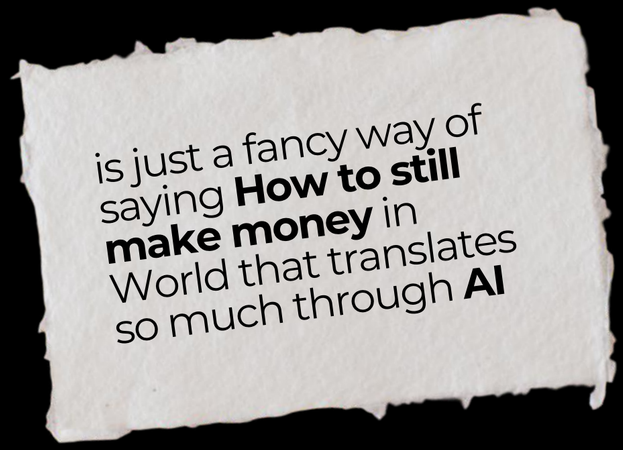
From **Translation Agency**
to **Multilingual Engagement** Agency

How to Emerge Stronger in a Post-AI Economy



Gabriel Fairman

ALC - September 10th

works

Our session goal is simple: explore how agencies can keep making money in the age of AI translation.



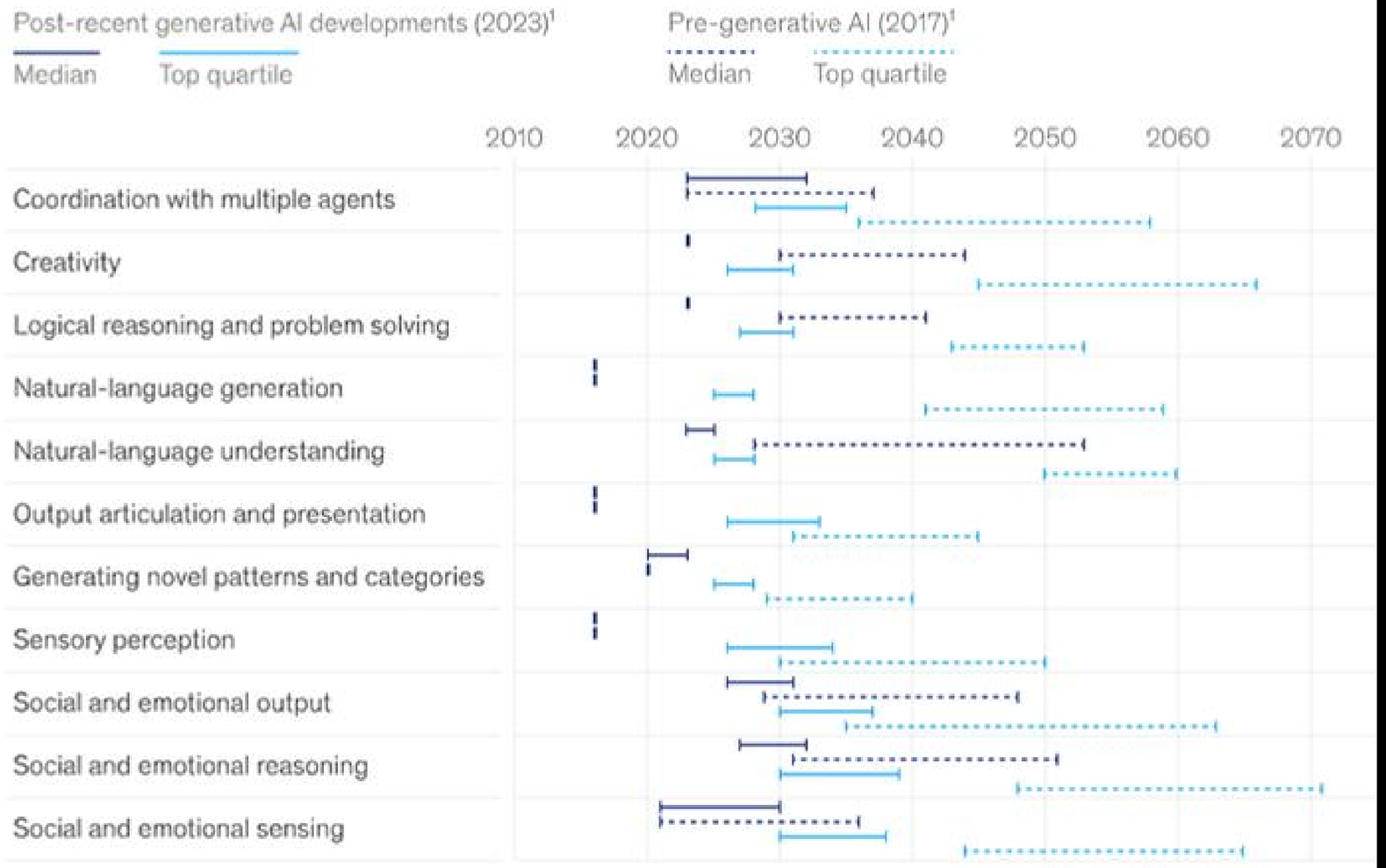
AI or no AI, we still need to pay our bills

Why should you bother listening to me?



