see new revenue opportunities at home for immigrant populations on the way to becoming mainstream consumers, especially in North America and Northern Europe. In the U.S. alone, expenditures on Hispanic advertising media were \$3.7 billion in 2006<sup>2</sup>, and climbing. Customers responsive to advertising in their own language will need products and information in their own language as well.

The in-country office or partner needs translated materials, forms, and products, so if they are available only in the language of headquarters, the regional office will usually create its own. Providing approved, translated versions of these materials allows the company to maintain brand consistency while adapting to the local market.

Finally, competitors offer the biggest push toward translation. Those companies willing to invest in translation will gain market share at the expense of the unwilling.

## Translation Needs

Depending on the insurance and financial services offered, and how the company makes them available, translation needs in these industries vary widely:

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<sup>1</sup> "Can't Read, Won't Buy - Why Language Matters on Global Websites," *Common Sense Advisory*, September 2006.

<sup>2</sup> "Hispanic Fact Pack," *Advertising Age*, July 2007.

- **Sales and Marketing content** – Website, sales materials (brochures, collateral, presentations)
- **Internal content** – Local employee forms, internal correspondence, worldwide employee portal, policies and procedures manuals, training materials, compliance documentation
- **Operational content** – Forms, insurance policies, financial statements, portfolio statements, disclosures, terms and conditions documents, prospectuses, annual reports, content subject to compliance regulations
- **Customer content** – Customer correspondence, claims documents and history, medical records, financial statements, legal documents

This content travels in a number of formats as well: for example, Microsoft® Office Word (.doc, .docx, .rtf) and Excel (.xls), HTML, XML, PDF, QuarkXPress®, and Adobe® InDesign®.

## Insurance and Financial Services – Unique Translation Issues

Insurance and financial services companies need to reconcile their desire to cross the road to the customer with some important facts of business.

### Difficulty in Ensuring Confidentiality

A document can travel a long way through many hands in the process of translation. In the simplest scenario, it goes from the company to a known and trusted translator working under a non-disclosure agreement, then back to the company. But as projects grow, small translation suppliers often build ad hoc partnerships with other translators to tackle large jobs jointly, resulting in more degrees of separation between the content and its source.

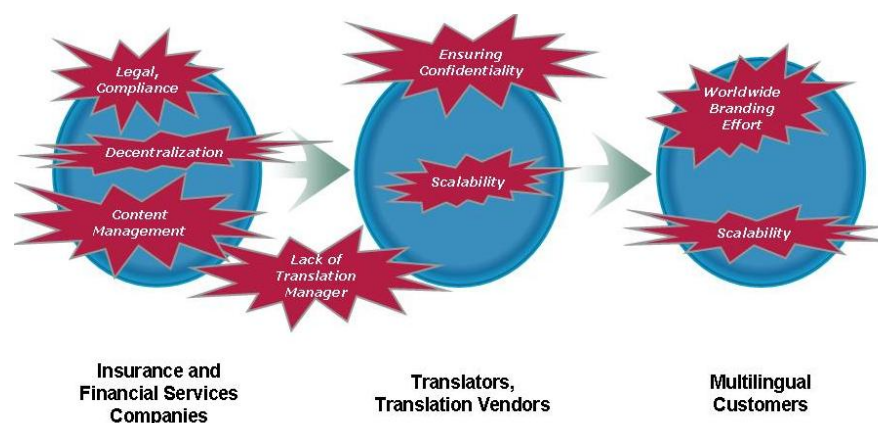


Figure 1 - Unique Translation Issues

Companies legally responsible for ensuring confidentiality of protected information – whether client data, internal legal documents or even private health information (e.g., under the HIPAA Privacy Rule) – may find it difficult to state exactly where the information has gone as it traverses a chain of small translation suppliers. Even the internal processes their compliance departments have put in place might not allow for the external process of translation.

### Lack of Translation Services Manager

Some industries, such as technology, consumer products, and manufacturing have in-house staff dedicated to translation functions: preparing and handing off files, arranging for purchasing and payment, replying to translator questions, coordinating reviews, producing and delivering the translated versions.

These resources are less common among insurance and financial services companies, where translation is still far from core business activities.

### Legal and Compliance Issues

Companies in these industries are known for subjecting outward-facing language to stringent review for legal liability and regulation compliance. To ensure the translated versions meet similar requirements, some organizations have approved in-house, native speakers as reviewers. As more of this content is translated into more languages, these issues and the need to deal with them becomes more acute.

