

# On the Matter of Discounts

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URL: <http://accurapid.com/journal/39payments.htm>

Date: Last updated on: 01/29/2007

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A prospective client sent me an e-mail asking for a quote on some job. I quoted my rates and the client wrote back asking for a discount. What else is new?

## Why do clients ask for discounts?

Clients ask for discounts because so many translators grant them. If we never granted a discount, clients would stop asking. But some translators give discounts just for the asking, making life difficult for me and the other toughies who never give a discount, no matter how and how much the client asks.

*Big jobs are a threat to our financial security, because they prevent us from taking good care of other clients.*

Some translators are discount-crazy and go about granting discounts right and left even before the client asks for one. Client asks how much they charge and they reply *my usual charge is LSD\$ 10 per word, but I will give you a 20% discount on that*. Other translators are so discount-crazy that they grant discounts without even telling the client. Client calls and they say to themselves *I will give this guy a 20% discount* and, as soon as the client asks how much, instead of quoting LSD\$ 10, they automatically quote LSD\$8. Then the client asks for a discount and they are at a loss for what to do. In fact, they never charge anybody their usual fee, but that is another story. Then there are the guys who say *don't ask what my price is: my price is your price*. That, in my dictionary, is called *begging* and the lowest and basest limit of unprofessionalism. I still remember when my mother, in the mid 1950's, was interviewing a woman who would be coming once a

week to help her with house chores. When asked how much she charged, she replied *I will be happy with whatever you give me*. I was very young, but felt very embarrassed. The woman was providing a service, not begging.

There is nothing wrong with a client tendering a rate, a rate you can either accept or reject. But offering to work at any rate the client will care to pay is humiliating and, as such, unprofessional.

Other translators just pad their rates a bit to be able to grant a discount without going too low. This is what I call rewarding the bad clients to the detriment of the good ones, because it means that the nice guys who never ask for a discount pay more than those who pester us for one.

## Smart answer to silly questions

A couple years ago I sent a series of "smart answers to silly questions" to a translators' list and they were later posted on some ProZ forum, with due credits. It somehow disappeared, but the replies have been attributed to an anonymous writer here and there in several places around the Web. They are rather funny and they have served me well on several occasions, but I have stopped using them long ago. Smart answers may be very funny, but more often than not they generate longer and longer discussions

which deviate further and further from the subject, go in several directions at the same time and tend to lead nowhere in particular. After 15 minutes of telephone repartee, the client *will say, now, look, I will pay you LSD\$ 5 a word and not a cent more and we are back to square one.*

Nowadays I tend to use replies that cut discussions short. These replies both reduce the time wasted in useless discussions and have the advantage of taking the client by surprise, a sort of ambush, so to say. My basic approach is stating that the rate quoted is the same I charge all clients and that I am working at capacity. So that working for less would actually be throwing out good money. This hits the client as a double surprise, because, as you know, all clients suppose we have no other clients and are scratching our big toes when they call. The client is knocked off balance and then, using a technique I learned from a book called "Teach Yourself to be a Boxing Champion." I take advantage of the situation and hit again, saying that the demand for my work has been growing so strongly that I am seriously thinking of increasing my rates.

Often, the two punch-technique is enough. It works better than padding fees to absorb the discounts. The client feels fortunate he asked for quote before the raise and I usually get the job.

### **First job**

Then comes the request for a promotional discounts for the first job. I never give first-job discounts. You give a first-job discount and either the guy will never give you a second job or he will ask why the hell you want LSD\$ 10 per word today if you took a sensible LSD\$ 8 only last week.

I also refuse old-client discounts. Such discounts are simply ridiculous. Does the guy who asks for an old-client discount get a salary cut every year he works for the company? The other day one asked for a frequent-client discount. What does he take me for? An airline?

### **The problem of volume discounts**

I also refuse volume discounts. And this is a very, very serious matter. The rationale behind volume discounts is that the provider gains on the economy of scale and can split those gains with the client, to mutual advantage. But that is rarely true in the case of translation. Unless you have a repetitive text and use CAT tools, there are no gains at all. And handling a long text requires a lot of additional work to ensure consistency and that actually increases our costs—and as such, to be honest, we should entitle us to a premium.

In addition, contrary to what people usually think, big jobs are a threat to our financial security, because they prevent us from taking good care of other clients. At the end of the job, you have worked like mad, have made very little money, and lost your other clients. Not a good prospect at all.

And there is the problem of client dependence: any client that represents more than 10% of your income over a few months represents a threat to your security. If the client catches cold, you get pneumonia. It happened to me: I had a big client, real big client, and then the powers that be in the controlling company sent in a new big boss who soon made

friends with another translator, called my contact at the office and said: *forget about this Danilo guy: we have a staff translator now. And so they had.*

The new guy was no good: too slow and too prone to lecture people on small points of English and Portuguese grammar. Two months later, he had accumulated a huge work backlog and several enemies. So the firm called me back and, of course, asked for a discount on my normal fees, because they now had a staff translator who could do the job for much less and I was obviously looking for more work. I can be very hot-headed at times and simply left the room without saying a word, for fear that any words I might say would make things worse. My ploy worked: my contact called me back, apologized and invited me to work for them at my usual rates.

A happy ending, so to say, it is but often not as happy as that. The best part of it is that I had learned my lesson.

### **Discounts for volume at the second remove**

But I must admit asking for a volume discount makes a lot of sense. It is a valid request in many businesses where setup times are long and scale gains big. Ask any printer about that. Only that it is not valid in our business. Clients may or may not know this, but they will ask for a volume discount because it is the usual thing to do and it so often works.

Many agencies go one step further in the process and ask for discounts on the volume *they* have, not on the volume to be handled by us. Say, an agency calls you and asks for a discount because it is a huge project

involving several languages. But of course you will be assigned a tiny percentage of it and in your own language. Why should you give a discount on their volume?

