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SDL-TRADOS

Language Service Provider Reaction to SDL's Purchase of TRADOS

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Introduction

The Background: SDL Buys TRADOS

In a deal with far-reaching implications, publicly-traded SDL International (SDL) announced on 20 June 2005 that it would buy privately-held TRADOS Inc. for US$60 million.[1] When its shareholders approved the purchase in early July, SDL became by far the largest supplier of translation memory, terminology management, and translation workflow management products. SDL is also one of the world's three largest language services providers (LSP). SDL's purchase of TRADOS creates a larger company that will be more visible to a broader range of buyers dealing with global or multilingual application and content development.

This article reports on the results of a Globalization and Localization Association (GALA) survey of language service providers about the impact of SDL's acquisition of TRADOS. Its goal is not to comment on the business sense, wisdom, or moral propriety of this deal, but rather to convey the feelings of the industry about the deal.

Hearing Concerns, GALA Polls Its Membership

Because SDL both sells software to optimize translation and localization and provides such language services itself, acquiring its leading competitor fundamentally changed the market landscape. GALA immediately began receiving questions and comments from its members, wondering what effect the acquisition would have on the language industry.

The GALA Board of Directors developed an online survey for its membership. Seventy-five translation and localization vendors – mostly GALA members – shared their thoughts about, reactions to, and opinions on the acquisition. When Lionbridge Technologies (LIOX) announced its acquisition of Bowne Global Solutions (BGS) on 28 June 2005,[2] the GALA Board discussed whether it would make sense to conduct a similar poll about the impact of that deal. The Board concluded that the Lionbridge purchase was a quantitative change for the industry, while SDL's plans qualitatively changed the industry. Thus, it chose only poll its membership on SDL's landscape-changing acquisition.

Language Industry Background

This purchase by SDL continues a recently begun round of consolidation in the language services and tools industry, including Lionbridge's proposed purchase of BGS. That deal will create the world's largest LSP with annual revenue exceeding US$400 million. Other 2005 deals of note include Irish LSP Transware's purchase of globalization management

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[1] See "SDL Buys Trados" (Common Sense Advisory, June 2005).
[2] See "Lionbridge Buys Bowne Global Solutions" (Common Sense Advisory, June 2005)

system supplier GlobalSight and Merrill acquisition of P.H. Brink, both acquiring translation workflow management tools in the transactions. The SDL and Lionbridge deals, though, captured most attention due to their size.

- SDL buys TRADOS. SDL bought TRADOS for US$60 million (2.5 times TRADOS' revenue), becoming the largest supplier of translation memory, terminology management, and translation workflow management products. SDL's combined language service and tool revenue for 2004 was $114 million (£62.7 million), while TRADOS earned over $25 million selling tools and related services. Combined, the two companies account for the lion's share of translation memory and translation workflow management software sales.

  Executives highlighted SDL's mission to meet the "global information management" needs of large enterprises in both technology and language services.[3] Its now bigger technology portfolio, more best practices and methodologies, increased economies of scale, and amplified marketing energy will give it a more strategic role in the entire information life cycle from authoring to localization to publishing.

- **Lionbridge buys Bowne Global Solutions.** Lionbridge will pay US$180 million for BGS, becoming the world's largest LSP with this deal. Last year BGS booked $223 million in revenue to Lionbridge's $154.1 million. The purchase price works out to 80 percent of BGS's 2004 revenue, in the range that we look for in acquisitions of service companies.[4]

  Executives emphasized scale, noting the increased ability to provide services across the entire application and content development life cycle, the cost-effectiveness of farming out labor to low-wage countries like India, and the increased geographic footprint that BGS brings to the company.

Why Who Owns the Tools Is Important

Nearly nine out of ten companies outsource their translation and localization work to language service providers.[5] Buyers can choose from a wide variety of LSPs around the world, all falling into one of three categories when it comes to the technology they use to translate, localize, and manage customer projects.[6]

- **The LSP buys most of its technology.** These companies purchase translation memory workbenches, perhaps preferring one supplier but realistically using whatever the client wants. Many layer project management and workflow applications on commercial off-the-shelf (COTS) products such as Microsoft Access or Project. Earlier this year BGS had announced that it would join this camp, standardizing core elements of its production process on TRADOS-supplied software. However, the company did not execute on this plan as TRADOS sold itself off to SDL.

