

How do I open my own translation agency?

This question is asked by both translators who want to delegate their work to colleagues and people who are simply looking to start their own business. In this article, we will explain how efficient translation companies work and what you should strive for if you want to set up a successful agency.

Do you really need your own business?

Usually, people start a business to earn money or to do something they enjoy. We will look at these two motivators.

any people believe that an agency is just an intermediary who simply sends files between translators and clients whilst taking a 50% or even 75% cut. Translation agencies are perceived as a gold mine, with profit margins almost as high as the drug trade, whilst being perfectly legal. any people naturally want a slice of this tasty pie.

In practice, the profitability of an agency varies between 5% and 25% depending on the niche, turnover, and country of operation. If you take 20% as a guide, this means you need to hire a team of five translators to earn about as much as you earn as a translator. So at the beginning, the transition from translator to manager will not lead to a significant increase in your earnings.

In addition, sooner or later, you will have to stop doing translations on your specialized subjects. For many people, this is problematic. In fact, you effectively have to change your profession: **It is not possible to combine the role of a translator and manager.** And if you like to translate, whilst resolving the problems of other people, taking responsibility, and correcting other people's mistakes is not your thing, it is unlikely that you will enjoy this role. If you are not prepared to be a problem solver for your employees, starting a business is not for you.

Getting started is easy

You have weighed up all the pros and cons and decided to open your own translation agency. What is the next step?

It is very easy to get started. You just need a computer, email address, website, and registered legal entity. You can even skip a point on this list, but if you are serious about making your business work, appearances are important to draw in potential clients.

All of the above can be done quickly: and there you go—you have your own agency, just like that! You only need to take the decision. If you are thinking, "I cannot open an agency," this is probably just your perception rather than actual reality. The real problems will start later...

What are you good at?

So, you have launched your new website. Now you need to get your first orders! For this, you will need a wide range of skills and knowledge, without which your business will come to an untimely end before it barely gets off the ground.

You will need to find a good team, perhaps provide training materials on modern translation technologies (we hope you can use these technologies yourselves!), find your first clients, not lose them after the first order, and acquire the necessary business connections in the translation and localization industry. We will look further into this below.

What is your goal?

95% of translation agencies are small companies balancing on the brink of survival. Paradoxically, they don't know how to use modern technologies in the translation and localization industry, they don't know how to process non-standard files, they don't know anything about quality control and the industry standard (ISO 17100:2015), they don't have a permanent team of verified translators, and they start looking for them only after receiving a client request.

As a rule, they work with standard documents such as passports and certificates and earn more on the notarization than the translation. They have one competitive advantage: their low price, but they can offer nothing else to their clients.

Ask yourself this: do you want to make your living from being just another mediocre agency, or do you want to create a proper company that you can be proud of? If the latter, then you have a lot to learn.

Competition and knowledge

There are many players in the translation market, and you will not be made welcome there with open arms. You will have to play by the established rules whilst trying in some way to outshine your competitors.

Generally speaking, two strategies are employed in business:

- 1) Reduce the price and earn on sheer volume.
- 2) Offer something that your competitors don't have for a higher price.

The first approach requires scale since earnings on each unit sold are very small. This practice is successfully employed by large companies, but it makes more sense for a newcomer to apply the second approach. And for this, you and your staff should find a way to stand out from other translation agencies. This is a process of trial and error.

The author of this article once observed the following: two big dogs stood opposite each other, growling and preparing to fight. Each of them was ready to pounce on the other, but neither wanted to initiate the fight, and both were hoping it would all go away. Suddenly a little dog running nearby started yapping at them both. Guess who was most annoyed?

Something similar happens when an inexperienced translation company tries to squeeze into the market populated by heavyweight agencies and receives its first large order from a major client who typically works with more seasoned agencies. These translations are then tested by the "monster agencies," and they shred them to pieces, guided by standards that the newcomer was not even aware of: the rest of their clients were less demanding and never complained.

