

Report on Language Management Strategies and Best Practice in European SMEs: The PIMLICO Project

April 2011

*'If I am selling to you, then I speak
your language, aber wenn du mir
etwas verkaufst, dann mußt du
Deutsch sprechen'.*

Willy Brandt,
Former German Chancellor



EUROPEAN
COMMISSION

This report presents the outcomes of the PIMLICO study. The study was the first step of the European Commission's initiative to promote greater use of foreign languages by SMEs. This is an independent report. The views expressed herein are those of the independent experts which do not necessarily reflect the official position of the European Commission.

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The interviews with the 40 selected small and medium-sized international companies across 27 EU Member States were undertaken by a team of selected international researchers whose work provided the essential empirical data for the study. Their careful, well-researched contact, visits and highly productive interviews, which were so vital to the successful compilation of this report, took place over a six-month period during 2010. Their field reports of international SME trading activity using languages were collated to provide key insights into how exemplar companies employ language management strategies to improve their performance and particularly their bottom line. The selection and day-to-day management of the researchers, including international communications, guidance and training, and the collation of the individual country reports, were ably handled by Susanne Hagen, Semantica Ltd (UK), whose persistence, as well as her expert deployment of diplomatic and project management skills were an essential ingredient in the success of the PIMLICO survey.

The research methodology was based on models, definitions and systems adapted from the ELAN Project (2006). Critical amongst these is the concept, definition and exemplification of the *language management strategy* (LMS). Without the expert knowledge of multilingual business communication set out and described by Professor Hagen, the principal author of the ELAN Report, it would have been difficult to have the necessary tools to identify and describe how best practice can be optimally achieved by European SMEs and how they can secure international trade success.

The publication of this report now forms the basis for the next stage of the project. In the second phase, Tipik's team will draw on the main insights contained in the report to implement a European communication initiative and to promote the exemplar practice and application of language management strategies amongst European businesses during 2011. They will achieve this with the assistance of key business stakeholders, such as the EU's Business Platform, and they will make available a significant range of products, such as guides and systems to support SMEs and disseminate these throughout Europe.

The team-work of researchers, project managers, and communications specialists in producing this report is greatly appreciated. But as the author I would like to extend a special thanks to the small and medium-sized European businesses which appear in Annex 5 who willingly gave up time to take part in this study and give us the benefit of their valuable know-how to assist other companies to become more successful in their international activity.

Professor Stephen Hagen
Principal Investigator and PIMLICO Report Author

EXECUTIVE SUMMARY

The Directorate-General for Education and Culture is launching an information initiative in 2011 designed to promote the greater use of language management strategies (LMSs) by European small and medium-sized enterprises. This report is the result of the PIMLICO Project, which is the first phase of the initiative and stands for *Promoting, Implementing, Mapping Language and Intercultural Communication Strategies*. The PIMLICO Report focuses on identifying and describing models of best practice in 40 European SMEs, which have been selected for their significant trade growth thanks to formulating and employing *language management strategies*. The report also provides a review of a range of language support organisations and networks in the 27 EU countries operating at various levels: supranational, national, regional and local. In Phase 2 there will be a website and guides which will offer detailed information on where companies can access further information, and ideas and advice on how to develop language management strategies and create new techniques in order to increase their international trade prospects for growth in foreign markets where they face language barriers.

Previous Findings

The survey of SMEs in the ELAN Study (2006), discussed in Chapter 2, found that a significant amount of business was being lost in Europe as a result of a lack of language skills. Across the sample of 1964 businesses, 11% of respondents (195 SMEs) had lost a contract as a result of a lack of language skills. The survey identified situations where companies were aware of the business lost or potentially lost due to language and/or cultural barriers, but the real figure is likely to be under-reported. Four characteristics of companies were associated with higher performance in international trade: namely, the employment of native speakers; recruiting employees with existing language skills; using professional interpreters and translators; and having a language management plan (or strategy) in place. SMEs investing in these four elements achieved export sales 44.5% higher than those not making any of these investments. The ELAN findings were used as a basis for identifying and developing models of exemplar companies as case studies in PIMLICO.

Project Phases

The project is organised in two major phases:

- **Phase 1: The PIMLICO Project Survey** – whose objectives have been to collect information on good practices and language strategies used by SMEs and support structures; and to find facts that can support the information campaign in the second phase of the project.
- **Phase 2: The Information Campaign** – with the strategic objective of making SMEs more aware of the possibilities and advantages that language skills can open up for them in global markets, and to increase the volume of SMEs making strategic use of language management strategies.

Main Findings

The findings from the case studies demonstrate that successful companies use various forms of language management strategies (LMSs) to address the diverse communication interfaces of their international activity.

The LMS, sometimes abbreviated as 'language strategy', is defined as '*the planned adoption of a range of techniques to facilitate effective communication with clients and suppliers abroad*' (ELAN, 2006). A language management strategy usually comprises a package of pre-emptive measures which facilitate a company's entry or expansion in a new cross-border market where there are linguistic and/or cultural barriers.

The LMS can include any combination of the following measures:

- use of local agents to solve language problems;
- creation of websites with special cultural and/or linguistic adaptations;
- use of linguistic audits;
- use of professional translators/interpreters;
- translation of promotional, sales and/or technical materials;
- language training and cultural briefing schemes;
- online language learning; employee selection and recruitment policy;
- staff mobility;
- 'buddying' with foreign colleagues and cross-border secondment schemes;
- forging links with local universities;
- taking on foreign students on placement;
- native-speaker recruitment;
- e-commerce involving multilingual operations; and;
- product or packaging adaptation in line with local tastes and customs.

All the case studies have been able to place a value on, or measure the impact of, their language management strategy.

- The 40 selected companies' profile demonstrates significant advantages: 43% reported to have increased their turnover by more than 25% by introducing a strategy with new languages. An additional 30% put the increase in terms of trade at 16-25% of turnover.
- For 73% or nearly three in four companies, sales turnover has increased by a minimum of 16%.
- In several cases, a specific increase in sales is attributed to one or more of three particular measures, e.g. *multilingual website adaptation*, *recruitment of native speakers* or *use of local agents to solve language problems*. These three are also the three most cited features of a language management strategy where a concrete figure of the percentage increase in foreign sales has been given.

Common Characteristics of Successful Companies

The 40 PIMLICO case studies tend to share a pattern of common characteristics in their language management:

- *Functional Capability across a Range of Languages*

Most of the companies have fluency, characterized by the ability to negotiate in at least three foreign languages, one of which is invariably English. There is a common recognition, however, that a competitive edge comes from their multilingual and multicultural capability.

- *High-Level Competence in English*

A high level of competence in English is taken for granted in making company appointments and employees are expected to maintain high-level skills in English.

- *Ability to Operate Globally and Adapt to Differing Linguistic Demands*

Different languages are used for different markets or in parallel. Third languages are used for trading in various markets where companies don't have the existing linguistic capability, e.g. German in Hungary.

- *Use of Local Agents for Solving Linguistic and Cultural Issues*

Companies experience a clear correlation between using local agents for solving language problems and their trade volume.

- *Pervasive Internationalisation Underpinned by HR Strategy*

The companies follow practical steps in using their linguistically able staff and in developing their people to be internationally, culturally and linguistically competent, e.g. they:

- Keep careful records of their staff's language ability and put it to good use;
- Employ *native speakers*;
- Undertake *linguistic and cultural training*;
- Develop *deeper intercultural understanding*;
- Use *professional translators and interpreters*;
- Adapt their websites to other cultures;
- Work in partnership with local universities to hire short and long-term language support, including foreign students on placement.

Out of the 40 cases, ten 'super-SME' case studies were chosen due to their exceptional performance in international trade thanks to their language management strategies. They are chosen against the following criteria:

- Their unique and innovative combination or range of diverse language measures embedded within their language management strategy;
- The cultural and/or linguistic complexity or sophistication of the markets in which they successfully trade;
- The volume and sustainability of their trade in foreign markets, notably in markets beyond Europe;
- The quality and support for multilingualism as a policy in the company.

In all but one particular case, the 'super-SMEs' enjoy significant success in terms of export sales relative to total sales, which can be directly attributed to the existence of their language management strategy. Super-SMEs generally export at least 60% of their goods or services abroad and, in some cases this rises to 90%.

Main Findings in the Provision of Support

There are many different levels of business support available to help companies improve their international trade, which include chambers of industry and commerce, as well as education and government organisations in different Member States. The discrete level of help for languages is, however, variable between states and between different intermediary organisations.

- All 27 European Member States either have a ministry of trade, or economics, or an equivalent body which oversees a country's organisations of trade.
- The national trade body may be a national chamber of commerce which offers national initiatives to support companies' language needs.

- A few countries stand out in terms of the distinctiveness of their infrastructural support, national policies or the volume of language support measures available to SMEs: notably, these are in Austria, Denmark, Spain and the UK, whereas other countries, such as Bulgaria, Cyprus and Ireland, appear to have no significant national policies or country-wide language support for companies.
- Where language provision for business may be lacking within the national infrastructure, there are often local initiatives at the chamber, or regional, level which offer special support.
- The bilateral chambers and foreign branches of certain national chambers seem to offer some of the best dedicated specialist linguistic and cultural support to companies; they tend to exist where there are well-established trade links, e.g. the Franco-German Chamber of Commerce and Industry; the German-Slovenian Chamber of Commerce and Industry; and the British Chamber of Commerce (in Spain).

Principal Recommendations

A series of recommendations are proposed for action on languages at various levels, from the European Commission to national governments, intermediary business organisations, educational institutions and businesses.

The recommendations could, if adopted, significantly enhance a company's prospects of operating more effectively in an increasingly competitive, global and multilingual trading environment. At the European level, these proposals could have a potentially significant impact on the growth of intra- and extra-European trade.

However, the level of support available at the national level varies significantly between Member States:

- There is a need for further linkages to develop opportunities for the exchange of information and best practice from country to country, business intermediary to business intermediary and, ultimately from one business to another.
- The information campaign proposed in Phase 2 of PIMLICO is a critical step in this process.

CHAPTER 1: INTRODUCTION

1.1. WHAT IS PIMLICO?

'PIMLICO' stands for *Promoting, Implementing, Mapping Language and Intercultural Communication Strategies in Organisations and Companies*. It marks the first phase of a two-stage promotional initiative spanning 27 countries aimed at international small and medium-sized export companies, and demonstrates the value of employing effective language and communication strategies to overcome linguistic and cultural barriers in international trade. Essentially, the PIMLICO Project surveys 40 best-practice SMEs and focuses on identifying and describing the ingredients that make up a successful company's language management strategy (LMS). The Project has also reviewed other success factors, such as the levels of infrastructural support, e.g. from business intermediaries, that have helped companies address language barriers, and includes chambers, education providers and government organisations operating at different levels (national, regional or local) in various Member States. On the basis of best practice identified in the project, we make recommendations that could, if adopted, significantly enhance a company's prospects of operating more effectively in an increasingly global, multilingual trading environment.

1.2. THE PIMLICO PHASES

The two phases are: firstly, selecting companies for their best practice in using language strategies for cross-border trade; secondly, raising awareness and publicising best practice from case studies of successful companies across the European Union. The PIMLICO project is headed up by Tipik Communication Agency (BE), assisted by Semantica Ltd. (UK) and the business language expert and principal investigator responsible for overseeing and reporting on the research is Professor Stephen Hagen, also principal author and principal investigator of the *ELAN Study*.

In brief, the project's objectives are to:

- ✓ Raise awareness of the nature of linguistic and cultural barriers in trade;
- ✓ Promote best practice amongst SMEs in how to overcome linguistic and cultural trade barriers and improve their bottom line by employing language management strategies;
- ✓ Support communication strategies through the EU's Lifelong Learning Programme aimed at awareness-raising in governments and business intermediary organisations;
- ✓ Identify magic formulas that SMEs can apply to improve their cross-border trade, particularly in global markets;
- ✓ Increase the volume of European SMEs making strategic use of LMSs to improve their trade.

1.3 PIMLICO METHODOLOGY

ELAN employed a complex sampling methodology and produced an econometrically-driven modelling of the impact of language strategies on companies' trade performance. PIMLICO, by contrast, is qualitative; it focuses on collating successful case studies across Europe, derives and maps their language management strategies and identifies elements and activities which are potentially useful to other companies facing similar linguistic and cultural barriers.

During the first selection phase in 2010, samples of five, seven or ten SMEs were surveyed from each of the 27 Member States (the country sample depended on the population size of the Member State). This initial piece of desk research revealed 182 companies which, on the surface, fitted the profile of an SME company using a language management strategy to successfully overcome language barriers in their

international trade. From these, 160 companies were selected and interviewed by researchers who verified and described the composition and effectiveness of the companies' language management strategies. From within this group, a sample of 40 case studies were found to be models of good practice, worthy of further investigation and eventual publication. There was a core group of ten exceptional performers, however, who stood out amongst the rest and which formed a 'super-SME' group. Each of the ten super-SMEs had achieved significant success in markets with linguistic and cultural barriers. The 40 companies who were identified as exemplars in the PIMLICO study have all adopted unique combinations of language management techniques which would appear to be transferable to other companies in Europe.

Many of the case studies that feature in this report have also managed to perform well in 'difficult to reach' markets, which are either distant, exotic or have complex local linguistic conditions, such as regional dialects (see Annex 5 for a listing and their descriptions). They are moreover drawn from across the EU, and it is clear that excellence in using language management strategies is limited to neither the larger, nor the economically well-developed Member States, and excellent performance can be found across Europe in many countries.

PIMLICO offers, in its second phase, a genuine opportunity for cross-border knowledge exchange between all the Member States, wherever they are based within the EU. On occasion, the interviewers were not given exact numbers in terms of the company's turnover, or company size, for commercial reasons. Instead, where this information is available for publication, it has been presented as a range (e.g. '16% - 25%') rather than an exact figure.

The final sample of 40 case studies set out in Annex 5 was not selected on an exactly scientific basis as in the ELAN sample, but the cases were identified because they met certain broad criteria: they provided (i) an exemplar of good practice in the use of language management strategies; (ii) a representative pattern of sectors engaged in export to ensure a cross-section of the common SIC categories engaged in export; (iii) a cross-section of company sizes (micro-companies up to medium-sized with 250 employees); and (iv) a cross-section of regions from different parts of Europe.

The five criteria for selecting the 40 international case studies participating in PIMLICO are:

- ✓ Exhibiting the four ELAN criteria normally associated with 'successfully performing' companies demonstrating higher than average growth in export markets thanks to their LMS (see 2.2.);
- ✓ Demonstrating a high awareness of the economic value of language and intercultural skills in business;
- ✓ Instituting a conscious policy of developing skills in languages;
- ✓ Understanding the wide range of language measures in an LMS and understanding the value of each of its component parts to their business;
- ✓ Presenting evidence that the company's language and intercultural capability has had a measurable impact on its trade performance and/or business efficiency.

Out of the 40, the ten exceptional 'super-SMEs' not only met these criteria but, in addition, possessed an extra-special dimension to their strategy, for example, they had adopted a highly innovative way of using languages, or were using a unique measure which gave them a competitive edge in foreign markets. These companies often trade successfully in faraway markets outside Europe, and either come from an unusual sector or trade in an unusual service or product. Many of the key insights were also presented by the companies themselves at a seminar, Languages for SMEs, organised by DG EAC in association with the Business Platform in September 2010. The variety of language management techniques in practice also provides much scope for knowledge transfer between and across companies in all parts of Europe.

1.4. PURPOSE OF THE PIMLICO REPORT

This report identifies a diverse range of best-practice and exemplar case studies (*super-SMEs*) from amongst top-performing international SMEs in the EU, based on the size of population. The second part of the report focuses on contributing factors in SME success by reviewing and mapping the infrastructure of business language support available to international SMEs in EU Member States.

In Phase 2 in 2011, an information campaign will be launched and aimed especially at SMEs and business intermediaries to promote the benefits of companies adopting language management strategies for their trade and organisational efficiency. The conclusions of the PIMLICO Report will be used to provide key messages, insights and practical guidance to influences throughout the EU. For example, informative, on-line opportunities for companies and intermediary business organisations to exchange information on the use of language management techniques are planned. The objective of the information campaign is not only to promote the best-practice companies identified in this report, but also to initiate a special European recognition or award scheme to kite-mark different grades of performance, such as the ten super-SMEs' use of language management strategies.

CHAPTER 2: HOW SERIOUS IS THE PROBLEM?

2.1 THE CONTEXT FOR ACTION

In 2008, the *Business Forum for Multilingualism*, comprising a number of representatives from European companies and educational institutions across Europe, produced the report, 'Companies Work Better with Languages', which outlined the economic value to SMEs of foreign language skills and competences. A significant percentage of European SMEs were losing business every year as a direct result of linguistic and intercultural weaknesses. Although it appeared certain that English would keep its leading role as the world business language, it was the use of other languages that made the difference between middling performance and excellence and provided a competitive edge.

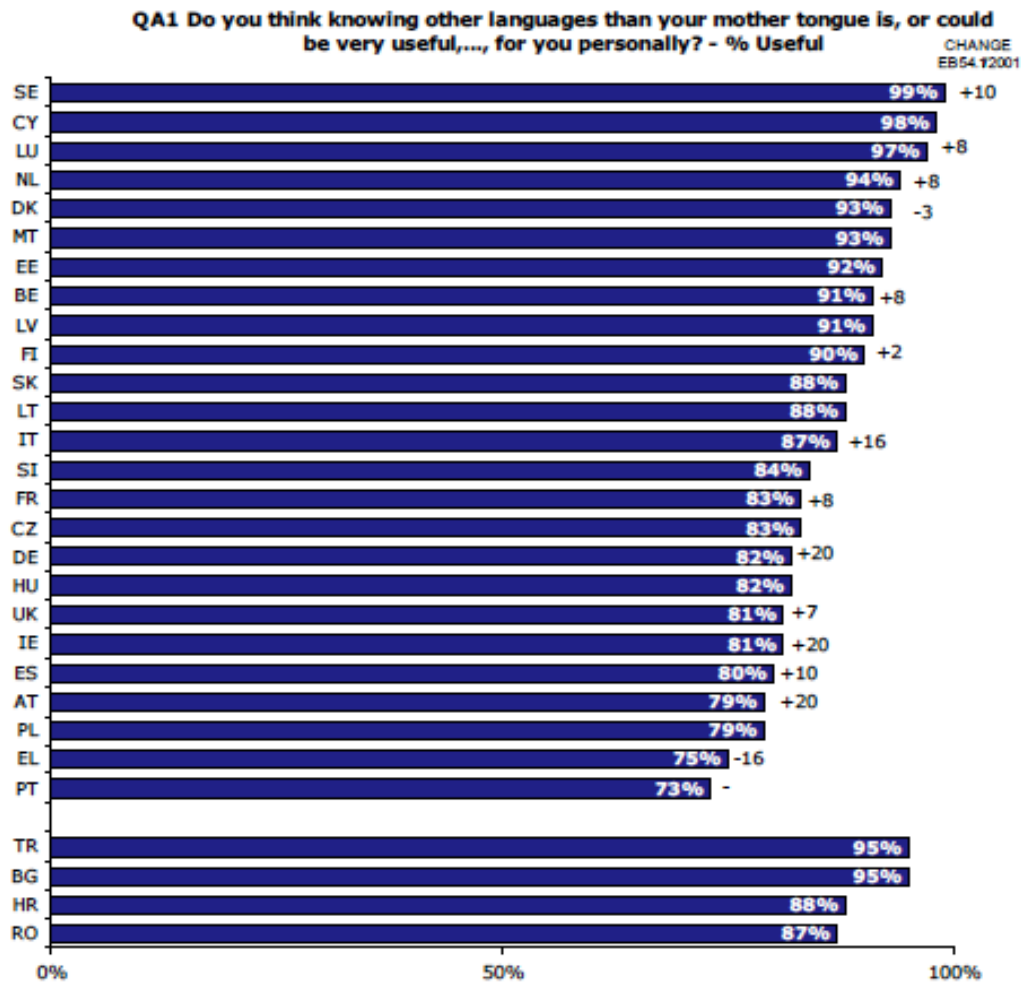
In other European countries, different, unrelated business groups arrived at similar conclusions. The Confederation of Danish Industries carried out a survey among their member companies in 2007 which showed that languages other than English were used by more than a third of all companies and that four companies out of ten had experienced more or less serious communication problems with trade partners in other countries as a result of linguistic deficits. The Austrian *Institut für Bildungsforschung der Wirtschaft* published a report in 2006 projecting future problems in Austria, which is one of the few countries where, according to the Eurobarometer, language skills in the general population have actually declined. In addition to English, companies will need Italian and the languages of trading partners in Central and Eastern Europe, in particular Czech, Slovak and Hungarian.

The Business Forum recognised that for small companies, good multilingual communication opened up opportunities that made the difference between success and failure. Language skills were recognised as an asset within all activities, and not only for sales and marketing. Problems could be solved more quickly and delays avoided if there could be direct communication between people on all levels. Real progress could be achieved if businesses, from micro companies to multinationals, developed creative and dynamic language strategies which reflected and were adapted to the individual requirements of each organisation.

All such strategies, they argued, needed backing and support through local and regional networks, whereby solutions could be found through partnerships and knowledge-sharing, both between business and the education sector and between industry and research, with the view to transferring language skills and language technology into more productive use across many different international organisations.

The Business Forum focused on the global marketplace and how it had affected the demand for different and varied types of language skills. Languages are not only needed to boost sales and marketing: upstream supply chains cross borders to the same extent as international services and finished goods for export. The group gave particular prominence to one characteristic feature of globalism: labour markets mean the integration of multilingual and multicultural workers within as well as across companies. Effective international HR strategies were increasingly valuable. The language skills and cultural mediation skills of migrant workers were often underused and could be used more proactively.

According to the 2006 Eurobarometer 243 survey, although there is some variation between countries, individuals living in Europe generally consider foreign language acquisition to be 'useful' (see table below). Interestingly, in the five-year period between 2001 and 2006, the percentage of individuals who believed languages to be useful at a personal level increased significantly, notably in Germany, Austria, Ireland and Italy. This level of interest has apparently not yet been fully translated into business application, nonetheless, there is an important recognition of the value of languages.



Source: *Europeans and their Languages*, Eurobarometer, 2006

2.2. FINDINGS FROM PREVIOUS STUDIES

The Business Platform identified a number of indicators which measured the losses experienced by companies when trading across borders. Two recent studies provide a useful introduction to these issues: *Internationalisation of European SMEs* (IES, 2010) and *ELAN*, 2006. The *Internationalisation of European SMEs* report draws on the terms, data, definitions and methodology of the ELAN Study (2006), which found that a significant amount of business is being lost in Europe as a result of a lack of language skills and intercultural competence. Across the sample of 1964 businesses surveyed for ELAN, 11% of respondents (195 SMEs) had lost a contract as a result of a lack of language skills. Many were unable or unwilling to indicate the size of the contract lost, but 37 businesses had lost actual contracts which together were valued at between €8 million and €13.5 million. A further 54 businesses had lost potential contracts worth between €16.5 million and €25.3 million total. At least ten businesses had lost contracts worth over €1 million.

According to the ELAN findings, if the same proportion of EU SME exporters were losing trade through lack of language skills, we could calculate conservatively that at least 945 000 European SMEs were losing trade as a result of a lack of language competence. Four techniques of language management were found to be associated with successful export performance, i.e. *having a prior language management plan (or strategy) in place; appointing native speakers; recruiting local agents; and using professional translators/interpreters*. An SME investing in these four elements achieved an export sales proportion 44.5% higher than one without these investments. Furthermore, if companies could be encouraged to

invest in just these four language management measures, there could potentially be significant productivity gains from exporting which would wash back to the internal economy. Total factor productivity for exporters, for example, could be as much as 3.7% higher than the industry mean. A 3.7% productivity spill-over from exporting could result in a very substantial additional impact from these investments in language skills.

The link between foreign language usage and trade performance has been demonstrated by a number of earlier studies. Frankel (1997), Frankel and Rose (2002), and Heliwel (1999) attempted to measure language differences as trade barriers and quantified the cost of language barriers as between 15%-22% in terms of tariff equivalents. They also estimate that sharing a common language can increase bilateral trade by between 75% and 170%. Noguer and Siscart (2003), on the other hand, estimate the tariff equivalent of language as a trade barrier at a modest 6% and the value of sharing a common language to be 11%. Noguer and Siscart also point to a series of key variables in the relationship between foreign languages and trade performance:

- ✓ Measures of political and colonial association are likely determinants of current trade flows and are potentially correlated with sharing a common language;
- ✓ Price indices are implicit functions of bilateral trade barriers and any measure of the impact of language barriers on trade should account for their effect on the price indices;
- ✓ Adjacency: common languages are often spoken in countries sharing a common border;
- ✓ Political and free trade unions: we would expect the older members of the EU (who form a closer union) to have greater volumes of inter-trade.

Noguer and Siscart (2003) argue that language barriers vary across sectors, and maintain that the tariff equivalent of language barriers is close to zero in sectors such as agriculture, mining, petroleum refineries, iron and steel, and food. However, there are large tariff equivalents of language barriers in printing and publishing (18%); clothing (14%); and professional, scientific and controlling equipment (10%). Language barriers also adversely affect international integration through their effect on factor markets, notably migratory labour and capital markets, and hamper intra-national social harmony.

Along with language barriers, SMEs experience intercultural barriers when operating internationally. For example, in the ELAN study, more than 10% of respondents in all but eight countries were aware of having encountered intercultural difficulties. Across the entire European sample, 46% of businesses stated their intention of entering new export markets in the next three years. Very high percentages of businesses in Greece, Turkey and Bulgaria in particular plan to begin trading with new countries. The need for language skills will increase in future. In 13 of the 29 countries surveyed, at least 50% of respondents believed they would need additional language skills in the next three years. Intercultural skills were also widely predicted to be required in future, although not at the same level. One-fourth of international SMEs still believe they need to improve their proficiency in English. However, German, French and Russian are also in high demand. Mandarin and other Chinese languages score higher among the multinationals.

The causes of lost contracts due to language deficiencies can also vary from one part, or region, of Europe to another. In a recent study of language use among Catalan businesses by the *Universitat Oberta de Catalunya* (Hagen, 2009), businesses reported that particular skills were lacking in particular situations. Competence in *English for negotiations* featured very prominently as a particular need by a quarter of Catalan companies that lost contracts due to language barriers, next highest was *German correspondence* together with English in correspondence, followed by *German for meetings*. There were no surprises about the prominence of English and German, but the specific linguistic needs ranged from the global, e.g. *Chinese for exhibitions*, to the local, e.g. *Basque for presentations*. When it comes to winning contracts, selling in the customer's local language can be the vital ingredient, whether that requires the skills to

make presentations in a local European language, such as Catalan and Basque, or in a language of global business, such as English, Chinese or Spanish.

2.3. BARRIERS TO THE INTERNATIONALISATION OF SMES

The first thought is usually only of *linguistic* barriers, but there are hidden obstacles which are often cultural, and can go unnoticed. These can include unexpected regulatory requirements, behavioural and perceptual differences involving, for example, preferences for certain styles of packaging, or different interpretations of what is meant by 'a contract'.

In 2010, the IES Study rated the most important barrier to internationalisation as the general price level in the home market and the level of efficiency of the firms. However, the other barriers include languages and communication issues. The second most important barrier is the high cost of internationalisation. This includes making information on international markets easily accessible to SMEs or subsidizing trade missions to facilitate participation in foreign trade fairs. For some smaller enterprises, it is the lack of suitably qualified personnel which acts as a brake. For companies that are already internationally active, the language issue is rated 2.2 on a scale of 5, but for companies that are planning to become active internationally, the perception of language as a barrier is much higher at 2.9.

It is evident from the findings from PIMLICO research that, although companies and stakeholders are aware of the importance of languages for foreign trade, many will still choose not to prioritise investment in languages as a necessary means of winning business. With changing economic conditions, companies need to go further, and find creative ways of using the often unnoticed language resources that exist within the company itself. According to a representative from the Ministry of Education in Lithuania, there is not only a lack of know-how among SMEs but also a need to access the resources offered by educational establishments and chambers within the country.

Moreover, language barriers can affect every size of SME: micro, small and medium (2.1-2.2 on a scale of 5). *Cultural (business) differences* are seen as barriers by just over 20% of SMEs in Europe. For many SMEs, language and culture are not only real barriers, but are *perceived to be even greater barriers* by companies planning to embark on international trade but who are not yet trading abroad. It is clear that the Phase 2 communication initiative must de-mystify linguistic and cultural barriers, as well as provide practical guidelines and models for dealing with them.

2.4. PROFILE OF SMES' INTERNATIONAL TRADING PATTERNS

There are nonetheless a number of European small and medium-sized companies (SMEs) which are highly proficient and successful at international trade because they have systematically introduced into their international business a package of communication management measures resulting in exceptional growth and other forms of success such as organisational efficiencies. Formulating and adopting a package of measures to deal with international linguistic and cultural barriers before they arise amounts to having a 'language management strategy' (LMS).

For many companies, a language management strategy is important because it can enhance trade performance. It may also contribute to other unplanned efficiencies such as workforce management, secondments and other HR development; it can also facilitate acquisitions and enhance a company's international standing and public image.

If developing a language management strategy helps a company start exporting, then the EU economy will benefit as well as the company. Firms that export are known to be more productive than those that do not

(ELAN, 2006) and every company should be encouraged to start exporting, even if only at the level of cross-border transactions. More important, the higher productivity of exporters may in part be *caused* by exporting. Exporters learn about new processes, products and management practices from international buyers and competitors. In keeping with the principle that the division of labour is limited by the extent of the market, export markets allow firms to exploit economies of scale, thereby enhancing productivity. Exporters may also face greater competitive pressures in international markets which tend to incentivise greater efficiency. In the interest of business success and the growth of internal markets through cross-border trade, the European Commission supports the internationalisation of companies, of which language capability is a key part.

Internationalisation encompasses a broad diversity of factors. According to the *Internationalisation of European SMEs* (IES) report, 44% of European SMEs are involved in some form of international activity; the share of SMEs that import directly (29%) is slightly higher than those that export (26%). SMEs generally start their international activities by importing. If SMEs are both importing and exporting, they start importing twice as often (39%) as they start exporting (18%), and 42% start importing and exporting in the same year. The larger the company, the more it tends to internationalise. This applies to every mode of internationalisation. For exports, 24% of micro, 38% of small and 53% of medium-sized SMEs are active, and for imports the respective percentages are 28%, 39% and 55%.

Of the six largest EU economies, four countries, i.e. Germany, France, Spain, and the UK, somewhat paradoxically, have a lower than average percentage of SMEs exporting. Estonia, Denmark, Sweden, Czech Republic and Slovenia, however, have a much higher percentage of exporters than the EU average of 25%. The variation in export activity does not stop there. The business areas in which SMEs export the most are: mining (58%), manufacturing (56%), wholesale trade (54%), research (54%), sales of motor vehicles (53%), renting (39%) and transport and communication (39%). The areas in which only a relatively small percentage of SMEs are engaged in exports tend to be mainly in the service sector: real estate; human health services; legal services and construction.

The age of a company is a further factor. Exporting and importing activities increase in intensity by age of enterprise. The percentage of SMEs that are exporting gradually increases from just over 15% for enterprises up to four years of age to nearly 30% for enterprises that have existed for 25 years or more (IES Report, 2010). Moreover, whereas three-quarters of all exporting SMEs are oriented towards markets in other EU Member States, emerging markets such as Brazil, Russia, India and China (BRIC) are only served by 7% to 10% of exporting SMEs. The communication initiative has the task of encouraging SMEs to trade more with BRIC countries by de-mystifying the language barriers.

CHAPTER 3: PIMLICO CASE STUDIES

3.1. COMMON LANGUAGE MEASURES

Successful companies use an LMS, a language management strategy, comprising a range of language measures to address the diverse communication interfaces they face in their international trade. These measures can be wide-ranging and diverse, but are selected because of their positive impact in the company's marketplace. These can include, for example, several or all of the following:

- ✓ using local agents to solve language problems;
- ✓ creating culturally and/or linguistically adapted websites;
- ✓ using linguistic audits;
- ✓ using professional translators/interpreters;
- ✓ translating promotional, sales and/or technical material;
- ✓ offering language training and cultural briefing schemes, including online language learning;
- ✓ instituting a 'polyglot' employee selection and recruitment policy;
- ✓ encouraging cross-border staff mobility;
- ✓ adopting 'buddying' and secondment schemes;
- ✓ forging links with local universities, e.g. for taking on foreign students on placement;
- ✓ encouraging native-speaker recruitment;
- ✓ planning e-commerce underpinned by multilingual operations (e.g. local currency and language).