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[3] See "Proposed Acquisition of Trados" (Common Sense Advisory, June 2005)
[4] See "Ranking of Top 20 Translation Companies" (Common Sense Advisory, June 2005).
[5] See "How to Avoid Getting Lost in Translation" (Common Sense Advisory, December 2003).
[6] See "Tool Shifts Signal Need for Buyer Caution" (Common Sense Advisory, March 2005).

- **The LSP builds some tools, but keeps them to itself.** Some firms like Connect Global, EQHO Communications, and Merrill Brink International build software infrastructure and tools that meet their specific needs better than any COTS product would. Lionbridge is the most visible example of such a company, assembling its infrastructure from commercially available and proprietary components. Earlier this year it purchased Logoport, a small software firm selling a web-based translation memory tool.[7] A side-benefit of controlling its TM fate is that Lionbridge avoids having to buy licenses from SDL or TRADOS for the clients who don't care which TM it uses.

- **The LSP builds technology and sells it to all comers.** A few providers sell software, tools they developed (or acquired) to meet their internal needs for project management and technology needs. They hope to recoup their investment by selling them on the open market. SDL, STAR, Translations.com, and Transware exemplify this model. This approach pleases shareholders by turning a cost of doing business into an asset, but it does limit the marketability of the tools because many LSPs feel uncomfortable buying core technology from a rival. This last point is at the heart of the concerns expressed by GALA members and inspired the survey.

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[7] See "One Good Tool Buy, One Goodbye" (Common Sense Advisory, April 2005).

Survey Results

Right after SDL announced the acquisition, GALA received many e-mails from members on the merger asking "What is GALA's position on this?" Because the deal involved two members and affected the entire industry, the Board chose to take a neutral stance toward the purchase. However, it decided that members needed a forum to publicly express their concerns. It chose an online survey as the best vehicle for members to voice their opinions, advance the discussion about acquisition and consolidation, and – with a summary of the results – apprise SDL of how the supply side of how its language service colleagues, competitors, and customers felt.

Details of the GALA Survey

The GALA Board drafted the SDL-TRADOS survey and posted it on 21 June, keeping it open for seven business days until 29 June. The poll consisted of a series of five targeted questions with the option of a "yes" or "no" response. It also included open-ended questions for more detailed commentary, focusing on concerns related to using a competitor's tool; the potential success or viability of the acquisition; and the possibilities for the convergence of SDL and TRADOS technologies. Based on the quantitative assessment and an analysis of the qualitative responses, GALA has compiled this overview of the findings.

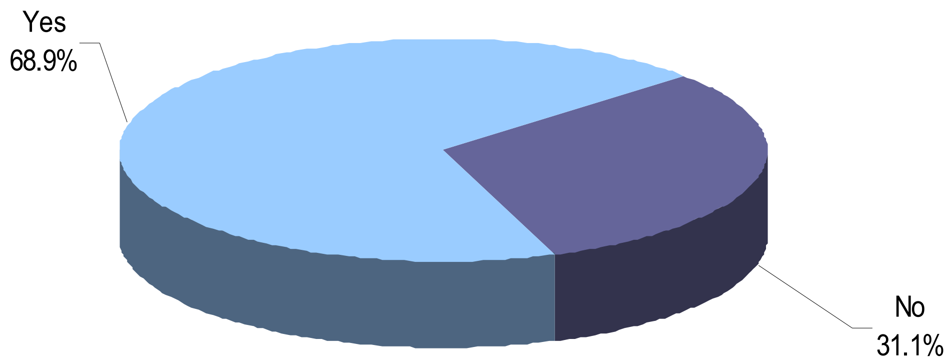
While the survey did its job of soliciting opinion from nearly half of GALA's members, it did suffer from some methodological flaws resulting from the Board's decision to remain neutral. Specifically, the survey used dispassionate verbs such as "concern" rather than gauging responses to statements on a more typical "strongly agree, agree, disagree, no opinion, strongly disagree" scale; the yes/no questions offered a third option in the form of an open-ended response, thus requiring some second-guessing of the initial answer; and there was no tie to the level of product usage, technology commitment, vendors actually used, or whether the respondent actively competed with SDL or TRADOS.