### Decentralization

Even when insurance and financial services companies have translation experience, it often evolves in separate silos from one division to another. Internally, this results in a patchwork of different suppliers, processes, levels of quality, translation styles, per-word rates, and lists of accepted translations.

In the same way that companies benefit financially from the consistent use of stationery and logos, they benefit from the buying power of pooled translation projects, a single list of translated terms (see sidebar), and the effort and cost savings of employees working with the same resources. Once they reach critical mass in their translation volume, this obstacle becomes too painful to ignore, and they realize they must centralize.

When companies lack a central translation strategy, the return on their global expansion remains low and the process remains frustrating.

### Translation Essentials

- *Translation Memory (TM):* Software that compares a new document against previous translations stored in a database and re-uses those translations to complete the translation of the new document. For example, if version 1 of a document was translated last year, then 25% of the document was changed in version 2 this year, a TM tool will re-use the translated portions from version 1 and assist the translator with the updated 25%. TM tools help translators work faster and avoid unnecessary (and costly) re-translation.
- *Glossary:* A list of pre-defined, important terms in both source and target languages to ensure that translators use them consistently. The glossary, or terminology list, is particularly useful for industry-specific terms like “life insurance policy,” “mutual fund,” or “submit a claim.” Translators rely on the glossary to save them the time of researching existing terms, and companies rely on them to ensure consistency in all their translated materials.
- *Style Guide:* Companies with a long history of translation often create a style guide for translators. The guides include information on accepted fonts and their sizes in foreign languages, conventions (such as whether to use \$ or USD in currency notation) and degree of formality (such as tú /usted in Spanish verb form in Japanese).

### Internal Content Management

Many insurance and financial services companies have invested heavily in content management systems (CMS) to streamline internal workflow. Having only recently updated their processes for these systems, the companies now face the potentially disruptive prospect of plugging translation in as well.

### Worldwide Branding Effort Suffers

Whether the translation silos spring up in other departments or on other continents, the result looks inconsistent to customers, and it frustrates efforts to build a global brand.

Local, in-country offices, for example, are rarely geared for translation. Since they cannot do business without local-language material, they bid the translation out, resulting in yet another degree of separation between source and translator. Linguists so far down the value chain must often create their own artwork, templates, and terminology in a vacuum, and the brand suffers.

### Scalability

While in-house and in-country translators may provide stop-gap relief from the pressure to translate, they are no substitute for professional translators, who have access to the computer-assisted translation tools that provide efficiency, consistency, and leverage.

Also, working with suppliers who specialize in one or two languages may suffice to start, but this model does not always scale upward as translation needs grow.

## What to Look For in a Translation Solution

Insurance and financial companies need a translation solution that helps them overcome these issues through strong controls, a convenient online presence, flexible business practices, and global reach.

- **Strong controls** – Does the solution (and its provider) have processes in place to support Sarbanes-Oxley requirements for financial accuracy and completeness, as an example? Will it stand up to the scrutiny of a security audit?
- **Online presence** – Is the solution widely and easily accessible to people in the company with translation needs? How easy is it to estimate costs, obtain status on work in progress, and review the account?
- **Business practices** – Are the supplier and the solution flexible? Will they help centralize the translation function? How many business operations must the client change on the way to making translation a mainstream process?
- **Global reach** – Can the supplier draw on worldwide resources, knowledge of target markets, and expertise in translating financial and insurance content? Does the vendor have broad global reach? Will the solution scale to meet the client's long-term growth in translation requirements?

## The Lionbridge Translation Model for Insurance and Financial Services

Lionbridge has developed a full-service solution based on project management, linguistic expertise, and technology to meet the translation needs of these companies.

The translation project manager is the single point of contact for all global requirements and operations. Human contact at the day-to-day level is at the heart of all successful projects, and the project manager acts as the supplier-side champion for questions, status, schedule, and deliverables.

Behind the project manager is a network of translators with worldwide experience in the terminology of insurance and financial services, and a dedicated team of editors, desktop publishing specialists, engineers, and testers. The project manager coordinates their efforts so that client companies can focus on their core business activities.

Freeway™ is Lionbridge's own Web-based translation platform. While many translation suppliers keep their tools internal or integrate technology for its own sake, Lionbridge has built an interface into Freeway that affords companies online management of all their current and past projects,

including the ability to submit new work directly and to review translation expenditures. Most importantly, Freeway is available to all Lionbridge clients and translators at no charge.

The value to these companies of this approach to translation lies in greater security, centralization, and automation.

### Security

As translation has evolved, electronic copies of documents have landed like breadcrumbs along the path of computers, from content owner to translator and back again. For insurance and financial services companies, this old model can lead to legal, compliance, and confidentiality issues.

