

RATIONAL PRICES

Being Competitive While Resisting Dismal Pricing

10 March 2016

Liisa Laakso-Tammisto laakso.tammisto@ide.fi

Perspective and focus

- ▶ **Perspective: professional with living earnings**
 - ▶ NB. "Professional" not necessarily full-time
- ▶ **Focus: self-employed, freelancer etc.**
 - ▶ Fee vs. salary
 - ▶ Entrepreneur vs. employee
- ▶ **Society, labour market, business environment**
 - ▶ Language market (AV translators, publishing, tenders)
 - ▶ <http://www.eurofound.europa.eu/observatories/eurwork/industrial-relations-dictionary/decent-work>
 - ▶ <http://www.reilukauppa.fi/meista/>
 - ▶ <http://www.lakimiesliitto.fi/edunvalvonta/reilu-tyonantaja>



It is not just us!

- ▶ <http://www.nerot.fi/tuntipalkka-ja-palkkalaskuri>
- ▶ <http://www.taloussanomat.fi/yrittaja/2014/02/11/yrittajana-samat-tulot-kuin-nyt-laskuri-kertoo-paljonko-on-myytava/20141875/137>



Total earnings by level of education and age, 2013

Source: Statistics Finland http://tilastokeskus.fi/tup/suoluk/suoluk_palkat.html

Age	Secondary	Upper secondary	Lowest level of HE	BA level	MA level	Researcher school level
-20	1 867	2 076	-	-
20-24	2 289	2 331	2 152	2 488	2 774	..
25-29	2 600	2 611	2 615	2 754	3 314	3 640
30-34	2 859	2 800	2 808	3 110	3 827	3 999
35-39	3 049	2 963	3 179	3 472	4 326	4 564
40-44	3 000	2 975	3 293	3 672	4 696	5 084
45-49	2 909	2 932	3 407	3 771	4 812	5 501
50-54	2 874	2 902	3 411	3 902	4 937	5 855
55-59	2 794	2 837	3 301	4 075	5 119	6 065
60-69	2 728	2 813	3 358	4 182	5 135	6 227



Other professions 1

- ▶ **Example 1: Marketing communications**, digital media, group 2 (designers, copywriters etc. / creative design, production; monthly earnings

▶ Source www.mamary.fi

EXPERIENCE	0-5 years	5-10 years	10+ years
	€/month		
Helsinki capital region	3013	3503	3862
Rest of Finland	2308	2487	2888

- ▶ **Example 2: Office work** minimum pay recommendations as of 1 June 2013, group 2: demanding expert tasks (communications, information etc.); monthly salary

Source www.erto.fi

EXPERIENCE	0-4 years	5-9 years	10-14 years	15+ years
	€/month			
Helsinki capital region	2671	2832	3002	3181
Rest of Finland	2244	2379	2522	2672



Other professions 2

▶ Collective Agreement for Journalists and the Press 2014-16

▶ Minimum €/month	1.10.2014	1.1.2015	1.1.2016
▶			
▶ Group I	2 121	2 129	2 149
▶ Group II a	2 583	2 593	2 613
▶ Group II b	2 761	2 772	2 792
▶ Group III a	3 154	3 167	3 187
▶ TRAINEES €/month	1.10.2014	1.1.2015	1.1.2016
▶ Journalists			
▶ Minimum 0-3 months	1 707	1 714	1 734
▶ Minimum 4-12 months	1 830	1 837	1 857
▶ Support functions at ▶ editorial offices	1 696	1 703	1 723

▶ Source: <http://www.journalistiliitto.fi/edunvalvonta/taulukkopalkat/>



Other professions 3

- ▶ Example 1: **Management consultant**
- ▶ <http://www.palkkavertailu.com/palkka/liikkeenjohdon%20konsultti>
- ▶ Example 2: **Social worker**
- ▶ <http://www.palkkavertailu.com/palkka/sosiaality%C3%B6ntekij%C3%A4>
- ▶ Example 3: **English/Swedish teacher**
- ▶ <http://www.palkkavertailu.com/palkka/englannin%20ja%20ruotsinkielen%20lehtori>