Despite these flaws, we feel that the survey accomplished its mission in gathering the feeling of the supply side of the language market. With 75 detailed responses, we believe that this survey is the most accurate gauge of industry sentiment regarding SDL's acquisition of TRADOS.

Most Respondents Uncomfortable with Using Competitor's Tools

Before the acquisition, SDL was both a tool and language service provider. Following the deal, it became the industry's dominant language tool provider and a leading services provider. The first question asked what was on everybody's mind: "Are you concerned about buying or using translation tools such as TRADOS Translators Workbench from a competitor such as SDL?" Sixty-eight percent of the LSPs answering the survey worry about buying tools from such a competitor (see Figure 1).

This question also allowed the survey participants to comment on the deal in their own words, something that most chose to do. We categorized the free-form commentary into three groups: those who don't like buying technology from a competing LSP, those with positive or realistic comments about the acquisition, and some concerned about pricing, a major issue for low-margin LSPs.



• Figure 1: Two-Thirds of Respondents Uncomfortable with Using Competitor's Tools

Source: GALA

What Most Concerns LSPs about Buying from a Rival Service Supplier

Survey respondents fear having one of the largest LSPs now provide the most widely used translation memory tool. They worry that this privileged supplier role will give SDL access to too much information about potential contracts and existing deals. Some voiced a concern about a hidden services agenda. Furthermore, some are afraid that SDL could limit access to the tool, give preferential levels of support, or even increase the price of tools and drive competitors out of business. Others expressed a less paranoid, even realistic view that LSPs do have the option of buying from other tool providers.

"As a direct competitor, it concerns us that a primary industry tool is being controlled by a localization services provider. It seems a bit monopolistic."

"It is anti-competitive and GALA should take the initiative to determine if the US Security Exchange Commission has looked at and/or approved this transaction."

"I don't want our tools destiny to be in the hands of a competitor that has an effective monopoly on the sector. They did not buy it for the expected profits from tools - even TRADOS couldn't make that work.

They did not buy it to better enable their competitors to serve clients. They bought it to have a credible technology play for their investors and to use it as leverage in the sales process. That's not in our interest."

"SDL has approached one our clients and tried to sell them translation services. They used the fact that we own SDLX as a way to get their foot in the door. We have serious reservations about this consolidation."

"An industry cannot grow if technologies are owned by a non-independent player. There will be situations where this conflict becomes apparent in terms of privacy, willingness to make new features available, etc. SDL will pay for its research and development by selling products to colleagues and exploiting the experience gained through other companies' experiences. I do not want to negotiate prices for a core technology with a company that potentially sells to the same clients as ours."

"My medium-sized company does business with many MLVs, but SDL's strategy is not to make business with companies such as mine, instead they have regional offices. While SDL is not my direct competitor, it still affects my business. The more business SDL wins from its competitors, the more negative impact it might have on my business."

"Why should I fund their technology development and competitive edge when they'll use this to compete against me?"

"I worry about SDL using knowledge to approach or win business based on knowledge they gain from supporting TRADOS. Losing the TRADOS revenue would be minor in comparison to the revenue they would gain from the services. Worst case scenario: SDL changes the licensing terms for TRADOS to require information on every client/project where TRADOS is used. Thus SDL would have a list of all of the competitive vendors' clients. This is unlikely, but it just gives SDL too much power in our small industry. This significantly reduces the competition in the TM tools market. There is no other viable competitor to SDLX or TRADOS TWB. This gives SDL an effective monopoly in the tools market."

Some Respondents View This Acquisition Positively

Nearly a third of the respondents felt more comfortable with the acquisition. Some were positive, while others could best be characterized as market realists who recognize that things change. Those voicing a realistic, neutral, or non-threatened opinion state that they already buy SDLX from SDL, that SDL is so big that they really cannot even view them as competition and vice versa, or that they hope SDL can innovate and provide better support than TRADOS.

"SDL can only be a tremendous improvement over TRADOS in many respects."

"If they want to sell their product, they are still going to have to make it as good as possible."

"I don't think it matters who is selling the tools. This already happens in our industry."

