# FROST & SULLIVAN
## BEST PRACTICES
### AWARDS

FROST & SULLIVAN

BEST PRACTICES

2020 AWARD

**LanguageLine Solutions**®

## 2020 GLOBAL
## LANGUAGE SERVICES AND TRANSLATION
## MARKET LEADERSHIP AWARD

# Contents

## Background and Company Performance

### *Industry Trends and Challenges*

**Extraordinary Consumer Expectations.** Heading into 2020, Frost & Sullivan believes that consumers are more empowered and knowledgeable than ever before. Expectations for excellent customer service, sales knowledge, and technical support will continue to soar. Customers want to be treated as a "segment of one," with products, offers, and services delivered on their terms and preferred communications channels.

**Price Compression**. Many language services customers and prospects treat the wide array of these critical services as a commodity – yet it clearly is not. This misperception often leads to competitive price wars, squeezing margins and profits for providers large and small.

**Differentiation**: With competitors flooding into the marketplace, it is imperative that current market leaders secure their position and create brand differentiation that defends a premium price point.

**The Absence of Industry Regulation**. There is little to no regulation in this industry. Any startup company can theoretically start a language services business and begin providing interpretation and translation.

**Social Media.** Today's modern language services provider needs to understand social media and know what it wants to achieve from its social media presence. Which channels will it choose to be present on and why? The social media sphere moves a lightning speed. Another significant challenge is to stay ahead of any potentially damaging media event that might jeopardize brand equity.

**The Impact of Brexit.** One question to ponder is whether or not English will remain as an official EU language after Brexit. Each EU member has the right to choose their official language that all of their documents are translated into. Britain obviously chose English as their official language, but they were the only country to do so as Malta opted for Maltese and Ireland chose Irish. Therefore, if English doesn't remain an official EU language post-Brexit, then that means there will no longer be a need for documents to be translated into English. This development could affect the level of work for English translators.

**Maintaining Security**. Security is top of mind for clients, thereby making it incumbent upon providers that they guarantee each interaction is secure and confidential.

**Sustaining Reliability**. Can service providers offer on-demand language access whenever it is needed? Can they offer a platform that meets 99.9 percent uptime requirements? Will interpreters be available via voice, video, or in-person based on the appropriate modality for a given situation?

**Addressing the shift toward mobility and video**. Language access is moving beyond the traditional telephone and call-center connections. It is now shifting toward more dynamic modes and models of communications. Can providers keep up?

**Interpreter and translator recruitment**. The demand for language and translation services is exploding. The challenge is finding ways to manage industry growth without sacrificing quality in the recruiting, hiring and training processes.

**Managing a Work-at-Home Teams.** Providers are constantly evaluating how best to leverage technology solutions to manage a work-at-home workforce without dramatically increasing complexity or cost.

**Customer Experience (CX) is King**. Companies worldwide are putting significant effort and technology investments into improving the customer experience in an Omnichannel environment. However many organizations are challenged to find the right solutions and partners - both from a technology and customer care servicing perspective.



## Market Leadership - LanguageLine Solutions

**LanguageLine Solutions  Company Overview**

LanguageLine Solutions® (LLS) is being recognized specifically for its compelling product line strategy, financial performance, brand reputation and market leadership.

*Company History*

LanguageLine Solutions® (LLS) was the inspiration of a San Jose, California police officer who encountered language barriers following an influx of Southeast Asian immigrants in 1982. To reduce the risk to civilians and first responders, he created a communication solution; combining pager technology and telephones, to rapidly link law enforcement personnel with professional language interpreters as a volunteer service.

The volunteer service incorporated as Communication and Language Line, and was acquired by AT&T, as a strategic business unit. AT&T LanguageLine Services received significant investments in technology and interpreter quality, creating standards for the emerging telephone interpreting industry.

*Teleperformance Acquisition*

On September 16, 2016, LanguageLine Solutions was acquired by Teleperformance, the worldwide leader in outsourced Omnichannel customer experience management.

Teleperformance has stated that LanguageLine will continue to operate as a stand-alone business, headquartered in Monterey, California.