These measures reflect the feedback from international SMEs over many years which have described the situations where the use of languages has proved to be either 'vital' or 'very important' (viz. TPUK, 2001):

Where using a foreign language can be 'vital' to a business:

- ✓ Creating trust with actual and potential clients;
- ✓ Gathering initial market intelligence prior to penetrating new markets;
- ✓ Meeting clients;
- ✓ Meeting local legal requirements, regulations and customs documentation;
- ✓ Researching foreign markets;
- ✓ Engaging in e-commerce, queries and after-sales service;
- ✓ Exhibiting at trade fairs;
- ✓ Tendering for public procurement;
- ✓ Drawing up contracts;
- ✓ Defending patents, attending court proceedings;
- ✓ Advertising abroad;
- ✓ Conducting and analysing local market research;
- ✓ Identifying and managing a local agent;
- ✓ Tendering for contracts abroad;
- ✓ Training or instructing local operators;
- ✓ Ensuring customer care and after-sales service;
- ✓ Chasing payment and recovering bad debt;
- ✓ Handling documentation, including customer or technical specifications;
- ✓ Negotiating locally in joint ventures, acquisitions and take-overs;
- ✓ Managing a local workforce effectively;
- ✓ Handling local union agreements.

Where using the customer’s language is very important:

- ✓ Creating a positive rapport with major customers;
- ✓ Showing evidence of long-term commitment to their market;
- ✓ Travelling abroad;
- ✓ Creating an international ethos within your company or organisation;
- ✓ Gaining a competitive edge;
- ✓ Increasing the flow of market intelligence and customer feedback.

3.2. KEY CHARACTERISTICS OF THE PIMLICO CASE STUDIES

The 40 successful PIMLICO companies in Annex 5 manage to operate across a wide range of languages and cultural boundaries. This does not necessarily mean that their staff is proficient in every language, nor do they undertake significant language training programmes for their employees. But a common technique is to ensure *language capability* or *multilingual functionality* in many more languages than the average trading company. It often means cleverly drawing on external people to carry out language tasks, often a local agent, who handles language issues in the foreign market, or using the local university and taking on foreign placement students, e.g. under the ERASMUS scheme.

These companies share common characteristics:

3.2.1. High-Level Competence in English is an Essential Requirement

It is clear from the PIMLICO case studies and the ELAN Report that English is, and continues to be, the dominant language of global trade.

Languages used by SMEs for exporting

English	51%
German	13%
French	9%
Russian	8%
Spanish	4%
Others	15%

Source: ELAN, 2006

English proficiency is now seen by business more as a generic skill much like computing skills or numeracy which people in international trade are assumed to possess. It is also recognised that certain sectors use only English in all their trade dealings, e.g. biotechnology and the aeronautical industry. For a long time, its use has moved far away from its cultural roots in the Anglo-Saxon world and there is increasing recognition of the emergence of new simplified, or abbreviated varieties, often referred to ‘mid-Atlantic’, or ‘off-shore’ English, prompting the wry view of one businessman that the most widely-spoken language in the world is ‘broken English’!

However, whereas most European SMEs in ELAN cite English as the primary language used for business communication in major export markets, there is widespread use of other languages as well: for example,

- ✓ German was frequently used when exporting to 15 countries (including Germany and Austria);
- ✓ Russian was frequently used in trade with the Baltic States, Poland and Bulgaria;

- ✓ French was frequently used in 8 countries, including France, Belgium and Luxembourg.

While English remains as important as ever on the Internet, other languages such as Chinese, Russian, Spanish, and Portuguese are becoming comparatively more important. The Austrian *Institut für Bildungsforschung der Wirtschaft* projected the future language needs of Austrian companies as several languages in addition to English: they will need Italian and the languages of their trading partners in Central and Eastern Europe, in particular Czech, Slovak and Hungarian. In Eastern Europe, German and Russian are still used almost as often as English as international languages of trade. The number of learners of English worldwide is, however, likely to peak at around 2 billion in the next decade. The world is becoming increasingly multilingual. Generally, the PIMLICO companies recognise that excellent English is essential for international trade, but espouse functional multilingualism in their international trade (see below).

This is apparent because of the number of markets where English does not suffice: e.g. trading in Latin America can be impossible without some Spanish (or Portuguese in Brazil); doing business in Russia with only English increasingly becomes unmanageable outside of the main centres of population. There is an illustration of the inappropriateness of English in one business context which is referred to in Annex 5. Fotona, a Slovenian company, indicated it had suffered substantial losses in Europe due to language barriers, but particularly in Spain owing to its lack of language skills. The customer refused to communicate in English and the contract was lost as a consequence. Another Slovenian company, Hmezad, which trades in Germany uses English as the neutral *lingua franca* for written communication with direct buyers and local agents in foreign countries, combined with other languages for socialising and face-to-face contact. They found that their German clients preferred the use of German to English even when they could speak English, so Hmezad uses spoken German with their German clients and places all written communications in English, which suits their German-speaking clients.

There is also a growing enthusiasm for, and growth in, the use of local or regional languages such as Catalan, Welsh and Basque, which are increasingly accepted for use in everyday communication. There is also some evidence of a resurgence in using national languages, too, such as German for trade, which is well illustrated by the caption used on the front page of the Report; if you wish to sell to a customer, then you should consider using his or her own language for best effects!

3.2.2. Ability to operate globally and adapt to different cultural and linguistic environments

One priority for the companies is, of course, to ensure they have high-level capability in English on which to draw at all times. However, most have fluency, characterized by the ability to negotiate in at least three foreign languages. English does not always work without other languages.

All 40 best-practice case studies display different and innovative ways in which English works well in combination with other languages, parallel to one another or at different stages in a business relationship. The Scottish company Totseat, a manufacturer of baby chairs, had to change its name in Germany to 'Mobiseat' as they realised the name Totseat would not trade well. Different languages are commonly used for different markets, when they are available, but there is not necessarily a one-to-one relationship with the local country. One Estonian company uses English in France, Belgium and Sweden but speaks the local languages in Latvia, Lithuania and Finland. An Austrian company expects basic English from its production staff and advanced English from its administrative and other staff, but argues that there are certain countries where it is preferable to use the local language, e.g. for organisational efficiency, it has adopted Italian for use in Italy instead of English. France and Russia are both seen as European markets where it is preferable to use the local language.

Trading is global and cross-cultural for most PIMLICO companies, which trade in numerous linguistically diverse markets, often quite independently of the size of the company. One Polish company declares: 'The company's main aim is to have employees speaking as many foreign languages as possible'. Another company has a minimum requirement of three foreign languages as part of its recruitment criteria.

One Finnish SME with 75 employees states that its 'most important markets are the United States, Russia, Germany, France, Mexico and Japan' and that it is 'planning to expand its operations to the Near East, Africa and Central Asia'. In other words, its markets are far-flung, highly culturally diverse and geographically located in the four corners of the world. One Latvian company with 100 employees states it can easily handle important situations in Russian, Polish, Chinese, German and French.

A staff's language competence can influence the choice of markets. So trading can be opportunistic and based on where a company has language speakers. PIMLICO companies see language competence as an opportunity rather than a chore, or necessary response to 'differentness'. A cartography company in Germany trades in Greece, Serbia, the Arab States, Russia, Africa, China, Hungary and Spain. It has fewer than 50 employees but argues that its trade is influenced by the linguistic competence of its staff.

One common tactic is to identify which third languages can be used in different markets, thereby reducing the need to spread staff's linguistic competence too thinly. It is already well-known that German, for example, can be used for trade in Hungary, as well as in Austria, Luxembourg and many parts of Belgium. However, there is a need for market intelligence on the cultural and political connotations of using third languages in certain countries. For example, while Russian may be widely understood in many parts of the Baltic states, it may not always be diplomatic, whereas it usually has general currency in Bulgaria or Belarus. This militates in favour of a careful prior analysis of the politico-cultural environment into which companies are entering.

3.2.3. Use of local agents for linguistic and cultural purposes

For PIMLICO companies that need to enter new markets, but lack local linguistic competence, using local agents is common practice. One Latvian company wishing to enter Latin America and parts of Africa hired local agents to deal in Spanish and French. One Austrian company employed local agents for the following languages: Dutch, Danish, Swedish, Bulgarian, Hungarian, Polish, Slovakian, Turkish, Slovenian, Czech and German.

The companies experience a clear correlation between the use of local agents and their trade volume. Local agents are particularly required and a prerequisite for doing business in North Africa and South America. As the trade volume increases, so does the need for local agents.

Spectrum Technologies, an aerospace engineering company, recruited sales partners ('agents') from its key markets, chosen for their local market knowledge, contacts, previous customers and other partners/suppliers. This grew to 22 agents covering 27 countries.

In some cases local staff were also recruited and employed by *Spectrum* – usually in locations where competition was fierce and service levels had to be guaranteed, or where they discovered it was financially more beneficial to employ rather than contract someone. They have six field staff or branch offices – one in Hong Kong (a branch), two in China (a branch in Shanghai, an engineer in Beijing), one in Mexico, one in India and one in Italy. Generally they use reps in countries where there is little English spoken and where it is easier to do business in the local language either for cultural reasons or linguistic reasons, such as Japan and the Far East, Russia, and South America.

Rapina Paberivabrik (Estonia) has measured the impact of local agents on its business in each of its markets as follows: Belgium: 100%, Finland: 70%, Sweden: 90%, Denmark: 100% and Austria: 100%. They state:

'Linguistic and cultural skills are also very important to co-operation with the agents. In each of our trading countries there are cultural differences – you need to know them before you can have successful co-operation'.

3.2.4. Strong internationalisation strategy (HR)

- **Keeping a Record of Linguistic and Cultural Skills**

Most PIMLICO companies keep careful records of their staff's international profiles, including language ability and cultural competence.

- **Use of Native Speakers**

Recruiting native speakers with language skills appears to be a widely-used languagemanagement technique. For example, *Nikwax* (UK) found a correlation between the use of native speakers and its increasing trade volume in France, Austria, Germany, Poland and Switzerland. It is important to note how this fulfils language needs in exporting and is related to labour mobility within the EU and from the wider world.

The use of native speakers as both employees and as casual staff is widespread. A Portuguese company employs native speakers from the UK, Mozambique, the US and Brazil, and this has a major impact on trade performance. In Romania, a Portuguese speaker was replaced with a native Romanian speaker and a deal was unblocked. A pool of native speakers acts as a resource for staff as they not only offer specialist advice but often undertake linguistic and cultural training.

- **Linguistic and cultural Training**

Transnational firms no longer cling to a single national culture in the present global communication age: they recognise the value of collaborative cross-cultural learning and have respect for local differentiation and tradition. There is a strong awareness of the importance of understanding foreign cultures and their impact on trade.

Most PIMLICO companies undertake language and/or cultural training on a regular basis as part of their language management strategy. Courses of 2-3 hours weekly in English are commonplace. Over the past three years *Inovamais* (Portugal) has undertaken intercultural training in Japanese, Chinese, French, Spanish and German. One distinguishing feature of PIMLICO companies is that cultural differences are not regarded as problematical but as enriching and stimulating. Understanding the culture of negotiations and the business mindset of different cultures in particular is for many an essential requirement to international business. *Textor* (Romania) identified intercultural barriers whilst doing business in Germany. It has since given intercultural training in Danish, Swedish, Hungarian, English and German. There is a recognition that '*Success is knowing your customer's culture and customs*'. Similarly, they trained their staff in English over three years. *Trilak* (Romania) bases its language management strategy on training staff in languages for new markets. Other types of training for new markets include personal coaching, team training, extensive marketing and specialist courses in culture (e.g. local customs).

Nikwax (UK) argues that cultural differences are one of the most overlooked aspects of doing international business. They export to 50 countries and due to the need to print materials and adapt their labels in 48 languages, the company has realised that understanding different cultures, customs and traditions is vital to its good relations with distributors, retailers and consumers alike. Languages and cultures are integrated into everyday working life at *Nikwax*, where employees recognise that they are essential to the company's export success.

- **Use of Professional Translators/Interpreters**

The use of professional translators can be vital but is also risky, as some lesser companies may tend to use amateur translators with disastrous results. Professionalism is particularly apparent where there is a need for combining language and culture, such as in labelling, websites and sales materials. *Nikwax* has to translate all its written materials into 48 languages and found the use of professional translators essential.

- **Multilingual Website Development and Adaptation**

The vast majority of PIMLICO exemplar companies have invested in multilingual websites – the range of languages depends on the market size and its attitude towards English. *Rapina Paberivabrik* (Estonia) has translated its website into six languages: Russian; English; Latvian; Finnish; Lithuanian and Romanian. The company has measured the impact on its sales in the various markets where it has a language on its website: adapted websites have increased sales by 16-25%.

Kartographie Huber is an example of a company which invests substantial sums and effort into training its staff and adapting culturally, yet at first glance their website only exists in two languages: German and English. But they have developed a sophisticated and clever multilingual website strategy. They do not translate their own main website in all the languages but rely on their subsidiaries to offer the various languages they need for their clients. Adaptation of the company's website is by proxy and takes place through a multilingual e-commerce model, via '*Hotmaps*' and '*Kartenfinder*'. As its target markets are changing rapidly, the company has found a workable solution, which not only takes into account the company's Web presence, but has also succeeded in turning connections with other subsidiary websites into a profitable part of their website marketing strategy.

Looking broadly across the European SME sector, 65% of all SMEs in the IES report having their own website. The figure ranges from 63% for micro enterprises to 80% for small enterprises and 90% for medium-sized enterprises. Generally similar figures are found for all Member States, but there is some variation. For example, if we take the six largest economies in the EU, the percentage of SMEs with websites varies significantly between different countries: in Italy it is 57%, while in Germany it is 82%. By sector, even more variation is found. Construction (47%), retail trade (55%), and transport and communication (59%) score below average, whereas business services (71%), wholesale trade (73%), manufacturing (74%), and personal services (74%) score above average.

The Internet has already made it easier for SMEs of all sizes to overcome some of the barriers to internationalisation. Actions by policy-makers to facilitate the continuing growth of e-commerce, such as the acceptance of electronic signatures, may further strengthen this effect.

There are three important messages regarding the use of websites for international e-commerce:

- ✓ Most websites are used for spreading general information on the enterprise.

- ✓ The percentage of SMEs in Europe using their website for e-commerce is more moderate: 28% can receive orders on line and 14% have websites that allow the entire transaction, including payments, to be completed on line (IES, 2010).
- ✓ E-commerce activity is positively correlated with being active in export or import markets.

Website adaptation to the customer’s local language and culture is frequent in the ELAN study, with over 50% of businesses in 22 countries showing businesses providing websites in languages other than the national language, most frequently English (an average of 62% across the sample).

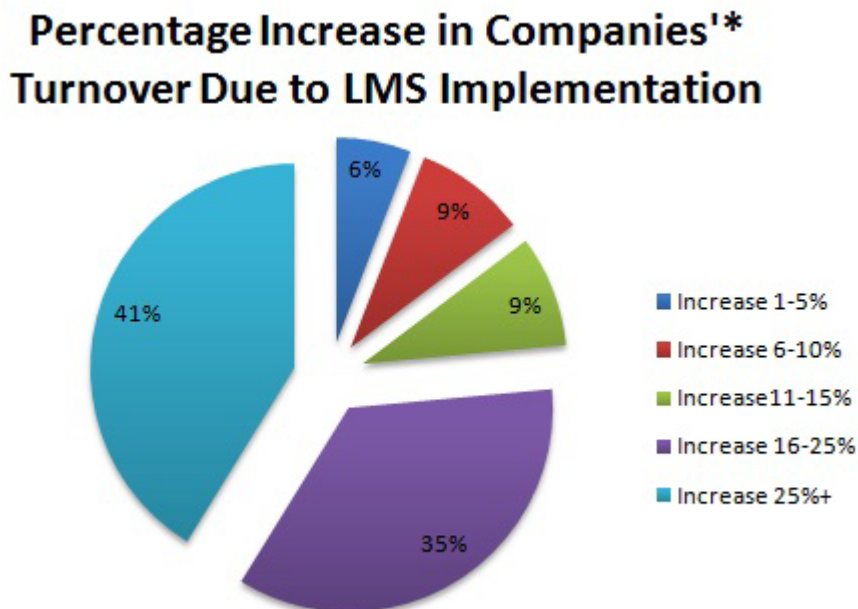
- Use of Universities

Many PIMLICO companies make special use of universities by hiring language graduates and placing foreign students inside their companies. The foreign students are able to open up new markets, as well as answer phone calls and provide an easy interface with clients from their own countries. *Kartographie Huber*, for example, works with universities for their expertise in language audits as well. It works with the Universities of Munich, Augsburg, Chur and Eichstätt, Pristina, Kuwait and Bahrain. What is highly innovative in this is the spread of international universities selected for their relevance to the company’s trading markets.

3.3 THE IMPACT OF THE LANGUAGE MANAGEMENT STRATEGY

The 40 PIMLICO case studies report the following overall increase in turnover due to the implementation of LMSs. For most, the company’s sales turnover has increased by at least 10-25% by using a language strategy. *Inovamais* (in Portugal) indicated, for example, that its turnover had increased by 16-25% by using a foreign language strategy.

Figure 1. Increase in Companies' Turnover Due to LMS implementation



*Note: Sample size is 34 case studies. Six companies did not reveal the exact increase.

An impressive 41% reported to have increased their turnover by more than 25% by introducing a number of strategies and new languages. An additional 35% put the increase at 16-25%. For 76%, or three in four companies, sales turnover has increased by a minimum of 16%. For three of the forty interviewed companies the increase has been much higher; the *Rapina* paper factory in Estonia reported an increase of 70-100% in its turnover and Belfast-based *Heartsine* reported an increase of 50%+ in its turnover. *Meiren Engineering* has registered an increase of 300% in their export over the past two years since the introduction of an LMS. *Steelpress* (Poland) lists each component part of its strategy, recognizing that each part has a role to play but that the impact of the whole is greater.

Companies selected in the PIMLICO study all realise the value of optimising their communication skills, much like the Belgian *Oxyde* company, which believes that even a small company should maximise its cultural diversity and language skills by speaking the language of the client and recruiting native speakers of the target languages, e.g. Turkish and Russian.

The *Huber Kartographie* company (Germany) has adopted a similar strategy. When approaching new markets where the company has existing resources, but a lack of skills, they seek people with the right linguistic and cultural skills for the market. The company states:

‘Employees, customers and premium partners get a better, more open feeling if their native language is used. This increases the trust. People feel the interest if we speak their language’.

The Slovenian company *Bisol*, specializing in the production of high quality mono- and multicrystalline silicon photovoltaic modules, declares that in the past business year it has seen a direct correlation between introducing new languages as part of the company’s LMS and a 35%+ rise in sales turnover: ‘The company added Italian and French in the last business year and sales were directly affected’.

Entek, a manufacturer of polyethylene battery separators from Newcastle upon Tyne, UK, successfully uses the existing languages in the company: English, Polish, German, Chinese, Russian, and Latvian. In their view:

‘Customers come back to us with their order because they know we speak their language. Polish customers in particular have given a positive response to Polish language use. All our order confirmations are sent back to customers in their native language as a courtesy and things may not be understood as well in English’.

In several cases, a figure is placed on one key aspect of the strategy: *multilingual website adaptation* and *use of local agents* are the two most cited aspects where a discrete figure is given. *Danfo* Sweden believes its turnover has increased by 11-15% due to its language strategy. *Trapen* (Bulgaria) states: ‘Our turnover grew by 25% thanks to our language strategy’.

3.4. THE SUPER-SME ‘TOP PERFORMERS’

The ten super-performing companies all follow the same pattern of formulating an LMS and using many of the same methods and good practice of other PIMLICO companies, but they have an added dimension as well. Their language-related measures and the components of their LMS are set out in Figure 2.

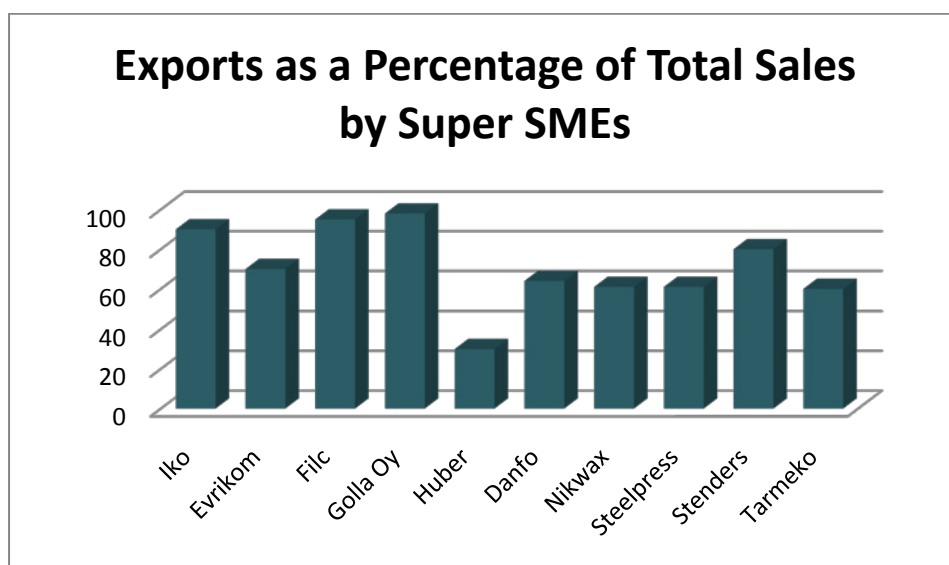
Figure 2. LMS Criteria present in Super SMEs

Criteria	IKO	Evricom	Filc	Golla Oy	Kart. Huber	Danfo	Nikwax	Steel-Press	Stendera	Tarmeko
Language training for staff	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Intercultural training for staff		✓	✓		✓		✓	✓	✓	✓
Recruiting staff with language skills	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Recruiting native speakers	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Recruiting local agents for language issues	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Employing professional translators/interpreters	✓	✓	✓		✓	✓	✓	✓	✓	✓
Buddying/secondment schemes	✓	✓	✓	✓	✓		✓	✓	✓	
Cooperation with universities		✓	✓		✓		✓	✓		
Multilingual websites (3+ languages)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Cultural adaptation of website	✓	✓	✓		✓	✓	✓	✓	✓	✓

They are singled out by three particular additional features:

- (i) They have adapted and applied their LMS to particular market conditions in a highly innovative and sometimes unique manner;
- (ii) They demonstrate a deeper awareness of linguistic and cultural issues in the marketplace and demonstrate flexibility in adapting to reach the desired goals; and
- (iii) In all but one particular case, they enjoy significant export success in terms of export sales relative to total sales which can be directly attributed to the existence of their language management strategy. For example, these super-SMEs normally export at least 60% of their goods or services abroad and, in some cases this rises to 90%+ (see Fig. 3):

Figure 3. Exports as a Percentage of Total Sales by Super SMEs



These companies set the benchmark and the standard for other SMEs to copy. They differentiate themselves from other iSMEs by:

- ✓ their unique, usually innovative combination, and range, of language management strategies;
- ✓ the linguistic or cultural complexity of the markets they have penetrated;
- ✓ the volume and sustainability of their trade in foreign markets, notably in markets beyond Europe;
- ✓ multilingualism is pervasive throughout the company and it is evident as ‘a policy’ in the company.

3.4.1 The Super SME Case Studies

Figure 4 presents a comparison of the top-performing companies. There are certain common features. Six out of ten have 100 or more employees; most fall within the 100-200 category, while only two have fewer than 50, which suggests that companies that are more successful tend to be medium-sized. They have already achieved critical mass. Moreover, none is less than 10 years old, confirming their longer establishment. In fact, the majority (six out of ten) have been established for over thirty years. The companies with the highest ratio of export sales to total turnover are more likely to be based in bilingual countries (e.g. Belgium, Finland), where they are already exposed to multilingualism in various forms. Slovenia, for example, is a linguistic crossroads and a natural meeting ground for Uralic, Germanic, Romance and Slavic languages and cultures. In addition to its major language Slovenian, Hungarian and Italian are recognised as co-official languages making it a multilingual society. The other feature is the variety of different countries in which they are based: five are located in eastern Europe and five are in western or northern Europe, suggesting that excellence in language management is found across the EU and is not limited to the older members.

Figure 4. Profile of the Ten Super-SMEs

Company	Employees	Age of Company	Exports as % of Sales
IKO Sales - Belgium	120	60	90
Evricom - Bulgaria	100	12	70
Filc - Slovenia	170	73	95
Golla Oy - Finland	75	16	98
Kartographie Huber - Germany	28	41	30
Danfo – Sweden	115	40	64
Nikwax - UK	120	13	61
Steelpress – Poland	85	43	61
Stendera – Latvia	110	10	70
Tarmeko Spoon - Estonia	50	73	60
Total	973	381	699
Average	97.3	38.1	69.9

Each of the ten case studies has a distinctive feature, ranging, for example, from *Steelpress's* adaptive rapid-response LMS to *IKO's* specialist terminology development and *FILC's* people empowerment.

3.4.2 Description of the Ten Super-SMEs

- **STEELPRESS, POLAND**

Steelpress, previously mentioned, is a Polish manufacturer of metal parts and accessories for trailers, which they export to many European Union countries and also to Russia, Serbia, Macedonia, Israel, the United States, Canada and the Ukraine. It has been selected as a super-SME because the company radically developed its LMS following a series of mishaps. During international fairs and exhibitions (e.g. Serbia 2010, Paris 2005 and 2009, and Moscow 2007), the company had problems in French, Serbian, Chinese, and occasionally had problems explaining products in technical language. They were surprised to discover that the French expected them to use French over the phone. The impact on the company was the loss of a trade partner, delayed contact-times and an urgent need to employ an interpreter for communications in various languages.

Steelpress developed a highly comprehensive *adaptive rapid-response language management strategy* involving 13 separate management techniques, which, as a single interlocking package, has revolutionised its export performance. They are:

- ✓ Employing translators at international fairs;
- ✓ Hiring translators to deal with email correspondence and contacts with potential business partners;
- ✓ Preparing proper documents and other information needed to deal with foreign contractors in foreign languages (rather than appending textual translations);
- ✓ Instituting a multilingual website and referring interested people to it;
- ✓ Employing a trainee who was a speaker of Russian and Ukrainian for a limited period to make direct contact with customers in those markets;
- ✓ Undertaking short cultural briefings (on Chinese behaviour) and copying local behaviour;
- ✓ Undertaking language training (here: English and Russian) particularly for sales and negotiations;
- ✓ Employing native speakers in several languages: Serbian, Romanian, French, Chinese; using native speakers for promotional campaigns;
- ✓ Employing a large number of local agents able to speak two languages: in this case, (i) Russian/Polish, (ii) French/English, (iii) Spanish/English;
- ✓ Planning to identify agents for Australia, US, Canada, Greece;
- ✓ Matching third-party languages to penetrate particular markets: Germany (English and German), Scandinavia, Netherlands and Bulgaria (English throughout), Hungary (German), Slovakia, Czech Republic, Latvia (Polish and English);
- ✓ Offering placements to foreign students from countries where there are market opportunities, such as India, Brazil and the Ukraine;
- ✓ Producing websites in six languages: German, English, Polish, French, Russian, and Spanish, and enabling orders to be placed in these languages.

An individual measure can also have a separate impact. In the case of *Steelpress*:

- ✓ The employment of native speakers opened up new markets;
- ✓ Undertaking their 40th anniversary presentation in various languages enhanced their image of professionalism and their external image;
- ✓ The employment of local agents (in the case of the Ukraine) led to sales throughout the entire country; in France an agent monitors market changes for the company.
- ✓ Professional translators were used in France because it was their largest market and there was a propensity not to use languages other than French in France.

- ✓ Adaptation of their website confirmed the correlation between their sales volume and the cultural/linguistic adaptation of websites (though difficult to measure, probably amounting to 5% of sales).

The company achieves a rapid response to market need. It introduced bilingual documents (invoice, specifications, and contracts) and this has made it easier to prepare shipments and deliveries. Some important documents were then prepared in five languages to ease and accelerate contact between the company and its customers.

The human development programme underpins these changes, e.g. a personal language development plan for employees. New employees must learn to speak at least one additional foreign language; must go on business trips to visit existing and potential business partners (customers, suppliers); and must practise their language skills in real communication situations. So when employees encountered cultural problems in China, programmes were set up on specific skill-gaps: how to socialise, negotiate and behave in Chinese business meetings.

- **IKO SALES INTERNATIONAL, BELGIUM**

IKO is a construction company with an annual turnover of €50M which sells 90% of its goods to countries abroad. Its LMS has impacted on its bottom line by improving turnover by 16%-25%.

Like many companies in this super-category, IKO had experienced difficulties with linguistic and cultural barriers which had impacted negatively on the company. Some years before, for example, IKO was active in Russia but without Russian-speaking employees. The country manager had good contact with marketing companies but his loyalty was not always on the right side, causing a 'misunderstanding' about a contract. In this case, it was a contract for a billboard campaign. The contract was signed after being translated by the country manager. Afterwards it became clear that the contract was wrongly translated and that the payment was only for the consultancy, not for the actual campaign. The Russian subsidiary was closed down. The resulting losses to the company were on the order of €100K to €500K. In the end, the company became stronger, having gained a greater understanding of how to better deal with its international communications.

The company is particularly sensitive to the use of terminology and especially the wording used in contractual issues. This led to a language management strategy which placed an emphasis on the 'cultural underpinning of language and specialist knowledge of accurate terminology in business dealings'.

The Chief Executive, Nic Kokkelenberg, points out:

'Language is never isolated, it is part of a culture. Good cultural understanding helps to communicate, even in a language which is not the local language. If you understand the culture better, you also understand the needs of the market better, which gives an advantage on the market, etc. Native speakers have a better grasp of the foreign culture, and can give you a better idea of that culture too'.

As a result, the language management strategy is based on three underlying principles: (i) use of a common language (English) for internal company communications; (ii) direct communication with customers in their language or a common language underpinned by cultural awareness; (iii) development of standard terminology in the company, which requires precision in the use of language, whichever language it might be.

The company only uses native-speaker translators with specialist knowledge of the local terminology. As the Chief Executive points out:

‘We ask our local clients and distributors about the quality of our brochures and language: that increases the quality of the texts, and the local distributors are involved with the company and know that we care about their language’.

IKO invests in uniformity and recognisability. The symbols that they use are examined in every culture and checked for any nuance which, if wrongly translated, could have a detrimental effect on the impression of the company’s standards. Bad translations give an unprofessional impression, even if the company itself is very professional.

Key Message: There is a need for the consistent use of terminology in all company literature and ensuring the quality and standardisation of its translation.

The interplay of language and culture come together in the quality of the website. IKO has stated that its culturally and linguistically adapted website has improved sales by up to 10%.

The corporate ID and colour guidelines are respected to increase recognisability and embedded in their overall communication strategy. In the future, the website will gain importance as an information platform, and will be adapted to ‘speak’ to specific customer-groups (architects, roofers, etc.) who will be able to log in and download certain certificates.

- **TARMEKO SPOON (ESTONIA), EVRICOM (BULGARIA), GOLLA OY (FINLAND)**

These three companies have developed *exemplar staff development policies* in response to market conditions as part of their LMSs. Estonia and Bulgaria, as new Member States, have had to adapt to changing and very demanding market conditions for trading across borders in the European Union. From modest beginnings, these three companies have achieved exceptional export growth thanks to distinctive, successful language management techniques.

- (i) ***Tarmeko Spoon - Estonia***

The company initially met communication barriers, especially when trading with Italy and Spain and when trying to communicate with new customers. In most of these cases English was used and no financial loss was incurred. Since then the company has focused on learning the basic language skills of its most important markets and developing its website into a multilingual business website. The website is currently translated into German, English, Russian and Swedish. The company plans on further translating it into Italian and Spanish over the next three years.