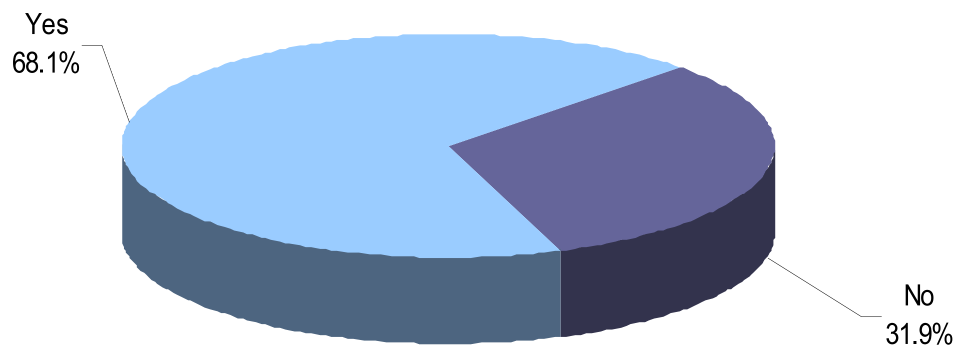
"We have been buying SDLX from SDL. We sometimes work with SDL and sometimes compete against them. The tools division seemed independent and buying tools from them did not cause any concerns."

"As far as we are concerned, the size of SDL is comparably so big that we cannot consider them – and they sure do not consider us – a competitor."

"The fact is that we don't really have choices at this point. It's more productive to communicate what tools/features we LSPs need to SDL and work with them rather than being concerned about the situation that you can't control. GALA can play a significant role for the communications between SDL and LSPs by collecting our views."

Respondents Think SDL Will Be Successful Selling to Clients

The second question in the survey asked "Do you think SDL will be successful selling TRADOS products directly to translation buyers – what we often call the 'client side'?" Roughly the same number of respondents who worried about the impact of consolidation felt that SDL would be able to sell technology to companies that do their own translation and localization (see Figure 2).



• Figure 2: Two-Thirds of LSPs Think SDL Will Successfully Sell to Clients

Source: GALA

Why Respondents Think SDL Will Be Successful Selling to Clients

Survey participants felt that SDL will be successful selling tools to clients because TRADOS is so well-established and SDL has such a strong sales force.

"TRADOS has been the market leader for so long, and there are already so many users, that it would be amazing if SDL couldn't sell to translation buyers!"

"TRADOS will always sell itself no matter who owns it. There is a danger that if they adopt an aggressive pricing/marketing campaign they might just pull it off. "

"I cannot be sure SDL will be successful in selling directly to clients, but I think the acquisition of TRADOS may give them an edge. "

"If they want to keep the TRADOS brand and tools I think they will be successful. They already have their own experience selling tools and now they will learn from TRADOS' experiences."

> "SDL will succeed because TRADOS is by far and away the best solution. Until a new competitor arises, why would you buy anything else?"

Some Think SDL Will Fail Selling to Clients

Nearly 32 percent of respondents think that SDL will not succeed in its efforts selling to end users. Their reasoning varied from market saturation to questioning whether clients should be buying such tools in the first place.

> "No, I don't think SDL is going to be more successful than TRADOS Inc. They tried with SDLX and they [had only] relative success. Clients don't like technology impositions nor being tied to a single supplier for every service."

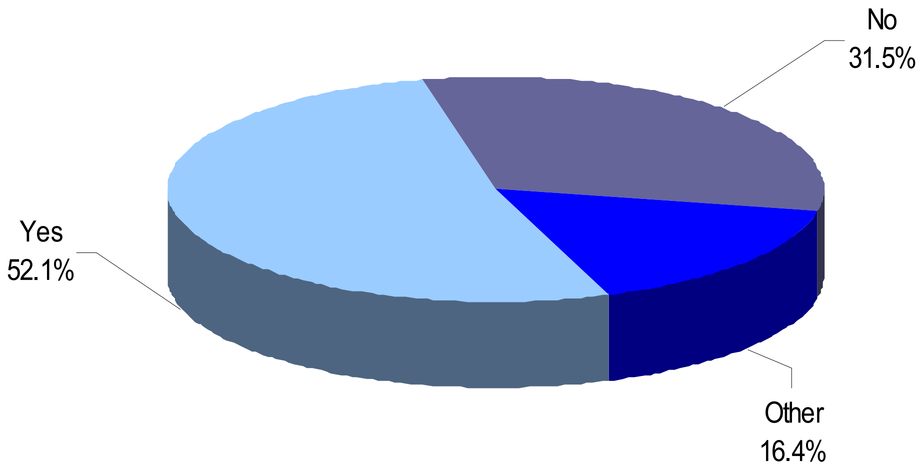
> "TRADOS is most commonly used by translation companies, not clients. I would be surprised if they could sell this directly to clients unless they had their own translation department."