With Freeway, employees in these companies submit content for translation securely and directly through a two-step wizard, rather than via e-mail or FTP. Next, Lionbridge translators work “in the Internet cloud” of Freeway’s hosted translation memory databases (TMs), glossaries and translation tools, so no sensitive content in any language reaches the desktop (see **Figure** ). Freeway securely stores any number of content-specific translation memories (e.g., marketing materials, procedure manuals, claims form text) as well as shared translation memories and glossaries containing language used by all departments in the company, and makes them continuously available to translators.

This solution meets the internal security criteria of financial services and insurance companies.

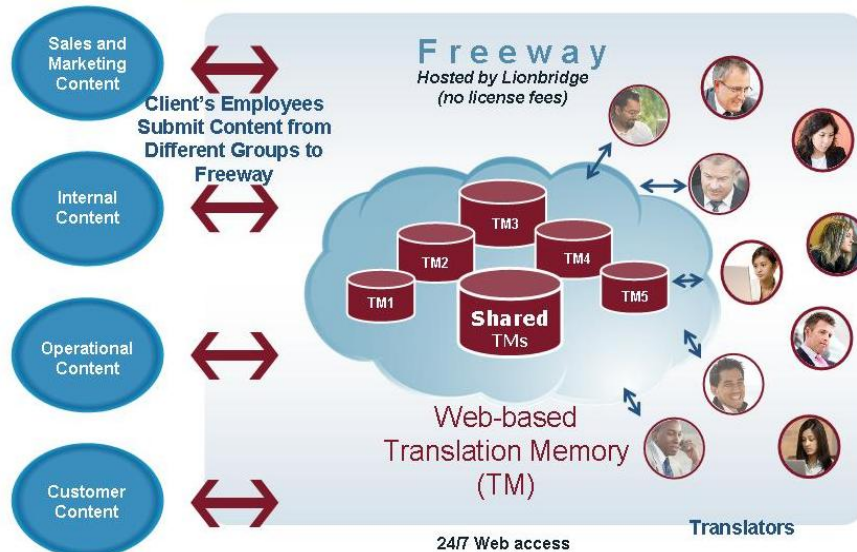


Figure 2 - Secure Translation in Freeway

Finally, Freeway is hosted in a secure, world-class data center with hardware and network redundancy, safe failover, and 99.9% availability around the globe.

## Centralization

Given that translation requests can come from any department in the company, the best place to centralize lies on the supplier's side. This approach holds three valuable advantages for client companies that use a well-built supplier-side solution:

1. They are less dependent on a dedicated, in-house translation manager.
2. They enjoy pooled buying power and leverage of common resources.
3. They can preserve worldwide branding by making approved content, terms and artwork available to all translators.

The Lionbridge solution centralizes content, reporting, and status inside Freeway's Internet cloud, and the translation project manager supervises the work and communication with the client (see **Figure** ). It also provides client-side access to the Internet cloud.

