

ATA Conference 2015 – Miami

Ticken die Deutschen anders?
Idiosyncrasies of doing business in
Germany

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The Team – Tatjana Dujmic & Karen Rückert

- Combined 25 years of practical experience in legal and financial translations
- We want share our personal experience of what works and doesn't
- We are not marketing experts and we are not qualified to provide legal advice

- ↳ State-certified translator, English | German
- ↳ Specializing in finance - banking, securities, accounting and reporting
- ↳ Member of BDÜ and ATA
- ↳ Freelancing since 2004
- ↳ Bankkauffrau with several years of experience in banking plus many years of experience as an executive assistant in German Mittelstand companies
- ↳ Fachkraft für Finanzbuchhaltung IHK
- ↳ President of the second-largest BDÜ member association in Baden-Württemberg
- ↳ Co-moderator of the BDÜ group on XING

finance & economy | translated



- Specialist legal translator (German > English)
- Specializing in commercial law
- MA Legal Translation
- 13 years of experience
- Initially in-house, freelance since 2007
- Sworn translator for the German courts
- Member of BDÜ and involved in their mentoring program as mentor
- Member of CIOL and ATA
- Translator Mentoring Blog www.karenrueckert.wordpress.com



The Audience

A few questions...

- Who works with agencies?
- Who works with direct clients?
- Who works with both?

- Who wants to start working with direct clients?

- Who has a field of specialization?

- Anyone already doing business with direct clients in Germany?

The Agenda

1. Market

2. Mentality and expectations

3. Legal aspects

4. Tips and ideas for your own marketing strategy

5. Questions

1. Market

2. Mentality and expectations

3. Legal aspects

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Market

Why do business in Germany?

- Strong economy
- Many producers and manufacturers
- High translation requirement
- Compared to the US: very particular make-up of the market
- The vast majority of German companies are SMEs, known as the *Mittelstand*

[...] more than 99 percent of German companies are SMEs. In absolute figures, that means more than 3.6 million companies, providing more than 60 percent of all jobs in Germany" (source: <http://www.make-it-in-germany.com/en/for-qualified-professionals/working/mittelstand>)

The German Mittelstand

- “Backbone of the economy” (US: usually either big or small)
- Common definition:
Typical German Mittelstand company has a staff of up to 249 (some definitions state up to 500) and a maximum sales volume of EUR 50 m
- Mittelstand concept also has social aspects:
These companies also contribute to the economy by training skilled workers (apprenticeships) in the German dual education system
- Mittelstand companies are particularly export oriented

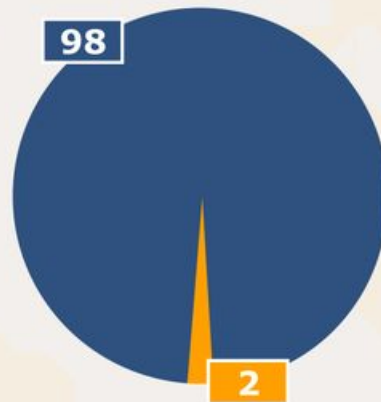
Export activities of German companies

- Small and medium-sized enterprises
- Large-scale companies

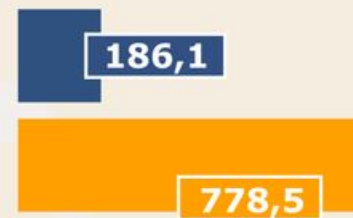
Exporting companies
(number)



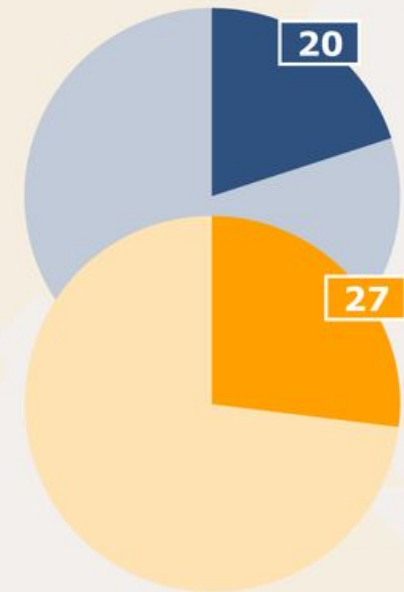
As a proportion of all
exporting companies
(in percent)