> "The market is already full, [so] there will be no new clients interested in buying TRADOS products. Yet SDL was successful in selling SDLX as a replacement for TRADOS . . . "

> "[I have] no idea but translation tools should be sold as little as possible to clients; many clients don't know how to use these tools properly."

Half of Respondents Think Tools Lock Customers into Services

The survey next asked "Do you think clients will be concerned about being 'locked into' buying SDL's translation services if they purchase translation tools from SDL?" Just over half said they thought so, nearly a third thought not, and 16.2 percent expressed other concerns about lock-in (see Figure 3). Several stated you can't really lock someone into services, while others noted that when buyers engage a translation provider, they by definition get locked in by their commitment to the technology used by their LSP.



- Figure 3: Half of LSPs Think Clients Will Worry about SDL Tool-Service Lock-in

Source: GALA

Over Half of Respondents Feel that Buyers Should Beware

Many noted that it is the clients' responsibility to determine the technology and technology partners best suited for the services they need (and how the two are related)

> "If SDL is able to lock clients into using only SDL's services if the client buys their tools then I hope that it would concern them. A responsible buyer would be concerned."

> "Any client will be somewhat locked into certain technology or procedures once they sign a contract with an LSP. It's the client's responsibility to find the best matching technology and partners who can provide solutions with the identified technology."

> "Clients who already are "locked into" TRADOS should be concerned. Clients who are not (yet), should carefully think about whether they want a service product - pure, simple and open platform/format - or a process."

Some Felt SDL Wouldn't Lock In Customers – At Least Not Overtly

Several respondents felt that even if tools really do lock a customer into services, SDL wouldn't be foolish enough to openly market it as such. Meanwhile, others trust that SDL will keep its services separate from its desktop products.

"SDLX or other desktop tools from SDL have nothing to do with the services offered by SDL. This might be different for workflow tools such as SDL WorkFlow."

"That's why SDL has salespeople... to reduce those concerns."

"We know how well organized the SDL sales crew is and how aggressively they contact you if you ask for information about the products. So yes, this concern is thinkable."

"Depending on the customer, SDL should be smart enough as not to provoke this sensation to customer."

Many Respondents Worry about the Loss of Choice

Market control themes came up repeatedly in the free-form answers to the first three questions. Survey participants were concerned that the deal cuts down the amount of competition and that SDL might leverage its dominant technology position. Others saw opportunity, both for themselves and for new tool players.

The Deal Diminishes Competition

Several respondents worried that this deal creates an effective monopoly in the tools area and that SDL could do as it pleases.

"I worry that they will be able to price their licenses as they please, driving out their competitors. I am also worried that they will become such a big technology provider that they will actually hold a monopoly."

"As SDL will become the dominant player in the translation memory technology market, the competition becomes a minor factor for them and prices are likely to rise."

"SDL will have an advantage price-wise. We will have to pay whatever price they put on the product, while SDL can include the tools in the production price. If LSPs are asked to pay more for SDL's products, that will have an impact on localization prices."

"Translation buyers, and vendors, basically have no choice. SDL controls the only two viable TM products and the productivity gain from using a TM tool makes it indispensable."

"My first reaction has been: 'Saint Open Source, please do something for us, smaller language providers.' A month ago it was Logoport's turn, now it is TRADOS'. TRADOS has a very large install base, built on a 10-year presence, so they will make it unless something revolutionary comes along."

"There are no other viable options. So whereas previously a client could turn to TRADOS for TM or workflow if they did not want to implement an SDL solution, now they have no real choice."