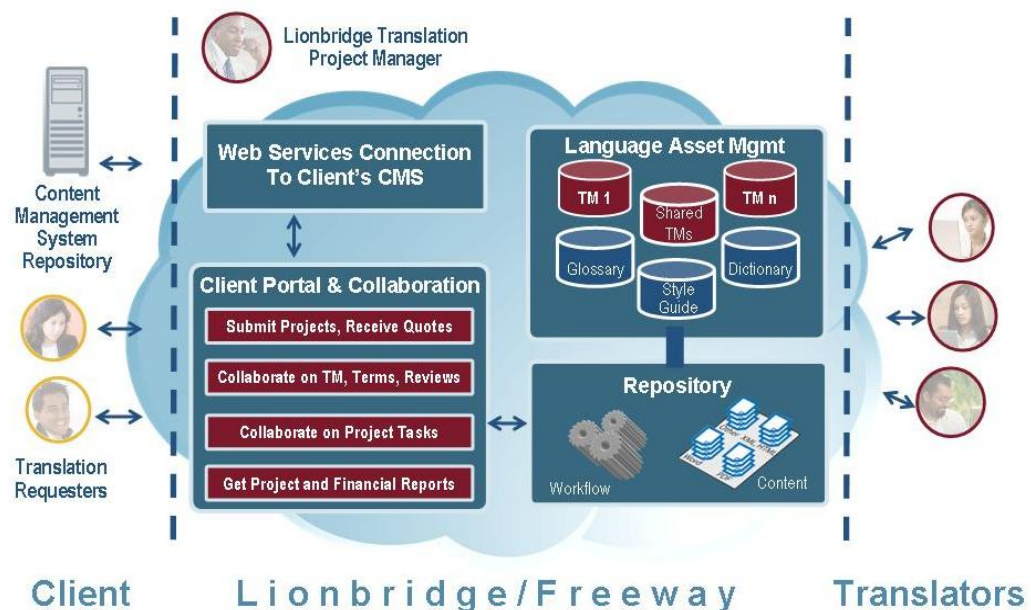


Figure 3 - Centralized Translation Process

Through Freeway's Client Portal, any number of approved requesters throughout the company can upload documents, obtain real-time quotations, see translation expenditures to date, view the status of projects, and collaborate with other stakeholders in the translation process. While it is still necessary for the requesters to initiate projects and handle them to some extent, this solution is a big step away from the need for a dedicated, client-side translation manager.

The centralization and interface make it easier to budget for, submit, track, and deliver global materials. Freeway enables translation memory and glossary-sharing across products, divisions, and functional groups, so as translation matures into a mainstream business process, companies

can realize economies of scale from higher volume and shared multilingual content. They can use Freeway's financial reporting to calculate the return on their investment in translation, and their reviewers can examine source and translated text side-by-side during the approval cycle.

Companies maintain worldwide brand consistency thanks to centrally stored and managed translation assets. When terminology, artwork, templates, and previous translations are available globally, there is no need to re-invent content for local customers.

### Automation

The biggest operational hurdle to translation that many companies in these industries face is integration. With so much invested in systems for creating and storing content, how can they integrate the external translation function without disrupting internal processes?

The Lionbridge solution lies in using Web services – interfaces that allow secure machine-to-machine interaction over the Internet – to connect the client's content management system repository to Freeway. So, while some translation jobs begin with manual submittal through the Client Portal, there can be an ongoing stream of translation updates moving over Web services between the repository of the client's content management system and Freeway (see **Figure** ).

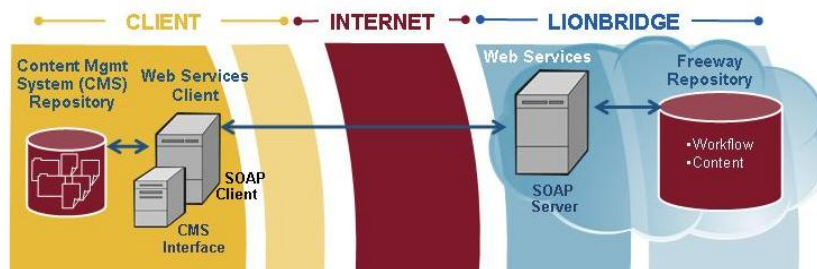


Figure 4 - Automated Translation

As authors create documents and pages in the content management system, they flag them for translation. Freeway uses Web services and SOAP (formerly Simple Object Access Protocol) messages to communicate with the content management system repository, so that flagged files move into Freeway for translation and then back into the correct language directory in the client's content management system. The connection and workflow maximize the use of the content management system with no additional burden on the company's processes, no architecture changes to support translation, and no additional cost for deployment or integration.

Automating the movement of files also addresses scalability problems. The combination of machine-to-machine communication and Lionbridge's worldwide network of translators relieves both the bottleneck of moving content back and forth and the delay in finding professional linguistic talent for insurance and financial services content.

The Freeway-Content Management System connection is a tremendous business advantage in publishing multilingual Websites, corporate announcements, press releases, earnings statements, and content with legal or compliance implications. Companies can reduce their translation turnaround time, derive more value from their investment in the content management system, and get to market faster.

## Conclusion

For most insurance and financial services companies, reaching non-English-speaking domestic customers and worldwide customers in their own languages requires security of confidential data, centralized management, and online automation of translation tasks.

Lionbridge counts several such companies among its clients and continues to meet their requirements for global content. Together with its Freeway solution, Lionbridge delivers strong control, online presence, flexible business practices, and global reach to help companies all the way across the road to their multilingual customers.



## Contact Information

### About Lionbridge

Lionbridge Technologies, Inc. (Nasdaq: LIOX) is a leading provider of translation, localization, and testing services. Lionbridge combines global language resources with proven program management methodologies to serve as an outsource partner throughout a client's product and content lifecycle. Organizations in all industries rely on Lionbridge language and testing services to increase international market share, speed adoption of products and content, and ensure the integrity of their global brands. Based in Waltham, Mass., Lionbridge operates across 26 countries, and provides services under the Lionbridge and VeriTest® brands.

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