Current situation – employment rate and earnings of translation graduates

<http://www.toissa.fi/sijoittuminen-tyoelamaan/show/kaeaentaaminen-ja-tulkkaus>

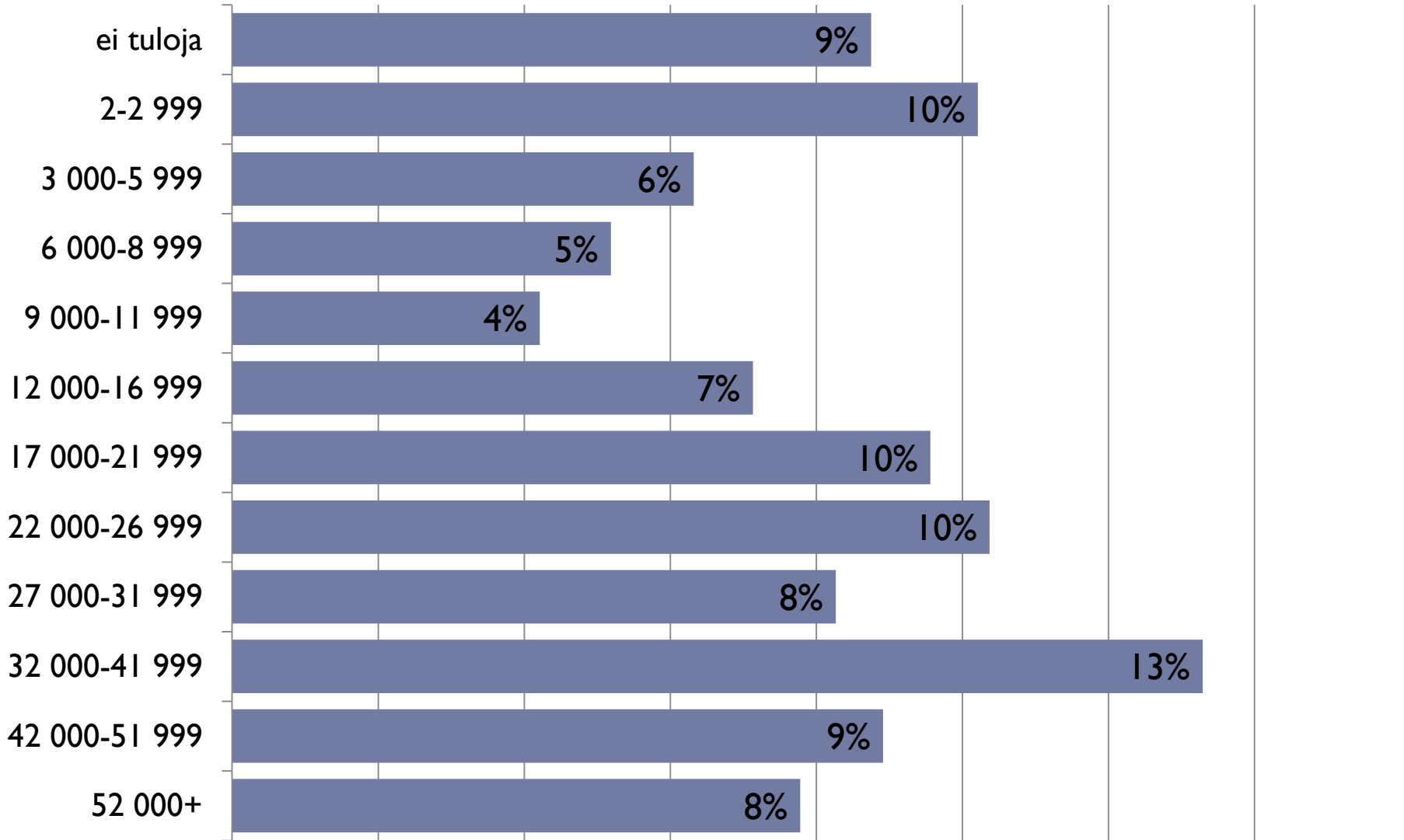
2140 euro maximum earnings of 25% of respondents