We are just getting started on our AI Journey

Estimated range for technology to achieve human-level performance, by technical capability



[1]Comparison made on the business-related tasks required from human workers.
Source: McKinsey Global Institute occupation database; McKinsey analysis

Where are we already with translations?

77.17 %

Average Edit Distance

Trend

Language Pair	with no MTPE (Control) % of edits necessary from initial input to final result (TER score)	With NMT MTPE % of edits necessary from initial input to final result (TER score)	With Context Sensitive Translate % of edits necessary from initial input to final result (TER score)	Context Sensitive More Effective by
EN -> PT-BR	100%	0.207	0.142	31%
EN -> IT-IT	100%	0.086	0.074	14%
EN -> ES	100%	0.187	0.151	19%
EN -> ES-ES	100%	0.062	0.055	11%
EN -> ES-419	100%	0.089	0.062	31%
EN -> FR-FR	100%	0.149	0.124	17%
EN -> FR-CA	100%	0.214	0.144	33%
EN -> DE-DE	100%	0.116	0.097	16%
EN -> JA-JP	100%	.192	0.133	32%
EN -> NL-NL	100%	0.070	0.061	13%
EN -> ZH-CN	100%	.225	0.178	21%
EN -> DA-DK	100%	0.133	0.045	66%
EN -> RU-RU	100%	0.150	0.136	9%
EN -> KO-KR	100%	0.170	0.046	73%
EN -> VI-VN	100%	0.231	0.061	73%
EN -> TH-TH	100%	0.294	0.118	60%
EN -> TR-TR	100%	0.271	0.188	31%
EN -> AR	100%	.231	.199	14%
EN->PL_PL	100%	.397	.135	66%
EN_>ZH-HANT	100%	.172	.0856	51%

The **Impact of AI** on **Pricing Pressure**

85% expect **>1/4 of work via AI**

81% reported **revenue decline or stagnation**

36% reported **lowering prices**







Our Latest Survey

Pricing and revenues remain under pressure even as workloads grow more technically demanding.

A Tale of Two Agencies

“The best of times”



Agencies in regulated sectors or highly sensitive or complex content

(stable, sometimes even more profitable, shielded by compliance, liability and eagerness to please readers).

“The worst of times”



Agencies in transactional work

(facing plummeting rates, clients defecting to AI-first workflows).

“the worst of times” happened

shifted from **“who you know”**	to **“how fast, transparent, and cost-effective you are”**
Relationship = success	Data-driven decisions = success
No complaints = good	Proactive quality use-case management
Primarily text-focused	Explosion in media formats: video, audio, multimodal content
Last-mile delivery interactions only	Full-process ownership (tech, workflow, ROI)
“Tech agnostic”	Tech-savvy, driving solutions
Buyers less knowledgeable / translation as a black box	Transparency & buyer proficiency (buyers understand tech, quality, ROI)
Hard to get a translation (find someone, request a quote, wait)	Frictionless access (on-demand, one click, seamless experience)
Language Service Provider (delivering translations)	Language Success Partner (enabling global growth)

