

# Lingo24

This section should take you approximately one hour and 15 minutes.  
Read through the following information, then answer the questions which follow.

The award-winning web-based translation service Lingo24 was founded in Aberdeen in September 2001, by Christian Arno following a successful pilot project with his friend and fellow Oxford graduate, Jos Shepherd. In August 2003, Lingo24 was named best e-business start-up in Scotland.



## *OPERATING FOR 24 HOURS PER DAY*

In November 2003 its New Zealand operation was set up with four employees. The clever thinking behind this was that when it is night here, it is daytime in New Zealand. This gave it the competitive advantage of operating for 24 hours per day. In a highly competitive industry, this meant that it could offer a very fast turnaround time. The company has grown rapidly, and now has additional operations in China and Romania.

With around 20 employees, Lingo24 has carved out a reputation as the translation company which goes where other translation companies fear to tread. Through innovation, flexibility and close interaction with their clients, they have successfully:

- met deadlines which other companies had declared impossible
- met budgets which other companies had declared impossible
- developed specially tailored services on request
- created client-focused software and workflow processes.

At the heart of their success is a passion for languages and technology. In April 2005 they recruited two long-standing partners, Jos Shepherd and Tom Sadler, to work full time in developing the company's technology.

The company offers a range of services including proofreading and checking, interpreting services, website localisation and internet marketing consultancy.



They have extensive experience in all areas, from technical translation to legal translation, and from creative copywriting in foreign languages, to documentation with very specific financial terminology.

### **CUSTOMER SATISFACTION**

Lingo24 is now a leading brand in the provision of translation services. It can count companies like BP, Orange, Nissan, Honda, the Royal Bank of Scotland, the BBC, T-Mobile and MTV among their customers, with high levels of repeat business.



Customers have commented:

*'Very impressed ... a fantastically customer-orientated service.'*

### **CARING FOR THE ENVIRONMENT**

Languages and technology are not their only passions. They take very seriously the impact of business on the environment and this is reflected in company policy and their operations. Lingo24 is concerned about sustainable development and has established an environmental policy for its employees worldwide to follow. All employees are aware of expected behaviour, and their website provides information so that other companies may see how simple it can be for them to help reduce their impact on the world's resources.

Their company policy insists that they make efficient use of energy, give consideration to the wider social and environmental implications of their actions at all times, and reduce the need for movement of both people and goods.

To achieve this, they promote environmental awareness among both employees and partners of Lingo24. They avoid unnecessary waste and encourage appropriate conservation, re-use and recycling. They consider their environmental performance as central to the overall business purpose, and review the performance annually.

In practical terms, their measures break down into three main areas:

- recycling
- workplace/home energy efficient measures
- travel policy.

Lingo24 is committed to the ongoing development of an environmentally responsible transport strategy. This strategy has two distinct elements: firstly, reducing the need for travel through advanced telecoms usage; and secondly, when travel is necessary, the use of the lowest impact means of transport possible.



To achieve this, all Lingo24 employees work from home, thus removing the need for daily travel to a place of work. It conducts the majority of its business by email and the telephone to reduce the requirement for travel. Where travel is required, journeys are planned to combine several meetings, in order to minimise the total amount of travel required.

Flying business class is banned within the UK except in exceptional circumstances and by prior agreement with management. Executives use the following means of transport in order of preference: foot, cycle, public transport, motor bicycle and private car. Sharing transport is actively encouraged.

Lingo24 staff use electronic formats wherever possible to cut down on paper usage.

Where printouts are required, they try where possible to use double-sided printing to reduce the weight of hard copy shipments.

However, other businesses have yet to sign up fully to supporting social responsibility.

Christian Arno reports:

'Finance has not been an issue because we have used our own cashflow to build the business, but it might have been if we'd tried to build it quicker. Banks will not lend to our business without a guarantee from the directors personally, because we do not have traditional assets on which they can secure the loan.'



## QUESTIONS

You should note that although the following questions are based on the stimulus material, it does not contain all the information needed to provide suitable answers to all the questions. You will need to make use of knowledge you have acquired while studying the course.

Answer ALL the questions.

	<i>Marks</i>
<p>1 Identify the problems faced by Lingo24. Use the following headings. (Please identify problems only, solutions will not be credited.)</p> <ul style="list-style-type: none"> <li>• marketing</li> <li>• operations</li> <li>• human resources</li> <li>• other</li> </ul>	<b>10</b>
<p>2 Good customer relations are very important to Lingo24's success.</p> <p>(a) Describe the advantages and disadvantages of using a customer grouping.</p> <p>(b) Describe two other forms of grouping, and discuss the advantages and disadvantages of each.</p>	4 6
<p>3 Lingo24 currently has an entrepreneurial structure. As the business grows, it may have to change.</p> <p>(a) Apart from size, explain the factors which influence the structure of a business.</p> <p>(b) Identify and describe the type of structure that Lingo24 may adopt in the future.</p>	4 4
<p>4 Lingo24 recruit new employees from around the world.</p> <p>(a) Describe an effective recruitment process for Lingo24.</p> <p>(b) Explain how Lingo24 can ensure that they select the correct applicant for the job.</p>	5 3
<p>5 Lingo24 use job production.</p> <p>(a) Compare the advantages of using job production with flow production.</p> <p>(b) Describe the quality factors that affect the operation of a business.</p>	4 4



- 6 Lingo24 are restricted in their growth due to the banks' unwillingness to lend because of their lack of traditional assets.

Apart from bank loans or mortgages, describe and justify sources of long-term finance available to a business.

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