**Product Quality**

*Measuring Interpreter Performance & Quality*

The global interpreter workforce has grown almost 20 percent in the past two years alone. LanguageLine Solutions employs close to 17,000 interpreters around the globe, 11,000 of whom are available on-demand via voice and video. LanguageLine also employs several thousand translators of the written word. The company has managed its phenomenal growth without sacrificing quality and continues to evaluate and refine its processes for recruiting, hiring, and training interpreters. LLS is audited hundreds of times per year by its clients to assure compliancy with PHI, PCI, and other industry standards.
ASTM International (ASTM), originally known as the American Society for Testing and Materials, is an international standards organization that develops and publishes voluntary consensus technical standards for a wide range of materials, products, systems, and services. ASTM specification for the language services industry has recently been approved. LanguageLine Solutions was ASTM certified at the end of 2019, making it the first and only language-services provider to achieve this distinction.

*Interpreter and Translator Recruitment and Retention*

It is very challenging to recruit and retain high quality interpreters and translators, globally. LanguageLine has a firm command of this challenge and has turned it into a strength. LanguageLine is highly selective when it comes to choosing interpreters and translators. The company is committed to fielding the best linguist pool in the world to meet the rising demand for language access within an increasingly complex language mix. Recruits must pass LanguageLine's language proficiency test (LPT), which determines bilingual fluency in English and the targeted language. Successful completion of the LPT grants some recruits access to LanguageLine's interpreter training program, known as LanguageLine Interpreter School, which teaches them the skills they need to be professional interpreters.

**Growth Strategy Excellence**

*Managing Exponential Growth*

The language services industry has penetrated all aspects of social and economic life, including health care, education, emergency services, utilities, finance, insurance, and retail. Globalization trends and technological progress also drive the continuous transformation and development of the language services industry. These factors will drive the global language industry revenue opportunity to US$56.18 billion by 2021.[1]

Figure 1.0 shows the language services 2019 global market opportunity, demand drivers and LanguageLine's position as the largest interpretation company in the world.

**Figure 1.0**



Source: LanguageLine Solutions

## Technology Leverage

*Investment and Innovation*

There is little doubt that growth in the Language Services industry is being stimulated by new technology. LanguageLine offers on-demand language access, wherever and whenever it is needed. The best example is LanguageLine's multimillion ($37M) dollar investment in its proprietary cloud-based technical platform, Olympus. This investment strategy will support clients' need for new language access solutions today and far into the future. Figure 2.0 illustrates some components of the LanguageLine technology platform. It is one of LLS' most important differentiators that other competitors today simply cannot replicate.

**Figure 2.0**
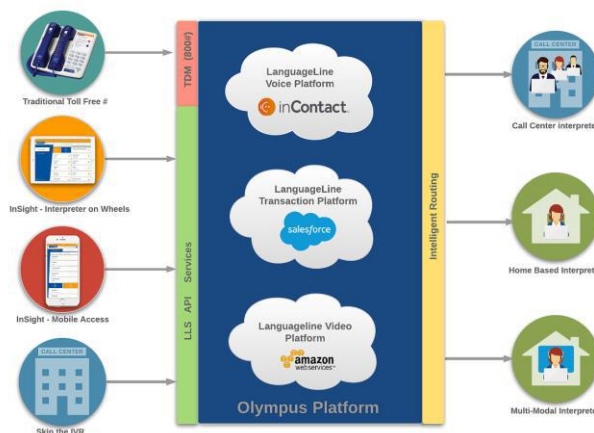


Source: LanguageLine Solutions

LLS plans continued investment in its mobile and video options to support ease-of-use in diverse locations. One need only think of think of video in ambulances, Telehealth applications, kiosks for businesses, and handheld smartphone applications for field-service workers.

**Product Differentiation**

Unlike the competition, LLS offers industry-leading, full-service solutions as a result of its significant investments in people, processes and technology. The list of current LanguageLine Solutions' services includes:

- ✓ On-demand access to professional interpreters
- ✓ Interpreting via phone, video remote and onsite
- ✓ 24/7 availability in more than 240 languages
- ✓ American Sign Language (ASL) and British Sign Language (BSL)
- ✓ Translation and Localization
- ✓ Testing and training of bilingual and interpreter staff

*Work at Home Management*

LLS searches the globe for the most-qualified linguists to add to its team. They are able to do this because of the strength of its work-at-home operation. LLS will continue to make investments in defense against cyber-security threats. While competitors attempt to recruit from LLS' deep employee bench, the company is constantly forming new strategies for interpreter and translator retention.