"I think if SDL tried to control the services market through the ownership of tools, they would quickly find that customers have other options. Customers buy services mostly on price, and they are not stupid."

"If SDL is able to offer a tool that is a necessity and is able to manipulate it in a way that creates an advantage for them when they offer translation services we could end up having a Microsoft of the localization world. If you don't want to use Microsoft – or SDL in the future – good luck finding an alternative. That concerns me."

"This could be the tip of the iceberg. Consolidation is inevitable. It's part of the price of globalization, but my biggest concern is the degree of leverage SDL will now have over the translation and localization industry. Is this SDL's first move in a larger industry-wide consolidation process?"

"Our workflows are entirely streamlined with TRADOS technology, and we'll probably have to adapt as SDL and TRADOS tool would merge into one. All tools and plug-ins we've written will become useless. If all translation service providers use the same tools and workflows, it will become more difficult to differentiate from the competition."

SDL Could Benefit from Locking In Customers

The lock-in issue from the second question typifies that concern. On the negative side, respondents noted:

> “They could be tempted to act as Microsoft did with their browsers and add something to TRADOS which could lock in users."

> “Well, a monopoly is never a desired situation. The fewer companies there are, the bigger chance of us falling victim to a dictatorship in the world of translation tools."

> “My major concern is that SDL will try to slowly make clients migrate from TRADOS tools to SDL tools, without making these tools compatible with other translation tools.“

> “But what other choice do buyers have and how much do they really care in the first place?"

Some viewed lock-in more positively, giving customers a one-stop solution:

> “Clients might think it easier to buy tools and services from one vendor."

> “This will depend on the education/viewpoint of the client. Some will raise concerns due to pricing whereas others will be happy that SDL can provide an entire package...“

The Acquisition Opens Some New Vistas

Other respondents felt that the acquisition could change the market in positive ways, revealing new opportunities for them in other markets. Some felt that it creates a new technology arena for aspiring tool providers.

> “I'm pretty excited about this. It shows a good market evaluation for strategically valuable software. It also shows a certain maturation beyond being just a services industry. I think it's really good for companies to wake up and see that there's more to this business than just translation services. “

"I am not really concerned. Instead, I am hoping that SDL will create more opportunities for LSPs. I am open to talk with SDL executives about my future business plans – like expanding services outside of, but close to, localization – and how SDL can benefit from them."

"I am a bit concerned for the short term, but not on the longer term. For me, it is a sign that the good old days of the narrow minded TM-based translation workflow and pricing are over. I hope this is a start for new companies to release open source tools to access web-based translation memories and content management systems."

"STAR Transit is a good example showing that clients are not "locked" into buying this company's translation services."

"This event opens a huge opportunity for Lionbridge and Bowne Global Solutions to make alliance and come up with alternate solution."

"Competition is the best motivation for innovation."

Merging Tools Doesn't Bother Most Respondents

The fourth question asked respondents "Would you be concerned if SDL merged their translation tools such as SDLX with TRADOS Tools such as Translators Workbench?" This point addressed SDL's statement said that it would support both companies' products for five years, ultimately merging the two offerings into a single standards-compliant product line. SDL stated that "We will provide clear and comfortable upgrade paths to next generation technology while maintaining 100% upgrade compatibility. All current products will be supported for no less than five years. These products will be supported by a local presence in more than 30 countries." [8]

Most respondents were not concerned about the prospect of having SDL merging its products with TRADOS's offerings (see Figure 4). It did bother 41.7 percent of those polled. On the positive side, some said that SDL should take the best of both and make a stronger tool. In the free-form part of this question, they continue to complain about buying tools from a service competitor, their lack of choice in tools, and the fear that SDL will use the extensive contact database from TRADOS to acquire new clients.

[8] See "SDL and TRADOS: Your Global Business Partners".

Not surprisingly, the respondents expressed mixed opinions about which of the tools is better and what SDL should do with its newfound wealth of translation memory products. In a typical Coke vs. Pepsi standoff, some said they favored the TRADOS approach becoming the dominant tool in the merged product line, while others preferred SDL.