Tarmeko now has an exemplar policy of HR development: it keeps a record of the staff’s language skills and can handle most business situations in English, Russian and German.

Intercultural briefing has taken place in Japanese and Spanish over the past three years. Moreover, the company employs native speakers for Spanish and Italian. Local agents are also used for Italian. As part of staff development, training in Spanish is offered to staff on-line.

The company’s LMS is based on trying to communicate initially in the customer’s language in order to subsequently find a language both parties can use as a business *lingua franca*. The company’s turnover has increased by 16-25% by using this language management approach.

- (ii) ***Evricom - Bulgaria***

In the case of *Evricom*, export sales have risen to 70% of sales in the space of a few years. Moreover, the company currently trades in six European markets: Greece, Romania, Macedonia, Germany, Italy and Georgia. As a result of the company's language strategy, turnover has increased by more than 25%. Other contributing success factors are access to the European Union and the development of human capital. The company's LMS takes into account each of the following:

- a) the desire to improve the company's communications;
- b) participation in language courses;
- c) website development;
- d) ensuring that each employee is technology-competent and computer-literate;
- e) ensuring that each worker has a fluent command of English.

The company initially encountered communication problems in Albania, which resulted in the end of the business partnership and an economic loss of close to €50K. The company adapted by employing local people with the relevant language skills able to conduct business in Albania. There was a similar experience in France where the company also lost business owing to intercultural issues. The company's solution was to hire a Bulgarian living in France who was fluent in French.

The company has developed a strong HR strategy as a result of these experiences; it keeps a record of its staff's language skills and can handle business situations competently in four foreign languages: English, German, Greek and Romanian. Cultural issues have also posed obstacles, and staff have since been given intercultural training relating to France and Germany over the last three years. For the Romanian and Greek markets, native speakers were hired. Hiring native speaking staff has boosted the company's confidence in expansion and increased the company's capability. Its next market is Italy.

(iii) Golla Oy – Finland

From small beginnings just a few years ago, this company, which manufactures fashionable cases for portable electronics, has grown enormously and now exports over 90% of its sales.

The company's most important markets are the United States, Russia, Germany, France, Mexico, and Japan. In each of these markets, local languages are used for business communications. In Russia and in Japan, English is used as the *lingua franca*. The company is now planning to expand its operations to the Middle East, Africa, and Central Asia. It has adopted international communication practices in connection with its language management services.

For example, the company advocates the idea of *total adaptation*, i.e. choosing to use the language of their business partner whenever possible (as opposed to choosing their own mother tongue or the choice of a third language). Within the next three years, the company wants to develop Chinese and Portuguese in-house language skills. Achieving fluency in Chinese would give the company an added advantage in communication with its China-based production plants. The knowledge of Portuguese, on the other hand, would ease business communication with South American partners.

• FILC D.D. MENGES, SLOVENIA

FILC is a textile manufacturer which currently sells 95% of its products abroad. The company survived the collapse of the former Yugoslavia and has become a major Slovenian exporting SME. The company's language strategy was developed hand in glove with its business strategy. Its success is due to its

determination and professionalism in winning foreign markets and its decision to stay in business when faced with the loss of the markets of the former Yugoslavia. It has since managed to penetrate all the major markets in its industry, and has developed an effective LMS that has led to an increase of over 25% in the company's turnover.

Its success is primarily based on a farsighted and enlightened *international human resource strategy* and on *people empowerment*. The business aims to provide excellent customer care, and its relationships with buyers require rapid response time and outstanding fulfilment of all quality requirements. The company recognises that managing language and culture is directly connected with improving the volume of trade. Development of the LMS has progressed over time. The company started to look for markets abroad, first in Europe (Germany, Russia, Italy, Spain and France). It was clear that without foreign language competence there would be no foreign markets. The company website was set up in four foreign languages from the start, and four more languages - Russian, Italian, Spanish and French - are in preparation.

The company empowers its people to work in markets where they have linguistic and cultural knowledge. The company then provides direction on where and how they can develop their knowledge of the language and local business culture and so achieve their best results in the marketplace. The level of market penetration is the benchmark by which they set the standard of language competence. This is integrated into the language strategy (i.e. matching language skills to job descriptions when recruiting, empowering staff to nurture their own skills in foreign languages, etc). The company reviews and revises the level of language competence needed by its staff in relation to the needs of the markets.

According to Managing Director Barbara Čepin Vrckovnik, it is only by adapting to the language and culture of the client that the company can achieve the necessary brand recognition and continuing loyalty of its clients. Her view is:

'The better the knowledge of the market and the language competence, the better the sales. The better the sales, the better the empowerment and the quicker the response time. The quicker the response time, the more customer-focused the business dealings'.

The company systematically develops its human capital by investing in language courses for all employees (business language and general language courses), who are empowered to select courses for themselves. The very strong human dimension to their strategy grew out of the traumas of war in the former Yugoslavia and the recognition of the importance in business of treating clients with respect. The company briefs their personnel on this principle and focuses on how to develop the human aspect of business relationships, especially when starting up in new markets or expanding in others.

In addition to the human focus, the company has adopted a classic multilingual strategy and holds the view that English is not nearly enough to succeed in export dealings. Staff deal with five languages (each employee is expected to speak at least two) and have cultural briefings on seven cultures: Irish, French, Italian, Russian, Turkish, US and Spanish. Dealings with these various cultures requires designing and planning cultural and language competence and the continual adaptation to the culture of the client through briefings, on-going communication, flexibility of the sales personnel and solid all-company communication.

Native speakers are seen as vital to the process of establishing trust with clients by showing that they share the same culture. Employing native speakers, especially for new markets, brings the company closer to the client. The native speakers in the company, such as sales representatives and agents, play an important secondary role in giving regular briefings to support critical decision-making.

The company employs local agents for eight countries and regions: France, Russia, the US, Latin America, Serbia, Mexico, Chile and Turkey. Translators are used for product lists for each market just once a year when the documentation is modified. A mix of individuals with different skills is used for new languages: translators for Italian and Spanish and agents for Russian and French are being used to set up four additional languages on the website. The multilingual website has helped increase sales by more than 25% and is being translated into French, Russian, Italian and Spanish, in addition to the existing languages.

FILC is also distinguished, like many in the 'super' category, by its range of partnerships with educational providers. It maintains abundant links with institutes, universities, and other educational institutions in Slovenia and abroad. These include: the University of Ljubljana, the National Institute of Chemistry of Slovenia, the Faculty of Chemistry and Chemical Technology of the University of Ljubljana, the Technological Building and Civil Engineering Institute, the CSTB Institute in France, Fresenius Institutes, the Hoch Institute, the Danish Technological Institute, the Institute of Agriculture and Livestock and UL in the US.

• **KARTOGRAPHIE HUBER, GERMANY**

On paper, *Kartographie Huber* has lower export sales than other super-SMEs but these figures do not include the sales of its Hungarian subsidiary, which operates with 20 employees. The company qualifies for this category thanks to the quality and innovativeness of its language communication strategy, which, for a small company, has a multilingual, global reach. The company trades in a niche area - map-making - but has achieved extraordinary success, increasing its turnover by 16-25% on the basis of its language strategy. Its innovation is its *pervasive multilingualism*.

For example, it employs native speakers in 17 languages ranging from western European languages to Croatian, Serbian, Farsi, Swahili, Arabic, Russian, Ukrainian and Albanian. The availability of so many multilingual employees has directly led to the penetration of new markets: Greece, Serbia, the Middle East, Russia, parts of Africa, China, Spain and Hungary.

According to the owner-proprietor, 'There would be zero trade without native speakers'. As with FILC, it is clear that an important factor in the export success of the company is the drive, determination and attitude of the managing director. Like Barbara Čepin Vrckovnik, Mr Huber places a great deal of faith in developing the trust of the customer:

'Employees, customers and premium partners get a better, more open feeling if their native language is used. This increases the trust. People feel the interest if we speak their language'.

The company follows specific procedures to achieve optimal multilingual impact in their business:

- ✓ They are always seeking new techniques to deal with language issues;
- ✓ They work with professional interpreters whenever possible, whom they value. They recognise how difficult and expensive it is to find an interpreter who can handle a highly technical product requiring specialist technical knowledge and vocabulary;
- ✓ They recognise that language know-how is very important in the selection of staff;
- ✓ They offer language courses to employees;
- ✓ They ensure that internal communications are in English (English is no longer seen as a *foreign language* but as a necessity);
- ✓ They invite people from subsidiaries for training, as well as cultural and language exchanges, to their headquarters in Munich;

- ✓ They arrange for language programs and dictionaries to be downloaded to the computers of each employee;
- ✓ They distribute literature from the local chamber (IHK) about the target country.

The Chief Executive, Herr Huber, places great emphasis on understanding the target culture. He believes that different cultures and religions have discernibly different styles of communication. Concepts of time and planning are culturally determined. He recognises that the German attitude toward time and planning, for example, is very different from other cultures. He also points to alcohol and other food and drinking customs as a key cause of cultural barriers, particularly in Muslim countries.

In Saudi Arabia and Russia, the company apparently lost business worth €50-100K in its early years owing to a lack of cultural adaptation. The company made mistaken assumptions about how the other culture functioned. Cultural issues usually only became apparent at the end of a meeting or project, but by then, it was generally too late. Now the company is aware that triple the originally planned time for cultural training is required in order to be more effective in these markets - and this applies to China, as well.

These cultural differences are also apparent closer to home. For example, when historic maps for Hungary and Romania were requested, a simple translation would not have been appreciated by customers because there is a different historical perspective on these boundaries. Historic facts are perceived differently in different cultures. The company therefore ensured that its website be adapted to five different cultures: Hungarian, English, German, Bahraini, and Serbian; there are now also plans for Arabic, Turkish, Chinese and Portuguese.

Like FILC, *Kartographie Huber* maintains strong working relationships with educational and business organisations, which is important for international networking as well as for sourcing well-qualified staff or acquiring international knowledge and expertise. It has particularly strong links with universities, namely the Universities of Munich, Augsburg, Chur and Eichstätt, Pristina, Kuwait and Bahrain. In addition, the company is a partner in many international organisations:

- ✓ VDI VerbanddeutscherIngenieure;
- ✓ Deutsche Gesellschaft für Kartographie;
- ✓ International Map and Trade Association IMTA;
- ✓ Senat der Wirtschaft Österreich;
- ✓ Bell Amani (FriedensglockenProjekt);
- ✓ APPPA Asian Public Private Partnership Association;
- ✓ EMA Euro-Mediterranean Association for Cooperation and Development e.V.;
- ✓ Westöstlicher Diwan Festival GmbH.

- **DANFO AB, SWEDEN**

The company's language management strategy is based on 'forming local partnerships to achieve local knowledge of cultural preferences and then establishing a local presence'. Through this approach, the company's turnover has increased 11-15%, has helped avoid communication problems and has given them make a strong start. To secure business, the company gathers local linguistic and cultural knowledge while setting up its local market presence, sometimes through a network of native speakers and local agents. The main export markets are the UK, Norway, Denmark, North America, Russia, Spain, Greece, Estonia, Latvia and Lithuania.

As with using a specific model of language management skills, the company believes that website adaptations alone have helped improve the company's turnover by up to 15%. By recruiting local agents, maintaining flexibility, and adapting to current and future markets, the company has found a successful method of barrier-free communications.

The company has a long history of acquiring linguistic competence. It first developed this approach in the 1980s by trying to find local partners in the market. By taking on board a speaker of the language, the company was able to anchor itself in the market. As a rule, the agents were used to test national markets and estimate their potential. From there, the next step was to try to establish a local *Danfo* office, as was done in the UK. A Swedish staff member was stationed there from the beginning to establish the company and use his or her experience to get the process going. This pattern has been repeated in the Middle East.

By establishing a local presence, linguistic and intercultural communication problems have mostly been avoided. As part of the language management strategy, the company uses translators and interpreters only for setting up new connections in a country, before a local branch is established. Besides focusing on local agents, the company offers language training to its staff, most recently in German. The company can handle most business situations in English, German, Danish, Norwegian, Russian and Spanish but discovered that three markets in particular needed local language competence: Russia, Germany and Spain. In Russia, knowledge of English was limited and in Germany and Spain they simply found that people preferred to make purchases using their own language.

Because of the high-level skills of their local agents, *Danfo* does not keep records of the intercultural skills in the company. The company tries to show 'an openness and humility towards other cultures', and has the sales success to show it. In the past, the company came up against intercultural barriers in product adaptation in Japan and the UK, where the product itself (e.g. the wall colouring) had to be adapted to fit with the local mindset. Open-mindedness and flexibility have helped the company to adapt from the 'one size fits all' concept to a deep cultural understanding of product representation adapted to the local mindset.

The company chairman reiterates this thought:

'We have shown a willingness to understand other cultures and to be open and have humility. The Japanese market in particular has responded well to this willingness to understand them. We also employed a Japanese specialist to help us. To some extent, our business is sensitive, and we try to listen to our customers by carrying out thorough market research. For instance, in the Middle East we thought that due to a lack of water we should develop a non- flush type of toilet. However, after listening to the market, we learnt that they used a shower instead of toilet paper, and so we developed this instead'.

- **STENDERA ZIEPJU FABRIKA, LATVIA**

Exports account for over 70% of Stendera's sales. The company hires speakers of various foreign languages, including English, German, and French, which cover the majority of international markets. In large markets where English is not widely spoken (e.g. China, Japan), the company hires people who speak the local languages. The company keeps a record of its staff's language skills and is able to handle all important situations, such as negotiating, telephoning, corresponding, socialising etc. in Russian, Polish, Chinese, German and French. It is the HR strategy of 'language-skill profiling and record-keeping' that has given the company its competitive edge.

The company customises its LMS to each market. In the former countries of the Soviet bloc, for example, it was found that business partners required a more personal approach, so allowances were made for different communication systems. In Western Europe, communication is mainly by email, whereas in China, the company finds that it must regularly deal directly with Chinese company experts who wish to understand technological details and best business practices.

Respecting and understanding the customer's culture and mentality are seen as vital. For this reason, *Stendera* focuses on developing their employees' intercultural skills and keeps a record of the staff's skills. The company has offered intercultural training in ten cultures over the previous three years: Russian, Finnish, Japanese, Polish, Chinese, Egyptian, Slovenian, English, German and French.

- **NIKWAX LTD, ENGLAND/UK**

Nikwax exported its first tin of waterproofing wax to France in 1976 when Nick Brown, the founder and managing director, went on a backpacking tour to promote his product to French outdoor retailers. He was able to speak basic French and managed to introduce his product successfully to a French wholesaler who later became his largest importer. Had he not been able to express himself in French, he believes it unlikely that he would have been able to make his first sale in France.

Nikwax, which has one of the most impressive LMSs in the PIMLICO study, displays a proactive, deep understanding of language management strategies, giving careful thought to all details of the manufacturing chain and exporting process. Today the company exports to 50 countries and produces print materials, such as leaflets and labels, in 48 languages.

It is this 'focus on researching the linguistic and cultural interface at each stage of the development process' that makes *Nikwax* a special case study. Each part of the process is analysed in terms of linguistic and cultural barriers in order to avoid misunderstandings and consequential losses along the way. This even includes buying local equipment on which to test the *Nikwax* product. Language and culture are treated as part of everyday life at *Nikwax*, where people are well aware of how integral they are to the company's export success. Along with linguistic competence, the company also emphasizes knowledge of culture and business etiquette. Every employee is expected to speak at least two foreign languages - which is unusual in the UK. The company has invited a German native speaker to visit every two weeks to ensure an understanding of German culture, as Germany is currently *Nikwax's* fastest expanding market. The current export team consists of French, German, Spanish, Portuguese and Polish native speakers.

The team visits a customer only after researching the country, culture, economy, climate, etc., and only embarks on a new country when it is able to handle the basics of the language. *Nikwax* regularly exhibits at trade fairs in the US, Germany, France and Poland. It also supports its distributors at national trade fairs in Poland, Czech Republic, Japan, Holland, Denmark, Slovenia, Ukraine and Bulgaria. Translators are hired mainly to translate labels and Chinese emails and interpreters are hired for all markets in order to avoid misunderstandings.

The company's organisational efficiency has improved as account managers have been given more responsibility on the basis of advancing language skills. Turnover has increased by over 25% through this language management strategy.

The focus on cultural adaption at the various product development stages is apparent from how the company's policy works on labelling. Asian fonts were purchased to enable in-house printing of Japanese, Chinese and Korean labels and leaflets. Instruction manuals in foreign languages on how to use the *Nikwax* products are very carefully adapted through testing on local equipment: for example, the

company bought Japanese and US washing machines to ensure that the correct amount of *Nikwax* per load was recommended in the local instruction manual. European, American and Japanese instructions are each very different. The translation of the original English terms into Japanese and other languages was found to be incorrect because no literal translation existed. For example, the words 'wicking liner' cannot be translated in many languages without an explanation. As a result, explanations of the specialist terminology translated into various languages had to be included in the language training notes for distributors.

Nikwax has broken down cultural barriers by adopting a series of measures from its LMS:

- i. Preparing order confirmations, invoices and statements in French and German;
- ii. Appointing a fluent German speaker to the finance team to handle payment issues;
- iii. Inviting distributors to dinner while visiting a Munich trade show;
- iv. Awarding the best sales representatives in various sales territories with visits to *Nikwax* in the UK and cultural weekends in London;
- v. Ensuring export team members are available to help distributors celebrate milestones such as anniversaries.

The company website is translated and culturally adapted into German, Danish, Polish, French, Czech and Dutch. This e-commerce website is to be integrated with the current company website, which is soon to be translated into Chinese. The company believes there is a correlation between having presence on the Internet and its sales volume. In addition, the company runs a web-quiz competition controlled from the UK which is an educational tool for customers. Updates are emailed in the appropriate language to registered customers around the world. Prizes are sent from *Nikwax* distributors in the US, Canada, UK, Ireland, France, Germany Switzerland, Austria and Denmark. This enables the distributors to build up a database of end users for marketing and sales purposes.

CHAPTER 4: LANGUAGE SUPPORT STRUCTURES

4.1 GENERAL SUPPORT PROGRAMMES AT NATIONAL AND INTERNATIONAL LEVEL

4.1.1. Introduction to Support for Business

A significant range of support organisations, networks and initiatives are available to European companies seeking assistance or advice on starting or expanding their international trade. These programmes operate at several levels and are financed in different ways, either as publicly-supported policy instruments, often managed by ministries, or as business intermediaries such as chambers, which are usually membership organisations funded through subscriptions, taxes, government grants or a combination thereof.

The types of initiative or support organisations can be categorised largely by the geographical scope of their activity and the terms of eligibility for supporting companies. At the international level, there are supra-national organisations such as the Eurochambres or International Chambers of Commerce (ICC), which cover many different countries. Next there are *international and cross-border* agencies (e.g. bilateral chambers of commerce), which generally operate between two or a small number of countries. At the national level, there are *national* agencies (e.g. government ministries, national support programmes, and national chambers of commerce), and at the regional level there are regional business networks, regional chambers and regional development agencies. There are *local organisations or initiatives* within countries (e.g. local area or city chambers, local initiatives (specific, often targeted support programmes, at the local or sector-based level)). As far as this report is concerned, what differentiates the myriad of support structures from each other is the level of support or assistance specifically given to encourage the adoption of *language management strategies*, or at a minimum, better international communication techniques. Amongst these organisations and initiatives overall, few meet these criteria.

4.1.2. Overview of Support Structures

The support structure environment is complex and information on language support can be patchy. Chambers are membership organizations representing the business community, comprising enterprises and individuals engaged in trade, industry and services. Their general purpose is to protect and promote business. They are both service and representative organizations - on the one hand, providing assistance to members and, on the other hand, advising and influencing government in order to create a more favourable business environment. Chambers tend to share common characteristics. First, they are not-for-profit organizations. Second, they are self-administered, meaning that the members direct chamber policy. Finally, chambers are territorially organized and they can represent different economic sectors within a defined area (e.g. city, province, state).

The definition becomes clearer when a distinction is made between chambers and two other common forms of business organizations - trade associations and employers' organizations.

While chambers can be multi-sectoral organisations, trade and industry associations have more homogeneous memberships as sectoral organisations representing specific industries. In contrast to chambers and trade associations, employers' associations have a relatively narrow mission, which is generally confined to labour and social policy issues.

4.1.2.1. Internationalisation Measures

However, awareness of general support programmes, including language support but not exclusively, is generally low amongst SMEs in Europe according to the IES Study, 2010. SMEs are generally not well informed about the existence of public support programmes for internationalisation that they could use to their own benefit. The percentages that are aware range from 15% for micro enterprises to 27% for medium-sized enterprises, and range from only 10% for enterprises that are not internationally active to 22% for SMEs with international activities. By sector: 20% to 25% of SMEs in wholesale and manufacturing are aware of support programmes, whereas for retail or transport businesses and personal services, the rate drops to the 10% -13% range (IES, 2010).

Local researchers in the 33 countries working on the IES Study identified over 180 examples of policy instruments intended to foster internationalisation of SMEs. From this long list of potential agencies, a set of good-practice examples of initiatives specifically offering language support for companies is set out and described in greater detail below. For more information on each support programme, there is a searchable *website reference* at the end of the report.

However, one of the first findings of PIMLICO is that too few companies use the services which are made available to them at any level, often at great expense. The IES Study found, for example, that only a small number of the SMEs actually use public support measures of any type. The most-cited service required is financial support. But financial support was, in 2009, used mainly by the larger SMEs. For example, the rates at which various-sized companies with international activities used financial services was: micro: 10%, small: 13% and medium-sized: 16%. Non-financial support was used more by the smallest firms: micro: 10%, small: 8% and medium-sized enterprises: 6%. The take-up of business services also varies by country. A very high percentage of SMEs in Austria (47%) and Turkey (32%) use services which offer financial support, whereas in countries such as Portugal, Denmark, the Netherlands and Iceland, this is 1% or even less. The use of non-financial support is highest in Slovenia (23%), Cyprus (19%) and Latvia (16%), but only between 2% and 10% in ten countries, and below 2% in 15 of the 33 countries.

Many of these services include measures to support internationalisation. In the past decades, policy-makers have become increasingly aware that internationalisation is more than just exports, and consequently, support measures have been broadened to include other forms of internationalisation, including language support. However, a recent survey of European policy measures (IES, 2010) points out that more than 70% of internationalisation programmes are still focusing on export practice. The Member Economy Policymaker Survey of the OECD shows that 72% of the support programmes focus on export and 22% of the support programmes on several activities, including export.

4.1.2.2. Support for Languages

In the PIMLICO study, these support measures have been evaluated and compared across the 27 Member States. They include a broad spectrum of different measures that an SME could access in various Member States. The kinds of support available vary, of course, between states and organisations but include, for example, foreign language courses, intercultural workshops, translation and interpretation services, website development and cultural adaptation.

The commonest guidance regards language training, which has been made available, usually by referral to a third party, at all levels of difficulty and is available from a broad range of agencies, including universities, public training centres, border-regional initiatives (bilateral chambers) and private language schools. Many of these institutions also offer translation and interpretation service providers.

Although there are broad common traits across the support infrastructures of all 27 countries of the European Union, there are substantial differences in both the level of investment made by the Member State in offering a particular initiative and in the number and range of schemes on offer. In the descriptions below, only those services or structures where language support or language resources are made available to companies are mentioned, and the list provided is not exhaustive. A key criterion in selecting a particular initiative has been whether a company in the study has mentioned or referred to it with reference to their language needs.

4.1.3. Supra-national levels of support

The three best-known supranational organisations/networks are *Eurochambres*, *International Chambers of Commerce (ICC)* and *Enterprise Europe Network (EEN)*. While none offers language support *per se*, each acts as an umbrella organisation to SMEs and a referral point to their respective members, e.g. other chambers, or language providers, who are members of the same network, or they provide useful information on what specialist business services are available locally to the enquirer. Nonetheless, each has great potential as a dissemination network for language management strategies and as a source of further resources.

In addition to these supra-national chambers, there are a number of bilateral chambers and specific bilateral language measures which have been set up between countries to assist with support for companies facing particular language barriers.

4.1.4. Bilateral chambers

The choice of services offered by bilateral chambers varies greatly, but many fill a gap in terms of providing intercultural and business information together with profiled language courses aimed at the diverse exporter, where this is not at hand anywhere else. Some of the most active bilateral Chambers in Europe are:

- ✓ **France** and **Germany** share a chamber of commerce and industry, which is called the *Franco-German Chamber of Commerce and Industry* and is located in both France (Paris) and Germany (Berlin). This chamber offers support and lessons in French, German and English. It also offers to evaluate one's level of French or German by administering language tests such as the Widaf test (to evaluate German skills).

Moreover, there is the possibility of taking seminars in which many aspects of the business life of the country are examined. Intercultural management is one of the fields. Teachers explain the cultural specificities of France or Germany to avoid misunderstandings in business. The Franco-German Chamber of Commerce and Industry was established because of the specific trade relations between France and Germany. It also offers bilingual staff to companies.

- ✓ The *Chamber of Commerce Hispano Portuguesa* (in **Spain**), in collaboration with the Portuguese Embassy, gives courses in the Portuguese language for individuals or for businesses, either at the chamber's head office, or in-company. In-company courses are tailored to the company's needs in terms of levels, timetables, subjects, etc.
- ✓ The member directory of the *British Chamber of Commerce* (in Spain) offers, for example, a list of ten translators, 13 training companies and a large number of export communication companies

specializing in the selection of adequate trading names which transcend cultural and linguistic boundaries.

- ✓ Accounting for around 25% of foreign trade, **Germany** is **Slovenia's** principal trading partner and foreign investor. About 250 German companies (or companies with German participation) are present in Slovenia. The organisation was set up by a group of merchants in Slovenia in March 2004 and became the *German-Slovenian Chamber of Commerce* in late 2006. There are several language and culture support activities present. DAAD (German Academic Exchange Service) awards scholarships annually in different areas of research. The German government supports German language teaching in Slovenian schools in a variety of ways (at all levels of education).
- ✓ The **Greek Swedish** Chamber of Commerce: E. Tsertsidis & Co O.E, a member of the Vocational Chamber of Athens and the Hellenic Association of Professional Translators, has a long presence and an exceptional reputation for quality commitment in the field of certified translations and interpretations. The Chamber provides ISO 9001:2008-certified, quality and specialized translation services, placing at enterprises' command a devoted staff of qualified scientists of all disciplines trained as top-notch professional translators and interpreters.
- ✓ The **Swedish-German** Language Fund

The Swedish-German Language Fund is a grant-awarding body which was established in 1987 on commission from the Swedish government in order to meet the demand for German language knowledge within Swedish trade and industry. It is administered through the Swedish-German Chamber of Commerce. As previously mentioned, Germany is Sweden's most important trade partner, both in export and import, thus it is natural that German would be identified as a language needed by Swedish companies.

About 100 grants are issued by the body each year, and they cover course fees of around 18,000 Kr (travel fees are not included in the price). The courses themselves are carried out in Germany (Munich or Rendsburg) and can either be intensive courses or longer courses. Courses are aimed at either complete beginners or those who already have some skills in German. These courses are naturally also aimed at specific trade situations such as negotiations.

Any company that deals with Germany in their everyday trade is eligible to apply. Heike Kirsch, the fund's chairwoman, observed in conversation that the popularity of the fund has increased in the last two years since the financial crisis began. While interest had waned slightly since the middle of the 1990s, it seems that companies are using the economic downturn to improve their language skills.

- ✓ The **Swedish-French** Language Fund

The Swedish-French Language Fund is a parallel fund that was formed following a decision by the government, but slightly earlier, in 1979. The body's aim is to improve trade relations between Sweden and France through the study of French language and trade culture. Although it is administered by the Trade Council, it is presided over by representatives from the private sector, the French Embassy and the Trade Council.

The fund offers intensive courses of one to two weeks in Aix-en-Provence and Paris. Courses include negotiating, general language training, commercial training, and advanced trade. The

courses on offer require participants to already have a good grounding in French. No beginners' courses are on offer. The fund covers the course fees of 15-20,000 Kr.

Both these funds were set up under an initiative from the government in order to remedy the need for both French and German within Swedish trade. These are excellent sources of language support for Swedish companies and the fact that they are free except for travel costs makes them accessible to all companies. There is a slight lack of initiative in that the French fund does not offer courses for all levels of learners. There is room for an extension to this scheme, perhaps to include languages other than French and German.

4.1.5. Overview of National Initiatives

All 27 European Member States either have a ministry of trade, economics or an equivalent body overseeing the country's trade organisations. The national trade bodies normally include a national chamber of commerce, and a country's national initiatives are centred on a particular scheme or department within the ministry. Legal status can vary from national chambers which are independent companies (or legal entities) and state-owned or controlled organisations. Although the pattern of support organisations is very similar from country to country, there exists a large gap between different levels of specific language support measures available at national level.

A few countries stand out amongst others in terms of their clear structures, national policies and the wide choice of support measures available to SMEs. For example, Austria, Denmark, Spain and the UK are worthy of particular attention and will be described in greater detail later in the chapter. At the other extreme, certain Member States such as Bulgaria and Ireland have a much less well-developed set of national infrastructures by comparison, but each has some special local initiatives where their SMEs can frequently find useful support; often this is provided by local chambers or universities (see below).

However, although it is the case that national support may be lacking in some countries, there are a number of initiatives in many Member States at governmental, national, regional and local levels which are distinctive, and their knowledge and good practice is transferable to other countries and other in-state structures.

Worthy of particular mention is **France's** policy called *Pacte PME International*, established in 2009, which aims at enhancing the growth of exports by French SMEs. What is innovative is that the initiative carries the imprimatur of 26 major French companies (among others: Air France, Alstom, Areva, Auchan, Axa Entreprises, BNP Paribas, Calyon, Crédit Agricole, Dassault Systèmes, EADS, EDF, GDF Suez, HSBC, MBDA, Safran, Saint-Gobain, Schneider, Electric, Seb, Spie, Thales and Total).

Similarly, in **Italy** an important piece of legislation came into force in 2009 which allows companies to claim back 50% of their expenses (70% for companies who operate from the regions of Campania, Basilicata, Puglia, Calabria, Sicily and Sardinia) in connection with:

- ✓ Participation in foreign trade fairs;
- ✓ Publication of catalogues, leaflets, information materials, etc.;
- ✓ Advertisement in foreign journals, trade magazines, TV and radio;
- ✓ Creation of Internet sites in foreign languages;
- ✓ Interpretating services.

In **Finland**, *business accelerators* are a fairly new tool in national innovation policy. Finnish start-up companies showing potential for global growth are offered *acceleration* services by combining public funding with private business expertise and know-how. A special accelerator programme called *Vigo* has been set up for this purpose. The *Vigo* Programme is managed by the Ministry of Employment and the Economy and coordinated by the Finnish Funding Agency for Technology and Innovation (*TeKes*).

In various countries of Europe, a national institute for SMEs either exists or has a national equivalent with the specific mission of assisting SMEs with all aspects of their business, including international trade.

For example, there are two **Latvian** SME confederations, the Latvian Small and Medium-Sized Enterprise Confederation and the Latvian SME Association, both of which offer the following services:

- ✓ translation;
- ✓ interpretation;
- ✓ language courses (by outsourcing);
- ✓ cultural training.

The **Estonian** Association of SMEs (*EVEA*) provides language support services, such as translation and interpretation, cultural training, and foreign trade documentation consultancy, to mention a few.

Similarly, the **Bulgarian** Small and Medium Enterprises Promotion Agency (*BSMEPA*), established in 2004, acts on behalf of the Ministry of Economy, Energy and Tourism on a regional level.

Greece's national institute for SMEs is *The Hellenic Confederation of Professionals, Craftsmen and Merchants (GSEVEE)* which was established in 1919. It represents the most essential and vital part of the country's economic structure, the owners of small and medium-sized enterprises. GSEVEE, however, offers no language support services to SMEs.

In **Ireland**, two organisations exist which represent the interests of SMEs:

- ✓ The Irish Small and Medium Enterprises Association;
- ✓ The Small Firms Association (SFA).

Neither the Small Firms Association nor the Irish Small and Medium Enterprises Association provide language support for Irish SMEs.