Turnover from exports
(in bn euros)



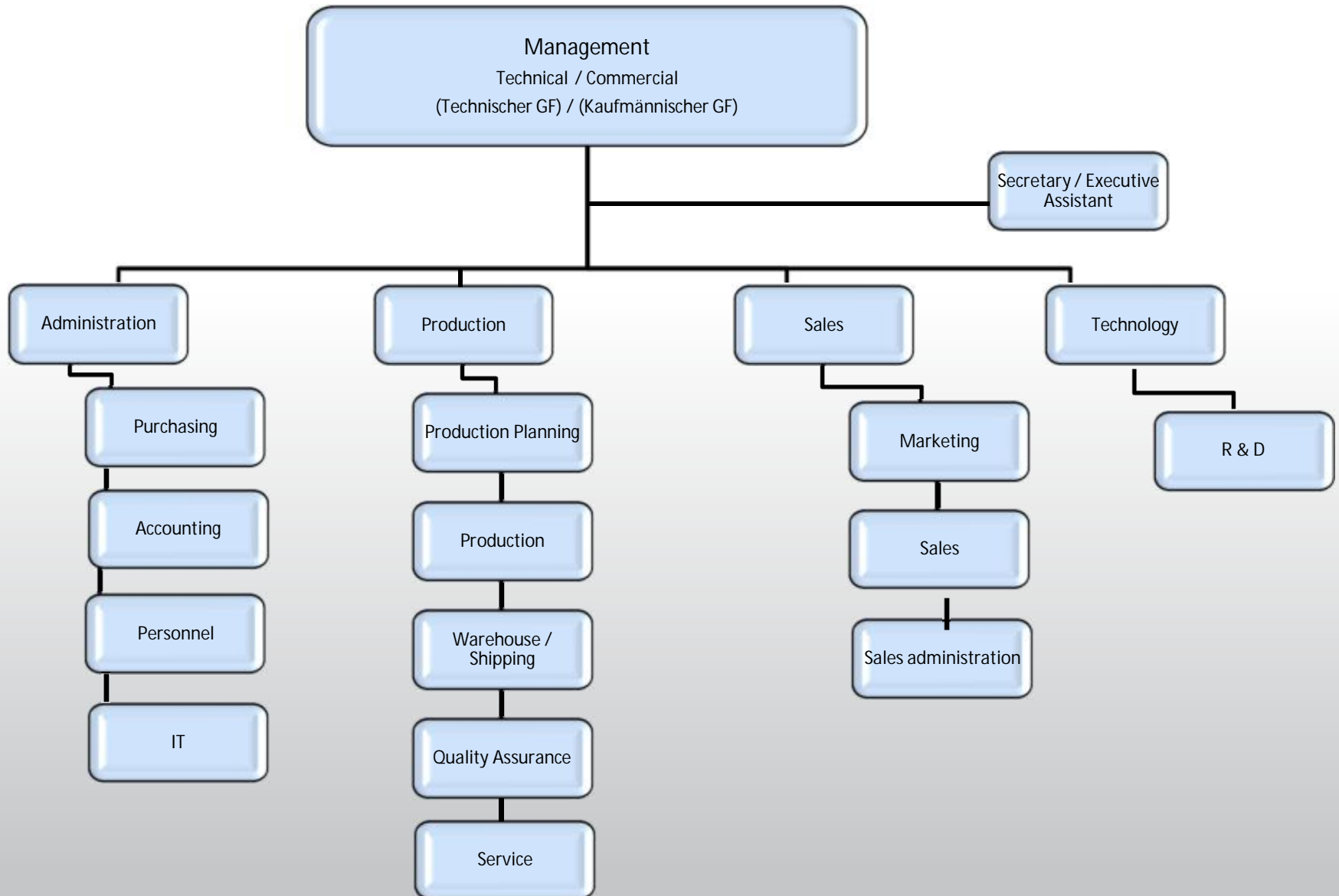
Export rate
(in percent)