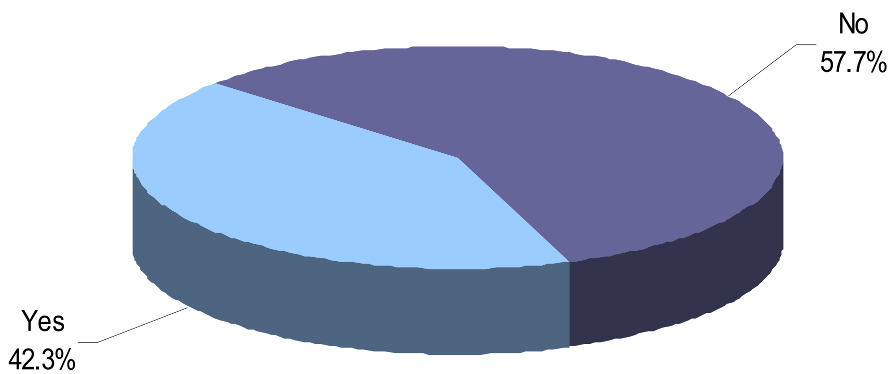


Figure 4: Most LSPs Do Not Worry about SDL Merging Technologies

Source: GALA

Merging Tools Could Be Good – If SDL Takes the Best of Both Worlds

In their public statements concerning the merger, SDL has promised a smooth transition for all clients. Most of the respondents felt that would be a good idea. Twenty-five percent advocated combining the best of both product lines into a single, more powerful offering – what one person called "the best of both worlds." This last suggestion echoes SDL CEO Mark Lancaster's stated direction.

> "SDL should create an independent company for their software tools."

> "SDL/TRADOS should keep offering both platforms and offer the best of both worlds to users of both tools."

> "SDL should offer the opportunity to use the licenses of both products without acquiring extra licenses of both."

> “They should do so and I suppose they will!”

> “I believe that both tools have their own strengths, and pulling them together may not be a bad idea. I for one don’t mind change. However, I’ll probably wait another update or so before trying it out."

> “It would be far better to have these tools – and for that matter all TM tools – ‘merged’ in some sense. The industry would be well served if the tools providers could take us beyond ‘interchange formats’ to true ’interoperability.’ The former has been poorly implemented, and only gets halfway to solving the problem anyway. The latter would provide the seamless processes everybody is looking for."

> “It depends. It could be good if features of both products get merged into one product to create a better tool."

Merging Would Not Be a Good Idea

The minority view was that merging SDL and TRADOS technologies would not be a good idea for tool development or the language services market.

> “SDL will eventually do this because it is too expensive to run 2 development efforts that essentially are competing with each other. And what is the incentive for future innovation or providing better support? None."

> “This is actually my prime concern, and I am pretty positive it will happen sooner or later. In their circular e-mail presenting the merger with TRADO, SDL stated that this will have a beneficial effect on prices, but actually there will be no competition at all, and, historically, this is never a good condition for lower prices.“

> “They are totally different tools, working with different concepts and using different technology. This is like mixing coffee with orange juice. “

Realists Opine that “Like It Or Not, It’s Going To Happen”

Regardless of whether they see the merger as good or bad, most recognize that supporting and developing two comparable product lines simply won’t last for long.

"Expect it. They are going to have to merge product development efforts. Initially, they may give choices but sooner or later the product development efforts have to merge."

"Tool is tool. It's just a matter of getting used to it if anything changes."

"The important thing is that SDL listens to their clients and provides technology that supports what their clients are trying to achieve. I really hope that SDL will proactively search for voice of the customers, including LSPs and freelance translators, and take actions based on those voices."

Respondents Vent about General Concerns

The penultimate survey question was "what are your biggest concerns about this event?" Many respondents reiterated their answers to previous questions, with the majority of the LSPs expressing concerns about buying their mission-critical tools from a service competitor; SDL using the TRADOS contacts to gain market share; the future cost of tools and/or support creating an unfair advantage for SDL; the possible lack of innovation as SDL will have a near monopoly on the tools market; and SDL generally having an unfair advantage.

Some questioned whether this is merely the tip of the iceberg of more market consolidation and whether this acquisition might concentrate too much power in one company.

"What really concerns me is the monopoly situation we are reaching and the enormous gap between the big three and the rest – even if those are mid-size companies, their level and range of services has nothing to do with the three big ones."