Poland does not presently host a national institute for SMEs, but there is an equivalent institution: *The Polish Agency for Enterprise Development (PARP)*. The purpose of PARP is to support entrepreneurship through implementation of actions aimed at using innovative solutions by entrepreneurs, development of human resources, expansion on international markets and regional development.

PARP activities include recommending language schools, one being *Investment in Human Resources*. The company offers a variety of language courses for SMEs (including *English for Business* – accredited by the London Chamber of Commerce and Industry and *English for Marketing: Increasing the Effectiveness of Your Marketing Team*). Courses are available in all regions in Poland.

In **Slovenia**, a number of national initiatives exist to support and train SMEs:

- ✓ *YES* (Young Executives of Slovenia): members of the association are recognized entrepreneurs, businessmen, academics, artists, athletes and other successful young people. Professional training is organised.
- ✓ *The Managers Association* publishes magazines, professional articles, and advisory documents. The foreign managers section works under the auspices of The Managers' Association of Slovenia and their main goal is to promote the flow of information and strengthen connections between foreign managers who work in Slovenia and their Slovene colleagues.

- ✓ *Planet GV* offers business communication training to Slovenian companies.
- ✓ *Gea College* organizes the Global Entrepreneurship Week.

In the **Netherlands**, *Fenedex* is a private company representing associations of Dutch exporters and other international companies. It offers training on cultures, documentation, workshops and seminars, as well as export support.

Similar to *CILT (National Centre for Information on Language Teaching)* in the **UK**, which has in the past dealt with languages in education but also provided valuable research in the area of *languages in business*, **Luxembourg** has had its *National Institute of Languages* since May 2009. One of its missions is to train adults and professionals who want to learn Luxembourgian but also other languages. As a matter of social cohesion and as a way to increase the chances of people finding a job, learning languages is seen as the way forward.

4.1.6. Examples of Good Practice in Four Member States (Austria, Denmark, Spain, UK)

4.1.6.1. Austria

Austria abounds in examples of successful innovation and good practice in language teaching and learning at European, national, regional and local levels. Moreover, because it hosts the European Centre for Modern Languages (a Council of Europe partial agreement), Austria's commitment to language education is further underlined by the creation of:

- i. The *Österreichisches Sprachengomitee* (Austrian Language Committee, ÖSKO), a national committee for (foreign) language education that includes representatives of all stakeholders;
- ii. The *Österreichisches Sprachenzentrum* (Austrian Language Competence Centre, ÖSZ), which was established to support the development and dissemination of innovation in language learning and teaching with particular reference to current issues in international language policy;
- iii. The *Centre für berufsbezogene Sprachen* (Centre for Professional Languages, CEBS), which supports education for teachers in vocational education and training.

All three organisations foster and support language learning during and beyond school as well as support development and innovation in language learning and teaching with particular reference to current issues in international language policy.

The *Chamber of Commerce and Industry* in Austria operates on four levels: internationally, nationally, regionally and locally. It also operates *Advantage Austria*, the official Austrian foreign trade promotion organisation and the largest provider of services in the area of foreign trade. At the national level, the Chamber of Commerce is operator of the WIFI training centres for enterprises and the private market, which serve 340,000 customers per year, and offer 30,000 courses in 80 locations in nine regions.

Language training in the connected WIFI training centres is offered in several learning modes: e-learning, classroom courses and also as 'learning by playing'. Language courses are promoted intensively. One example is *Sprachmania* ('language mania'), a contest for trainees in English, French, Italian, Spanish and Russian. Very practical and individual services are offered, depending on the business. One example is the group for gastronomy and tourism which offers menu translation for restaurants. The chambers do not just offer courses through the WIFI programme, they also offer special on-site packages for companies. These packages may contain a 'language audit', special training packages including on-the-job training, and further support. The regional chambers of commerce also work as a contact platform for language services (translation, interpreting, etc.).

The Chamber of Employees (*Arbeiterkammer*), unique to Austria, offers services to employees. SME managers are aware of these services and have the option of including the training in their employees' personal development plans. The promotion programmes might change, but in 2010 each employee received one €100 voucher per year (membership is obligatory). These vouchers could be used for any course offered by the VHS and associated training centres. Apart from a broad spectrum of vocational training, their offerings also included language courses, which could vary by location. The most common languages on offer are English, French, Italian, Spanish, Russian, Portuguese, Serbian, Slovakian, Turkish, Hungarian, Romanian, Slovenian, Czech, Croatian, Greek, Dutch, Polish, Swedish, Arabian, Chinese, Hebrew and Japanese.

Especially in Vienna, the offer also includes Albanian, Amharic (Ethiopia), Armenian, Bamanankan, Bulgarian, Danish, Esperanto, Finish, Georgian, Hindi, Indonesian, Irish, Icelandic, Yiddish, Catalan, Korean, Kurdish, Latin, Lithuanian, Mongolian, Norwegian, Persian, Filipino, Sanskrit, Swiss-German, Sinhala, Swahili, Ukrainian, Urdu, Vietnamese and Wolof.

4.1.6.2. Denmark

Unlike Austria, where a great deal of activity is focused around and stems from chambers of commerce or employee groups, Denmark's support at the national level originates from a number of larger organisations:

i. The Trade Council

This organisation is a part of the Foreign Office and offers a number of programmes to SMEs, which are designed to help companies overcome trade barriers. These include product translation, interpretation during early negotiations, correspondence and telephoning. Intercultural knowledge is also provided to some extent. The expertise lies in the widespread presence of the Trade Council abroad and its ability to transfer its expertise and up-to-date knowledge to its customers.

Vitus is a different scheme under the Trade Council, designed to kick-start SMEs into exporting. It is an intensive course created to analyse companies' export strategies, including communication needs. Whilst the scheme is not free (72.200 DKK), a 65% subsidy is available. A Danish company can choose to buy support hours, varying between 35 and 210 hours depending on the amount of support, which is required to enter foreign markets. This particular type of modular approach is called *Eksportstart*. Parts of *Eksportstart* are included in other schemes such as *Vitus*.

Barriers to Trade (country-specific approach), *Born Global* (IT and Telecommunications support) and *Establishing in Foreign Markets* (practical issues such as setting up a foreign office, logistics and country-specific) all fulfil a role in helping companies to grow.

The Trade Council is the most important point of contact for a Danish company wishing to start exporting, and it provides a variety of useful schemes. Promotional activities such as *Export Day* provide companies with the opportunity to learn about the Trade Council's activities.

ii. The Confederation of Danish Industry

The confederation provides courses on the local business culture and assists companies in devising a strategy to enter foreign markets.

iii. The Danish Commerce and Companies Agency

The DCCA, under the Ministry of Economic and Business Affairs, is the official registry for Danish businesses and for the accreditation of government-accredited interpreters and translators. Chambers of commerce and companies may approach the agency for recommendations on the best interpreters and translators, although the agency itself does not provide language services.

iv. The Association of Communication and Language

The Association of Communication and Language **may be regarded as one of the best initiatives** in Europe. It serves as a forum from which companies can collect information about communication and languages and find links to networks of translators and interpreters in Denmark. One interesting initiative is Taskforce *Sprog* of 2009, which has been undertaken with various other organisations such as the DEA and Aarhus University to deal with the lack of language knowledge in Danish business. The aim of the project is to promote the teaching of languages and culture in the education system. The taskforce found Denmark severely lacking in needed foreign language resources. One of the main goals of the project was to study the idea of offering languages as one of the free services of *Økonomi og Erhvervsministeriet*. The findings of this 2009 taskforce have not yet been released.

v. The Association of Translators

This association is the official organisation for translators in Denmark. Other organisations providing similar services are the Danish Federation of Translators and bilateral chambers of commerce.

4.1.6.3. Spain

i. ICEX

ICEX is a state-owned company, based in Madrid, attached to the Secretary of Trade, whose activity is focused on coaching Spanish enterprises at every step of the internationalisation process through its network of offices in Spain (22 regional offices) and around the world (up to 94 offices overseas).

The Export and Business Training Department focuses on guiding the first steps of small and medium-sized companies towards internationalisation and administers the PIPE programme (*Introductory Plan on International Promotion*) which reviews different aspects of business internationalisation, including language management strategies.

This model programme consists of:

- ✓ Revision of strategies with an expert consultant to identify and address SMEs' strengths and weaknesses (language audit);
- ✓ Technical assistance to design or redesign suitable websites, intranets, on-line catalogues, databases, newsletter systems, on-line marketing, etc, aimed at improving international competitiveness;
- ✓ Financial support for promotional materials in foreign languages;
- ✓ Simultaneous telephone interpretation in up to 30 different languages (provided by a specialised company);
- ✓ Translation services (contracts, tenders, certifications, corporate leaflets, web-pages, press releases, presentations, etc.) provided by a specialised company;
- ✓ Language training: telephone classes, e-learning and in-company learning (provided by a specialised company);

- ✓ Lectures, seminars and training on specific communication skills in order to help companies negotiate and work with different cultures and countries;
- ✓ Customised consultancy services on different aspects of Internet-based technologies (international branding promotion, networking, innovation, communication, etc.);
- ✓ Guided visits to international trade fairs all over the world hand in hand with ICEX overseas offices; information about business and cultural aspects for specific markets including: how the market works, the main sectors of interest, consumer customs, how to negotiate, and so on;

To make up for any lack of foreign language skills, PIPE recommends employing a bilingual collaborator to deal with target markets. ICEX provides a list of bilingual professionals specialising in foreign trade and provides financial support to companies retain this new employee for at least one year; apart from technical assistance, companies under PIPE may receive support of up to 80% of their expenses for the two-year duration of the programme.

More than 7,000 companies have taken part in PIPE since 1997. According to a survey carried out by the Spanish Council of Chambers in 2007, 83% of PIPE companies believed that the programme had improved their ability to overcome language barriers.

There are other programmes that support SMEs with their language and communication skills; namely,

- ✓ Training in specialised foreign trade techniques. Each year, ICEX trains around 200 multilingual young graduates in Spanish commercial offices overseas. After a year working abroad, these specialists return and join an international SME with interests in markets of their expertise. ICEX pays part of their wages for up to two years.
- ✓ Setting up and building a brand.
- ✓ Specialised courses on internationalisation (how to negotiate with different cultures, how to sell in different markets, etc.).

ii. CEOE – Confederación Española de Organizaciones Empresariales

The Spanish Confederation of Employers' Organisations (CEOE – *Confederación Española de Organizaciones Empresariales*) is the major representative institution of the Spanish business community. The specific interests of small and medium-sized firms are represented by the *Spanish Confederation of SMEs (CEPYME)*, a national organisation, and a member of CEOE. Since its founding in 1979, the CEOE has been extremely active internationally. Its objectives include promoting a competitive framework for Spanish enterprises in international markets and making companies aware of the need to carry out their business on an international scale. To this end, CEOE maintains close working relations with all the competent authorities, including the Ministry of Industry, Tourism and Trade, the ICEX and the Ministry of Foreign Affairs and Cooperation.

CEOE offers free training courses (both to companies and to employed or unemployed professionals) which include courses in English, French, German and Chinese.

The *Spanish Confederation of Self-Employed Professionals (CEAT)*, an organisation attached to the CEOE, organises courses and seminars to foster professional skills (e.g. courses in business English; strategy and business communication; innovation and business creativity).

All these courses are co-financed by the European Social Fund and *Fundación Tripartita*, a public foundation that promotes professional training and provides subsidies for training programmes. The amount of the subsidy available depends on the social security quota companies pay monthly. The objective is to maintain and improve professional competence, enhance career progression and keep abreast of new technologies and practice.

4.1.6.4 UK

i. UK Trade and Investment (UKTI)

The *UKTI (UK Trade and Investment)* is run jointly by the ministry concerned with business and innovation ('BIS') and the Foreign Office and often uses the resources of both. This ministry was initially formed in 1999, as previously *British Trade International* was composed of two parts; *Trade Partners UK* set up for the encouragement of trade and *Invest UK* for inward investment. These two parts were amalgamated in 2003 to what is now known as *UK Trade and Investment*, which is now the body responsible for both import and export. National language support for SMEs falls under the umbrella of the UKTI, and provides the pivot around which other organisations work. These schemes are administered through their local offices, which are spread throughout the UK.

The UKTI offers a number of publications, schemes and initiatives to aid companies with formulating their language strategies:

1) Publications: The UKTI publishes a number of leaflets advising SMEs how to make the best out of the language sources available. The key publication *Improving Your Business Communications: Overcoming Linguistic and Cultural Barriers in Business: A Guide for Exporters*, for instance, provides SMEs with guidance and examples of case studies on how foreign language use is beneficial in trade. It also advises that exporters should establish a communication strategy (or LMS), and promotes the key UKTI language audit scheme, the *Export Communications Review (ECR)*. Other key publications include: *I want to: Learn about International Communication Planning* and *I want to: Learn about Language Training and Multilingual Recruitment*.

Publications from the UKTI are generally free as hard copies and are also available online.

2) Schemes and policies: The UKTI has issued schemes and policies in order to aid exports by SMEs: namely,

- ✓ *Passport to Export*: This is the UKTI's flagship scheme for export. It assesses the readiness of a company for international business and includes free export advice, language trade literature, as well as ongoing support for the company to maintain their export trade.
Cost: £250 + VAT (NB 1 Euro = circa £0.88)
- ✓ *Export Communications Review*: As regards language support for SMEs, this is by far the most important scheme for SMEs. It is the UK's national language audit scheme designed to help companies overcome language barriers in export markets. A consultant reviews the export communication strategy of a company and assesses the need for language skills. This scheme is run in conjunction by the British Chambers of Commerce (BCC):
Cost: £500 + VAT (but UKTI provides a subsidy of £350 in some cases)
- ✓ *Trade Show Access Programme*: This programme allows a company to participate in trade shows abroad, and provides a grant of £1000 to £1600. This allows foreign language distributors and agents to promote SME international business.
- ✓ *Export Marketing Research Scheme*: This is another scheme managed for the UKTI by the British Chambers of Commerce (BCC) which advises the SME on whether or not to enter into a new export market, how best to deliver to this market and what resources are needed, including which potential language skills are needed. The company works with its International Trade Association alongside their local UKTI office. International Trade Associations have been formed

to provide companies with information and advice on international standards, legal requirements and issues like tariff barriers.

ii. The Business Link

A hub of information for UK SMEs over many years, the *Business Link* is a partner of the UK Government's trade Ministry (BIS). It is a free advice service available to businesses of all sizes. It is currently under review and expected to close in November 2011. It provides a forum for these businesses to be introduced to the various governmental schemes available to them. This is the same for language services, and whilst the Business Link does not provide language services of its own, it provides advice as to where to go to find them. This is the information that the Business Link provides for a business as regards language use:

1) The Barometer guide: access to a poll in 2006 of the various EU nations and their languages. This gives an indicator to the UK SME of the countries where having a language strategy can be essential. The Barometer identifies key European countries such as Spain, Italy and Portugal where language knowledge is essential.

2) A link to the *EU Business Forum for Multilingualism*, which offers advice on how businesses can improve their language skills. This advice includes taking stock of existing language skills, revising recruitment policies, setting up language competency targets, employing native speakers in the companies, offering language courses and working with translators.

Interpreters and translators: Business Link traditionally gives advice as to how translators are best used in business, as for instance for negotiations and translating websites. It refers the business to the Institute of Translation and Interpreting, the Chartered Institute of Linguists, and regional language networks. Also, links to Translators' Café and Proz are provided, where language translation jobs can be posted.

3) Language Training: The Link gives guidance to SMEs on where they might find language courses. It indicates where companies can train for qualifications in business language competence.

All in all, *the Business Link* has been an indispensable source of information for a UK SME. However, the website is not always easy to navigate. This is a good initiative, but needs to offer more detailed advice on how a company can assess its existing language skills, and not just links to websites. This is a good place to start though, as it provides an axis from which most local/national resources for UK businesses can be found.

iii. The National Centre for Information on Language Teaching and Research('CILT')

On 7 April 2011 the UK's major national language support agency for schools, universities and the workplace, CILT, merged with the educational charity *CjBT Education Trust*, and moved to Reading. Parallel agencies exist in Scotland and Wales. CILT has traditionally supported language projects and disseminated valuable advice on language courses, language promotion projects and language conferences projects to promote languages as well as conferences. CILT has, in the past, run schemes for the workplace including:

- ✓ The Business Language Champions, which sought to inspire both businesses and schools to use languages in businesses. Businesses demonstrated to students how businesses use languages in the workplace every day. Awards were presented for the best schemes.
- ✓ Regional language networks, which were set up throughout England (although not in other UK national territories) in order to improve regional access to language advice and skills.

- ✓ CILT provided advisory services to employers seeking to use interpreters and translators. Key information was provided on where to find language courses for employees.

iv. International Student Placement Office (ISPO)

This organisation works with both universities and businesses to place students from all over the world in companies looking to increase their language skills in a cost-effective way. A placement commonly lasts for six or twelve months, and can provide the business with linguistic and cultural expertise at a lower cost than by recruiting a permanent employee. This scheme is hosted by the Nottinghamshire Chamber of Commerce.

4.2. EXEMPLARS OF REGIONAL LANGUAGE SUPPORT FOR COMPANIES

A number of Member States have chosen to allocate funding to support business at a regional level. Very few have focused on the regional provision of language support services, preferring instead to allow local organisations closer to the business (like chambers or universities) to respond to local demand for language support, or language expertise. Two particular countries, Poland and Spain, have particularly strong region-level organisations which offer an exemplar of good practice:

i. Poland

In Poland, a number of regional development agencies provide a variety of services to SMEs.

Some of these agencies provide foreign language support. *Biłgorajska Regional Development Agency* offers English, French and German courses, and the *Przemyska Regional Development Agency* offers an English language course.

Numerous regional development agencies provide intercultural and language support within the Enterprise European Network (EEN) initiative. For example, the *Podlaska Regional Development Agency* offers free professional consulting on EU legislation, organizes international cooperation meetings together with conferences and foreign business missions, helps in finding foreign business partners. The *Konin Regional Development Agency* offers many free services within the EEN project useful to SMEs, e.g. the *Poles in Great Britain* programme, which provides basic information for entrepreneurs starting new businesses. Most regional and local chambers of commerce in Poland offer language courses among their language services to SMEs. The other linguistic/intercultural services available to SMEs are foreign missions, advertising (for foreign recipients) and help in finding foreign business partners.

ii. Spain

Regional development agencies in Spain are promoted by the various regional governments to enhance business competitiveness through innovation, promote internationalisation, and attract inward investment. Services to support SME internationalisation projects include:

- ✓ Simultaneous telephone interpretation (three-party conferences): the agency usually pays for the cost of translation, while the SME pays for long-distance calls;
- ✓ Text translation (catalogues, emails, commercial letters);
- ✓ Provision of bilingual human resources specialising in foreign trade: subsidised consultants for international business development during a one or two-year period;

- ✓ Review of multilingual slogans and claims, websites, packaging, direct marketing and promotional materials in foreign languages;
- ✓ Co-financing of catalogues in any foreign language designed for specific events promoted by regional agencies (trade fairs, tastings, etc.);
- ✓ Free interpreting services to companies participating in commercial missions to countries with special linguistic difficulties;
- ✓ Provision of a list of recommended suppliers of language or advertising specialists (sometimes the agency negotiates advantageous price conditions for regional SMEs or subsidises part of the total cost of the services provided by the listed companies).

At least seven agencies (out of the 20) provide simultaneous telephone interpretation into 30 foreign languages through the same specialised interpreting/translating company: Aragón Exterior (Region of Aragón), PROEXCA (Canary Islands), IPEX (Castilla-La Mancha), Fomento de mercados (Extremadura), ADER (La Rioja), Agencia IDEA (Andalucía) and ASTUREX (Asturias).

4.3. EXEMPLARS OF LOCAL LANGUAGE SUPPORT INITIATIVES

At the local or district and city levels, public and private initiatives function in competition with and alongside each other. The focus of the grouping below is primarily on local infrastructure support and does not, for the purpose of this report, include the major private providers, such as Berlitz, though there are occasional references to private providers as examples of public-private partnerships or particular types of provision. The list below includes mainly examples of support networks largely or partially funded from government sources with the expectation that they offer a service to business as part of their mission, such as local chambers of commerce (many of which may be membership and subscription organisations), language departments and language centres at universities, business schools, centres for economic development, local business and export clubs together with translation and interpreting companies. There are also many privately-run language schools which offer similar services to business. The list is not exhaustive but gives a flavour of the types of networks and infrastructure resources that work closely with businesses in their area.

i. Austria

Working in an international context is a strong focus in Austria, particularly because of its geographical location and its history. Support and consulting for import/export is a specialised field. All Austrian stakeholders are aware of the importance of foreign languages to export as a chance for business survival. Competition in the market for language technologies and training includes all levels, including universities, public training centres connected to the Chamber of Commerce, sectoral clusters, border-region initiatives, private training centres, translators and other language service providers. At the local level, in addition to language courses, the four universities of *Vienna, Graz, Innsbruck* and *Salzburg* offer language support such as self-directed language courses (free online language-learning courses), tandem learning, self-assessment tests, and free movies in foreign languages.

ii. Belgium

Language training companies and translation agencies come in all sizes, from small one-person businesses to large international corporations. In general, language training companies provide courses within the companies themselves. The standard programme usually includes general language training (e.g. 'French conversation') and more specific courses ('Business English'). Some companies even offer

specialised courses such as 'French for Telephone Operators' or 'German for Lorry Drivers'. Upon request, courses can be adapted according to companies' needs. A few of the private companies offering these services include: Agataal Taalopleidingen, Cosmolingua, ElaN Languages nv, Elohim Language Services and Lerian-Nti Languages nv/sa.

iii. Bulgaria

In recognition of the importance of foreign language skills, Bulgaria has various language initiatives such as *foreign language high schools* where graduates achieve very high foreign language competence. Few private initiatives are available to SMEs at present but one company worth mentioning is *Friends of Belgium*, which offers language courses to SMEs at symbolic prices.

iv. Cyprus

There is an increasing demand for business communication services in Russian, German, Spanish, Italian and French. As this demand grows, the lack of language-related business services at the local administrative level has become more evident. *The European University Cyprus* fills a gap in terms of foreign language learning both for individuals and companies.

v. Czech Republic

The Czech Republic enjoys a long tradition of language learning through its educational system. This is reflected in the plethora of available courses both within the university sector, (e.g. *Univerzita Karlova, Prague International University, University of Pardubice and University of West Bohemia*), language schools (e.g. *Lingviera and Centrum Cizích*) and language training companies (e.g. *Else International, S.R.O Online, Tutor and Smarter*).

vi. Denmark

Denmark provides thriving conditions for SMEs with a large export sector and a vast supply of language support services available. There are thirteen universities including three business schools, all of which offer language courses in different forms. Private course providers include *AIS Sprog* and *Business Language Services*.

vii. Estonia

Estonia's language support services are expanding at an impressive rate, although much still remains to be done. Among the local support networks are *Tallinn University, University of Tartu, Estonia Business School, Mainor Business School and the Institute of Economics and Management*. Among the language training companies are *Multi Lingua* and *Training Centre Dialogo*.

viii. Finland

A wide range of languages training services are offered through the Finnish educational system, from primary and secondary general education and vocational training to polytechnic, university and adult education. Different institutions arrange a great variety of courses and programmes for adults at all levels. For example, Finnish universities organise open university courses which are open to all regardless of age, educational aims or previous schooling.

ix. France

A number of private language services and schools operate in France to compensate for shortages in the public system. Two categories exist: those which specialize in languages, and those that offer a range of different services including language training. Some specialize in teaching English – the leader in this market is *Wall Street English*. *Learnissimo* is a new service which offers language courses on line.

Among the non-specialized services are *Cegos* and *Demos*. Each offers a wide range of languages courses, especially English which remains the most widely-studied foreign language in France. Another initiative which takes place regularly in France is *Assises de l'International* in Lyons which aims to assist SMEs in the Rhône-Alpes region operating abroad. Their services also include foreign language assistance.

At the local level in Paris, the Chamber of Commerce and Industry has its own language school, *Pariglotte*. It provides language services to SMEs and has three goals:

- ✓ to develop international opportunities;
- ✓ to create tools to support international development (communications tools, websites, etc.);
- ✓ to provide individual language lessons to SME employees through the use of a 'DIF' (individual right to training).

x. Germany

The *Cottbus Chamber of Commerce* works on a number of border-region projects with Poland. It also serves as a contact platform for translation offices and offers international exchange programmes with France, Poland and Norway. Both participating trainees and member companies are prepared for international trade with intercultural training, which includes language training. Staff speak Polish, English and Russian and regularly participate in advanced courses.

The *Düsseldorf Chamber of Commerce* offers language courses in Dutch and English for which it reports a high demand, and additionally participates in the development of a 'European Assistant' curriculum with language courses, dual education and a vocational placement abroad.

Nordkolleg Rendsburg together with HWK Lübeck and HWK Flensburg offer special courses in Danish, Norwegian and Swedish for employees. The course costs may be covered by a grant via *Investitionsbank Schleswig-Holstein*.

DaToS Sprachausbildung für Industrie & Handel provides courses in 'all the languages of the world', with individual training, preparation for certification exams, intercultural communication, executive round tables, special audio and video training, special training for language use in offices and other specific needs.

xi. Greece

Cararigas, together with *Eurocitizen* (specialised courses in 20 languages), offers a wide range of educational programmes and services to business covering the communication needs of the modern digital and multicultural world in the most relevant and effective manner.

Hellenic Lingual Services (HLS) offers the services of highly qualified and experienced translators to companies. HLS takes on any kind and size of translation project from and into the following languages: English, French, German, Italian, Spanish and Greek.

xii. Hungary

Private organisations offer many different services to SMEs to foster communication with foreign partners and improve export capabilities. There are only a few organisations at the local level, however (such as *the Chamber of Commerce and Industry Csongrad County*) which organise special language courses for taxi drivers, beauticians, shop assistants and barbers to improve their language communication skills with foreign customers. This chamber also already provides consultancy services to improve company communication skills in order to overcome communication barriers between SMEs in different regions.

xiii. Ireland

Two language schools in Ireland appear unique in that they provide language support for business as well as offering language-training courses:

- ✓ *Sandford Language Institute* is Ireland's largest language school, offering courses in over 30 languages of Europe, Asia, Scandinavia and Africa. Tutors are native speakers and fully qualified, with courses offered for corporate clients from a range of business sectors. Sandford also offers translation and interpretation services and carries out language level assessments for corporate clients who need fluency in foreign languages when taking up multilingual positions;
- ✓ As well as providing language courses in English, Arabic, Spanish, Portuguese and Italian, *Unique Voice Language Institute* provides inter-cultural communication training, workshops in private, state, non-profit and voluntary organisations along with a translation/interpreting service, including community and 24/7 crises interpreting.

Of the companies mentioned, *Cipherion Translations* is the only company to provide a range of services to businesses involved in globalising their activities, in addition to offering translation and interpreting services. The company furthermore manages website engineering and software localisation projects, including adapting currencies, date/time displays, units of measurements and other content to match local markets.

xiv. Italy

Local chambers of commerce offer language training to company employees, the vast majority of which are courses in English, German and French. Other languages specifically for business purposes are available through private providers and organisations such as the *Centre Linguistico Europeo*, *Associazione Lend* and *Univels Srl*.

xv. Latvia

Latvia does not have language support services on the national level, which is why a large number of services exist on the regional/local level to fill the void. Apart from a number of universities offering language courses, private export consulting companies offer export communication services in conjunction with local chambers of commerce. Examples include *Export Consulting Latvia*, *Orient Instruments*, *Farels Solutions*, *NK Konsultāciju Birojs*, *369 Grādu Konsultācijas*, *Collegium Optima*, *AC Konsultācijas*, *Europrojects*, *Knowledge Solution group (KSG)*, *RaiAnd Consulting*, *Technical Partners International*, *VL Baltic*, *Italijas-Latvijas Biznesa Centrs* and *Šveices-Baltijas Biznesa Eksperts*. The services offered include Export Breakfast events and the 'Step-By-Step' services.

xvi. Lithuania

The *British Council* works closely with the *Public Service Language Centre*, among others to run a number of projects to secure and improve relations with Lithuania and currently runs a project called *Intercultural Navigators* – a project that aims to deal with the challenges that we face in the multicultural

world. Intercultural Navigators aims to develop groups of young leaders in Europe who can easily 'navigate' within and between different cultures – who are aware of their own cultural backgrounds and who are able and open enough to accept, respect and understand other cultures.

The *American English School (AMES)* is one of the most popular and qualified foreign language teaching centres. AMES offers a wide range of foreign language courses (English, French, Spanish, German, Italian and others). Courses for SMEs are tailored to meet the specific needs of employees working in various areas (banking, IT, medicine etc.).

Lingua Perfecta Language School is included in the civil service list as it provides language training to state officials as well as to individuals and enterprises. The company offers a range of services including:

- ✓ free assessment of the foreign language skills of knowledge workers;
- ✓ customised programs;
- ✓ language training in the client company's offices;
- ✓ preparation of general and specialized language programmes (business, law, medical, aviation, banking, finance, logistics, advertising, etc.).

Companies tend to request foreign language courses and translation services and the most popular foreign languages among SMEs are English and German.

xvii. Luxembourg

There is only one national chamber of commerce in Luxembourg, and no regional or local chambers owing to the country's size. There is also a National Centre for Languages whose mission is to provide training for adults and professionals who want to learn Luxembourgian and other languages. It is not only a way to help Luxembourgiens to be more competitive when working abroad, but also a matter of social cohesion. Both the *Luxembourg School for Commerce* and *Luxembourg University* offer training to professionals.

Among private initiatives are a range of language course providers such as *Prolingua*, *Allingua Language Centre*, *Ecole Prolingua*, *Langues sur Mesure* and *Linguisco*.

xviii. Malta

The people of Malta are bilingual, using both Maltese and English as national languages, but the language support infrastructure is minimal. Ministries and related entities, such as the Malta Chamber of Commerce and Malta Enterprise, do offer support to local SMEs, yet these services are mostly limited to financial and administrative aid. No language support assistance is available on a national or regional level since the need is not felt by the industrial and commercial sector.

The only agency to offer language courses in Malta is the Employment and Training Corporation. Language support services are instead offered by private institutes, such as language schools and business schools, which in the past decade have flourished in the Maltese Islands. Although foreign commercial visitors are the primary targets for these programmes, the occasional Maltese does use the services, though minimally. The schools include *Clubclass Residential Language School*, *International House*, *Inlingua Malta* and *Future Focus Ltd*.

xix. Netherlands

Dutch universities such as *the University of Amsterdam (UVA)* and *Wittenborg University* offer linguistic and cultural service support to business organisations. Services include language training, translation,

editing, industry/subject-specific corporate training courses, presentation courses, workshops and intercultural training. Apart from universities, private institutes such as *Katakura/wblc*, *Language Express* and *Horizon Interlingua* offer language support services to businesses. This is also true for a number of private business organisations such as *RF Strategies* and *Shotover Marketing*, which help business organisations in establishing networks overseas and overcoming linguistic and cultural barriers.

xx. Poland

Most regional and local chambers of commerce in Poland offer language courses to support SMEs. The language/intercultural services available to SMEs are: business missions, advertising (for foreign customers), help in finding foreign business partners and others. Most of the 36 public universities offer business language courses (mainly in English, German, French, Italian and Russian) to their students or employees. The Language Department of Wrocław University of Economics offers managers and staff all levels of foreign language courses (in Russian, English, German, French, Spanish, Italian), both general and specialized. The Karol Adamecki University of Economics in Katowice works with the business community and offers courses in business, management training and negotiation skills.