**Customer Service Experience**

*Monitoring and Quality Measurement*

LanguageLine measures and tracks interpreter performance to ensure every interpretation session meets its high standards. Senior Language Specialists regularly monitor and score interpreting and customer service skills. These specialists provide ongoing feedback and coaching to drive excellent customer service and accuracy in interpretation and translation.

*Voice of the Customer Surveys and Data Analysis*

LLS conducts thousands of Voice of the Customer (VOC) surveys daily. Mined data from service observations and VOC surveys are examined for quality and trend identification. Interpreters are provided with development programs, reference materials and customer services best practices. Stringent language testing and training with industry-specific curriculum and ongoing quality assurance guarantees that client communication are concise, accurate and secure.

**Brand Strength**

*Market Leadership and Brand Identity*

LanguageLine Solutions has an excellent brand reputation in the market, serving 74% of Fortune 100 companies. Listed below are some examples:

- ✓ 13 of the top 14 Medical Facilities
- ✓ 18 of the top 20 Insurance Companies
- ✓ 8 out of the top 10 Commercial Banks
- ✓ 1000s of Government Agencies

LanguageLine's diversified revenue and strong client retention demonstrates a stable business poised to seize the accelerating market. Its revenue is more than 3Xs greater than that of its nearest competitor. It is fair to say that the company enjoys <u>dominant</u> market share and market leadership. LLS competitors compete only on price - not the quality or breadth of services.

*Service Interactions and Client Stability*

LanguageLine facilitates over 40 million interactions every year, equaling a new human connection every second. 44% of LLS clients purchase 3 or more products. LLS boasts a roster of 28,000 clients with a 98% retention rate.

## Conclusion

With its strong overall performance, product differentiation and customer service focus, LanguageLine Solutions has achieved a dominant leadership position in the language services market. Frost & Sullivan is proud to bestow the 2020 Market Leadership Award to LanguageLine Solutions.

**References**

1. https://www.gala-global.org/industry/industry-facts-and-data

## Significance of Market Leadership

Ultimately, growth in any organization depends on customers purchasing from a company, and then making the decision to return time and again. Loyal customers become brand advocates, brand advocates recruit new customers, and the company grows, and then attains market leadership. To achieve and maintain market leadership, an organization must strive to be best in class in 3 key areas: understanding demand, nurturing the brand, and differentiating from the competition.



## Understanding Market Leadership

Driving demand, strengthening the brand, and differentiating from the competition all play critical roles in a company's path to market leadership. This three-fold focus, however, is only the beginning of the journey and must be complemented by an equally rigorous focus on the customer experience. Organizations that demonstrate best practices, therefore, commit to the customer at each stage of the buying cycle and continue to nurture the relationship once the customer has made a purchase. In this way, they build a loyal, ever-growing customer base and methodically add to their market share.

## Key Performance Criteria

For the Market Leadership Award, Frost & Sullivan Analysts focused on specific criteria to determine the areas of performance excellence.

| Criterion | Requirement |
|---|---|
| Growth Strategy Excellence | There is a demonstrated ability to consistently identify, prioritize, and pursue emerging growth opportunities. |
| Implementation Excellence | Processes support the efficient and consistent implementation of tactics designed to support the strategy. |
| Brand Strength | The brand is respected, recognized, and remembered. |
| Product Quality | The product or service receives high marks for performance, functionality, and reliability at every stage of the life cycle. |
| Product Differentiation | The product or service has carved out a market niche, whether based on price, quality, or uniqueness of offering (or some combination of the three) that another company cannot easily duplicate. |
| Technology Leverage | There is a commitment to incorporating leading-edge technologies into product offerings for greater product performance and value. |
| Price/Performance Value | Products or services offer the best value for the price, compared to similar offerings in the market. |
| Customer Purchase Experience | Customers feel they are buying the optimal solution that addresses both their unique needs and their unique constraints. |
| Customer Ownership Experience | Customers are proud to own the company's product or service, and have a positive experience throughout the life of the product or service. |
| Customer Service Experience | Customer service is accessible, fast, stress-free, and of high quality. |