After such a "baptism of fire," there are two possible reactions: either take offense at the demanding client and refuse to work with them anymore or learn how to fulfill their requirements. Regardless of whether it is possible to continue working with such a client, conclusions should be drawn to avoid such problems in the future.

Unfortunately, in practice, the first reaction usually prevails. Development is a painful process, and nobody likes to experience pain.

Below we have listed the areas in which new translation companies experience the most problems.

Cutting-edge translation technologies

For decades, translation companies have been using special software that improves work efficiency:

- [CAT tools using translation memory technologies](#)
- Terminology management systems
- [Quality control and monitoring systems](#)
- Specially trained [machine translation](#) engines (not to be confused with the "untrained" Google Translate!)
- Project and business management systems such as [Protemos](#)
- Text editors, layout programs, converters
- Self-written programs, scripts, and macros for process automation

Even experienced companies constantly have to learn how to use new technologies; and for beginners, this takes months, if not years. However, working without these programs is like plowing a field with a horse when you have a tractor sitting by the gate.

It is impossible to learn how to use all these programs at once, and it is not even necessary. The ability to quickly adapt to the technical requirements of each new client is important. But even if your clients do not have special requirements for software, you should still learn how to use such programs in order to increase your speed and profitability.

Reliable translators

To ensure high-quality translations and to not end up having to justify mistakes to your clients, **you need to hire a team of reliable and professional linguists**. Clients expect high-quality translations from agencies. It is not easy to do this, and it takes a lot of time and money.

Translation and service quality

Hiring experienced professionals is not enough. Each client has their own idea of quality, and this is not necessarily the same as yours. And this is where you need to liaise carefully with the client: you will need to find out what the client was not satisfied with, offer a solution to the problem, and take their wishes into consideration in subsequent orders.

It goes without saying that you need to quickly respond to inquiries, comply with deadlines, let the client know in good time if any problems arise, and be polite, despite the stress of it all. If you do not adhere to these simple rules, misunderstandings will arise with the client, even when the quality of your translations are exemplary.

Project managers

An important function of a translation agency (in addition to screening and training translators) is project management. By and large, this is what the client pays you for, and not for the actual translation. After all, they can easily order a translation from a freelancer, and it would be considerably cheaper.

Oddly enough, translation agencies do not sell translations: they sell a service.

The agency is represented by their project managers. And if you want clients to work with you for many years, your translation project managers should make an excellent impression.

Sales

Usually, this point is the most important because without sales there is no business. At the same time, they mistakenly believe that this is the exclusive work of agency employees—managers or sales specialists (or just sellers)—who are specially hired to do sales. But in practice, **all employees who have contact with clients explicitly or implicitly participate in sales** and have an impact on client satisfaction levels.

After the seller gets a client order, the project manager enters the game. Your working relationship with the client in the long-term will depend on how effective your manager is. And the success of your manager, in turn, is determined by how professional your translators hired by your HR manager are.

Any detail can have a positive or negative impact on the working relationship with your client. For example, when visiting your office, an attentive client will pay attention to a broken printer of an office manager, dust on the editor's monitor, and the dirty uniform of a cleaning lady passing by.

So all your employees make an impact on sales to one degree or another. Therefore, **when thinking about sales, you cannot focus only on sellers**.

There are successful translation agencies that have no dedicated sellers, but their sales are excellent as their clients are consistently happy with their work and recommend them to others. Over time, client managers who move on to other companies retain their services because they know that they are a reliable agency.

As for the seller's own work in the translation agency, this is not just about quick sales and cold calls, but rather building relationships and establishing long-term business ties. These ties are created in part by participating in professional conferences.

Conclusion

It is easy to open a translation agency, but it is much more difficult to set up an agency that is stable and efficient. You need to hire and train up employees, use modern software, build relationships with clients, and gain credibility among them. The head of a successful company should be prepared to work for years to achieve this.

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