The *Consulting and Training Bureau of the West Pomeranian Business School* is a private school, primarily offering courses for single companies and its employees. Each course is individually designed to meet the needs of the contracting company. Among the private training initiatives are e.g. *Quendi Language Service* and *Meritum*.

xxi. Portugal

Local language support for SMEs in Portugal exists mainly in the form of private initiatives. Although universities offer language courses, they do not deliberately focus on the business sector. Instead, there are many private language schools that specifically offer language courses to companies, delivering the classes on-site at companies for employee tuition, with each course individualised at the employee's language level and professional language needs; these include: *CIAL*, *EEL*, *Bristol School* and *Lancaster College* to mention a few.

xxii. Romania

Language support is mainly provided by private companies and organisations such as:

- ✓ *The Centre of Foreign Languages*, which was founded at the beginning of 2004 and is growing to be one of the largest language associations in Romania, offering programmes for business and professional, as well as for general purposes.
- ✓ *Bridge Language Study House* in Cluj Napoca, Romania, the largest provider of language courses and international language examinations in Transylvania. The company offers intensive courses in 17 languages, including many on-line courses designed for businesses as well as private individuals.

xxiii. Slovakia

The business support infrastructure at the local level in Slovakia focuses mainly on administrative services and expert counselling. In terms of providing language support, this service is handled by private companies and organisations such as *Language Now* and *UMB Banska B*. Although a number of universities teach foreign languages, these courses are generally only available to their own registered students and staff.

xxiv. Slovenia

The *CCIS (Slovenian Chamber of Commerce and Industry)* provides support in connecting up companies and groups (into consortia, clusters, etc.) in order to facilitate international co-operation. It also provides language support to its members at the national and regional/local levels. Language training (courses, workshops, seminars and events) is organised by the CPU. Business English and Business German courses are offered by their contractual partner, the Department of Languages at the Faculty of Economics and Business, University of Maribor.

The training centre at the Chamber of Craft and Small Business of Slovenia (OPIS) offers Business Slovene, English, German, Italian, French, Russian and Spanish language courses to its members and their employees and family members. The language courses are provided by three language schools: *Mint International House*, *Izobraževalno Središče Miklošič* and *Verba Jezikovna Šola* for the whole of Slovenia. All three schools are based in Ljubljana.

The three universities of Slovenia, *the University of Ljubljana*, *the University of Maribor* and *the University of Primorska*, offer foreign language courses in a business context to customers such as the Chambers of Commerce of Slovenia and private companies. Each offers courses on effective communication in English (effective business presentations and effective business meetings) in their curricula. In addition to being well served by the CCIS, universities and various other organisations, a substantial number of private language schools and training companies exist in Slovenia, not to mention the 860 registered translation companies.

xxv. Spain

The local Chamber of Commerce plays an important role for all Spanish companies. This is not only because membership is mandatory but because Spain has one of the most supportive chamber networks in Europe. At the local level, the chamber can support a company by offering:

- ✓ Simultaneous telephone interpretation;
- ✓ Language courses through their training departments (for general use or business purposes);
- ✓ Provision of bilingual professionals specially trained by the chambers to run capacity-building programmes on foreign trade.

Many chambers also offer financial support to SMEs for the translation of marketing materials into different languages. In these cases, the chambers are usually mentioned as 'sponsors' of the materials.

Universities have specialised language departments which may provide services to a variety of businesses. For example, the Department of Modern Languages of *Deusto University* offers business language courses to students (in English, French and German) and also offers a language development programme for companies (in English and French), which satisfies general and specific needs of the business environment. The language department of the *Universidad Europea de Madrid* offers French, German, Chinese, Arab, Italian and Spanish courses for professional purposes. The *University of Navarra* programme includes language courses designed for companies, such as English for developing business relations either via telephone or through meetings; French for business relations, as well as introductory courses in Chinese language and culture (from a business angle).

Private language schools often offer language training in-company (e.g. *Atribord & Asociados*), with made-to-measure courses for companies. Some schools' corporate language programmes include human resources support in the form of translation services and cross-cultural training (e.g. *In-Company Language Academy*), others offer language classes over the phone (e.g. *Alancity, Chester*).

Foreign-owned cultural centres and language schools such as the *Institut Français*, British Council or the *Instituto Italiano di Cultura* also offer customized courses for companies and institutions intended for professionals or vocational students who wish to be more effective in their understanding and perception of their client's culture.

xxvi. Sweden

Although the *Swedish Chamber of Commerce* exists as a national entity, it primarily operates on a regional/local level. There are twelve different chambers of commerce in Sweden, with language and intercultural courses offered at the southern, western and Stockholm branches.

Of the 14 universities, nine offer language courses to businesses: Uppsala, Lund, Stockholm, Göteborg, Linnéuniversitetet, Mittuniversitet, Umeå, Örebro and Folkuniversitetet.

Universities are often contacted by chambers of commerce on behalf of companies that need their expertise in the form of corporate training programmes. Sweden also has a network of 22 *higher education institutions*, some of which offer both language courses to staff and the opportunity to employ students for their language skills: *Borås, Dalarna, Gävle, Halmstad, Jönköping, Kristianstad, Skövde, Gotland, Malmö, Mälardalen* and *Södertörn*. The private initiatives include *Jensen, NTI, Dahlbergs ABC* and *Infokom*.

xxvii. UK

The language support provided by the British Chambers of Commerce is mostly in the form of providing a referral service to existing language support initiatives offered by central government, universities or private language service providers. The chambers in Britain are private membership organisations affiliated to the British Chamber of Commerce. The language services available to business include the following offered by chambers include:

- ✓ *Language courses*: chambers offer courses to help SME staff improve their languages or lay the groundwork for language study. Chambers offering this service include: Aberdeen and Grampian, Edinburgh, Portsmouth and South East Hampshire, Birmingham, Sheffield, Hull and Humber, Lincolnshire, Hertfordshire, London, North and Western Lancashire, East Lancashire.
- ✓ *Cultural training and market profiles*: chambers offer SMEs cultural training for export markets as well as export profiles for their markets. Chambers offering this service include: Hertfordshire, East Lancashire, Birmingham, Sheffield, Hull and Humber, Thames Valley, Surrey, South Wales, Portsmouth and South East Hampshire.
- ✓ *Multilingual brochure design*: design of multilingual marketing leaflets. Chambers offering this service: Bradford, East Lancashire.

There are many private providers of language services to business in the UK including UK universities many of which have language centres and offer language training for local businesses, in the same way as private language schools. There are several networks of private language schools that offer courses specifically for businesses. The following are a representative sample: of the types of language training programmes available to UK business:

- ✓ *Language Trainers* offers business-language courses ranging from technical language (such as medical terminology) to courses for beginners. The school has locations all over the UK in

a wide variety of languages: the most popular languages such as French are largely available nationwide, while other less frequent languages such as Finnish are only available in London.

- ✓ *St. George International* provides business-language courses for French, German, Spanish, Italian, Russian and business English, as well as others such as Portuguese and Chinese. Courses are available all over the UK.
- ✓ *Conversation Piece Ltd* offers flexible, intensive business-language courses, including courses designed for fast-track learning.
- ✓ *Rainbow* is a language school based in London which offers courses in all aspects of the business spectrum, such as telephone skills, presentations and negotiations. The courses are available in a number of formats.
- ✓ *Foreign Language Services* offers language courses as well as other services such as cultural briefings and translation and interpreting services.

CHAPTER 5: CONCLUSIONS

The Case Studies in Context

Excellence in implementing language management strategies (LMS) is not limited to particular countries, or to companies based in the larger, or more developed parts of the European Union. The case studies chosen for PIMLICO come from many different Member States and each tells an interesting story of how specific measures are taken to overcome language and cultural barriers by companies in diverse sectors operating in diverse markets of the world.

Companies in the study draw on many types of language measures to form their individual LMSs. The economic impact of a language management strategy on a company's export performance is indisputable: 41% of the 40 exemplar companies reported seeing their sales turnover increase by over 25% as a direct result of their LMS. An additional 35% put the increase at between 16% and 25%. For 76%, or three out of four companies, sales turnover increased by a minimum of 16%. Two of the forty companies have even declared the increase to be much higher: for example, *Rapina* Paper factory in Estonia reported an increase of 70%-100% in turnover and Belfast-based *Heartsine* reported an increase of 50%+ in exports as a proportion of total sales.

Languages are not only needed to boost sales and marketing, since upstream supply chains cross borders to the same extent as international services and finished goods for export. Labour markets mean the integration of multilingual and multicultural workers within, as well as, across companies. Effective international HR strategies are increasingly valuable to deal with the wide variety of business interfaces where language skills are needed.

English is used as the default language of international business everywhere in the world. But while all the companies recognise it as a 'given', an essential requirement in international trade, they also recognise that there are many countries, situations and places where it is not enough. The more successful companies in the case studies tend to adopt a multilingual approach to trade, expanding their linguistic capability to suit the specifics of marketplace. Knowledge of a number of languages, rather than one or two, can make all the difference between an average performance and an exceptional one, and can provide that vital competitive edge. All 40 best-practice case studies display different and innovative ways in which they use English and other foreign languages in various combinations and in various modes to build different stages of a business relationship with clients all over the world.

Different languages are commonly used for different markets, but there is not necessarily a one-to-one relationship with the local country, e.g. an Estonian company may use English in France, Belgium and Sweden but use the local languages in Latvia, Lithuania and Finland.

Another company has switched from English to Italian in Italy. France and Russia are also seen as European markets where it is preferable to use the local language rather than English.

Common Features

There are common features that many of the companies share in their language management strategies. For example, they have adopted various *internationalisation processes*, which primarily revolve around the international development of their employees. For example, they take measures to develop culturally-sensitive, informed attitudes and improved language skills in their employees. This is often underpinned by maintaining records of their employees' linguistic and cultural skills profiles, e.g. language ability, cultural competence, and learning activity (studying certain languages etc.) and sending people on

language courses or buying on-line language learning programs. On the basis of employee records, they tend to attach people to work in the most appropriate market for their language skills.

They also draw on useful resources to assist them because as SMEs, they do not have enough resources to acquire competence in all the language skills they need. Support from local networks and infrastructures is described below, but they often use universities which offer foreign students on placement or language learning facilities, sometimes on a low-cost basis.

This extends to recruitment and appointments policies. The companies tend to recruit people with existing language skills, and normally expect employees to have at least 2+ foreign languages at a high level of competence to begin with. Many have adopted secondment or 'buddying' programmes to introduce employees to the foreign language/culture and immerse employees in the 'ways' of the foreign market. In this regard, they are notable recruiters of *native speakers*. Native speakers often have other professional or management roles in the company, such as sales, or general management, or are accountants, but they are seen as a very useful resource to the company, which is exploited by the 'good' company. They sometimes offer language/cultural advice, make contacts in the local market and can often offer linguistic and cultural training to their colleagues on the staff. The presence of native speakers is seen as enhancing the international culture in the company and a way of gaining the trust of their local clients.

The companies selected as case studies are generally very sensitive to cultural differences in the foreign markets. They support *cultural* as well as language training. One distinguishing feature is that many do not regard cultural differences as problematical, but as enriching and stimulating. Understanding the culture of negotiations and the business mindset of different cultures are identified as essential requirements for international business. This applies to how the company presents itself externally: its packaging, or how it adapts the website to local norms, or documentation using local typeface so it is in tune with the local regulations and has the 'look and feel' of a local supplier. All the PIMLICO companies have invested in multilingual websites – the number and range of languages on their websites varies, but the number is always on the increase. Many have already translated (and culturally adapted) their websites into six foreign languages and cultures, which, by itself, has significantly increased export sales by up to 25% of total sales.

For their specialist needs they tend to use professional translators and interpreters. This particular measure is controversial in some companies because they can consider it an unnecessary piece of expenditure if they have someone on the staff who can translate text. However, this professional intervention is particularly important in certain environments, for example, regulations for labelling and packaging requirements as well as for legal and regulatory documentation, e.g. environmental laws in the client country. The practice of translating into a language where you are not a native speaker can be risky. Professional translators tend to translate into their native language only, which allows for greater localisation of sales materials and websites. Some prefer to use their local agents for these tasks, which can be a good substitute provided their linguistic skills are of a high enough standard.

The case studies generally recognise the extra-special role that *local agents* can perform in opening new markets by overcoming local linguistic and cultural barriers. They recognise the connection between employing a good local agent for his or her linguistic and cultural know-how, and the volume of extra trade this can generate. Evidence suggests that local agents are particularly useful for their language skills in certain parts of the world beyond western and central Europe when communication barriers start to increase: e.g. North Africa, Russia and Latin America. As trade volumes increase, so does the need for local agents who are adept at handling linguistic and cultural problems, as well as dealing with the local bureaucracy, paperwork and distribution complexities.

'Super-SMEs'

The ten Super-SMEs are singled out for their success and the particular features of their language management strategies. They differentiate themselves by:

- ✓ their unique, usually innovative combination, or range, of language management strategies (e.g. ranging from *people-empowerment* models to *documentation* control); in one case a company employs 14 interlocking language measures;
- ✓ the linguistic or cultural complexity of the markets they have penetrated;
- ✓ the volume and sustainability of their trade in foreign markets, notably in markets beyond Europe (they can export up to 90% of all sales);
- ✓ multilingualism which is pervasive across the company, embedded and accepted by employees as profoundly important to the company's success.

There are other considerations. These revolve mainly around size, age of company and linguistic profile of the 'domestic market'. The ten more successful tend to be medium-sized rather than 'small' companies with over a hundred employees. Also, they are well-established, none being less than ten years old. In fact, a majority, 60%, have been established for over thirty years. The companies with the highest ratio of export sales to total turnover also tend to have bilingual or multilingual domestic markets; i.e. their home countries are either officially bilingual (e.g. Belgium; Finland) or their home populations speak or can understand at least two different languages (e.g. Latvia). The other notable characteristic is that they are not based in any particular part of the EU: five are based in eastern Europe, five in western or northern Europe, suggesting that excellence in using language management strategies and success in exporting are not limited to the economically developed parts of the EU, but can be found anywhere.

Support Infrastructures

Although the pattern of support organisations is very similar from country to country, large gaps exist between the different levels of language support available to companies in different countries at national, regional and local levels.

A few countries stand out amongst others in terms of their language support at national level. For example, Austria, Denmark, Spain and the UK are worthy of particular attention in terms of their policies and measures. Other Member States, which offer less language support to companies at the national level, sometimes have local initiatives, where their SMEs can frequently find useful language support from local chambers or universities. Some Member States have particularly strong regional networks or organisations, which also offer language support. Two countries are particularly notable for their exemplar good practice at regional level: Poland and Spain. At local level there are valuable initiatives in Bulgaria, France, Germany, Greece, Lithuania, Ireland and the UK.

In terms of intermediary support, there are supra-national chambers and local chambers offering services. In addition, there are a number of bilateral chambers and bilateral language measures which have been set up between two particular countries to assist their companies to trade together (e.g. the Swedish-German Language Fund and Franco-German Chamber of Commerce and Industry), which are generally held to be very effective.

Next Stage

The main findings of the PIMLICO Report will be used to provide key messages, insights and practical guidance to companies as well as to national policy-makers and support organisations. For example, it is

planned to offer on-line informative networking opportunities for companies and intermediary business organisations to exchange information on the use of language management techniques. The objective of the information campaign that will follow this phase of the PIMLICO Study will not only be to promote the best-practice companies identified in this report, but also to initiate a special European recognition scheme for exemplar language management strategies and to distribute the Campaign's guide on language management strategies for SMEs.

CHAPTER 6: RECOMMENDATIONS

6.1. RECOMMENDATIONS FOR THE EUROPEAN COMMISSION

- To ensure the wide dissemination of the PIMLICO Report and its findings through the information initiative (to business, education and directly to companies) and via the Business Language Platform;
- To promote the development of a European Awards Scheme and quality kite-marking system to recognise the successful use of language management strategies in international trade by European businesses, e.g. *Excellence in International Communication* marque (or EIC);
- To promote LMS 'best-practice models' to business intermediary organisations;
- To ensure that the development of best-practice models of language infrastructure support and the implementation of language management strategies can be funded through European Programmes across relevant Directorates-General;
- To commission a follow-up research project to update the ELAN findings so as to ensure continuity in the capture of data, including longitudinal analysis on a five-yearly basis;
- To include the language infrastructure data and contact list in European Information Centres;
- To place 'languages and business communication' on the agendas of relevant European commissioners and on relevant European Council agendas;
- To ensure that research into language technology and its application to international trade and diplomacy is included in Framework VIII and other R&D programmes.

6.2. RECOMMENDATIONS FOR NATIONAL GOVERNMENTS

- To continue to work towards their mutually-agreed common objective from the Summit meeting in Barcelona 2002: every citizen should learn two languages in addition to his or her mother tongue;
- To ensure there is a link-up between their companies' language needs and the available infrastructural support;
- To consider setting up a national awards scheme, which recognises and promotes excellence in both infrastructure support (including intermediary support) for SMEs and excellence in SMEs' use of language management strategies;
- To set up a national awareness-raising campaign;
- To review and implement a range of support initiatives;
- To influence schools and universities to take greater account of language issues in the curriculum;
- To consider tax incentives to encourage SMEs to adopt LMSs (e.g. making language training tax deductible);
- To set up websites advising SMEs how to adopt language strategies with specific country information to help trade in those markets;
- To invest in research into language technology and its application to international trade.

6.3. RECOMMENDATIONS FOR BUSINESS INTERMEDIARIES

- To promote a greater awareness of good practice in the use of language management strategies to the membership of supra-national business networks (e.g. Eurochambres, ICC, ITAs or EEN) which are strongly positioned, and cross-refer to recommended suppliers or provide information on languages across European borders;
- To support business intermediaries in the holding of events, campaigns and other dissemination exercises designed to promote the greater use and understanding of language management strategies;
- To assist the adoption of language technology by promoting partnerships between industry and research, and making further efforts to transfer language technology into international companies;
- To link business intermediary websites to the project website so as to promote greater understanding of best practice by international SMEs around Europe;
- To exchange best practice between different support organisations;
- To offer new types of support to SMEs in line with best practice elsewhere;
- To consider offering services not already being offered, such as language audits.

6.4. RECOMMENDATIONS FOR SMES

- To emulate the best practice from top-performing companies where relevant;
- To review their language needs in particular markets against the checklists in the PIMLICO Report;
- To take action to implement a language management strategy appropriate to their markets;
- To make contact with the many support organisations that exist across Europe in order to obtain further useful information;
- To evaluate the cost-effectiveness of the various language management techniques, such as cultural briefing, professional translators, etc.;
- To form groups with other exporting SMEs and share resources.

6.5. RECOMMENDATIONS FOR EDUCATION

- To link up with SMEs and business intermediaries and offer support services, e.g. language training;
- To consider offering a foreign student placement service if not already doing so;
- To make contact with local international SMEs for knowledge exchange purposes, namely to seek their assistance in developing new language curricula adapted to international trade, or in developing a relevant service for local businesses, such as the training of language auditors;
- To make sure the language management strategy is well understood and introduced into MBA courses and other Executive Education programmes.

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ANNEX 1 – PIMLICO METHODOLOGY

Overview of Actions

PIMLICO collated exemplar and best-practice case studies of SMEs operating in the EU which have used language management strategies (LMSs) to pursue their business objectives, e.g. by tangibly enhancing their trading performance and/or organisational efficiency in cross-border operations. A range of SMEs were selected from those that participated in the ELAN study in 2006 and were accepted into PIMLICO if they satisfied the best-practice criteria set out below. Further potential candidates for interview were assessed on the recommendations of the members of the Business Platform group concerned with languages and SMEs.

Criteria for Selection of Target SMEs for PIMLICO Interview:

The initial sample of SMEs for interview were selected on the basis of their use of language management strategies in successful trading along the following criteria:

- (i) ELAN best-practice case studies (see ELAN Study 2006)
- (ii) Recommendation by business intermediary organisation, or business platform members
- (ii) Location in the EU (to obtain a range of countries)
- (iii) Prior knowledge of their enhanced trade or business performance from existing studies (e.g. ELAN, but including European Commission-funded Leonardo da Vinci and LLL programme studies, e.g. REFLECT, ECLAT)
- (iv) Range of sectors and activities, to ensure greater relevance to SMEs across a wide range of SIC codes, activity groups and clusters (e.g. from rural to manufacturing to tourism and including other services).

1.1 Phase 1 Milestones

i. Scoping

Scoping – (i) Setting a paradigm or ideal type of successful SME which optimally uses language management strategies.

(ii) Selection according to close mapping to paradigm of successful exemplification of adopting a language management strategy (LMS):

- Companies which are actively involved in implementing a range of the following LMS elements as an integral and deliberate part of their export and/or internationalisation strategies. with tangible effect on their success as measured by performance (e.g. export sales as a percentage of total turnover, growth of activity in foreign markets);
- Companies have optimally been selected by testing their use of various combinations of language management techniques to great (i.e. tangible) effect, e.g. use of local agents;

culturally and/or linguistically adapted websites; use of linguistic audits; use of professional translators/interpreters; translation of promotional, sales and/or technical material; language training and cultural briefing schemes; online learning; employee selection and recruitment policy; staff mobility, buddying and secondment schemes; links with local universities; foreign student placements; native-speaker recruitment; e-commerce models of multilingual strategy usage; product or packaging adaptation.

Other variables were controlled to ensure a balanced sample across the EU; these included: location; responsiveness to different markets in terms of selected type of multilingual communication; and reviewing impact and appropriateness of match of different combinations of strategic elements;

(iii) Countries and Number of SME Surveys

The number of surveys per country stands in proportion to the total population figure of the country:

- More than 20 million – ten surveys
- 10 - 20 million – seven surveys
- Less than ten million – five surveys

Target Countries and Sub-Set of Exemplar Companies:

1.	Austria	5
2.	Belgium	7
3.	Bulgaria	5
4.	Czech Republic	7
5.	Cyprus	5
6.	Denmark	5
7.	Estonia	5
8.	Finland	5
9.	France	10
10.	Germany	10
11.	Greece	7
12.	Hungary	7
13.	Ireland	5
14.	Italy	10
15.	Latvia	5
16.	Lithuania	5
17.	Luxembourg	5
18.	Malta	5
19.	Netherlands	7
20.	Poland	10
21.	Portugal	7
22.	Romania	10
23.	Slovakia	5
24.	Slovenia	5
25.	Spain	10
26.	Sweden	5
27.	U.K.	10

Total: 182**(iv) Parallel contact list of useful intermediaries offering language services to SMEs****ii. Mapping, contacting and awareness-raising in support networks in target countries**

Public organisations and business intermediaries were selected in each country as recommended by the exemplar companies and are listed as useful contacts which will be made available to SMEs during the promotional campaign. Support networks, chambers and organisations were reviewed for their usefulness and mechanisms, such as the UK *Export Communications (Audit) Review* run by the British Chambers of Commerce and other similar resources and systems in different Member States that support trade across linguistic borders. Included are at least three complementary organisations per country, such as: (i) a trade ministry or equivalent, such as a leading trade association, which promotes internationalisation and contains primarily international companies; (ii) a leading business association, such as a national or bilateral chamber of commerce, which contains both customers (importers) and exporters so as to obtain a balanced perspective of impact; and (iii) a large public-sector body (such as city bodies and the international departments of universities) which has significant cross-border activity, such as negotiations, meetings, international mobility or various services requiring cross-border agreements. The target organisations will be selected in particular for their networking and dissemination potential in the follow-on campaign.

One of the key objectives of the PIMLICO study has been to obtain messages and insights for inclusion in the proposed information campaign and to obtain recommendations for exemplar language-strategy users. The purpose is to gauge companies' views on general language issues, thereby raising awareness of the language challenges they face and the economic value of language strategies.

iii. Interviews with SMEs in 27 European Countries

Drawing information from interviews conducted with a representative sample of 182 European companies from many different parts of Europe, the published case study set takes account of the size of company, region, market destination, sector, and trade turnover, and also offers insights that can easily be transferred to other companies beyond the sample.

The majority of the 182 interviews were conducted face to face. The issue for the researchers (selected from the experienced group that undertook ELAN) was to test out by telephone whether the companies satisfied enough criteria as exemplar practitioners of language management strategies to warrant the time and investment required in setting up and running an interview.

Criteria for selecting companies for the face-to-face interview:

1. ELAN best-practice companies, or equivalent, complying with the four standard success criteria;
2. High awareness of the economic value of language and intercultural skills in business;
3. Conscious policy of developing skills in languages – ‘a language strategy’;
4. Articulation of language strategy and its component parts;
5. Evidence of a measurable impact of company’s language and intercultural capability on trade performance or organisational efficiency.

From these criteria it was possible to develop two subsets for dissemination: (i) 40 case studies of exemplar practice in the use of language management strategies and (ii) from among these 40, a set of ten exceptional ‘super-SMEs’ identified for special promotion.

a. The Award-Winning Top Performers

The selected sub-set of ten – Top Performers – is an ‘award-winning group’ chosen from the 40 against the following four criteria:

- (a) their unique or innovative combination, or range, of language strategy elements;
- (b) the linguistic complexity of the markets they have penetrated;
- (c) the volume and sustainability of their trade in foreign markets, notably in markets beyond Europe;
- (d) the pervasive use of multilingualism as a policy in the company.

An award will be created and the award scheme will be part of the proposed campaign and conference in order to promote language strategies to other SMEs.

b. Interview Methods

Once selected for interviews, researchers visited the selected companies singly or in groups, and qualitative data were collated using a standard pattern of questions based on ELAN methodology and using the ELAN definitions of language management strategy.

The members of the research team included many of the ELAN study’s original trained team, based locally wherever possible, thereby eliminating a significant need in this project to retrain a new group of researchers in understanding the research methods and definitions of the language management strategy concept and its application to international business.

As with ELAN, researchers were asked to collate as many insights and quotations as possible which could later be used in the information campaign. Researchers obtained permission from the interviewees to cite the material in future publications. As a rule of engagement, researchers favoured companies which were proud of their achievements and who wished to be cited and have their language management strategies publicised.

Researchers asked companies questions in a standard format in their local language(s) and provided comparable information for the final report, which has been collated, edited and designed by Professor Stephen Hagen.

c. Process of Holding the Interviews

The main set of approximately 182 SME interviews were managed in the following way:

- The companies were contacted by telephone to explain the purpose of the campaign, to determine if they were suitable and if so, to arrange face-to-face interviews. Telephone calls were made only by researchers who were native speakers and who often were based in one of the stakeholder organisations, such as the local chamber or a university. An initial call to the HRM director's P.A. was made to identify the person best able to undertake the interview and to fix a possible time.
- Questionnaires were emailed or faxed and any supporting evidence that the company requested concerning the legitimacy of the survey or its purpose was provided where necessary.
- A final call to the workplace was made to speak to the appointed respondent.

The 40 case studies in the final sample had to: (i) be exemplars of good practice in the use of language strategies; (ii) be representative of the pattern of sectors engaged in export to ensure a cross-section of the common SIC categories engaged in export; (iii) represent a cross-section of company sizes (micro-companies up to medium-sized with 250 employees); and (iv) represent a cross-section of regions from different parts of Europe.

1.2 Further Milestones

i. Mapping and Instituting a Network of Intermediaries and Stakeholders

A target list of networks of active and enthusiastic intermediaries and stakeholders was prepared for dissemination to stakeholders and SMEs in each participating country with the results of the preparatory phase attached.

ii. Provisional Target Network

- **European-Level:**

Potential supra-national bodies suitable for campaign networking would be selected from:

European associations of craft, industries and trade
European confederations of industry (sectoral bodies)
European-level business networks, e.g. Association of European Chambers of Commerce and Industry (Eurochambres)
International Chamber of Commerce (ICC)
European Universities Association (EUA)
Association of Regional Development Agencies

Enterprise Europe Network

European regional offices (to cover all Europe's regional governments and regional development agencies)

EUROCOMMERCE

European Automobile Manufacturers Association

Foreign Trade Association

European Economic and Social Committee

European Trade Union Confederation

European Services Forum

CIAA (agriculture)

Association of European Business Schools

- **National level:**

Suitable national bodies with potential for networking were selected from:

Bilateral, national, local, regional and city chambers of commerce

National ministries of trade and commerce

Regional development agencies

Science Cities

Economic development councils in cities and regions

Trade associations

Sector associations

Business and export clubs

University associations

ANNEX 2 – PIMLICO: GUIDANCE ISSUED TO RESEARCHERS

Researchers were issued the following information:

Language Strategies in Cross-Border Enterprise

A number of studies have demonstrated that European companies are losing potential business due to a lack of foreign language skills, particularly in new and emerging markets. The European Commission has decided to take action to support European companies with their language skills by modelling examples of best practice in language strategy usage. To identify exemplar best practice, the first stage in this process is an analysis of the foreign language needs of European companies.

The PIMLICO project is a study organised by the European Commission to measure the impact of foreign language skills on trade. A small number of companies have been invited to take part in this study, which will report back to the European Commission. The study will take place in European countries in cooperation with their chambers of commerce and the final report of best practice will be sent to the Commission. On the basis of the final report the Commission will determine new programmes of support for companies in Europe. It is also hoped that the results will inform the development of trade and export strategies involving the strategic use of languages over the next ten years.

The interview is an important stage in this process and your views on this issue are vital to future language policies in Europe. It will take no more than 30 minutes to undertake. It addresses and measures among others the following indices:

- the availability of language skills to your company;
- the match of language skills to export markets;
- evidence of good practice in language planning and strategies;
- a break-down of language strategies in use;
- the levels of language training undertaken and intended training;
- the mapping of language strategies for success in foreign markets;
- future intentions regarding export markets both in and beyond Europe.

ANNEX 3 – CRITERIA FOR IDENTIFYING ‘TOP PERFORMERS’

Findings from the *Elan* model (on indicators of a high performer)

Exemplars must minimally satisfy the following four criteria. The company:

1. has a language management strategy;
2. employs native speakers;
3. uses local agents;
4. uses translators and interpreters.

Additional variables

1. The company has a multilingual website
2. The website is translated to foreign languages (awareness of correlation between languages on the website and largest export markets)
3. The company exports at least 16% of its turnover

Checklist for a Top-Ten Performing Company

- **High awareness of the economic value of languages and intercultural skills in business.** The company is aware of the link between languages and trade performance.
- **Conscious policy of language developing skills.** A measure of the company’s investment in language training, translation, native speakers, etc., and the number of languages in which it has done so.
- **Articulation of communication strategy and its various component parts.** The relationship between a company’s internationalisation strategy and its focus on language skills.
- **Measuring the impact of a company’s language and intercultural capability on trade performance.** Showing the financial impact the company’s language and intercultural capability has had on its trade performance.

ANNEX 4 – PIMLICO INTERVIEW QUESTIONNAIRES

Telephone Interview Questionnaire

Please confirm the main characteristics of your language strategy by answering the following questions.

About the company

Respondent's Name	
Company	
Address	

Country					
Austria	Denmark	Greece	Latvia	Norway	Slovenia
Belgium	Estonia	Hungary	Lithuania	Poland	Spain
Bulgaria	Finland	Iceland	Luxembourg	Portugal	Sweden
Cyprus	France	Ireland	Malta	Romania	Turkey
Czech Republic	Germany	Italy	Netherlands	Slovakia	U.K.

Telephone number	
Fax number	
Email	
Website	

1.0 POSITION, COMPANY & TRADING PROFILE

1.1 What is your job title?	Managing Director	Export Manager	General Manager	Secretary /Administrator
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1. General Awareness

1.1 Do you believe there is a link between the use of languages and export (or international) performance?	YES	NO
If you answered YES, please explain.		

<p>1.2 Do your investments in language skills and intercultural capability have a significant return?</p> <p>If you answered YES, please explain.</p>	YES	NO
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2. Communicating in Foreign Markets

<p>2.1 In order to deal with customers abroad, does your company have a formal language strategy?</p>	YES	NO
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<p>2.2 Please describe your language strategy. For example, what does it comprise?</p>

<p>2.3 Is there any correlation between having a language strategy and your company's performance?</p> <p>If you answered YES, in what area of your business does it have the greatest impact?</p> <ul style="list-style-type: none"> a. Market penetration b. Market expansion c. The bottom line d. Other success factors 	YES	NO
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<p>2.4 Have you encountered any cultural differences in your business dealings?</p>	YES	NO
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<p>2.5 Does your language strategy contain a cultural strategy for managing different cultures?</p>	YES	NO
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<p>2.6 Is there any correlation between your cultural strategy and your company's performance?</p> <p>If you answered YES, in what area of your business does it have the greatest impact?</p> <ul style="list-style-type: none"> a. Market penetration b. Market expansion c. The bottom line d. Other success factors 	YES	NO
--	-----	----

2.7 Is your formal language strategy contained in a written document?	YES	NO
If you answered YES, could you send me a copy?	YES	NO

2.8 Have you ever lost business or trading opportunities for lack of the right language competence?	YES	NO
If you answered YES, where and how?		