## Best Practices Recognition: 10 Steps to Researching, Identifying, and Recognizing Best Practices

Frost & Sullivan analysts follow a 10-step process to evaluate award candidates and assess their fit with best practices criteria. The reputation and integrity of the awards are based on close adherence to this process.

| STEP | OBJECTIVE | KEY ACTIVITIES | OUTPUT |
|---|---|---|---|
| **1 Monitor, target, and screen** | Identify award recipient candidates from around the world | • Conduct in-depth industry research<br>• Identify emerging industries<br>• Scan multiple regions | Pipeline of candidates that potentially meet all best practices criteria |
| **2 Perform 360-degree research** | Perform comprehensive, 360-degree research on all candidates in the pipeline | • Interview thought leaders and industry practitioners<br>• Assess candidates' fit with best practices criteria<br>• Rank all candidates | Matrix positioning of all candidates' performance relative to one another |
| **3 Invite thought leadership in best practices** | Perform in-depth examination of all candidates | • Confirm best practices criteria<br>• Examine eligibility of all candidates<br>• Identify any information gaps | Detailed profiles of all ranked candidates |
| **4 Initiate research director review** | Conduct an unbiased evaluation of all candidate profiles | • Brainstorm ranking options<br>• Invite multiple perspectives on candidates' performance<br>• Update candidate profiles | Final prioritization of all eligible candidates and companion best practices positioning paper |
| **5 Assemble panel of industry experts** | Present findings to an expert panel of industry thought leaders | • Share findings<br>• Strengthen cases for candidate eligibility<br>• Prioritize candidates | Refined list of prioritized award candidates |
| **6 Conduct global industry review** | Build consensus on award candidates' eligibility | • Hold global team meeting to review all candidates<br>• Pressure-test fit with criteria<br>• Confirm inclusion of all eligible candidates | Final list of eligible award candidates, representing success stories worldwide |
| **7 Perform quality check** | Develop official award consideration materials | • Perform final performance benchmarking activities<br>• Write nominations<br>• Perform quality review | High-quality, accurate, and creative presentation of nominees' successes |
| **8 Reconnect with panel of industry experts** | Finalize the selection of the best practices award recipient | • Review analysis with panel<br>• Build consensus<br>• Select recipient | Decision on which company performs best against all best practices criteria |
| **9 Communicate recognition** | Inform award recipient of award recognition | • Present award to the CEO<br>• Inspire the organization for continued success<br>• Celebrate the recipient's performance | Announcement of award and plan for how recipient can use the award to enhance the brand |
| **10 Take strategic action** | Upon licensing, company is able to share award news with stakeholders and customers | • Coordinate media outreach<br>• Design a marketing plan<br>• Assess award's role in strategic planning | Widespread awareness of recipient's award status among investors, media personnel, and employees |

# The Intersection between 360-Degree Research and Best Practices Awards

## Research Methodology

Frost & Sullivan's 360-degree research methodology represents the analytical rigor of the research process. It offers a 360-degree-view of industry challenges, trends, and issues by integrating all 7 of Frost & Sullivan's research methodologies. Too often companies make important growth decisions based on a narrow understanding of their environment, resulting in errors of both omission and commission. Successful growth strategies are founded on a thorough understanding of market, technical, economic, financial, customer, best practices, and demographic analyses. The integration of these research disciplines into the 360-degree research methodology provides an evaluation platform for benchmarking industry



360-DEGREE RESEARCH: SEEING ORDER IN THE CHAOS

participants and for identifying those performing at best-in-class levels.

# About Frost & Sullivan

Frost & Sullivan, the Growth Partnership Company, helps clients accelerate growth and achieve best-in-class positions in growth, innovation and leadership. The company's Growth Partnership Service provides the CEO and the CEO's growth team with disciplined research and best practices models to drive the generation, evaluation and implementation of powerful growth strategies. Frost & Sullivan leverages nearly 60 years of experience in partnering with Global 1000 companies, emerging businesses, and the investment community from 45 offices on 6 continents. To join Frost & Sullivan's Growth Partnership, visit http://www.frost.com.