



Enhancing and Promoting International Business Communication
Project No.: 2013-1-PL1-LEO05-37888



Feasibility and Implementation Plan



ELHUYAR-ZUBIZE
January 2014

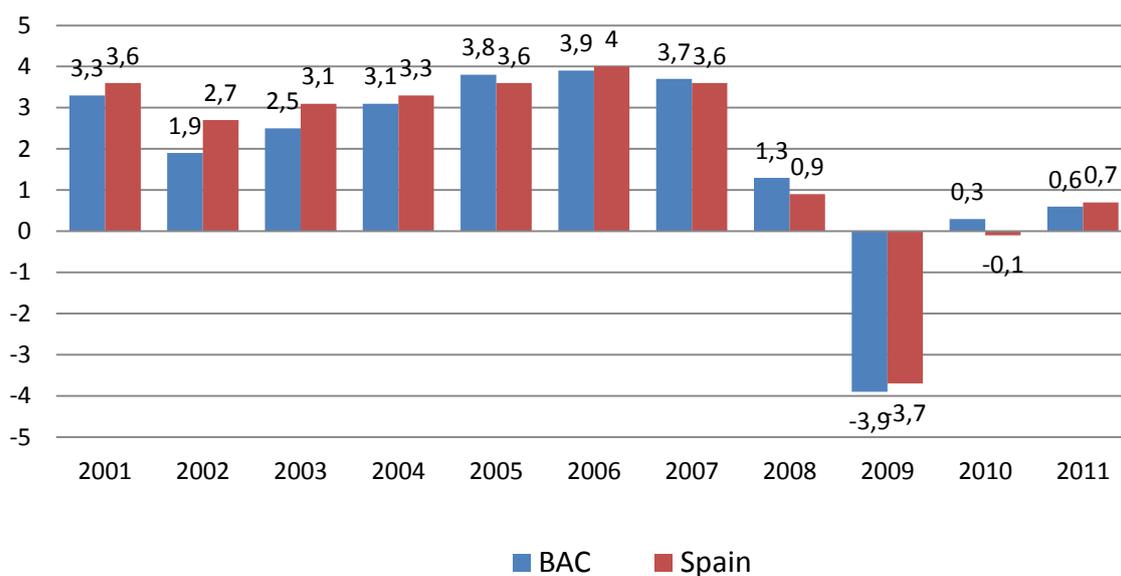
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1. Market Needs/Rationale for Scheme

1.1. General market Information

The Basque Autonomous Community (BAC, Basque Country) is an autonomous region within the Spanish State, and differs from the Spanish State in the economic sphere. So the data on the following pages correspond to the Basque Autonomous Community.

Evolution in GDP



Source: Eustat (Basque Institute of Statistics) and the INE (Spanish Statistical Office)

If we examine the GDP of the BAC (Basque Autonomous Community) from 2000 to 2008, it is similar to that of Spain, but as demographic growth was lower, the average per capita income of the BAC was higher than that of Spain.

In that period, the structure of the Basque economic sectors changed: the relative weight of the services sector increased. The construction sector also grew slightly during that period, but not as much as that of Spain. Traditionally, the industrial sector has the biggest weight in the BAC, and during that period it fell somewhat. Nevertheless, the industrial sector remains the most important one in the Basque economy.

Since 2009, the Basque economy has suffered a downturn, and the number of companies has also fallen.

In view of these data, the following have to be taken into consideration in line with the plan to rekindle the economy proposed by CONFEBASK (the Confederation of Basque Enterprises) for the 2012-2014 period:

- Basque companies need to strengthen their internationalisation capacities and to build awareness about opening trading subsidiaries abroad;

- The values and opportunities that can be created by companies that are already internationalised need to be identified and promoted;
- Specific internationalisation programmes for the services sector need to be promoted.

So it is clear that international markets constitute an opportunity for Basque companies, and the efforts of many companies will be devoted towards them and are already being devoted towards them.

In the BAC-Basque Autonomous Community, 164,824 out of 165,055 companies are SMEs (0-249 workers), in other words, 99.86%, according to data for 2011. The distribution of Basque enterprises according to **size** is as follows:

	%	Number of enterprises
No. of workers	53.18	87,771
1-9	41.14	67,896
10-49	4.74	7,821
50-249	0.81	1,336
Over 250	0.14	771

Source: Dirce (Spanish Central Business Register) 2011

If the analysis is conducted by sector, the distribution of Basque enterprises is as follows:

Sector	%	Number of enterprises
Industrial	8.47	13,976
Construction	16.97	28,013
Retail trade	22.72	37,498
Other services	51.84	85,568

Source: Dirce (Spanish Central Business Register) 2011

With respect to the **number** and distribution **of workers**, 65.6% of workers are employed by SMEs; and half of the total number of workers are employed by small and medium-sized companies, on average one point and three points higher than in the Spanish State, respectively. In fact, this kind of enterprise has considerable weight in the BAC.

Company type	BAC %	Spain %
SME	65.6	64.8
1-9 workers (micro)	18.8	22.8
10-49 workers (small)	24.4	22.3
50-249 workers (medium)	22.4	19.7
Over 250	34.4	35.2

Source: Dirce (Spanish Central Business Register) 2011

With respect to the number of workers employed by each sector, the services sector is very

strong and is followed by the industrial sector; the latter is higher than the average for Spain.