2.9 Does the company employ native speakers?	YES	NO
If you answered YES, in what languages?		

	Bulgarian	Chinese	Czech
Danish	Dutch	Egyptian	English
Estonian	Finnish	French	German
Greek	Hungarian	Icelandic	Irish
Italian	Japanese	Latvian	Lithuanian
Maltese	Polish	Portuguese	Romanian
Russian	Slovakian	Slovenian	Spanish
Swedish	Turkish	Other (Please state):	

2.10 Does the company use local agents for their language needs?	YES	NO
If you answered YES, how? E.g. interpreting, translations, negotiations?		

2.11 Does the company use professional translators and interpreters?	YES	NO
If you answered YES, in what languages?		

	Bulgarian	Chinese	Czech
Danish	Dutch	Egyptian	English
Estonian	Finnish	French	German
Greek	Hungarian	Icelandic	Irish
Italian	Japanese	Latvian	Lithuanian
Maltese	Polish	Portuguese	Romanian
Russian	Slovakian	Slovenian	Spanish
Swedish	Turkish	Other (Please state):	

2.12 How do you develop the language skills of your staff? Please explain.

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2.13 Do you hire staff with language skills to match your foreign markets?	YES	NO
If you answered YES, for what markets?		

Australia	Austria	Belgium	Brazil
Bulgaria	Canada	China	Czech Republic
Denmark	Egypt	Estonia	Finland
France	Germany	Greece	Hungary
Iceland	India	Ireland	Italy
Japan	Latin America	Latvia	Lithuania
Luxembourg	Malta	Middle East	Netherlands
Norway	Poland	Portugal	Romania
Russia	Slovakia	Slovenia	South Africa
South-East Asia	Spain	Sweden	Turkey
U.K.	U.S.	Other (please specify):	

3. Additional Variables to Establish

3.1 Does the company have a website?	YES	NO
If you answered YES, in what languages? Please enter the url.		

	Bulgarian	Chinese	Czech
Danish	Dutch	Egyptian	English
Estonian	Finnish	French	German
Greek	Hungarian	Icelandic	Irish
Italian	Japanese	Latvian	Lithuanian
Maltese	Polish	Portuguese	Romanian
Russian	Slovakian	Slovenian	Spanish
Swedish	Turkish	Other (Please state):	

3.2 Is the website culturally adapted? (as opposed to containing a literal translation from your own language?)	YES	NO

3.3 Is there any correlation between the use of different languages on the website and your trade volume (in terms of sales)?	YES	NO
If you answered YES, please explain.		

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3.4 What percentage of your sales turnover is exported [approximately]?

0-10% 11-20% 21-40% 40%+

3.5 Any other comments?

ANNEX 5 – PROFILES OF 40 BEST-PRACTICE CASE STUDIES

SECTION 1: LIST OF SELECTED BEST-PRACTICE COMPANIES

Super SMEs ('Top-performing')

1. Danfo AB – Sweden
2. Evricom – Bulgaria
3. FILC – Slovenia
4. Golla Oy – Finland
5. IKO Sales International – Belgium
6. Kartographie Huber – Germany
7. Nikwax Ltd – England (UK)
8. Steelpress – Poland
9. Stenders Ziepjū Fabrika – Latvia
10. Tarmeko Spoon – Estonia

Best-Practice Companies

11. Aratos – Greece
12. Bisol – Slovenia
13. BMS Nutrients – Belgium
14. Critical Software – Portugal
15. El Ganso – Spain
16. Engcon – Sweden
17. Everteam – France
18. Fotona – Slovenia
19. Fält Communications AB – Sweden
20. Heartsine – Northern Ireland (UK)
21. Hmezad Exim D.D. – Slovenia
22. Inovamais – Portugal
23. Mac-Line Kiállításszervező Kft – Hungary
24. Meiren Engineering – Estonia
25. Noptel Oy – Finland
26. Oxyde – Belgium
27. Paltentaler Minerals – Austria
28. Rápina Paberivabrik AS. – Estonia
29. Safe Antincendi S.r.L. – Italy
30. SAF Tehnika A.S. – Latvia
31. Slovmag – Slovakia
32. Solvo Biotechnology – Hungary
33. Special Purpose Vehicles – Poland
34. Spectrum Technologies – Wales (UK)
35. Suarez de la Dehesa – Spain
36. Textor – Romania
37. Totseat – Scotland (UK)
38. Trapen – Bulgaria
39. Trinity International – Scotland (UK)
40. Vario Helicopter – Germany

SECTION 2: DETAILED CASE STUDIES OF SELECTED COMPANIES

1) Danfo AB – Sweden

A) General Information

Company name:	Danfo AB
Product/Service:	Manufacturer of toilet facilities
Website:	www.danfo.com
Nr of employees:	115
Turnover:	€15-20M
Exports as % of sales:	64%

B) Language Strategy

The company's language management strategy is based on recruiting local agents in each new market in order to avoid communication problems and make a strong start. In order to secure business, the company establishes a network of language specialists through its local market presence or sometimes through native speakers and local agents. Each employee on the business side must speak English and at least one other foreign language.

'The company has used foreign languages for a long time. We first developed our strategy in the 80s. The company has been around for 40 years. We always try to find local partners in the market, and become anchored in a market when we have someone who knows the language. It is important to have someone who understands and can sell the product.

We tend to use agents in our countries to feel out the market and see the potential, and once we know what the market can bring, we try to establish a Danfo office, as we have done in the UK. A Swedish staff member will be there from the beginning to establish the company and use his or her experience to start the process off. We have done this in the Middle East as well'.

The company's sales turnover has increased 11-15% through this approach. Because of a local presence, linguistic and intercultural communication problems are mostly avoided. As part of the language management strategy, the company uses translators and interpreters only for establishing new local connections in a country. The main export markets are the UK, Norway, Denmark, North America, Russia, Spain, Greece, Estonia, Latvia and Lithuania.

However, the company has encountered intercultural barriers in terms of product adaptation, for example, in Japan and the UK, where the product itself, in this case, wall colours, needed to be adapted to fit with the English mindset. Through open-mindedness and flexibility, the company has changed its approach in response to cultural mindsets regarding products in particular national markets.

'Our Chairman is extremely knowledgeable about these markets. We have shown a willingness to understand other cultures, and an openness and humility. The Japanese market certainly has responded well to this willingness to understand them. We also employed a Japanese specialist to help us. Our business is, to some extent, a sensitive one, and we try to listen to our customers through thorough market research. For instance, in the Middle East we thought that because of the lack of water we would develop a non-flush form of toilet. However, after listening to the market, we learnt that they use showers instead of toilet paper, and so we developed this instead'.

Besides focusing on local agents, the company offers language training to its staff, most recently German. The company can handle most business situations in English, German, Danish, Norwegian, Russian and Spanish. Because of the high level of its local agents, Danfo doesn't see it as essential to keep a record of

the intercultural skills available in the company. The company tries to show 'an openness and humility towards other cultures' with successful sales as a result:

'We have discovered that three markets in particular have been important as regards languages: Russia, Germany and Spain. Russia because English knowledge is not extensive and Germany and Spain because they are incredibly protective of their languages and so tend not to want to use English when they trade'.

The company website has been translated into Danish, Russian, German, Spanish, Norwegian and English. It supports all necessary cultural features such as writing symbols, date representation, currency, time and forms of address. The company also tries to understand and reflect the specific national approaches to their website:

'The front page is in Danish, but actually links to the English website. Interestingly, for Danes, if the website is in English, it represents the size and indicates the international nature of the company, and thus they often prefer to use it'.

As with using a specific model of language management skills, the company also feels that website adaptations have helped improve the company's sales turnover by 11-15%. In combination with recruiting local agents, flexibility and adaptation to current and future markets, the company has found a successful way of communicating with very few barriers.

2) Evricom - Bulgaria

A) General Information

Company name:	Evricom Ltd
Product/Service:	Delivery of waxes and manufacture of candles
Website:	www.evricom.bg
Nr of employees:	100
Turnover:	€3-5M
Exports as % of sales:	70%

B) Language Strategy

The company's language strategy is based on four criteria:

- Attending language courses
- Website development
- Maximum computer literacy of all workers
- English fluency of all workers (most employees have at least two foreign languages)

'We always try to respond to requests in the languages in which we receive them. At our company, each salesperson uses at least two foreign languages, and in particular cases we use translation and interpretation services for correspondence, phone calls and negotiations. Communicating with our customers in their native language is our way to establish closer relations'.

Evricom values both its language management as well as its cultural strategy and has noticed the impact in market penetration and expansion. The focus on language management strategies has increased the company's sales turnover by more than 25%. The human capital in the company and its entry into the

European Union are also seen as contributors to its success. The company's major export markets are Greece, Romania, Macedonia, Germany, Italy and Georgia.

One of the company's strengths is learning from its mistakes. The company encountered communication problems in Albania, which resulted in the company losing a business partner and finishing with a loss. The company now employs people with the relevant language skills to do business in Albania. The company also lost business in France due to intercultural problems, because the two countries' cultures were too far apart. To alleviate the problem, a Bulgarian employee living in France was hired by the company, and this has improved the situation greatly.

The company keeps a record of its staff's language skills and can handle most business situations competently in English, German, Greek and Romanian. These languages match the languages of communication of the company's main export markets, as it hires native speakers for Romanian and Greek. Hiring native-speaking staff creates confidence and increases the company's capability. It is perceived furthermore as a sign of increasing trust, and as a consequence has improved the company's sales figures in Greece.

The company does not keep a record of its staff's intercultural skills, but staff have received intercultural training in French and German over the past three years. The company moreover hires local agents for Italy and is planning to do the same in Albania over the next three years.

The company firmly believes in website adaptation and has translated its website into Greek, Italian, Russian, French, English, German, Romanian, Spanish, Serbian and Bulgarian. The website supports the local script and writing symbols but the company feels it could still improve its cultural adaptation. As a result of translating the website, the company has noticed an increase in sales of more than 25% in relevant markets. Evricom recognises the close relationship between website adaptation, language management strategies and successful sales. As a consequence, the company has invested in its online presence.

Evricom Ltd is a successful communicator on the whole. It uses the four criteria identified in the *Elan* study: it has a language management strategy, hires native speakers to create confidence, recruits local agents and in certain markets uses translators and interpreters. Finally the company recognizes the importance of Internet visibility and adapts its website in the countries in which it is expanding its market.

3) FILC - Slovenia

A) General Information

Company name:	Filc D.D. Menges
Product/Service:	Manufacture of nonwoven textiles
Website:	www.filc.si
Nr of employees:	170
Turnover:	€36M (2010)
Exports as % of sales:	95%+

B) Language Strategy

The company was set up in 1937 and formerly only operated domestically (the Yugoslavian market from the 50s onwards). When Slovenia gained its independence in 1991, the company lost nearly all of its business. This was the turning point in the company's history. *Filc* started looking for markets abroad,

first in Europe in German, Russian, Italian, Spanish and French markets. It became clear that there would be no foreign markets without foreign language competence. The language strategy has developed hand in glove with its business strategy. Its determination to win foreign markets and its professionalism were the direct result of the loss of its market in former Yugoslavia and its decision to stay afloat.

Filc's language management strategy focuses on providing excellent customer care and building long-lasting relationships with buyers:

'One cannot provide customer care in a neutral language such as English: one should strive to achieve competence in the language of the buyer. Only by adapting to the language and culture of the client can the company achieve brand recognition and the loyalty of its clients. The better the knowledge of the market and the language competence, the better the sales. The better the sales, the better the empowerment and the quicker the response time. The quicker the response time, the more customer-focused the business dealings'.

By following this recipe, the company has improved its sales turnover by more than 25%. The staff at *Filc* see overcoming language and communication barriers as a normal part of doing business and necessary to retaining customer loyalty. In the past, the company lost major contracts and today acknowledges:

'English is not nearly enough to succeed in export dealings. The company feels a genuine need to adapt to its export markets as much as possible and to shape the human capital in the company accordingly in order to succeed in penetrating and expanding into foreign markets. (Native speakers and sales representatives and agents play an important role, as they hold briefings on a daily basis to facilitate critical decision-making). The company's goal is person-to-person communication and its websites help establish that. Dealing in industrial relations demands designing and pre-planning cultural and language competence as these are strongly connected with the volume of trade'.

The company keeps records of language skills as well as intercultural skills. Staff can competently handle business situations in English, German, French, Italian and Russian. By investing in these languages the company effectively communicates with countries such as Denmark, where both German and English are used. This strategy is true for the company's main export markets: Germany, France, Belgium, Croatia, Denmark and Ireland.

The company implements the criteria from *Elan* in hiring both native speakers and local agents for the Russian, Turkish and French markets amongst others. A clear link is perceived between its trade volume and use of the customer language, especially in France and Turkey:

'Agents can provide better service in terms of a faster response to the demands of local markets. For example, the company would only be able to travel to South America two or three times a year, while its agent can adapt better and be more flexible and efficient'.

Each employee is required to speak at least two foreign languages, and translators are hired for a range of other languages including Portuguese, Lithuanian, Romanian and Spanish. The company also offers buddying schemes with all possible countries and has a long list of universities and educational organisations with which it works.

The company website is designed to be part of an e-commerce model and is both linguistically and culturally adapted. It is currently being prepared for adaptation into French, Russian, Italian and Spanish in order to provide information and enhance communication and customer care in its main export markets.

4) Golla Oy - Finland

A) General Information

Company name:	Golla Oy
Product/Service:	Design and wholesale of fashionable cases for portable electronics
Website:	www.golla.fi
Nr of employees:	75
Turnover:	€20-25M
Exports as % of sales:	98%

B) Language Strategy

Golla has developed a number of practices for multilingual situations, although the company claims not to have a formal language management strategy. The company always strives to communicate in its customers' language and as a small company, is the only company of those researched to use English as a corporate language.

'Knowing the language of the target market is undoubtedly a benefit, because both sales and other operational issues can be dealt with in the customer's native language. Finding the right people for the right positions ensures that both linguistic and cultural skills are appropriate'.

By focusing on the customer's own language, the company has acquired speakers of the most dominant languages, and feels that it does not encounter barriers. The language skills of every staff member are listed on the company intranet and training is offered according to each employee's needs.

The company does not keep a record of the staff's intercultural skills as, the company can handle most business situations in all major languages including English, Chinese, Spanish, French, Japanese, etc.

Golla's offices in China, France, Germany and Japan are all managed by local native speakers (by a Chinese, French, German and Japanese manager respectively), who have first worked in the Helsinki-based head office. Only the Chicago-based American office is managed by a Finn. Golla also employs native speakers because of their language skills for their offices in Canada, Germany, Austria, Lithuania, Korea, China, Poland, Vietnam, France and Japan.

Agents are only used in certain markets because of market structure requirements (e.g. in the United States), not for language purposes.

Golla does not regularly need to employ translators and interpreters, because of its focus on hiring native speakers. If translators are needed, the branches in the respective countries handle this rather than the Finnish office in Helsinki.

Foreign students from surrounding universities are given placements at the Finnish branch, but the company does not have a formal arrangement through which this is managed. This is, however, part of the company's future plans.

Golla's company website is available in English, Spanish, German, French, Russian, Japanese and Chinese in order to cover the largest language groups. These languages are available in-house.

'The website was coded and translated using Golla's own resources in the Helsinki-based head office and the five offices abroad. Because of limited resources, the website was not culturally adapted. The colour scheme and photo selection are not equally suitable for all markets (e.g., black colour, and uncovered skin, are not likely to appeal to Asian customers). Resources permitting, Golla will consider the possibility of culturally adapting the website in the future'.

5) IKO Sales International - Belgium

A) General Information

Company name:	IKO Sales International
Product/Service:	Construction
Website:	www.iko.be
Nr of employees:	120
Turnover:	€50-55M
Exports as % of sales:	90%

B) Language Strategy

The company's language management strategy has its basis in the company's internal and external communication needs. Internally, acquiring accurate terminology is seen as key to increasing efficiency and the main core of the communication strategy. There is a need for a common language (especially for IT, finance, reporting, marketing, etc.): English is seen as the main language to communicate with subsidiaries. Externally, direct communication with customers is in English, French and German. Specific use of Slavic languages for the Eastern European market is emphasised as critical. The company employs people by virtue of their language skills relative to their foreign markets as the company stringently follows the rule of communicating with the customers in their own language. By doing so, the company estimates it has increased its sales turnover by 16-25%.

Although the company is not yet fully global, it has adopted English as its corporate language at management level. Communication, as a result, has become easier and faster. The main export markets are Germany, the Czech Republic, the Netherlands, France, Hungary, Poland, Slovakia, Italy and the UK. Alongside adopting a clearly defined language strategy, sensitivity to culture also plays an important role in the company's success:

'Language is never isolated; it is part of a culture. Good cultural understanding helps to communicate, even in a language which is not the local language. If you understand the culture better, you also understand the needs of the market better, which gives an advantage on the market. IKO invests in uniformity and recognisability. The symbols that we use are examined in every culture and must mean the same thing. This also creates customer loyalty'.

The company is functionally competent in English, German, French, Russian, Czech and Romanian. Hungarian and Polish translators are used to avoid unprofessional mistakes in advertising. Native speakers are hired for France, Germany, Poland, Slovakia, Slovenia, the Czech Republic, Hungary and Romania. Using native speakers is seen to stand in direct correlation to an increased trade volume. When asked, the company feels the business performance in countries with native speakers has improved because intercultural problems are avoided.

Local agents are currently used, particularly for Slovenia. The company prefers recruiting native speakers, however, as contracting with local agents in certain countries requires the company to pay up to two years' commission if a local agent is made redundant.

The company requires every employee to speak at least three foreign languages: English, German, French, and preferably other languages as well. As part of the language management strategy, language audits of staff take place when restructuring and recruiting at management level. Student placements are offered, together with secondment schemes in Germany.

Part of the company policy is to take customer feedback on language issues seriously. This has turned out to be particularly valuable for promotional leaflets and marketing campaigns. By listening to, and taking customer feedback seriously, frustration and miscommunication are avoided.

IKO takes linguistic and cultural adaptation of the company website very seriously. The website is currently translated into Italian, Russian, Dutch, Hungarian, Polish, Slovakian, French, Latvian, Slovenian, Czech, English and Romanian. The company sees a direct correlation between translating and adapting the website for the foreign market into which the company is expanding and its trade volume. However, because IKO has a clear language management strategy, it is not evident how much is attributable to the language management strategy and how much is due to the translation and cultural adaptation of the website (though the latter is part of the former). What has been proven is the correlation between implementing a language strategy management scheme, which includes website adaptation, and a tangible increase in the volume of trade.

6) Kartographie Huber - Germany

A) General Information

Company name:	Kartographie Huber
Product/Service:	Education – Geosolutions – Cartography
Website:	www.kartographie.de
Nr of employees:	28
Turnover:	€1-3M
Exports as % of sales:	30%

B) Language Strategy

Kartographie Huber is a leading manufacturer in the geo-solutions industry. The company's communications strategy is based on English and the additional languages needed to expand into certain countries. The company exports to numerous countries, including France, Netherlands, Bahrain, Qatar, Arab Emirates, Yemen, Egypt, Libya, Russia, Hungary, Italy, Spain, Serbia, Croatia, Slovenia, Austria, Canada, US, Czech Republic, Poland, Sweden, Ukraine, Turkey, Saudi Arabia, Kuwait, Iran, China, Indonesia, Greece, UK, Romania, Bulgaria and Macedonia.

In many of the company's export countries, two languages are used in parallel with one another, e.g. English/Farsi. As part of its strategy, each employee must speak at least English and one other foreign language and attend language courses. Using native speakers and local agents for language problems in specific markets is a method of finding solutions. In this manner, Huber has managed to increase its sales by approximately 25%.

'With some additional cultural know-how it is possible to respond to strengths, weaknesses and opportunities. Employees, customers and premium partners get a better, more open feeling if their native language is used. This increases the trust. People feel the interest if we speak their language'.

Through the years, the company has experienced communication problems, particularly with China, mainly because of cultural differences and the fact that few people in China speak English. As a precautionary measure, Huber described the following range of steps it uses to avoid losing contracts:

1. 'Working with interpreters is the first step, but it can be difficult to find a trustworthy and technically good interpreter, and expensive because of the very difficult specialist language connected with a technical product.
2. Language know-how is very important in hiring decisions.
3. Language courses are offered to employees.
4. The company's language of internal communication is English. (English is no longer seen as foreign language but as a necessity.)
5. People from subsidiaries are invited for training and on cultural and language exchanges at the headquarters in Munich.
6. Language learning programs and electronic dictionaries are made available on the computer of each employee.
7. Literature from IHK is prepared about each target country'.

The company has encountered a large number of intercultural problems, for example those relating to religion. Furthermore, in many countries, punctuality is not perceived as being as important as it is in Germany. Alcoholic beverages and sweets can create difficult situations in Muslim countries. Therefore, specialist knowledge and negotiation skills are highly valued in the company. In the past three years, staff have undergone intercultural training in Russian, Hungarian, Spanish, Arabic and English-speaking cultures.

Records are kept both on staff's language and intercultural skills and on their further professional development and available courses. The company has undertaken language training in Russian, Hungarian, English, Arabic and Spanish over the past three years, and staff can today handle most business situations confidently and competently in English, French, Italian, Russian, Serbian, Croatian, Slovenian, Slovakian, Czech, Greek, Bulgarian, Romanian, Hungarian, Arabic, Farsi and Swahili.

Kartographie Huber employs a large number of native speakers for Croatian, Serbian, Farsi, Swahili, Arabic, Ukrainian, and Albanian, including Spanish, Greek Italian, Russian, Bulgarian, French, Slovenian and English. Herr Huber states:

'Without native speakers, our trade volume would be zero in a great deal of our markets. With these native speakers, all employees develop intercultural competence and personal skills, in the areas of food, communication basics (e.g. difficulties in answering yes/no), indirect communication, etc'.

The company hires local agents to a limited extent. They are seen as indispensable in particular countries such as Bahrain where contracts with local public authorities are concerned. Although translators and interpreters are used from time to time, only 5% of the communication issues are dealt with in this manner, notably in relation to Chinese, Swahili and French.

The company has a well-developed student placement service and currently accepts students from Canada, Greece and Serbia. It also has a close working relationship with a number of universities, including the Universities of Munich, Augsburg, Chur and Eichstätt, Pristina, Kuwait and Bahrain.

Although the company invests substantial sums and effort into training its staff and adapting culturally, at first glance the website only exists in two languages: German and English. This is deliberate:

'There are too many changes in our business, that's why we do not have the website in all the languages that are important to us. Subsidiaries have their own websites.

www.hot-maps.de is the website of a premium partner which has 4000 maps mainly from us'.

In other words, under Kartographie Huber's strategy, its website is sufficient for the company's needs. Adaptation of the company website takes place through a multilingual e-commerce model, via 'Hotmaps' and 'Kartenfinder'. As its target markets are changing rapidly, the company has found a workable solution, which not only takes into account the company's Web presence, but has also succeeded in turning connections with other subsidiary websites into a profitable part of the overall structure.

7) Nikwax® Ltd - England (UK)

A) General Information

Company name:	Nikwax® Ltd - UK
Product/Service:	Manufacturer of waterbased waterproofing and maintenance products for all-weather clothing, footwear and equipment
Website:	www.nikwax.com
No. of employees:	120
Turnover:	€10-15M
Exports as % of sales:	61%

B) Language Strategy

Nikwax® displays a proactive, deep understanding of language management strategy, and gives careful thought to every detail of the manufacturing and exporting processes. Each part of the process is analysed in terms of linguistic and cultural barriers in order to avoid barriers and consequential losses along the way. An understanding of the importance of languages became clear to founder Nick Brown in 1976:

'Nikwax® exported its first tin of waterproofing wax to France in 1976 when Nick Brown, Managing Director, went on a backpacking tour to promote his product to French outdoor-clothing retailers. He was able to speak basic French and managed to introduce his product successfully to a French wholesaler, who became his largest importer. It is a fact that had he not been able to express himself in French, it is very unlikely that he would have been able to achieve his first sale in France.

Nikwax® has recognised that understanding different cultures, customs and traditions will improve its relationships with distributors, retailers and consumers. Language and culture have always been part of everyday life at Nikwax®, where people are well aware of how integral they are to the company's export development programme. Today Nikwax® exports to 50 countries and prints materials, such as leaflets and labels in 48 languages'.

The company has based its language management strategy on the understanding that customers prefer to talk to you in their own language, as it makes it easier to establish a better relationship. Nikwax® endorses this sentiment, as it has found that the ability to communicate in the local language instantly creates a rapport and helps avoid misinterpretation. The company's export team today consists of native speakers of French, German, Spanish, Portuguese and Polish. The team only visits a customer after researching the country, the culture, economy, climate etc., and meets with them only if it at least has a command of the basics of the language.

The company's turnover has increased by more than 25% through its language management strategy. Organisational efficiency has also improved as each account manager is given responsibility based on his or her language skills.

Another success indicator is intercultural labelling:

- Swiss distributor labels are printed in both French and German;
- Benelux distributor labels are printed in both French and Dutch;
- Labels are adapted for international chain stores that have a warehouse in one country and shops in other countries.

The company has encountered numerous language barriers over the years in various areas such as receptionists not being able to satisfactorily communicate in German or French and being unable to provide labelling for the Brazilian market. Through rapid adaptation and language courses, the company has so far not encountered financial losses. The company notes other ways in which it has dealt with barriers:

- 'We purchased Asian fonts to enable in-house printing of Japanese, Chinese and Korean labels and leaflets.
- We purchased Japanese and US washing machines in order to make sure that we could recommend the correct amount of Nikwax® product to be used per load. Our European /American and Japanese instructions are different.
- We have had to overcome the translation of English-created terms where a straight translation does not exist. 'Wicking liner', for example: these two words cannot be translated into many languages without being explained.
- For this purpose, we have designed and created training notes that have been translated in various languages for our distributors to use'.

Cultural knowledge and local business etiquette is well-advanced in the company and has been developed alongside linguistic knowledge. The company keeps a record of its language skills, offers training to its staff and is visited by a German teacher every two weeks, as this is currently the fastest expanding market for the company.

The Nikwax® Export team regularly attends seminars and courses. The team found SMOP (Selecting & Managing Overseas Partners) to be particularly useful as it was designed to help personnel identify problems experienced by exporters and develop practical solutions.

Practical use of the cultural awareness section of the course was made when making preparations to visit the Nikwax® distributor in Japan in 2001.

The company visits the Language Show in Hammersmith every year to identify new translation software and translation companies and to attend cultural awareness seminars.

The export team often refers to the website <http://www.kwintessential.co.uk/> which offers comprehensive information, global etiquette guides, intercultural communication & awareness.

The company has experienced a direct correlation between using native speakers for certain markets and the volume of trade, and mentioned:

- 'Increased direct contact with retailers who are targeted by our German speakers in order to increase sales/promote new products, obtain feedback from their market place.

- Free phone numbers for retailers in Austria and Germany; calls are answered by native speakers; orders are taken over the phone and forwarded to relevant distributors.
- Direct contact with Austrian and German consumers.
- Nikwax® provides product training to distributors at international trade shows, during overseas visits, and during distributor visits to its offices in the UK. If Nikwax® personnel are unable to deliver the training in the required language, it contracts the services of an interpreter. All training material is translated and made available in hard copy and CD to enable the trainee to obtain all of their organisational benefits.
- Nikwax® regularly exhibits at trade fairs in the US, Germany, France & Poland. It also supports its distributors at national trade fairs in Poland, Czech Republic, Japan, Holland, Denmark, Slovenia, Ukraine and Bulgaria.’

Nikwax® strives to overcome cultural barriers by:

- vi. Providing order confirmations, invoices & statements in French and German;
- vii. Having a fluent German speaker on its finance team to deal with payment issues;
- viii. Inviting distributors to get together at an evening meal while visiting Munich for the trade show;
- ix. Having awards for best sales representative in the various territories; the prize being a visit to Nikwax® in the UK and a cultural weekend in London;
- x. Ensuring that its export team members are available to help distributors celebrate milestones, such as anniversaries’.

Local agents are required for the majority of markets in which Nikwax has a presence. As the company is planning on expanding into South-East Asia, Latin America and the Middle East, local agents will be hired in the next three years.

Each employee is expected to speak at least two foreign languages. Translators will be hired mainly for the translation of labels and Chinese emails and interpreters will be hired for all markets in order to avoid misunderstanding.

Nikwax has a proactive approach to training and identifying individual business needs. Personal development is encouraged, with separate funding from the annual training budget, which can be used for academic and vocational purposes. Each member of staff is given £150 a year from this fund. As part of the language programme, the company offers student placements to French, German, Polish and Dutch students.

The company website is translated and culturally adapted into German, Danish, Polish, French, Czech and Dutch. The company believes there is a correlation between its presence on the Internet and its trade volume. At the beginning of 2010, the company launched its e-commerce website in Germany: www.nikwaxwebshop.de. This website is to be integrated with the current company website www.nikwax.com, which will also be translated into Chinese. In addition, the company runs a web-quiz competition that is an educational tool for consumers and is controlled from the UK. Updates are emailed in the appropriate language to registered customers around the world. Prizes are sent from Nikwax® distributors in the US, Canada, UK, Ireland, France, Germany Switzerland, Austria and Denmark. This enables the distributors to build up a database of end users for marketing and sales purposes.

8) Steelpress - Poland

A) General Information

Company name:	Steelpress
Product/Service:	Trailer spare parts producer
Website:	www.steelpress.eu
Nr of employees:	85
Turnover:	€3-5M
Exports as % of sales:	61%

B) Language Strategy

The company's language management strategy has been developed over the past ten years. It grew out of the need to be able to communicate in a business manner when on business trips visiting suppliers and customers. Today employees must speak at least one foreign language, attend language courses and communicate with foreign trainees. The company realises that in order to gain access to new markets, close customer relations need to be established with as few barriers as possible.

In the past few years during international fairs and exhibitions (Paris 2005, 2009 and Moscow 2007), the company had problems with French and Chinese, as well as occasional problems using technical terminology. The impact on the company was the loss of a trade partner and delayed follow-ups. As an emergency measure, an interpreter was recruited to undertake communications in various languages.

As a language management strategy, a number of measures were implemented:

- ✓ Recruitment of translators for international fairs;
- ✓ Recruitment of translators to deal with email correspondence and responsibility for contacts with potential business partners;
- ✓ Preparation of text in documents in foreign languages and other information needed to deal with foreign contractors;
- ✓ Implementation of a multilingual website;
- ✓ Recruitment of Russian and Ukrainian-speaking trainees for six months to make direct contact with customers;
- ✓ Intercultural briefings (on Chinese behaviour) and copying local behaviour;
- ✓ Language training (English and Russian), particularly for sales and negotiations;
- ✓ Recruitment of native speakers in several languages: Serbian; Romanian; French; Chinese. Native speakers are also used for promotional campaigns;
- ✓ Recruitment of bilingual local agents: (i) Russian/Polish; (ii) French/English; (iii) Spanish/English;
- ✓ Plans for identifying local agents for new market: Australia; US; Canada; Greece;
- ✓ Using different combinations of languages to penetrate particular markets: Germany (English and German); Scandinavia, Netherlands and Bulgaria (English throughout); Hungary (German); Slovakia, Czech Republic, Latvia (Polish & English);
- ✓ On-line language training in French, Russian, Spanish, English and German;
- ✓ Placement of foreign students from countries such as India, Brazil and the Ukraine;
- ✓ Translation of websites into German, English, Polish, French, Russian, Spanish, enabling orders to be placed on-line in these languages.

As a result, a higher level of professionalism and an enhanced external image has been established. The Steelpress trade mark (SPP) is more recognisable and certificates obtained from, or issued by foreign institutions, are acknowledged as more prestigious. The employment of local agents has (in the case of

the Ukraine) led to sales throughout the entire country; in France one agent monitors market changes for the company. Translators are used for France as it is the company's largest foreign market and the company feels there is a distinct lack of foreign language competence in France.

There is a correlation between the volume of sales and the adaptation of the company website, but Steelpress finds this difficult to measure. The English version is the most popular and a Swedish version is now planned.