The Agency Model Exploded

98% Decline in Translation Spend over 5 years

*This is a real **Fortune 500 enterprise case**



2020

Processed Words
25M

Annual Translation Service Spend
$5M

Annual Tech Spend
$0

Providers
20



2025

Processed Words
100M

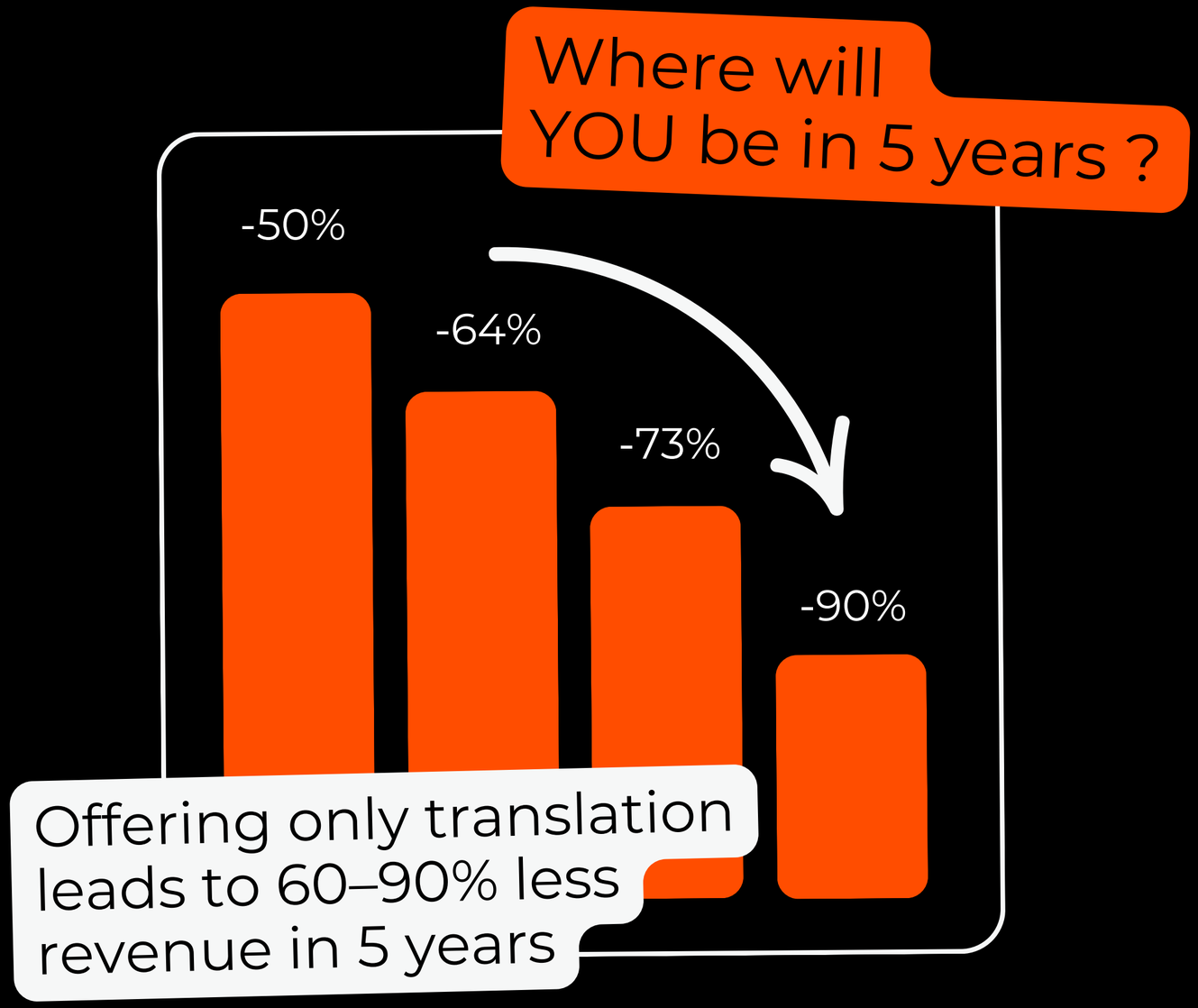
Annual Translation Spend
$100k

Annual Tech Spend
$100k

Providers
2

Translation service revenue scenario

based on the Enterprises trends



THIS IS AN APOCALYPSE

a Rebirth!

this same client offers the
opportunity to shfit into
language process management

Switch from

LSP

Language Service Provider



99%
Process
Managened
by Buyer

1%
Translation
Service

to

LSI

Language Service Integrator



from 1 to 100%
Through LSI

From
Last Mile

1. Mastery of Internal Processes
2. Margin & Profitability as Enablers
3. Capital to Invest in Transformation
4. Becoming a Language Service Integrator (LSI)



to **Total Ownership**

1

Mastery of Internal Processes

Agencies must first fully master the automation mechanics of translation in-house

- Workflows,
- QA,
- CAT/MT orchestration,
- File engineering,
- Terminology.

Without this mastery, they can’t credibly advise or lead clients.



2

Margin & Profitability as Enablers

Agencies need healthy profitability to reinvest in tech, people, and process improvements.

More margin = more room to maneuver.

> 75%
Gross Margin At Least

3

Capital to Invest in Transformation

Moving beyond the last mile requires investments:

- Integration with client systems,
- Analytics,
- Workflow automation,
- Multimedia capabilities.

