EXECUTIVE SUMMARY

Top business challenges in 2022 are growing business revenue, improving brand perception, and cutting costs.

Current events

Most language service companies (LSCs) report that revenue and growth levels are equal to or higher than they were before the pandemic.

Some companies have already been impacted by the recent increased inflation in the US.

Others anticipate being affected soon.

Key business challenges

Top business challenges in 2022 are growing business revenue, improving brand perception, and cutting costs.

Small LSCs struggle with both interpreter retention and workload.

M&A activity

Demand for M&A is higher than supply:

There are more LSCs interested in acquiring other companies than there are looking to sell.

More than half are not interested in any M&A activity whatsoever.
Revenue & growth

- Most companies reported revenues between $1 million and $5 million.
  - Of companies with revenues above $5 million for 2021, 87% are based in the US.
- Growth rates have improved significantly from 2020 to 2021.
- Margins for translation services remain higher than those for interpreting, but margins for interpreting continue to inch slowly higher.

Personnel

- Staff retention is down compared to our figures from this time last year.
  - 31% of companies report retaining more than 95% of their staff in 2021.
  - 36% in 2020
- Companies were far more likely to hire new staff than to lay off personnel.

Technologies & processes

- LSCs prefer custom solutions for their remote interpreting services.
- LSCs prefer organizational security practices over implementation of complex and costly technological security measures.

Marketing & visibility

- Search engine optimization as well as content and inbound marketing were deemed the top channels for generating new business opportunities for the second year in a row.
- 50% of all respondents do not use any social media marketing tools.

This is an Executive Summary, and offers only a snapshot of the full, comprehensive report. The data are from the larger ALC Language Industry Survey 2022 (C) prepared in cooperation with Nimdzi Insights. For information on the full report, please get in touch with the ALC.