9) Stenders Latvia

A) General Information

Company name:	SIA Stenders
Product/Service:	Manufacturer and retailer of natural bath and body cosmetic products
Website:	www.stenders.lv
Nr of employees:	110
Turnover:	€5-10M
Exports as % of sales:	70%

B) Language Strategy

Stenders exports approximately 70% of its products to more than 20 destinations, with Russia, Poland, China, Ukraine and Estonia being its main target countries. The company's language management strategy aims at adapting as much as possible to target markets, both linguistically and culturally.

'In each market we have a different strategy. In CIS countries like Russia, business partners require a more personal approach, in Western Europe, communication takes place mainly via emails, and as for China, we regularly bring our specialists as much as possible to the target markets in order to understand their technologies and best business practices'.

Detailed, in-depth market research combined with recruitment of native speakers and local agents and a high level of flexibility are part of Senders' recipe for success. Each employee must be able to speak at least two foreign languages. Stenders keeps records of its staff's language skills as well as its intercultural skills. On-line learning takes place in Russian, Polish, French, Latvian and English.

Staff can competently operate in most business situations, in Russian, Polish, Chinese, German and French. It is evident that the company invests in intercultural business training. Over the last three years alone, intercultural training has taken place in Russian, Finnish, Japanese, Chinese, Egyptian, Latvian, Slovenian, English, German and Spanish.

Stenders sees the true value of website adaptation and translation. The company website is translated and culturally adapted into no fewer than 13 languages. The company correlates translation of the website with an increased trade volume, but there is no clear figure put to the actual increase. Nevertheless, the company is planning on translating the website and adapting it to each new market it expands into.

10) Tarmeko Spoon - Estonia

A) General Information

Company name:	Tarmeko Spoon
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Product/Service:	Manufacture of wood, wood products, and non-furniture cork products
Website:	www.tarmeko.ee
Nr of employees:	80
Turnover:	€4,2M
Exports as % of sales:	65%

B) Language Strategy

The company's language strategy is based on trying to communicate initially in the customer's language (the company focuses on learning the basic language skills of the company's most important markets first) in order to subsequently find a language both parties can use as a business *lingua franca*. The company's sales turnover has increased by 16-25% by using this type of language management strategy. As a consequence, English is one of the company's main foreign languages in countries such as Spain and Italy. The company has needed to spend extra time finding English speakers in order to conduct business, as company employees learn basic Spanish and Italian in order to move on to English for the more serious part of the business negotiation. Through basic Spanish and Italian combined with recruiting native speakers and hiring local agents Tarmeko can cover the most important languages. The company's main markets are Poland, Italy, Spain, UK, Sweden and Germany.

To keep track of its people's skills, the company keeps a record of the staff's language skills and can handle most business situations in English, Russian and German. Intercultural briefings dealing with Japan and Spain have taken place over the past three years. Moreover, the company employs native speakers for Spanish and Italian. Local agents are also used for Italian. As part of staff development training, Spanish is offered to staff on-line.

The website is currently translated into German, English, Russian and Swedish. The company plans on further translating the website into Italian and Spanish over the next three years.

11) Aratos Technologies S.A.- Greece

A) General Information

Company name:	Aratos Technologies S.A.
Product/Service	Research and Development
Website:	www.aratos.gr
Nr of employees:	11-20
Turnover:	€1-3M
Exports as % of sales:	25%

B) Language Strategy

Aratos Technologies S.A. is one of the first European downstream value-added service companies in the space sector. The workflow of the company is divided into separate business units, and this facilitates complicated parallel projects. The language management strategy developed by the company is a tool suitable for the company's international customer relations, multinational teams and transnational projects.

'We had to raise the profile of the need for foreign languages as a tool for our business. Using our business partner's language should be quite natural on all levels of our business communication. In other words, we needed to create a working and learning environment for staff. We achieved this by offering them the opportunity to go abroad to work and attend language classes every evening.

But the big challenge for our company was being able to understand the nature of knowledge that is built into specific cultural contexts, languages and communication behaviour, and then applying it. Surprisingly we found that the skilful use of the human voice, which can float across any language barrier, is the secret weapon of intercultural business communication’.

Aratos found that true communication lies not only in the spoken word but in understanding the cultural mindset and etiquette that every businessperson carries around within him or herself. That is why the company keeps a record of both linguistic and intercultural skills. Where possible, each negotiation should be held in the customer’s language but English serves as the *lingua franca*. Bulgarian is the only language for which the company employs native speakers. This has made it possible to set up agreements with national bodies.

Bulgaria and Germany are the countries for which the company employs local agents. External translators are not used, instead, Aratos relies upon in-house staff and local agents.

The company runs an internship training programme, for which students from all over Europe can apply. Aratos’ website is available in Greek and English. By translating the website into English the company estimates it has had an increase in sales turnover of 25%+. The company also has a separate product website set up for e-commerce in six languages.

12) Bisol - Slovenia

A) General Information

Company name:	Bisol
Product/Service:	Manufacture of photovoltaic modules for solar power plants
Website:	www.bisol.scom
Nr of employees:	101-250
Turnover:	€50+M
Exports as % of sales:	85%

B) Language Strategy

Bisol is a worldwide customer-oriented company with rich international experience in manufacturing the core elements of solar power plants - premium-quality, crystalline silicon photovoltaic modules. The company started in 2006 and its language strategy is one of the basic components of the company’s success and the result of a young team with a strong professional and technical background.

Bisol positions itself predominantly in diverse international markets, and supports its activities through representative offices in Belgium, France, Italy and the United Kingdom. It hires native speakers together with local agents using English as the *lingua franca*. The company added Dutch, Italian and French to its stock of languages in the last business year, and turnover increased by more than 35% as a direct result of being able to communicate in the customer’s language. Another positive effect is the time saved on response feedback and on taking an individualised, specialist approach, which comes across as more confident and able.

The company has encountered intercultural barriers with various cultures:

‘Operating in the Russian and Bulgarian markets demands great investments of time, personal communication, gift-giving, social chit-chat about non-business topics, generous time arrangements for negotiations etc., as many other issues are dealt with completely differently

from the German or Slovenian markets. Doing business takes time, and only after a year or so can business really start’.

‘The barriers are always present and overcoming them with the right sensitivity and thorough preparation is crucial to success. At the start, the founders negotiated their very first production line with the Japanese. Their communication was in English; their way of doing business was adapted to the Japanese and based on personal contact and investment in social networking skills (e.g. singing karaoke!) which was vital for their first business deal’.

Because the company took great pains to adapt to their customers, and was sensitive and alert in personalising the visit, the first deal with Japan was very successful. The company also gives a number of other qualitative reasons for its success: strong networking at conferences, a well-structured business plan combined with the extensive research of the CEO, who has a PhD in quantum physics and is a visible presence at conferences.

Bisol keeps records of language skills as well as intercultural skills. The company is proficient in English, German, Italian, Flemish, Spanish, French and Russian. Native speakers and local agents are recruited for specific markets such as Germany and Italy. There is a correlation between the volume of trade in the Italian market and knowledge of Italy and Italian culture:

‘The Italian market, with its specifics, demands that local agents deal within the established network of local agents. The whole process is adapted to the specifics of the market and the trade volume would be greatly affected had they done their business differently’.

Each employee is required to speak at least two foreign languages. Both external and internal translators are hired as a matter of course. The company offers secondment schemes in a large number of countries across Europe and other continents. It maintains a working relationship with various universities, e.g. Webster University in Vienna, Harvard Business School, the University of Manchester and several others.

The website exists in six different languages. The company translates the website into any language needed for markets with the greatest potential. Adaptation also involves cultural adaptation to the local time system, dating system, and to cultural metaphors and the perception of colour schemes, to mention a few.

13) BMS Micro Nutrients - Belgium

A) General Information

Company name:	BMS Micro Nutrients
Product/Service:	Wholesale chemical products
Website:	www.chelal.com
Nr of employees:	21-50
Turnover:	€10-15M
Export as % of sales:	98%

B) Language Strategy

BMS Nutrients was previously a subsidiary. The company’s language management strategy was developed at that time and has since survived changes and innovative approaches as the company has entered new markets. BMS Nutrients aims to use the native language in every export country. This is not only true for business abroad but is also an in-house policy:

'With new export markets came new approaches. Also, out of respect for national and cultural backgrounds, everyone speaks their mother tongue at meetings'.

This particular strategy has improved the company turnover by 16-25%. Organisational efficiency has improved through clearer documentation. BMS e.g. makes sure that it carefully goes through any contract with its counterparty before either party signs. By discussing all the details in advance the company has experienced contracts to be less of a problem and potential suspicion and tension is cleared before work starts.

BMS keeps a record of its staff's language skills but not of intercultural skills. All staff are encouraged to research a prospective client's country culturally before beginning to work with them. In the past three years, the company has undertaken language training in Italian, Dutch, French, Portuguese, English, German and Spanish.

Native speakers are hired for a number of languages including Dutch, French, Portuguese and Spanish. By using native speakers, BMS helps avoiding cultural problems and customers gain trust in the company.

The company recruits local agents for a large number of markets, including France, Germany, Spain, Portugal, Brazil, the Netherlands and Italy.

Company policy allows translators and interpreters to be used solely for languages that are not spoken in-house.

BMS offers its staff on-line learning in French and German. The website has been adapted and translated into seven foreign languages: Italian, Dutch, French, Portuguese, English, German and Spanish. There is a clear link observed between the company's largest export markets and its Internet visibility. The company does not currently have plans to convert to an e-commerce model, as it prefers the Internet to serve as a showcase for the marketing of its products and services.

14) Critical Software - Portugal

A) General Information

Company name:	Critical Software
Product/Service:	Computer and related activities
Website:	www.criticalsoftware.com
Nr of employees:	101-250
Turnover:	€15-20M
Exports as % of sales:	60%

B) Language Strategy

Critical Software maintains a language management strategy in which English is the base language, even for its dealings in Portugal. Language courses are offered (from junior engineer to managing director) and each staff member is asked to produce all materials (e.g. Powerpoint presentations) in English.

'We mainly sell directly from Portugal to foreign markets until we set up subsidiaries in our target countries. The bottom line is that we are always targeting foreign markets. For this we need to adopt a language that is spoken and understood all over the world and that is English. For our highest levels of certification, audits are necessary. To spread the necessary processes, everything has to be in English'.

As part of this strategy, employment interviews are partly held in English, even when both the employer and potential employee are Portuguese. Although English is the first language, other foreign languages are not excluded. On the contrary, English is used as the language of communication, whereas specialist materials such as contracts are translated into local languages.

By adopting this strategy, the company has increased its turnover by more than 25%. The high level of English usage has, however, also been problematic, in China for example, when trying to find someone with adequate English skills.

The company keeps records both of language skills and intercultural skills. Language training has been undertaken in a number of languages over the past three years, including German and French.

Staff can handle most business situations in English, German, French, Spanish and Romanian, whereas native speakers are hired for Mandarin and Cantonese together with French, German, Romanian and Portuguese. Being able to speak English has increased the company's turnover in the UK. Being able to use Romanian and Spanish has similarly improved its turnover in Brazil and Romania. Local agents have also proven to be of great value in these particular markets by opening doors and creating contact networks. External translators and interpreters are hired for the Chinese and Japanese markets. Each country receives a 20% share of all translations and interpretations carried out.

The company offers on-line language learning to its employees as part of its staff development programme. Buddying and secondment schemes are offered together with student placement schemes in China, France and Israel.

The company website is currently available in English, Portuguese and Romanian and has been culturally adapted. This includes the top level domain. Each country has its own top-level domain, e.g. .uk, .ro and .pt.

15) El Ganso - Spain

A) General Information

Company name:	El Ganso
Product/Service:	Manufacture of textiles, retail trade
Website:	www.elganso.com
Nr of employees:	51-100
Turnover:	€5-10M
Exports as % of sales:	20%

B) Language Strategy

El Ganso started exporting almost effortlessly as soon as it opened its first shop in Spain. Customers in Japan, Italy and the US liked El Ganso products and after a year they were successfully exporting 12% of their total turnover. At that time, they began to develop their international strategy.

As a result of participation in the PIPE programme (institutional supporting programme) in 2007, El Ganso employed a professional with languages skills (English and German) who began to develop their language strategy. Among its features are:

- A website, which is already translated into three languages (Spanish, English and French) and is now being modified for easier navigation, accessibility and interactivity. The new website will use flag colours to differentiate languages and will be translated into several additional languages;
- A brochure, which is translated into five languages: Spanish, English, French, Italian and Japanese;
- Standard letters and other documents, such as contracts for distribution, employment, and terms of payment, have been translated into key languages;
- A glossary of terms and expressions in key languages is planned for the near future.

Other features include overcoming cultural barriers by avoiding the use of ‘controversial’ words.

Before visiting any new country the company carries out market research to study the best way to communicate its brand in each market. It also uses local communication agencies to communicate its trademark. As a last point, it also participates in an institutional programme (*Programa de Marcas* run by the Spanish Institute of Foreign Trade) that supports the introduction of trademarks into different countries (with advice from an expert consultant).

Through its language management strategy, the company has grown 11-15%. But as a Spanish company, El Ganso has encountered a different sort of communication barrier: even when Spanish is used in the target market on another continent, words may have different meanings. Furthermore, losses have occurred when doing business in China due to the customer’s inability to communicate in English.

The company keeps a record of its language skills and employs both native speakers and local agents. As it is opening its first shops in Berlin and Paris in 2011, the focus is now on French and German. Each employee is required to be able to speak at least two foreign languages. Translators and interpreters are hired only on needs basis and a great deal of attention is being given to website development:

‘There is a specific tab on the home page for shopping online. Since 20-25% of our sales come through the website, we are always trying to improve the system. Our new website will also incorporate an intranet.

We aim to have a multilingual e-commerce model’.

Although the company is young, it has already seen an increase in sales of 16-25% through the translation of its website. Its business plan includes other languages and El Ganso has already set its aim on new countries.

16) Engcon - Sweden

A) General Information

Company name:	Engcon
Product/Service:	Machinery manufacturing
Website:	www.engcon.se
Nr of employees:	51-100
Turnover:	€3-5M
Exports as % of sales:	60%

B) Language Strategy

Engcon's language management strategy was born of the necessity to communicate in Europe when the company expanded:

'Our strategy developed largely through trial and error. The concept was originally born in the Scandinavian countries and then spread to the rest of Europe. As we started spreading into mainland Europe (in around 2000 for Germany and England and 2003 for France) we started needing to communicate in these languages. We simply needed to understand one another, and with our client base (often rural farmers) it is not a given that they will be able to speak English'.

The company employs a large number of native speakers. One of the main employment criteria is product knowledge, in addition to strong sales skills and a good command of one's own language. In the past, the company lost a very large order due to a lack of product knowledge and poor sales skills. Nowadays a combination of skills is required.

'We always plan how we are going to deal with the language/knowledge barriers before heading into the market. We demand of our agents that they have an excellent knowledge of the product, thus we demand that they have technical training on the product. We are doing this, for instance, in Russia at the moment'.

Intercultural flexibility is seen as an essential tool in the company, especially when dealing with Germany. In preparing for a foreign market, the company takes preventative measures, such as contacting bilateral chambers of commerce in target markets to spot potential problems and avoid intercultural barriers.

The company keeps a record of its staff's language skills and is competent in English, French, German and Finnish. Native speakers are hired for the German, English, Polish and French markets. Local agents are hired for the Italian market among others. Every employee must speak at least two foreign languages and translators are recruited on an as needed basis for all legal documentation and marketing brochures.

The company values its local educational progress and helps a nearby school with its sixth-form technology courses. Engcon appreciates the importance of having an adapted website. Its website is currently translated into Danish, Italian, Dutch, Finnish, French, English, German and Spanish, and is adapted for e-commerce, with on-line orders possible.

17) Everteam - France

A) General Information

Company name:	Everteam
Product/Service:	Computer and related activities
Website:	www.everteam.com
Nr of employees:	101-250
Turnover:	€25-30M
Exports as % of sales:	50%

B) Language Strategy

The company bases its language management strategy on its business plan and possible expansion. The company focuses on three points:

- only hiring people who can handle at least one foreign language, from the bottom to top management;

- providing language training to employees;
- mixing employees with different languages on multilingual teams on new projects. This forces employees to practise their language skills and improve their linguistic ability.

By including languages in its business plan, the company has seen an increase in turnover of 16-25%. Part of this is due to keeping a record of the staff's language skills. Staff have received training in Italian, English, German and Spanish in the last three years and can handle Arabic, English, Spanish and German in most business situations. The company additionally keeps a record of the intercultural skills available.

Apart from having a language management strategy, the company hires native speakers in Russian, Turkish, Arabic, Romanian and Portuguese. Everteam has seen a clear correlation between the recruitment of native speakers in specific markets – more specifically in Denmark, Russia and Spain, and growth in sales abroad. Similarly the company hires local agents for specific markets.

'Using English is compulsory for doing business. Everyone needs to handle it. It is today's *lingua franca*. But if you have people working for you who speak the language of the foreign market, it is a step beyond. It increases trust between both partners, less cultural misunderstandings occur, etc. This effort made by the company can convince a client. This is especially the case for Everteam in Arabic-speaking countries, and also in Spain, where the company has a large contract'.

Translators and interpreters are used for most European languages and the company is planning on using translators in India, Brazil and the Middle East. The company website is translated into English, Spanish, Arabic and French, although Everteam feels the most important language is English:

'The English translation helps to attract new clients, no matter where they come from'.

The company's turnover has increased by 16-25% through translation of its website.

18) Fotona - Slovenia

A) General Information

Company name:	Fotona
Product/Service:	Manufacture of medical, precision and optical equipment
Website:	www.fotona.com
Nr of employees:	101-250
Turnover:	€15-20M
Exports as % of sales:	99%

B) Language Strategy

The company's language management strategy was developed in response to the lack of account managers who could cope with linguistic and intercultural barriers. Finding the right experts for their business, balanced with their linguistic and cultural competence, is of key importance as Fotona is active on a global scale.

'For decades, Fotona had its foreign market documents translated into various languages by professional external translators in Slovenia, but the message was often lost, changed or otherwise not understood in its markets. This strategy had to be modified due to the loss of communication channels, lack of natural communication flow and above all, since it contradicted

the company slogan (*'Fotona - choose perfection'*). With the employment of native speakers (in the US, Denmark, the UK) four years ago, Fotona started its global strategy of using its English platform which is then translated and adapted by regional representatives into the languages of the region (*Fotona China, Fotona U.S., Fotona Germany, Fotona Serbia*) and communicated to distributors worldwide. English documents are being processed daily as a foothold for regional representatives. Business is growing, feedback is positive and the company is gaining from being global and at the same time local, decentralised, yet centrally controlled and small as a company and at the same time big in the market as a market leader in laser technology'.

As a result of its language strategy, the speed of response has increased and less time needs to be spent on sounding out markets. Employees can now specialise in certain aspects of market segmentation and achieve constant improvement in capital and goodwill. The company has encountered both linguistic and intercultural problems in Asia. When the company first went to Asia it lacked intercultural awareness and had difficulty getting sales results. In hindsight the company realised that simple differences could have had a major impact. For example, in Japan, when offered a drink, everyone responded with a clear 'Yes, please', not knowing that a Japanese person says 'No' three times before accepting a drink. Fotona has also suffered substantial losses in Europe, and particularly in Spain owing to its lack of language skills. The customer refused to communicate in English and the contract was lost as a consequence.

In order to overcome these barriers and losses, the company began running intercultural workshops and recruiting native speakers with specialised business backgrounds. In fact, the company now recruits native speakers and local agents all over the world as it has seen a clear correlation between an increasing trade volume and the use of customers' languages. Technical and sales training, lectures by guest speakers at Fotona HQ in Slovenia, conferences and workshops are all held in English.

Fotona's employees are able to fully communicate in English, Spanish, Italian, German and Russian. The company keeps records both of language and intercultural skills. Intercultural briefings are held on a regular basis with the most recent ones addressing Arab, Thai, Israeli, Kuwaiti, Serbian and Croatian cultures.

Fotona has working relationships with a large number of universities and organisations, among which are the University of Vienna, Nice University, Aachen Dental Laser Research Institute, Beckman Laser Institute & Medical Clinic and Faculty of Mechanical Engineering, and the University of Ljubljana.

The company website currently exists in English, Chinese, German, Spanish and Serbian. It is adapted to a multilingual e-commerce model.

19) Fält Communications AB - Sweden

A) General Information

Company name:	Fält Communications AB
Product/Service:	Communications Solutions
Website:	www.faltcom.se
Nr of employees:	11-20
Turnover:	€3-5M
Exports as % of sales:	50%

B) Language Strategy

Fält Communications is a small company specialising in communications solutions around the globe. Its main export markets are English-speaking (Europe, the US and UK) followed by Italy and France. Although the company claims not to have a specific language management strategy, it has nonetheless developed a strategic plan on how to enter new markets and cope with foreign language demands. It has also recognised the need to tailor its language strategy to its export markets. For Italy and France, Fält recruits native speakers to avoid misunderstandings and intercultural gaffes.

English is naturally the most-used language due to the technical nature of the subject area. Together with briefings and thorough preparation, the company can handle most linguistic situations. It has never lost business due to intercultural failings or a lack of language skills. On the contrary, using native speakers has increased the company's trade volume in Italy. The same is true for both France and Italy with regard to hiring local agents. Using the native language speeds up the process of getting a contract and establishing long-term relations.

Translators and interpreters are used mainly for the purpose of English documentation. The company website is available in English and Swedish (native language) due to the technical nature of the business. It only exists for informational purposes and is not adapted to e-commerce.

20) Heartsine – Northern Ireland (UK)

A) General Information

Company name:	Heartsine
Product/Service	Manufacture of medical, precision and optical instruments
Website:	www.heartsine.com
Nr of employees:	51-100
Turnover:	€5-10 M
Exports as % of sales:	98%

B) Language Strategy

Heartsine is a medical company with a language management strategy aimed at building strong relationships by speaking in the customer's language as much as possible. Fifty percent of the company's business is within Europe and the rest is in markets around the globe. No less than 18 local agents are currently recruited within Europe to communicate in the customer's language and understand their cultural background.

The company can provide staff able to operate in French, German and Spanish, and for other languages will recruit native speakers and local agents. Intercultural awareness is essential, as is an understanding of what the customer wants and needs at an early stage of the negotiation process. This involves comprehending business etiquette and having the cultural knowledge of a specific target country.

'The 'fine tuning' of a customer relationship goes more smoothly with a local agent, who has innate cultural programming and who understands the country's requirements in order to grow in a certain market'.

Heartsine has encountered intercultural barriers, especially in France. Problems with deadlines, dedication, and the use of strong language were all barriers until the company realised that deadlines would improve the closer the relationships with clients became.

External translators are used for all languages as a quality requirement. All information on the defibrillator and its packaging must be available in the language of the country.

The main markets are Germany, the Netherlands and France, thus the website exists in German, Dutch and French. The company has taken care to use country codes in its urls, such as www.heartsine.fr, etc. Part of its investment plan in the coming years is a redesigned multilingual website with the addition of Swedish and Spanish. The company works closely with both universities in Belfast and with Lyon in France.

21) Hmezad Exim D.D. - Slovenia

A) General Information

Company name: Hmezad Exim
Product/Service: Manufacture of food products and beverages
Website: www.hmezad.si
Nr of employees: 21-50
Turnover: €10-15M
Export as %
of sales: 70%

B) Language Strategy

Hmezad's main export markets are the UK, Belgium, Asia, Latin America, US and Canada, where English serves as the *lingua franca* alongside the native language used by local agents.

'This niche market is dominated by two global buyers from Germany, and as this market was impossible to penetrate, the company had to start developing markets on other continents. English was determined to be the neutral *lingua franca* for written communication with direct buyers and local agents in foreign countries, combined with other languages for socialising and face-to-face contact'.

This approach has meant new doors opening for the company in new markets. However, the company's attitude towards foreign languages affects its level of success:

'Barriers are being dealt with on a daily basis, as they appear. German clients prefer the use of German to English even if they speak English, so the company practices oral communication in German and written communication in English with their German-speaking clients. The company uses English about 90% of the time with its foreign partners and other languages (mostly German) about 10% of the time'.

When the company encounters language barriers, they are dealt with through email and telephone calls. Intercultural barriers are seen as a part of business and must each be dealt with individually.

'Asians tend not to respect the terms of contracts, especially long-term contracts, so each business is a new negotiation'.

The company keeps records of the staff's language and intercultural skills. Each employee is required to speak a minimum of two foreign languages. As a consequence most business situations can be handled in English, German, Croatian, Serbian and Portuguese. All translation is normally done in-house by the company.

While native speakers are recruited for Portuguese, the company keeps very strict records on trade volume, as this is affected by the use of local agents in all markets. They must report to HQ on a weekly basis. As part of its LMS the company has buddying schemes in all countries in which it has export staff.

The website currently exists in English, Slovenian and Portuguese and uses globally accepted, neutral images to appeal to as many buyers as possible. When expanding into the Russian and Chinese market external translators will be used for the company website.

22) Inovamais - Portugal

A) General Information

Company name:	Inovamais
Product/Service:	Technology transfer
Website:	www.inovamais.pt
Nr of employees:	21-50
Turnover:	€1-3M
Exports as % of sales:	60%

B) Language Strategy

Inovamais's language management strategy is based on having a large pool of native speakers in combination with language courses and a system whereby staff learn from each other. Each employee must speak at least two foreign languages, one of which has to be English.

'In our international projects, English is the most important language. If staff do not speak English well enough, they are encouraged to learn and improve by practicing on projects. Internal collaboration is very important – internal help and support between staff members in different languages is our daily practice. The native speakers we employ in various languages (Spanish, Italian, French, Bulgarian, Polish, and Portuguese) are a huge know-how pool'.

As a direct consequence, the company's turnover has increased by 16-25%. Success indicators for the company include employee satisfaction and consolidated networks. Employing native speakers has meant added collaboration in translation, support in business situations (cultural), and support in general cultural questions.

Through the company's LMS, organisational efficiency has also improved. Inovamais encourages collaboration among its staff members and encourages people to go abroad, as a challenge for their self-development, and also as a way to develop relationships with customers abroad to consolidate external networks.

The company has come across language barriers in various situations, mostly with customers whose English proficiency has proven insufficient. The company has consequently adapted through individual learning and internal sharing of company experiences. It has also taught the staff to develop patience in foreign customer relations.

Inovamais keeps records of the staff's language skills and provides language training. Most business situations can be handled competently in Spanish, English, French, Italian, Bulgarian and Polish. The company also keeps a record of the staff's intercultural skills. In the past three years, intercultural

training has taken place in Japanese, Chinese, Spanish, French and German. The company additionally uses local agents for Brazil, Guinea and Belgium and is planning to add Spain over the next three years.

In terms of website adaptation Inovamais puts emphasis on cultural adaptation. Cultural metaphors are supported, including the representation of dates. The language management strategy focuses on English as the number one foreign language in the firm, and this is reflected on the website. With English as the main foreign language and a large pool of native speakers, the company is satisfied, at least for now, that staff can communicate successfully with all customers. The prospects suggest that Spanish might be the next foreign language into which the website will be translated within the next three years.

23) Mac-Line Kiállításszervező Kft. - Hungary

A) General Information

Company name:	Mac-Line Kiállításszervező Kft.
Product/Service:	Organiser of exhibitions in Europe
Website:	www.macline.hu
Nr of employees:	11-20
Turnover:	<€1M
Exports as % of sales:	100%

B) Language Strategy

Mac-Line's language strategy focuses on recruiting either local agents in the client countries or native speakers. Its main markets are Serbia, Croatia, Slovenia, Romania and the Ukraine. The basic communication principles it practises are:

- Never discuss politics.
- Accept what is said, never ask questions about barely understandable facts.
- Be aware of religious differences in the marketplace. The company once organised a trade fair in Mostar (Bosnia Herzegovina). They could not understand why the Bosnians they had invited did not turn up at the fair. They knew that half the population was Muslim. There was a bridge crossing the Neretva river, and in a conversation with a Serbian partner, they were surprised to learn that he hadn't crossed the river in the last 18 years, did not visit the other side, and that he was opposed to people from opposite sides of the river meeting. There were no companies in the market displaying goods from the other side. The next time they were very cautious not to invite their Muslim partners to this *particular fair* and arranged their business to take account of religious divides.
- Watch the language you use. There are only small differences between the Serbian and Croatian languages, for example, the words for 'one' are 'jedan' or 'jedna'. A Serbian businessman gets worried if he realises that a partner speaks a Croatian form of Serbian. The same is true for Croatian businesspeople. Their employees come from the Vajdaság, which belongs to Serbia. When these employees travel to Croatia they must try not to use Serbian pronunciations (as their native language is Serbian) or the Hungarian language.
- There are strict written rules regarding the appearance of representatives: no Hungarian flags inside or outside the car, no maps showing 'A Greater Hungary'. Colour combinations such as red, white and green are not allowed (the Hungarian flag is white and green). Political sensitivities are an important part of understanding the local culture.
- Before travelling to a country in the Balkans, representatives must study history and must know the different religions and customs in these countries. Representatives travelling to Croatia must practice the Croatian Serbian language for a month before travelling.

- The company designed a new website (<http://www.balkanfair.eu>) to advertise business opportunities in Europe.

Although the company has a very strict communication strategy with external clients, it also has serious challenges with regard to internal communication. As the company represents Hungarian companies abroad, it has a great deal of information about the market needs of different countries. Visitors come and ask whether certain goods are produced in Hungary. They always try to find Hungarian partners to sell the requested goods outside but Hungarian companies are not interested. By taking all the lessons on board, the company has improved its turnover by more than 25%.

Although the company has a functioning language management strategy, it still sometimes encounters barriers:

‘They wanted to open a Hungarian restaurant in one of the fairs in Greece. In the third year, a Greek restaurant owner, who had his own restaurant running at the fair, refused. In the end they asked for a personal meeting and met with the owner. It turned out that the owner did not speak any other languages and was shy to communicate. They hired a Greek interpreter and invited the owner to Hungary. In Hungary they hired a Greek student who accompanied the owner. In the end, the owner opened a restaurant in Budapest and allowed the Hungarian restaurant to provide services at the fair in Greece.’

The company has come across a number of intercultural barriers:

‘It was extremely difficult to find the perfect representative in Bosnia. There are three different cultures there (Serbian, Croatian, Muslim) and they don’t accept each other. In the beginning they employed a teacher who was a native speaker but lived in Hungary. Although she spent months in the country, she did not succeed. Later they realised that they needed someone who knew the customs and cultures perfectly and has some diplomatic blood in his or her veins. The new employee, once employed, had very special requests. He asked for a number of different gifts which he could give to local decision makers. After receiving the gifts, he was easily able to organise fairs. Managers at the company soon learnt that whenever they went to Bosnia they needed to call their business partners and ask what gifts to bring. (It is the same in Romania and Bulgaria.)’

Mac-Line keeps both linguistic and cultural records and is now able to organise its knowledge in great detail. The company can communicate competently in English, Serbian, Russian, Romanian and Bulgarian. The company recruits native speakers for Greek, Russian, Bulgarian, Slovakian, Slovenian, Albanian, Bosnian and Croatian and sees a clear connection between recruiting native speakers and increased turnover. Local agents are hired as they have a great deal of information about the national culture and have connections to the business and political worlds. They can bring many companies in to the fairs.

Each employee must speak a minimum of two foreign languages. Translators are currently employed for Swedish, Dutch and Danish. Within the next three years, the company will also hire translators in Denmark and Portugal.

The company website has been translated into English, Bulgarian and Romanian. It is also culturally adapted to these languages. The next language for website development is Russian. Mac-Line has seen a correlation between website adaptation and an increase in company turnover. Although measuring the improvement is difficult, the company estimates it to be 6-10%.

24) Meiren Engineering – Estonia

A) General Information

Company name:	Meiren Engineering
Product/Service:	Manufacture of Machinery and Equipment
Website:	www.meiren.ee
Nr of employees:	11-20
Turnover:	€1-3M
Exports as % of sales:	90%

B) Language Strategy

The company's language strategy is based on the geographical proximity of markets in which it has language capability. The interest in doing business with the countries nearest to Meiren in distance terms was originally mapped against the existing language skills of the staff. Therefore, the company's main export markets today are Scandinavian countries, the Baltic states and the Czech Republic. The company moreover requires each member of staff to speak a minimum of two foreign languages. Where gaps still remain the company invests in local agents, native speakers and translation services.