### **We have already paid for that**

A similar ploy is asking you to retranslate something which has already been translated by someone else who botched the job and topping it with a request for a discount on the grounds that the company has already paid for the translation once. I don't think my comments are needed here.

### **You call that negotiation?**

However, the request for volume discounts are part of a legitimate negotiation process: something offered in return for something asked. If what is offered does not interest you, too bad. But something was indeed offered. Once a client who knew about how high interest rates are in Brazil, offered me prompt payment in return for a discount, which was duly given. They were as good as their word: payment was deposited in my account within 48 hours. Both of us gained in the process. That is negotiation.

But some other strategies can hardly be termed negotiation. Client calls and says he has a lower bid, he is not trying to negotiate: this is plain, good, old-fashioned intimidation. Sometimes the client even tells you how low the bid is. You quote 100, the client calls back and says someone else quoted 70 for the very same job. Meaning, either you go to 69 or else. I am sure that in most of these cases the client is lying. He simply heard your quote, went for a cup of coffee and

a bit of office gossip and called back with a quote he had made up. Arguing with this sort of rascal is no good.

The usual answer in this case is the “my fees are compatible with the quality of my work,” which I consider both hackneyed and lacking in elegance, because it entails that my colleague is less competent than I am. I refuse to pass judgment on work I have not seen and when I see the work I only pass judgment thereon if and when paid for my effort. My standard reply in those cases is: *if you have a provider who offers satisfactory services and lower prices, by all means, he should be your supplier of choice; on the other hand, there is a sufficient number of clients ready to pay my rates and there is no reason why I should lower then.* That, again, puts the client off-balance, because it places the responsibility on his shoulders.

Sometimes, the client just says he has a better bid. The standard answer should be something in the line of *what else is new?*

### **Blocking negotiation**

There are many variations of the intimidation strategy, too many to discuss here, in fact. Basically, they involve some statement that in fact prevent negotiation, such as my boss says it is too high; Purchasing has told me they know this real good guy who is more reasonable as to fees; we would like to work with you, but Company policy requires me to select the lowest of three bidders and, regrettably...; this is for a client and they already have a bid; our manager has already promised the job would be done for X; we have a low budget on this job, and there is nothing I can do. All of those tactics entail the assertion that your contact lacks the authority to decide and, more, cannot put you in contact with the people

who decide. So, there is nothing doing: grant the discount or else. No matter how nicely he puts it, it is disrespectful.

This type of strategy cannot be called negotiation; it is the very denial of negotiation. The client is putting a gun to your head. I don't like this type of talk and usually feel like saying something crude to the client. Being a polite elderly gentleman most of the time, I limit myself to saying there is nothing I can do. I never try to tell my contact what I think he should say to “the other guys”, for there is a very good chance he made up the whole story.

### **For a good cause, not for commercial purposes**

All sorts of people want translators to work for free or at lower prices for a *good* cause. Before giving in, always ask who else is working for free. Don't be surprised if it is only you.

And there are those guys who want you to translate stuff in connection with their academic endeavors for peanuts, on the grounds that they have no commercial purpose. Indeed, they have no *commercial* purpose, but they have a very strong *economic* purpose. That is, the guy is going to study abroad or preparing a PhD dissertation because he wants a better income and will probably get it. It is an investment. It often is an investment of time and money: guy spends less money on beer and more on books, less time loitering more reading literature, so to say. Forsaking pleasure today in exchange for security and pleasure tomorrow.

That is very good. But if you give him a discount, you are forsaking your pleasure

today for *his* success tomorrow. Now, please, give me a break.

### **Anything for a discount**

Clients will do anything for a discount. There was the guy who wanted me to translate a mammoth report over the weekend. I quoted the fee, plus a nice 50% rush bonus. The guy was surprised and claimed he expected a discount, not a premium. After all, I would be doing a lot of money over a short two-day period.

I often get requests for discounts on the grounds that it is an easy job, which I also never give, as a matter of principle. Is any client prepared to pay you a premium on difficult jobs? And how can the client tell for sure that the job is easy? But, let's say, it is a fair try. But once a client asked for a discount on a tough job. He claimed I would be learning a lot from the job, acquiring knowledge that would be of much help in the future.

### **In the manner of a conclusion**

I could go on for thousands and thousands of words, you know, but there should be a limit to everything and there is a limit to the length of those articles. However, I do not feel I should leave you without touching on the unkindest discount of them all: the discount certain clients extract without your permission.

I mean, if the client asks for a discount and you agree, that is OK by me. But certain clients have a way of agreeing to a certain rate and then delaying payment for weeks or months. Do you realize that if the client agrees to pay on January 30 and pays on March 15 he as in fact extracted a forced

45 day loan from you? Borrowed money that he can use at will, instead of going to his bank, for the sole reason banks charge interest? In fact, if you price interest rates and all other applicable banking charges as well as the cost of reciprocity, you will see that late payers, no matter how they handle the matter, are extracting a hefty discount from you without permission.

This is an unfair practice, and a practice that is very difficult to deal with. You send a reminder to the client when he is seven days late. They do not respond. You send a second reminder, total silence. You call the poor PM and give her hell. Nothing she can do: she does not make payments, but will see what she can do. She writes a few days later saying something, but still no money. And it goes on and on. Apologies, excuses, affirmations that it will never happen again and all. But it goes on and on. It is standard practice with some agencies. And, if confronted with it, they pretend they are offended in their dignity and try to embarrass you. You know the score.

That is why you should always be on the look for better clients. Find yourself some decent client who pays punctually for punctual work and give the baddies the KITA treatment. KITA stands for kick in the ass.