Respondents Offer Advice on Technology Consolidation

The final question asked respondents "What are the top three changes you would like to see SDL make to TRADOS tools as it moves forward?" The respondents offered lots of advice to SDL as it ponders its options. Their suggestions included maintaining the status quo with separate products, making TRADOS open source, lowering the price, making a variety of specific improvements to the product. Since this question basically asked for the respondents' Christmas lists regarding technology, the answers ranged from strategic business issues (see Table 1) to bit-twiddling technology concerns (Table 2). Reflecting the diversity of the sample, some asked for changes in direction or products that contradicted other suggestions. At least one participant invited SDL to consider acquiring a project management tool that it had developed.

Category	Sample Suggestions
Branding	Keep TRADOS as a separate brand; SDL should create an independent company for [their] software tools; keep the TRADOS brand and user interface for at least 5 years; SDL/TRADOS should keep offering both platforms and offer the best of both worlds to users of both tools; SDL offer the opportunity to use the licenses of both products without acquiring extra licenses of both; let customers/market choose to use TRADOS tool or SDLX
Price	Clear and affordable price list; lower prices; better price for end users; make the licenses flexible as they are for SDLX; considerable price decrease
Open Source	Open source; open (not free) Translators' Workbench to become the "operating environment" for the industry
Support	Efficient support (the current one was virtually zero) and respect for customer; better training (past training was sub-par); better product support; better marketing; better training; better after-sale service and support; incorporate user feedback; TRADOS-minded follow-up to new clients
Upgrades	Less frequent paid upgrades; remove the feature that doesn't allow newer updates to work with older files; fewer upgrades/patches; low-cost upgrade alternatives for translator; backward compatibility

Table 1: Business-Focused Suggestions for How SDL Should Integrate TRADOS

Source: GALA

Category	Sample Suggestions
Combination	Combine the advantages of both technologies; stick everything that's good into SDLX and shut down the TRADOS line; integrate the best features of TRADOS and SDLX; offer combined glossaries, terminology banks, etc.; standardization
Compatibility	Direct handling of FrameMaker; make it more compatible with other translation tools
New Products	Better localization solution like Passolo; more sophisticated project management tools integrated with TM automation; project management tools that allow project managers to keep track of files, budget, project plans, invoicing, etc.
Openness	A truly open XML-based structure for translation memories; better APIs for seamless integration with additional OEM products
Product	Make one "super tool"; improve MultiTerm so it is network- capable again; invest in TeamWorks; enterprise policy on resource allocation; get back to TRADOS core business of translation memory; make improvements to TRADOS
Tag Editor	Develop S-Tagger like filters for all possible applications; develop TagEditor to easily configure projects for various formats without specialist knowledge
Usability	Get rid of that awful filter for converting MIF files to STF; make it easier to manage and clean up translation files; friendlier interface; support for more formats; improvement with tables; possibility to use more separate TMs for analyzing/translating files and then for searching during work like old TM/2 instead of being forced to create single monster TMs productivity enhancement; easier merging, /extracting, maintaining TMs; integrate all TRADOS tools into one, since it needs too many applications to work properly and support different formats.
Windows Integration	Remove Word as editor; deliver more value than the usual Word integration; improved functionality for handling XLS and PPT files; use its experience as a translation provider to improve and expand TRADOS features, specially regarding different file formats other than doc, rtf and html

Table 2: Technology Suggestions for How SDL Should Integrate TRADOS

Source: GALA

Conclusions from the Survey

From GALA's survey of its membership about SDL's acquisition of TRADOS, we conclude that:

- Language service providers worry that it will have a negative affect on the market in the areas of competition, technology availability, and pricing.
- The LSPs expect SDL to do well selling to end users.
- For all of their concerns, many LSPs are realists and know that they have to work with SDL technology in some form. They realize that this acquisition isn't the end of the world and have many suggestions on how SDL can improve its product offerings.
- For Common Sense Advisory's analysis of the impact of the acquisition, see the research posted at the special download page for GALAxy readers.

About The Globalization and Localization Association

GALA is a fully representative, non-profit, international industry association for the translation, internationalization, localization, and globalization industry. The association gives members a common forum to discuss issues, create innovative solutions, promote the industry, and offer its clients unique, collaborative value.

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