'It has always been important for us that our sales staff speak foreign languages. We started in our home market, where people speak Estonian as well as Russian. Our salespeople had to have a good command of both languages. Finland became Meiren's first foreign market. Aiming for this market was a logical step for us, as we already had some people who spoke Finnish working in our Sales Department. We turned our attention to Sweden and Norway a few years after we entered the Finnish market. An export manager joined our company. He speaks fluent Swedish, and this helps him communicate with our clients in Norway, too. Mapping the countries that are close to our existing staff, either in terms of language or culture was an important part of the export plan of Meiren Engineering from the very beginning. We understood that the investment a company has to make when entering a new market is smaller if we have good knowledge of the country and its people. Talking to our business partners in their own language is a great ice-breaker and saves us a great deal of time and money. Our knowledge of the language and culture of our foreign markets has helped us generate trust with our clients faster than we ever expected'.

The company's turnover has increased by more than 300% since introducing a language management strategy, which also takes into account intercultural knowledge. Due to its strategy the company staff can handle the majority of business situations competently in English, Finnish, Swedish, Czech and Russian. Besides keeping records of staff's language skills, the company also keeps a record of their intercultural skills.

Meiren employs local agents in Norway and Latvia and is planning on recruiting local agents in Lithuania, Germany and the Czech Republic over the next three years. The use of local agents is seen as paramount to the company's success in foreign markets, which has been proven by the company's increase in turnover in Norway, Finland, Latvia and Sweden.

A substantial amount of effort is put into the translation of product catalogues, price lists and manuals, as the company appreciates the effect of accurate information in the customer languages.

The company has also invested in a well-developed website which currently appears in Swedish, Finnish, English and Norwegian. Meiren's next language will be German. By optimizing its cultural adaptation, the company hopes to further increase accessibility and thereby expand its customer base.

25) Noptel Oy - Finland

A) General Information

Company name:	Noptel Oy
Product/Service	Manufacture of optoelectronic devices
Website:	www.noptel.fi
Nr of employees:	21-50
Exports as % of sales:	98%

B) Language Strategy

The official business language of Noptel is Finnish. Noptel has implemented a number of innovative strategies to tackle language barriers. The first is recognition of the importance of languages in trade, and this was entirely due to the founder's success in doing business with former East Germany because of his German language skills. The company's MD Juhani Heinula sees a clear correlation between the use of foreign languages and success in foreign trade:

'In many countries, even in Europe, the authorities speak only their own language, so direct connections require multilingual speakers'.

The company uses both external translators as well as their staff's in-house skills for translation. Today, Noptel's marketing materials are available in Arabic, English, French, German and Spanish. Manuals and versions of Noptel's programs are available in more than ten languages, including all the main European languages, in addition to Arabic, Chinese and Japanese.

Because of the specialised nature of the product, Noptel has chosen not to employ native speakers, but instead has put more effort into hiring local agents abroad. All company employees can handle most situations in at least English. Noptel offers foreign language training programmes to its employees based on company operations and employee needs. The most recent training was in English, German and Spanish.

Noptel employs external translators and interpreters regularly for foreign trade. Before being published, all written documents and promotional videos are submitted for language review. Some of the company's partners abroad also translate and proofread documents. This is the case in Egypt, Saudi Arabia and Colombia. The selection criteria for employing translators are 1) technical knowledge, 2) knowledge of English, and 3) knowledge of the local language. Translators need to understand the subject matter, terminology, and the language used by the target group (e.g. the language used by armed forces and law enforcement).

The company website is available in English and German. Although the company recognises the importance of Internet visibility, multilingual adaptation of the website is a major investment and one which the company cannot currently undertake.

26) Oxyde - Belgium

A) General Information

Company name:	Oxyde
Product/Service:	Wholesale trade and commission trade in the chemical sector
Website:	www.oxyde.eu
Nr of employees:	1-10

Turnover: €20-30M
Exports as %
of sales: 50%

B) Language Strategy

Oxyde is a very new company with a clear language management strategy:

'The general idea is that a company with a small number of employees should maximise its cultural diversity and language skills.

Speaking the language of the client is self-evident, unless the language is 'too exotic.'

The company uses a number of different variables to build its LMS. One of the most important is the recruitment of local agents in order to communicate in the customer's language. As a result the company's turnover has increased by more than 25%. Because Oxyde operates in several international markets simultaneously, the company has had to apply a more flexible approach. In fact, the company suffered a significant loss, thus the strategy was born out of pure necessity. Without foreign languages, the company would not be able to expand the way it has. As a result customer loyalty has increased and so has customer relationship-building. Recruiting for a multicultural workforce has taught the company to make changes to avoid losses:

'By learning from the past and using multicultural recruiting, the company became more aware of the cultural aspects of its business. By becoming aware of the importance of cultural aspects, the company has matured and become a better negotiator. There is an annual round table meeting with sister companies to discuss how to deal with cultural difficulties.'

The company does not yet keep records of staff language or intercultural skills. Staff can, however, handle most business situations in German, English, Dutch, French, Russian, Turkish and Spanish, since staff are recruited due to and with specific language skills. Native speakers are e.g. recruited in Russian, Dutch, Turkish and French. This selective type of recruitment is becoming increasingly important as the company grows. In markets where full potential has not yet been reached, the return on native speakers is very high.

Local agents are currently used for Russia and France as a way of penetrating these cultures. Oxyde is planning on entering the Slovenian, Slovakian and Greek markets in the next three years, using local agents.

Another variable determined by European legislation is the recruitment of external professional translators as all safety data sheets must be available in all European languages.

As the company cautiously chooses what variables are put in place to maximise turnover this is also true for the globalisation of the Oxyde website. It has been translated only into English because of the fast changes in market prices and to avoid cultural problems. Prices can change up to twice a day, which is why the company focuses on English whilst concentrating its efforts on other language management strategies.

27) Paltentaler Minerals - Austria

A) General Information

Company name: Paltentaler Minerals
Product/Service: Mining and quarrying

Website:	www.paltentaler-minerals.at
Nr of employees:	11-20
Turnover:	€3-5M
Export as % of sales:	85%

B) Language Strategy

Paltentaler Minerals has a language management strategy which focuses on foreign languages with English as the company's *lingua franca*.

‘Without one common business language there will be no business’.

All employees must know spoken and written English. If necessary, courses are offered, including 2-3 hours English training per week. This is divided into basic English for production staff and advanced English for administrative and other staff. Other languages are also used such as Croatian and Serbian.

The company keeps a record of its language skills and during the last three years has undertaken training in English. Although English is the main business language Paltentaler invests substantially in other languages. Staff can competently handle most business situations in English, Croatian, Serbian and German. For French, the company plans to improve its skills in negotiations, presentations and exhibitions. The latest language to be added is Slovakian, where the company due to a business opportunity in the country is investing in the language.

Intercultural knowledge is also taken seriously with intercultural training being undertaken in Italian, Hungarian, Polish, Chinese, Egyptian, English, German, Slovakian, Turkish, Romanian and Spanish over the past three years. As part of its LMS native speakers are recruited for English and German. As a result business performance has improved in terms of editing and proofreading contracts and being able to offer both language and intercultural briefings to other staff within the company.

Local agents are employed for a large number of languages including Dutch, Danish, Swedish, Bulgarian, Hungarian, Polish, Slovakian, Turkish, Slovenian, Czech and German. The company sees a clear correlation between the use of local agents and the volume of trade. Local agents are particularly required and are a prerequisite for doing business in North Africa and South America. As the trade volume increases, so does the need for local agents who can handle languages.

In order to deal with proofreading contracts and translating promotional materials external professional translators are hired. Future needs include translators of French for business dealings and promotional materials in North Africa and Portuguese for business in South America.

As part of its development the company works together with institutions such as FH Joanneum (*berufsbegleitendes Studium*) and TU-Graz.

Different types of training focus on personal coaching, team-building, extensive marketing, specialist courses for staff (customs, welding etc.) and participation in research and development forums. By combining research, language training investment, recruitment of local agents and using English as the Lingua Franca the company has been able to implement a successful business communication model with expansion opportunities.

28) Rápina Paberivabrik AS. – Estonia

A) General Information

Company name:	Räpina Paberivabrik
Product/Service:	Manufacture of pulp, paper and paper products
Website:	www.rappin.ee
Nr of employees:	51-100
Turnover:	€1-3M
Export as % of sales:	68%

B) Language Strategy

Räpina bases its choice of export markets on the law of proximity. The language management strategy reflects this in terms of the selection of languages. Its main markets are Belgium, Finland, Sweden, Lithuania, Latvia and Austria. The languages used to communicate are English (*the lingua franca*), Finnish, Russian and German. The language management strategy requires each new employee to speak at least two foreign languages and this is the structure on which the company plans its export strategy. By matching markets with languages, the company has increased its turnover by more than 25%.

When originally changing its strategy, Räpina altered its ordering, packaging and labelling systems and the communication system between the office and production. With the introduction of foreign languages, international fairs became a possibility, together with international accessibility via the Internet. The company became visible through English.

Today Räpina keeps records on language and intercultural skills. Staff can handle all necessary business contexts in English, German, Finnish and Russian. They have received training in English over the past three years, including intercultural training.

As part of the LMS both native speakers and local agents are hired to do business, for example in Sweden and Lithuania. The company has noted a clear correlation between the introduction of local agents into certain markets and a 70-100% increase in sales, specifically, 100% in Belgium, 70% in Finland, 90% in Sweden, 100% in Denmark, and 100% in Austria.

All management-level staff are required to know a minimum of two foreign languages, whereas staff are offered on-line learning in English and German as part of their staff development programme. Foreign student placements are moreover offered from Finland as the company has a working relationship with a Finnish university in the field of paper production.

The company website has so far been translated and adapted into English, Finnish, Russian, Latvian and Lithuanian. The languages available on the website are correlated to the volume of trade and the choice of language used to communicate with certain markets, i.e., Sweden: English, Belgium: English, and France: English.

29) Safe Antincendi S.r.L - Italy

A) General Information

Company name:	Safe Antincendi
Product/Service:	Manufacture of fire protection systems
Website:	www.safeantincendi.com
Nr of employees:	1-10
Turnover:	€3-5M
Exports as % of sales:	60%

B) Language Strategy

Safe's language management strategy is built on the desire to understand the culture, religion and language of its customers. When beginning to trade in a new country, a local agent is hired to 'turn the key' and 'open the door'. When the company enters, the foundation for a business relationship has already been established. Depending on the customer, Safe will use the local language or English, whichever works to solidify the relationship. By applying this approach, Safe's turnover has increased by 16-25%.

Safe's main export markets are Spain, Turkey, Greece and Egypt. The company allows itself to enter markets based on the language skills available in the company, thereby minimising the risk of communication barriers. The language skills of employees are kept on record and the staff are offered training, especially in English, as this is considered to be the language customers will most likely understand as their first foreign language. Staff are however able to handle most business situations in French, German, English and Spanish. There is also a limited knowledge of Turkish in the company, which is useful for travelling and meetings but not for negotiations.

Safe employs local agents for a large number of foreign markets, including Bulgaria, France, Southeast Asia, Egypt, India, Malta, Spain, Greece, Middle East, Portugal, Brazil, Finland and Romania. Its trade volume is correlated with the use of local agents, a policy Safe will continue to develop in the future.

External translations are only made for contractual and legal documents in English, Spanish and Portuguese. The company's website is available to customers in English, Spanish and Turkish and has been culturally adapted. It is also designed to provide technical translations in Spanish and Turkish.

30) SAF Tehnika JSC - Latvia

A) General Information

Company name:	SAF Tehnika JSC
Product/Service:	Manufacturer of wireless data and voice transmission equipment
Website:	www.saftehnika.com
Nr of employees:	101-250
Turnover:	€10-15M
Exports as % of sales:	95%

B) Language Strategy

SAF Tehnika's major markets are North America and Africa. In the majority of markets the company uses English. The language management strategy could be described as circling around the usage of English combined with hiring native speakers and local agents on a needs basis. When expanding into e.g. Latin America and African countries, the company hired local agents who spoke Spanish and French.

The company hires translators for product brochures and other necessary documentation, which require translation into the local language. This is for instance true in regions of Russia where English is not widely spoken.

Not only staff's foreign language skills are important but also their intercultural skills. In many cases the company hires local agents to have not only the language skills but also the cultural experience. Each

employee has to be proficient in at least two foreign languages. With focus on English as the *lingua franca*, most employees are also fluent in Russian, and those sales managers working in the respective regions also speak German, French, Italian and Spanish.

For optimum web visibility, SAF Tehnika has adapted its website both linguistically and culturally into English, Russian and Latvian and will, depending on target markets, continue to develop its website to fit with the company business plan.

31) Slovmag - Slovakia

A) General Information

Company name: Slovmag
Product/Service: Mining and quarrying
Website: www.slovmag.sk
Nr of employees: 101-250
Turnover:
Exports as %
of sales: 95%

B) Language Strategy

Slovmag's language management strategy was born out of the need to improve its foreign language skills and to be able to record what works in communication and what doesn't, in other words, to systematise the company's records of language skills. It was developed by the HR and sales departments in cooperation with management. One immediate effect was the improvement in organisational efficiency. Because staff are now able to communicate more successfully, fewer translators need to be hired and internal communication has become less complicated. The company chooses export markets according to the languages available inside the company. The main languages are Russian, English and German. Therefore the top markets are Germany, Austria, Russia and the US.

Slovmag has encountered a number of intercultural problems in its foreign trade. Some involved different interpretations on contractual matters and having to adjust to different banking customs, in Syria for example, among other countries. As a preventative measure, the company now contacts the chamber of commerce in the target market before beginning actual trade.

The new language management strategy means that staff can handle most business situations in German, Russian, English and Czech. Employees have received language training in Russian, English and German in the last three years. It has also been essential to recruit native speakers to operate in the Russian market, and this has reduced costs for translators and interpreters. Local agents are also used for the Russian market and for the German and English markets as well.

All staff must speak at least one foreign language and translators are used for Swedish, French and Turkish. Secondment schemes have also been set up with Russia and student placements with Slovakia. The website is in Russian, English and German, which correspond with their main markets.

32) Solvo Biotechnology - Hungary

A) General Information

Company name: Solvo
Product/Service: Research and development

Website:	www.solvobiotech.com
Nr of employees:	51-100
Turnover:	€3-5M
Exports as % of sales:	99%

B) Language Strategy

Solvo's language management strategy focuses on the usage of English as the key target foreign language needed by the company. The reason is that the international language of biotechnology is English and research publications and scientific literature are all available in English. All customers must speak English therefore and the staff must be able to respond and work in this language. However, the company can handle most business situations in English, Dutch and French and has had to function in Japanese as well.

'The most important element of the language strategy is that applicants who are employed must speak English. Everyone at the company can speak English fluently.

The recruitment process is based on language selection. Applicants take a test and the interview is conducted in English. This is necessary as English is the international language of biotechnology, so even operators must be able to pick up the phone and communicate in this language. Staff are trained regularly. Every week there is a meeting where employees make presentations about their assignments and research results. The presentations and the discussions are in English.

The other basic principle of communication strategy is to communicate with clients as much as possible. In order to reach this goal they have established several systems. The company developed a software-based customer communication system. It is a database. This software works as a diary, so assistants know exactly when to send clients greeting cards or when to invite them to Web conferences or Web seminars'.

By implementing this strategy the company estimates to have increased its sales turnover by more than 25%. Other direct effects are an increase in organisational efficiency – since everyone speaks only one foreign language, tasks can be delegated more easily – and invitations to participate in international conferences and projects.

Although the company mostly uses English, its target markets are not all native English-speaking. Solvo has encountered intercultural problems especially in Japan, where they lost a significant amount of business and therefore decided to translate their website into Japanese.

The company does not keep a record of language skills or intercultural skills because its main language is English. However, in order to break into foreign markets, native speakers and local agents still need be hired. This is true especially for the German, French and Japanese markets.

Translators are not used on a regular basis as the texts are scientific and therefore need specialist attention. The company has a close working relationship with seven universities around Hungary. All texts are written in English, which minimizes the need for external translation. The company is consistent in its approach towards language usage throughout the language management strategy, including website adaptation. Even though the company is Hungarian, their native language has deliberately been side-stepped, as the international language of biotechnology is English. Therefore the language which greets the customer on entering the website is English.

33) Special Purpose Vehicles - Poland

A) General Information

Company name:	Special Purpose Vehicles
Product/Service:	Manufacture of motor vehicles, trailers and semi-trailers
Website:	www.pojazdyspecjalne.com.pl
Nr of employees:	51-100
Turnover:	€5-10M
Exports as % of sales:	30%

B) Language Strategy

Special Purpose Vehicles (SPV) describes its language management strategy as a reverse process.

'We try to expand into new markets first by looking for competent people with language skills matching the new markets'.

The company's main export markets are chosen based on proximity: Russia, Ukraine, Belarus, Moldavia and Germany. In each country, the native language is used by interpreters, native speakers or local agents when communicating with customers. By approaching exporting with enhanced language competence, the company's turnover has increased by 16-25%. It has also reduced the number of linguistic and to some extent intercultural barriers. For example, when the company deals in the Arabic-speaking world, it takes care to prepare intercultural in terms of the religious calendar and local customs.

The employment of native speakers has had a direct and positive impact on the company's profits. By eliminating communication barriers and focusing on intercultural relations in the business context, SPV has gained new business contacts. For example, socialising during international trade fairs has helped strengthen relations between contractors and customers.

SPV employs local agents in a number of countries. Not all speak Polish and so use English together with their native tongue. Among these are Belgium, Denmark, Sweden, Bulgaria, Slovakia, France, Germany and the Czech Republic. Translators are hired in particular for Russia, Slovakia and the Czech Republic.

Over the next three years the company is planning to use local distributors and specialised automotive services as an innovative way of approaching new foreign markets. As a method of staff development, the company offers on-line language learning in Russian, French, English, German and Romanian.

The company website is 'an electronic version of the company business card'. It is available to customers in Russian, Polish, English, German and Arabic. The company does not, it states, attract customers through its website but through tendering to national governments.

34) Spectrum Technologies – Wales (UK)

A) General Information

Company name:	Spectrum Technologies
Product/Service:	Manufacture of aerospace machinery and equipment
Website:	www.spectrumtech.com
Nr of employees:	51-100
Turnover:	€5-10M
Export as % of sales:	97%

B) Language Strategy

Spectrum is a Welsh company with an advanced language management strategy. Initially Spectrum used UKTI (UK Trade & Investment) consultants located abroad for contacts. As the company grew, sales agents were recruited in key markets and were chosen based on local market knowledge, contacts, previous customers and other partners. The company now boasts 22 local agents covering 27 countries. Spectrum also has six field staff or office branches in markets where competition is fierce and service levels must be guaranteed: one in Hong Kong (branch), two in China (branch in Shanghai, engineer in Beijing) , one in Mexico, one in Italy and one in India. Spectrum also has a subsidiary in the USA.

Spectrum's language strategy was developed because it was recognised that some markets required local knowledge and people who spoke local languages to facilitate business transactions. Although the language in the aerospace industry tends to be English, local language knowledge is often needed for negotiations and for making deals become reality. Generally the company uses representatives in countries where little or no English is known and where it is easier doing business in the local language, e.g. in Japan, Russia and South America. The company's strategy has meant an increase in turnover of 16-25%.

Other success indicators worth mentioning include the trust that is built between people – notably in France – and companies when there are subsequent repeat orders attributable to a successful language strategy.

The company does not keep records of the staff's language skills. Staff are not offered language courses but if a member wishes to learn a foreign language, Spectrum may pay for the classes if the language is considered complimentary to the Company's success and growth. Staff at Spectrum can handle most business situations in French, Italian, Spanish, German, Russian and Chinese.

Native speakers are employed for Italian, Russian, Chinese, Mexican/Spanish and Indian markets. Field staff in Hong Kong, Beijing, Shanghai, Bangalore, Italy and Mexico will come to the UK once or twice yearly for training. The employment of native speakers has above all helped to communicate with workshop technicians during equipment installation who usually speak little English. As mentioned previously, 22 local agents are currently employed, excluding North America.

Local agents and trade volume are correlated and personal contacts are very important in certain countries, Italy in particular. The company's Italian agent is very well connected and has made more sales as an individual salesperson than entire companies Spectrum works with in other countries. In Russia and Germany as well, sales representatives have been very successful.

The Spectrum website has been translated and adapted into Chinese, French, English and Spanish. It functions as a source of information and their key marketing tool.

35) Suarez de la Dehesa - Spain

A) General Information

Company name: Suarez de la Dehesa
Product/Service: Legal services
Website: www.sdanet.com
Nr of employees: 21-50
Turnover: €1-3M
Exports as %

of sales: 30%

B) Language Strategy

The company's language management strategy is young and focused around the use of English. In 2007, the company began to develop its internationalisation strategy with the support of the PIPE programme (managed by the Spanish Institute of Foreign Trade-ICEX).

All areas of the company were involved in the discussions and a year later, the marketing department drew up a set of key elements for the internationalisation plan:

- Making a perfect command of English a prerequisite for the hiring of all new candidates;
- Setting up a new website completely translated into English aimed at national and international clients, with the international section on a separate tab;
- Translating all materials developed by the firm into English (email signatures, templates, presentations, website, telephone messages, etc.);
- Participation of all company professionals in media and specialised foreign media to generate visibility in other countries;
- Staff training in legal English when necessary;
- Promotion of international relations: encouraging professionals to participate in groups and foreign associations to create links with professionals from other countries;
- Handling of international calls by professionals able to speak in the contact language (English or French) and a protocol on redirecting the call based on the query;
- Using software and other computer tools to correct documents, files and papers in different languages;
- Having access to a glossary of common terms used on telephone calls;
- Revision of presentations created by the marketing department for international conferences (cultural adaptation). This policy applies to all documents aimed at international markets.

Without a perfect command of English at a minimum, many of the opportunities presented to the company in countries such as the US, the UK, India and China would have been lost. Although English is undoubtedly the *lingua franca*, other languages such as French, Spanish and Arabic are also used to secure business. Moreover, the company's organisational efficiency has improved through the process of identifying weak areas so as to implement a successful export strategy.

Suarez de la Dehesa has encountered linguistic problems in China due to the customers' lack of English and has also faced intercultural issues in Morocco. Business etiquette is very different in Morocco compared with Spain, e.g. perceptions of time, fees and hierarchy differ greatly. The firm has moreover recently expanded its business into Portugal in order to cover all the Iberian Peninsula.

The company keeps records both of foreign language and intercultural skills and can competently handle most business situations in English, French, German and Arabic. Native speakers are recruited for the French, German and Arabic markets.

The company works closely with a number of universities as the firm is an IPR specialist. English and Spanish are the main languages of the company website. The website is culturally adapted to both languages.

36) Textor - Romania

A) General Information

Company name:	Textor SA
Product/Service	Manufacture of textiles
Website:	www.textor-textiles.ro
Nr of employees:	101-250
Turnover:	€10-15M
Exports as % of sales:	60%

B) Language Strategy

Textor SA is a private company with a long tradition of textile manufacturing. The company was founded in 1980, under the name Tesatoria de Matase – Targu Mures, producing fabrics with jacquard and plain designs. In 1990, following a privatisation process, the factory became a fully private company, with the name of S.C. TEXTOR S.A., and it restructured its administration and production capacity to adapt to market needs.

The company originally developed its language management strategy with the help of a language school in Mures by focusing on German and English. The company specifically needed to improve its skills in correspondence and negotiation. Since then the company's sales turnover has increased by more than 25%.

The company's organisational efficiency has also improved with better company-wide communication skills and better management skills. Textor recognises that the best indicators of success are knowing your customer's culture and customs, both silent, hidden aspects and articulated aspects.

The company encountered intercultural problems in the past during business negotiations with Germany and has also failed to comprehend technical data and procedures due to a lack of language skills in other negotiations with clients. Due to intercultural problems with Germany in the initial contact phase and during following business negotiations, the company suffered a financial loss.

The company keeps a record of its staff's foreign language skills. Although records are not kept of intercultural skills, the staff have received intercultural briefings in Danish, Swedish, Hungarian, English and German over the past three years. Staff have also been trained in English over the past three years. Together with English, the languages with which employees feel most confident are German and Hungarian. In these languages, employees feel the most secure and can manage the majority of business situations, although it has to be mentioned that the company cannot handle all business situations in any single foreign language.

Each employee is required to be able to speak at least two foreign languages. Textor undertakes annual language audits together with receiving students from the UK to maintain a high level of English in the company.

The website exists only in Romanian and English but will be adapted to Hungarian and Swedish in the next three years. Since introducing the English version, the company has seen a 20% increase in sales.

37) Totseat Ltd – Scotland (UK)

A) General Information

Company name:	Totseat Ltd
Product/Service:	Manufacture of textiles
Website:	www.totseat.com
Nr of employees:	1-10

Turnover: €<1M
 Export as %
 of sales: 65%

B) Language Strategy

Totseat Ltd, the Edinburgh-based company which manufactures the Totseat travel chair harness, is a small and new company with a small workforce. Despite having less than ten years of trading history, and fewer than 10 staff, it has a clear vision and a very structured language management strategy. Staff in house speak three languages, English, German, and French, providing the necessary communication tools for expansion into a large number of countries and continents worldwide. The language skills are used to capture the attention of customers and distributors in foreign countries. One of the biggest trade fairs for the product is in Germany. The staffs' language competence does however not influence the choice of export market. The company representatives meet possible distributors at trade fairs and interview them to assess how they can best market the product in their territory. Information about the products is currently available in 17 languages for this purpose.

'We believe, passionately, that if you are a small business and you want to make a success of exporting, you have to be brave and prepared to use whatever language skills you have on offer and can access with ease. We are too small to employ native speakers on a full time basis, but we use our own in-house language skills, a translation house when we need to, and, of course, the language skills of our distributors.'

By using the company's language skills in this way turnover has increased by more than 40%.

Totseat has never lost any trade due to lack of communication skills or barriers but has had to adapt its name to export markets. In Germany the firm took the decision to trade under the name Mobiseat, as the word Totseat does not translate very well into German. The company handles the majority of business situations in German, French and Spanish and uses additional interpretation services when necessary, such as for Italian, Portuguese Russian and Hungarian territories. Intercultural skills are recognised as a contributing factor to exporting success, and intercultural briefings are regularly undertaken. The company's main export markets are Japan, Germany, France, USA and the United Arab Emirates.

All export markets are encouraged to communicate in their native tongue and Totseat focuses on using native speakers in every marketplace.

The company has a close working relationship with the University of Edinburgh and Heriot-Watt University and offers placements and projects for MBA and under-graduate students.

The Totseat website is in English and German and culturally adapted to German speaking customers. The products can be ordered directly on-line. The Totseat travel highchair is also sold through many international websites, via distributors and retailers. Since launching the site in German, the company has noticed a 20% increase in traffic.

38) Trapen - Bulgaria

A) General Information

Company name: Trapen
 Product/Service: Research and Development
 Website: www.trapen.com
 Nr of employees: 1-10
 Turnover: €<1M

Exports as %
of sales: 95%

B) Language Strategy

Trapen has decided to use a language management strategy which focuses on using English as the business *lingua franca* in all the countries it operates in. It is the only language of communication. In terms of written communication, technical documentation is translated into Russian, Italian and English as a matter of policy. By using this approach, the company estimates an increase in turnover of 25%+. The company has found that using English has helped to create more contacts, closer working relationships and facilitated publishing in trade magazines.

Although the company's language of business is English, it still observes the culture of the customer. In 2000, the company encountered intercultural problems in Iran as its representatives didn't realise that in that culture, one does not shake hands with Iranian women.

The company keeps records of linguistic and intercultural skills and nowadays employs native speakers for Iran. Local agents are currently being used for Iran and will be hired for France, Egypt and Russia in the near future. The company has experienced an increase in sales through the use of local agents and native speakers. The level of efficiency has increased and mistakes are avoided.

Translators and interpreters are used for the French, Italian and English markets. External translators are also hired for all technical documentation and contracts.

The staff are offered on-line learning in English and buddying schemes have been set up with Iran and India. Trapen has a close working relationship with the Technical University of Sofia. It has an established website in English, which serves its language strategy and it is planning on translating it into Russian.

39) Trinity International – Scotland (UK)

A) General Information

Company name: Trinity International
 Product/Service: Life and Facilities Management Services
 Website: www.trinity-int.com
 Nr of employees: 101-250
 Turnover: €10-15M
 Exports as %
 of sales: 80%

B) Language Strategy

The company's language management strategy was born out of a lack of language competence in accounting and legal services. Trinity International works on a project basis in a large number of countries across the globe where the main language is English, as is reflected on its website. As a consequence, and to avoid misunderstanding, all manuals are translated into the languages of the major markets: Norway, Canada, the Gulf of Mexico, Greenland, Brazil and Argentina.

The use of foreign languages has increased the company's turnover by 16-25% and acts as a safety mechanism against communication problems. It has helped staff to adapt to local markets and to know what and what not to do. Problems such as not being able to communicate in Norwegian are now a thing of the past. The company employs staff to communicate in Norwegian for negotiations. Generally the company can handle most business situations in Norwegian, French and Spanish.

‘The language strategy adds to the company’s credibility and opens doors. So far, thanks to the language strategy, the company has not lost any business’.

As part of its LMS, the company prefers hiring native speakers and training them on the company’s working methods rather than teaching staff foreign languages. Mistakes in legal and financial language are thus more easily avoided and intercultural know-how is in place.

Trinity employs native speakers of Mandarin, Haka, Cantonese, Norwegian, Vietnamese and Spanish. Native speakers are also hired for the Nigerian, Egyptian and Brazilian markets. Local agents are a requirement in order when entering certain markets, such as Nigeria and Angola.

The company displays a flexible and focus-oriented approach to its use of languages. Therefore the minimum number of languages required by staff varies. Medical staff must speak a minimum of three foreign languages, but different requirements apply in other areas. The company has a close working relationship with Aberdeen University and offers placements to students. The company website is currently in English as this is its main language, but will be translated into Norwegian and Cantonese in the next three years.

40) Vario Helicopter - Germany

A) General Information

Company name:	Vario Helicopter
Product/Service	Manufacture of machinery and equipment
Website:	www.vario-helicopter.de
Nr of employees:	11-20
Turnover:	€3-5M
Exports as % of sales:	67%

B) Language Strategy

Vario is a small export company with a large number of foreign customers. The company’s language management strategy is the structured version of a set of skills the company had been using for years but in a less organised fashion. Vario implements the four criteria published in ELAN and adds:

‘Customers should not need to speak German to be highly satisfied with our product’.

Vario prides itself on being flexible and adapting to the languages customers prefer to use. In so doing, the company has secured a new product line from a Bulgarian supplier and managed to negotiate a licence agreement with a helicopter manufacturer. Only by building close relationships with customers through communication can working relationships endure. Being able to provide technical support in the customer’s mother tongue is important and a way of maintaining a high level of service.

Vario keeps a record both of language and intercultural skills. Staff can handle business situations in Italian, English and French. In the near future the company is also planning on setting up in the South American market.

The recruitment of native speakers is a requirement set out in the communication plan. Vario has seen a clear correlation between the trade volume in a market and the use of native speakers. Using native

speakers has improved customer relations and made it possible to penetrate markets more than originally planned.

Vario hires a large number of local agents to set up the initial contacts for the company in foreign markets and to ensure that the product is correctly described to customers.

'As we have a technically sophisticated product, a technical service for customers is required. This technical service is best if it is offered in the mother tongue of the customer. Also customers who are afraid of speaking foreign languages can be served by native speakers in the target markets. This reduces communication barriers'.

Vario employs translators and interpreters to a large extent, believing that customer relations improve when documentation is professionally executed.

The company also recognises that some customers prefer to shop on line without having to go through a sales agent. The website has been adapted and translated into various languages with a resulting 25% increase in company turnover. The company is planning on adapting and translating the website into four additional languages: Chinese, Spanish, Portuguese and Swedish.