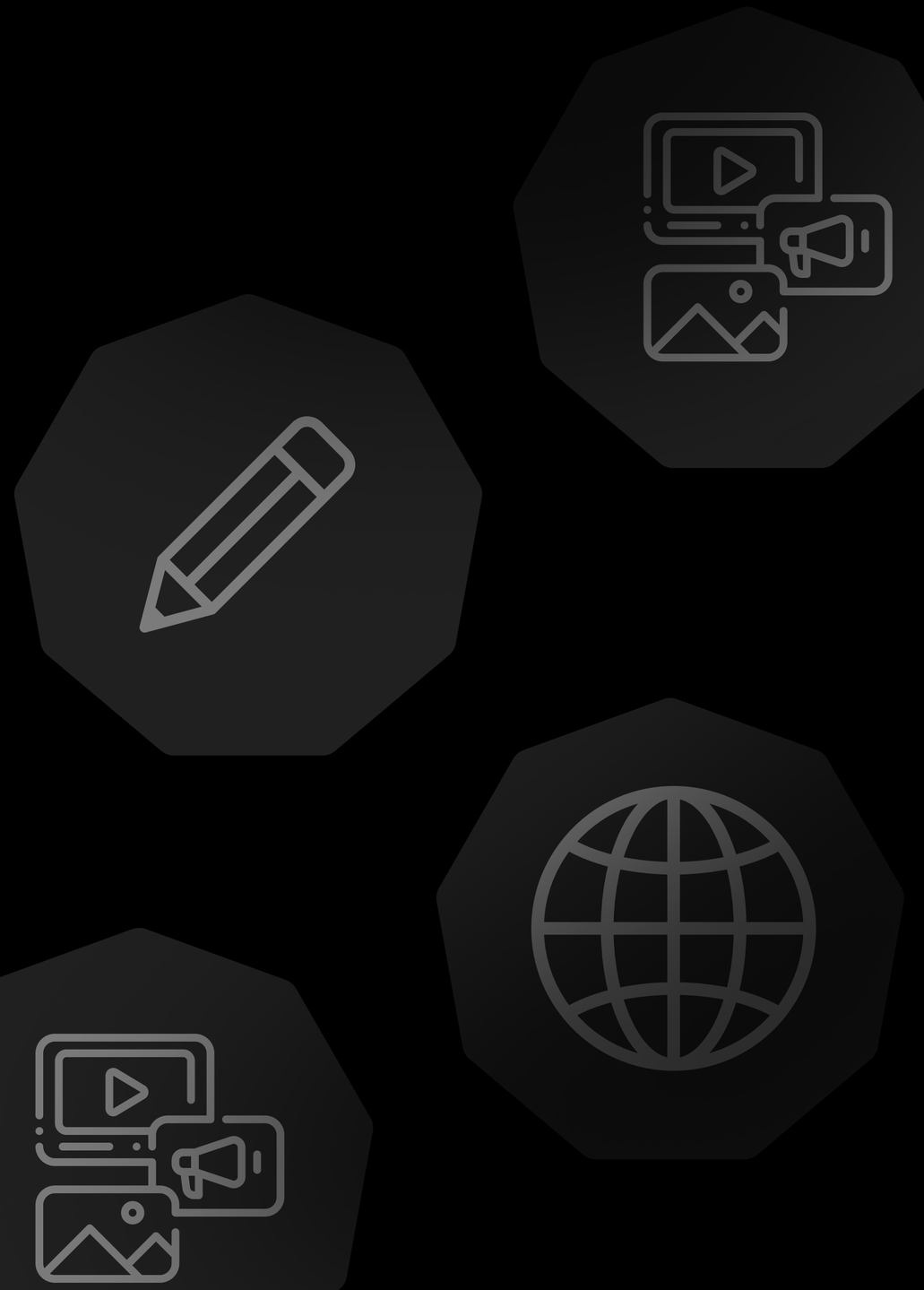
Agencies that stay lean but undercapitalized will struggle to expand their role.



4

Becoming a Language Service Integrator (LSI)

As Slator coined it, the future role is not just “service provider” but “integrator”:



Translation Agency
Software Maturity Scale

Level 1

Manual Operations

Manual project handling via email/phone

Spreadsheets for tracking projects and costs

No centralized translation memory or terminology

Translators use their own disconnected tools

Level 2

Basic Software Adoption

Using software to manage projects and costs

Limited reporting capabilities

Level 3

Partial Integration

Centralizing translator tooling with some integration (e.g., log files, TM sharing)

Basic analytics and reporting

Level 4

Advanced Integration

Using a fully integrated software suite

End-to-end workflow management

Comprehensive analytics and automation of routine tasks

Level 5

Full Digital Transformation

Receiving projects via run-time portal/API

Advanced analytics and predictive insights

AI-assisted workflows and quality management

Client self-service capabilities

This is only
the beginning.



wxrks

Questions?