The German Mittelstand

- Usually characterized by a very close relationship of company and management (predominantly family owned)
-> different way of managing the company compared corporations
- Structure has a direct effect on the company processes
- Typically, the boss knows everything (or wants to) and decides virtually anything, or has at least the last word
- Ideal target clients!
-> large enough to have translation requirements but often not large enough to justify in-house translators

Basic setup of a Mittelstand company (example)



Good to know ... “we all can English”

- Many translate in house (Ms. XY “can good English” – she does that) so they need to be convinced why it is a good idea to leave it to a professional translator
- Websites and the content already translated are a good starting point to show how you can do better or add value for the company
- BUT:



Be careful when pointing out mistakes on websites or in marketing materials – maybe it was the GM’s wife or daughter who translated it!

Good to know ... JVEG

- Gesetz über die Vergütung von Sachverständigen, Dolmetscherinnen, Dolmetschern, Übersetzerinnen und Übersetzern sowie die Entschädigung von ehrenamtlichen Richterinnen, ehrenamtlichen Richtern, Zeuginnen, Zeugen und Dritten (Justizvergütungs- und -entschädigungsgesetz - JVEG)
- Sets out the rates applicable to translations commissioned by the court and certain authorities.
- www.gesetze-im-internet.de
JVEG Abschnitt 3 § 11

Good to know ... Beeidigung

- In Germany documents which are translated for court or to be translated for submission to court need to be certified by a sworn translator (beeidigter/vereidigter/ermächtigter Übersetzer)
- To become a sworn translator, every federal state has different procedures: in some you have to pass an exam and go through an application procedure, in others it is sufficient to have a degree



Good to know ... German translation market

- Agencies and freelancers like anywhere else
- Peculiarity in Germany: no native speaker principle, translators translate and are trained to translate in both directions
- Many agencies pay quite low rates compared to what companies are actually willing to pay so don't take these rate structures as a given (-> Honorarspiegel des BDÜ)

Get it on!

- Once you have decided that the German market is for you it is time to devise your marketing strategy

Take into account:

- mentality
 - expectations
 - legal aspects
-
- It is important to understand the key aspects of the mentality in order to be able to meet the expectations

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Mentality and expectations (1)

Mentality:

Qualifications – qualification structure, training and qualifications are important in Germany, almost everyone has a qualification of some description, even supermarket cashiers.

Expectations:

Qualifications on paper = way in, without these nobody will give you the time of day

Mentality:

Risk adverse - it takes time to gain their trust, have to prove yourself but then customers will be loyal, interested in a long-term partnership, “once you’re in you’re in”, absolute reliability -> keep promises

Expectations:

Evidence/proof – qualifications, experience, testimonials, professional website

Mentality and expectations (2)

Mentality:

Formal, per Sie, facts are important, direct

Expectations:

Business not small talk, formal and polite, say what you mean and leave out any flowery stuff

Mentality:

Punctuality is important in all areas of life, Germans are efficient and expect efficiency

Expectations:

Deliver on time, late is unacceptable

Mentality and expectations (3)

Mentality:

Quality über alles – clients who appreciate quality are also prepared to pay decent rates

Expectations:

No sloppy work, precision, charge decent rates, low rates will suggest you are unprofessional

Mentality:

“I can English”

Expectations:

Evidence/proof that you can add value with your service, persuade them that you are a qualified expert, don't leave them thinking they could do it themselves

When a German says:

“sign on the backside”

don't take it literally!