2600 euro median pay of respondents

3100 euro minimum earnings 25% of respondents



Questionnaire commissioned by SKTL: Annual translation earnings



617
respondents

Our premise and objective:
the translator earns min 3000 euro/month (gross)

- ▶ **Conventional wisdom: self-employed person's "salary" = 50% of their net sales**
 - ▶ 3000 euro a month means 6000 euro worth of invoicing
- ▶ **If you take out 60% of net sales as personal income**
 - ▶ 3000 euro a month means 5000 euro worth of invoicing
- ▶ **If you take out 70%**
 - ▶ 3000 euro a month means 4286 euro worth of invoicing



Käännöstoimisto IDE Oy: Income Statement expense structure, roughly, in %

▶ Net sales	100
▶ Materials and services	2
▶ Personnel expenses	
▶ Salaries and remunerations	51
▶ Pension and other staff-related social security	30
▶ Depreciation	1
▶ Other expenses	11
▶ Operating profit	5



NET SALES

per week/day/hour

- ▶ **5000 euro of net sales in a month**
 - ▶ 1250 euro per week
 - ▶ 250 euro per week ("normal" 5-day week)
 - ▶ about 42 euro per hour (effective working time 6 hrs/day)

- ▶ **6000 euro of net sales in a month**
 - ▶ 1500 euro per week
 - ▶ 300 euro per day about 50 euro per hour

NB! Not a single sick-day or vacation day included!



Hourly pay elsewhere

- ▶ Collective agreement for grocery store staff etc. = the proverbial “*Alepan kassa*”
11.19 euro as of 1 Sep 2015
- ▶ Graphic designer: ??
- ▶ Washing machine repairman: ??
- ▶ Hairdresser: ??
- ▶ Lawyer: ??
- ▶ Decluttering professionals: “**Kodinraivaajille on kysyntää**” HS: “The about 20 members of Suomen Professional Organisers ry charge an established 300 euro a day or about 50 euro an hour.”



Minimum 42/50 euro of net sales per hour, what does it mean?

- ▶ Our rough assumption is that the translator produces 6 hours of good quality work per day
 - ▶ EU standard is 7 pages a day, academic teaching standard 5 pages a day > let's take the average 6
 - ▶ Average 6 hours of effective work in a day means 6 pages a day
 - ▶ This means that the number of pages you are able to translate a day is about the same as working hours x price per page

NB! It is self-evident that the translator's speed > net sales varies a lot (experience, text type, other circumstances)



Conversion of hourly charges into lines or words

Premise

- ▶ 1 page of Finnish has about 250 words
- ▶ 1 page/hour is a conservative estimate
- ▶ 50 euro per hour per 250 words = 0.20 per word
- ▶ 42 euro per hour per 250 words = 0.168 euro per word (that is one old Finnish markka, BTW)

And correspondingly:

0.10 euro per word > 25 euro per hour

0.05 euro per word > 12.5 euro per hour

Worth thinking: what can you as a translator get from an agency that won the previous Hansel tender with the price of 26 euro per page charged from the client?



Fair game

- ▶ **Role of agencies**
 - ▶ Customer contacts
 - ▶ Marketing
 - ▶ Customer contracts
 - ▶ Preparation of materials and texts for translation, post-editing of CAD materials, other similar duties
 - ▶ Checks, other editing
 - ▶ Invoicing
 - ▶ Complaints
 - ▶ Risks
 - ▶ Development

- ▶ **Fair compensation for these steps in the process**



Aims and means

- ▶ Sound market rules for language professionals
 - ▶ Professionals who can earn a living on good-quality work
 - ▶ Agencies following sound competition rules and applying realistic Finnish prices
 - ▶ Public tendering rules (good people at Hansel nowadays)
 - ▶ International competition
 - ▶ Remember the special role of Finnish and Swedish in international language markets
 - ▶ Clean and fair cooperation
 - ▶ Networks of smart professionals
 - cooperatives for invoicing, safety nets, help...
 - ▶ Let's avoid dumping



THERE IS ALWAYS SOMEONE...



... WHO WILL DO IT CHEAPER!