Illustration © Bernhard Forth

www.owad.de

Mentality and expectations - conclusion

“[...] if your business deal is not based on

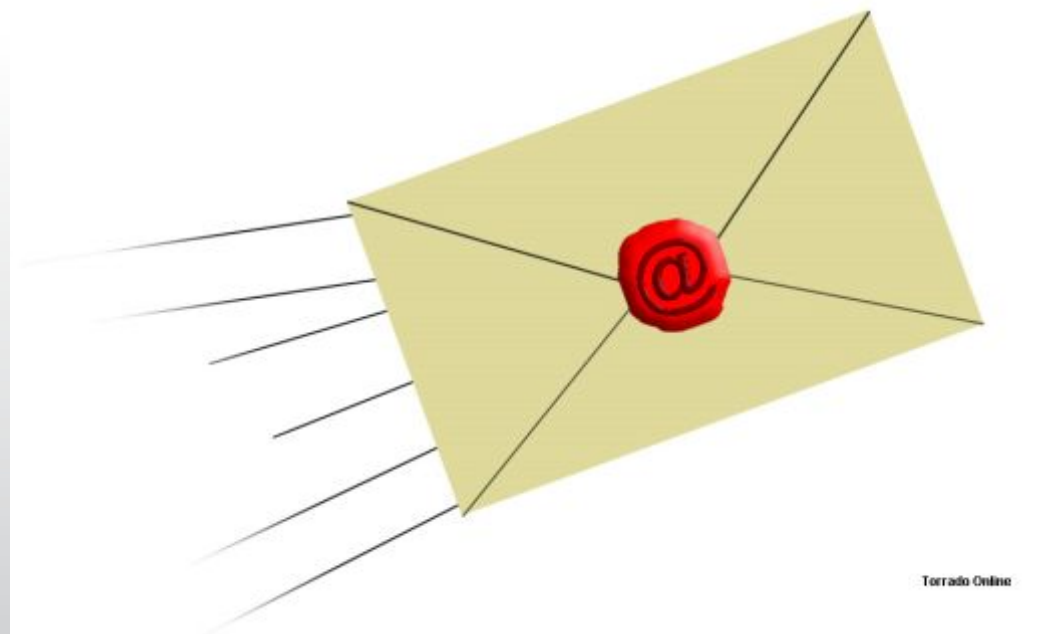
- solid facts
- statistics
- and concrete plans,

chances are your German counterparts will walk away very quickly.

Enthusiasm is excellent but in the German mentality there is no substitute for conclusions drawn from empirical evidence and logical calculation.”

(Source: <http://www.masterword.com/blog/news/doing-business-with-the-germans/>)

Now we know what the Germans expect we can start firing off e-mails...



or maybe not...



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Legal aspects

Advantages of e-mail:

- Cheap
- Easy
- Quick
- Large number of prospects in an e-mail campaign
- Re-send at later time

But:

- Legal considerations

Legislation comparison (1)



US Legislation

Can Spam Act



EU Legislation

EU Opt-In Directive

Legislation comparison (2)



- Under US law direct marketing e-mails can be sent to anyone without their consent until they opt out
- Only requirement is that each e-mail must contain opt-out instructions and a valid sender address

Legislation comparison (3)



- Under the EU Opt-In Directive direct marketing e-mails may only be sent to persons who have given their prior consent. They must have already opted in.
- Every message must contain opt-out instructions (must contain a clear valid address for this purpose)
- Must contain: the full name of the company, the place of registration of the company, the registration number, the address of the registered office, the VAT number

Legislation comparison (4)

As you may know, EU Directives don't have direct application and have to be enacted in each Member State. This leads to differing levels of legislation.



Germany

Section 7 of the Unfair Competition Act
(Gesetz gegen den unlauteren Wettbewerb)

Link: www.gesetze-im-internet.de/uwg_2004/

German Unfair Competition Act

Section 7

The following are not permitted in Germany:

- a) Sending e-mails to a list of potential clients you have found on the internet without their prior express consent
- b) The “opt-out” procedure whereby newsletters or e-mails are sent out without prior consent until the recipient opts out

Exemption

- If there is a prior transactional relationship (i.e. you have purchased a product or service from the company in the past)

Legislation comparison - summary

The fundamental difference between the US and the EU therefore is that in the EU e-mail marketing is prohibited unless there is prior consent.

Implications - Legal

Remit of legislation: law of the country of reception applies – weigh up risk

Implications – Marketing campaign

Expectations of prospects

First impressions: potentially annoy your best prospects

First impressions



Marketing strategy and legal implications

- Cold e-mailing out on basis of legal implications
- Doesn't fit with mentality and expectations anyway
- Different marketing strategy



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Marketing strategy

Step 1:
Identify clients



Step 2:
Be visible!



Step 3:
Be credible!



Step 4:
Be professional!

Step 1: Identifying clients

- AHKs or German American Chambers of Commerce: www.ahk-usa.com
- Xing: social media platform similar to LinkedIn
 - groups
 - events
 - blogs/webinars/books
- Check local IHKs (Chamber of Industry and Commerce) for events
- Membership in industry associations



Clients – which ones?

- Plenty of people offering cheap translations
- Think about your USP!
- Find clients who place value on the native speaker principle
- Be prepared to educate prospective clients

Clients – whom to contact?

- NOT the purchasing department!

This department has one goal: minimizing costs

- Ideally the responsible person in the relevant department:

Technical: head of R&D, technical documentation

Business/finance: commercial management, managing director(s)/
executive assistants

Marketing: head of marketing

Law: the partner responsible for the field of law you specialize in
but also associates

Möchten Sie mit
dem Chef sprechen,
oder mit jemand
der sich auskennt?



Clients – whom to contact?

- The secretaries or assistants:

decision-making power

recommendations to bosses

Added advantage:

- Secretaries often responsible for more than one manager
- If they like your work and you are nice to deal with, they will recommend you
- Potential to build good relationship especially when secretaries are under pressure from their bosses and you can help them out.

Clients – how to contact?

- By post:
 - good strategy for Germany
 - content based
 - costs more but worth it (providing you have already made contact with the business in question and you know there is some interest in/demand for your services)
- Social networking sites – connect on Xing or LinkedIn
- Industry events/trade fairs – in person

Advantages of marketing by post



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- It is legal – no consent requirement
- It will not be dismissed as spam
- Unlikely to be thrown away by the gatekeeper (if it is high quality and professional)
- Information on paper lies around longer (e-mails are quickly deleted)
- Shows you are serious and have made an effort

Step 2: Be visible!

Website

- Website in German
- German websites must include name and contact details
- German clients will look for these details as sign of credibility
- In Germany the legal information page (*Impressum*) is mandatory

Impressum

Angaben gemäß § 5 TMG:

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Umsatzsteuer-ID
Umsatzsteuer-Identifikationsnummer gemäß §27a Umsatzsteuergesetz: DE277490485

Quelle: [e-recht24](#)

Impressum

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Impressum

Step 3: Be credible!

Proof of your expertise:

- Information products as download from your website/in printed form (containing information useful to your clients) – retained, indirect advertising
- Blog for clients (rather than translators)
- Articles (topics of interest to your clients)

These things all:

- Enhance your credibility
- Expert in your field

Step 4: Be professional!

Business terms

- Quote – facts, relevant information, not marketing, professional, to point
- Rates – fee tables, JVEG, reference points, compete on quality not price, quoting in \$ or €, hedging
- Line rate – standard line, project/hour/word, adapt to norms of your target industry. Clients may be familiar with charging on basis of time spent from other service providers.

T&C

- Who uses them?
- Who has them in German?
- Looks professional, opportunity to set out payment terms, provisions on revision, etc.
- Allows you to provide quotes on an ad hoc basis without having to remember to list all terms in individual quote
- Advisable to have translation into German
- Send them with and refer to them in your quote
- Usually accepted

Payment

- Bank transfer
- Account in Germany – should not be a problem for US nationals if using for business purposes only
- Paypal – not regarded as professional
- Payment term 30 days (EU Payment Directive) unless otherwise specified. 14 days usually accepted and tends to be used by service-oriented businesses
- Fast payment
- Non-payment – collection procedure *Mahnverfahren*

Final general tips

- Become a specialist, flaunt your expertise – niche market (easier to identify target clients) – specialist skills go down well in Germany – and you'll be more visible and more easily found
- Professional association membership in Germany (BDÜ) – credibility
- BDÜ database www.bdue.de – visibility
- Colleagues: cooperation for other language direction – professional
- Colleagues for sworn translations/rush jobs/high volume documents – professional



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Round-Up

- Ticken die Deutschen anders?
- What do you think?
- Any questions?

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