Sector	BAC %	Spain %
Farming	0.5	3.9
Industrial	22.4	14.5
Construction	5.0	5.2
Services	72.1	76.5

Source: Dirce (Spanish Central Business Register) 2011

The industrial sector has considerable weight in the Basque Autonomous Community and it is the most important sector in terms of foreign exports, too.

According to a study produced by Langune -The Association of Language Industries in the Basque Country- (Research into the effectiveness of language competencies in Basque SMEs. Langune. 2011), 29.7% of SMEs are planning to expand to other external markets in the short to medium term; in the case of exporting enterprises this is 55.1%, and in the case of industrial enterprises 58.4% will be selling on markets on which they have not had a presence until now.

In fact, over the last 20 years the exports of Basque enterprises have increased sixfold: from exports worth 3.6 million in 1990 we reached the point of exporting to the value of 21 million in 2011. The trend in this growth has been greater in industrial companies than in services companies.

The main external markets of Basque SMEs

As regards the main external markets of Basque SMEs, the biggest proportion is sold on the European Union market, about 50% of exports. Although the percentage exported to China and Brazil is lower, there has been a big increase over the last few years.

France	3,741,890	17.8%
Germany	2,979,154	14.2%
United Kingdom	1,407,577	6.7%
United States	1,320,491	6.3%
Italy	967,698	4.6%
Portugal	917,473	4.4%
Belgium	731,419	3.5%
Mexico	555,673	2.6%
The Netherlands	537,445	2.6%
Venezuela	430,879	2.1%
China	419,825	2.0%
Turkey	407,521	1.9%

Brazil	362,359	1.7%
Poland	330,882	1.6%

Source: Eustat 2012

As regards imports, the main country is Russia, and the European Market falls to one third compared with the data on exports

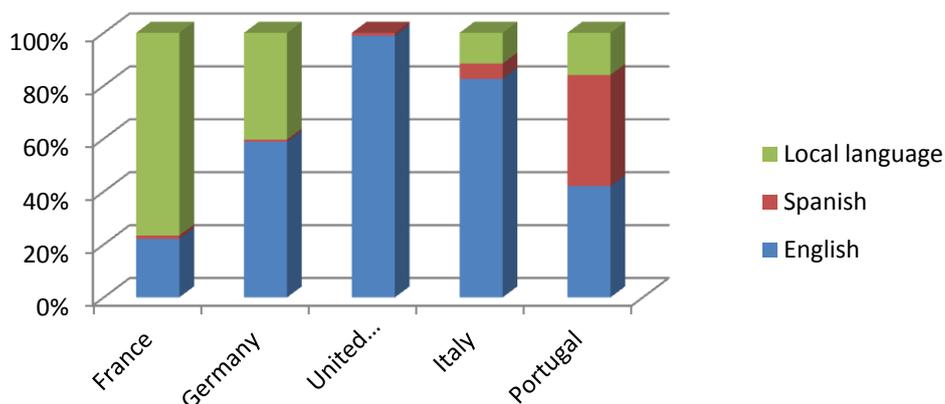
Russia	2,100,888	13.28%
Germany	2,025,148	12.80%
France	1,667,345	10.54%
Mexico	1,053,036	6.65%
Italy	953,247	6.02%
China	838,777	5.30%
The Netherlands	643,784	4.07%
United States	565,943	3.58%
United Kingdom	556,765	3.52%
Belgium	452,868	2.86%
Colombia	443,485	2.80%
Venezuela	349,225	2.21%
Portugal	331,646	2.10%
Iraq	261,782	1.65%
India	238,839	1.51%

Source: Eustat 2012

According to the research conducted by Langune, 76% of the exporting industrial companies surveyed have France as their export market, and so do 85% of services companies. The German market is also important both for services companies and for industrial companies, accounting for about 60% in fact.

As regards language use, English is the principal one in all the companies. If that is so, in Europe English is used more than each country's own language. Nevertheless, in France French is clearly used.

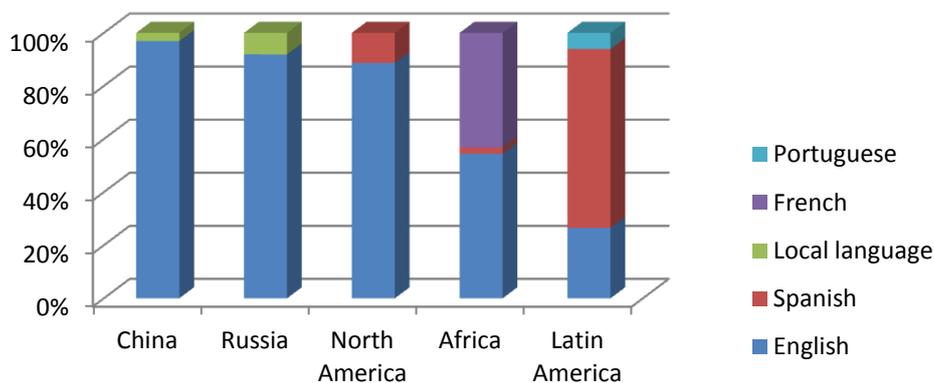
Language use in the European Market



Source: Research into the effectiveness of language competencies in Basque SMEs. Langune. 2011

As regards markets outside Europe, according to the same survey, English is the most used language, and some other languages also have their place: Portuguese, French, Chinese and Russian.

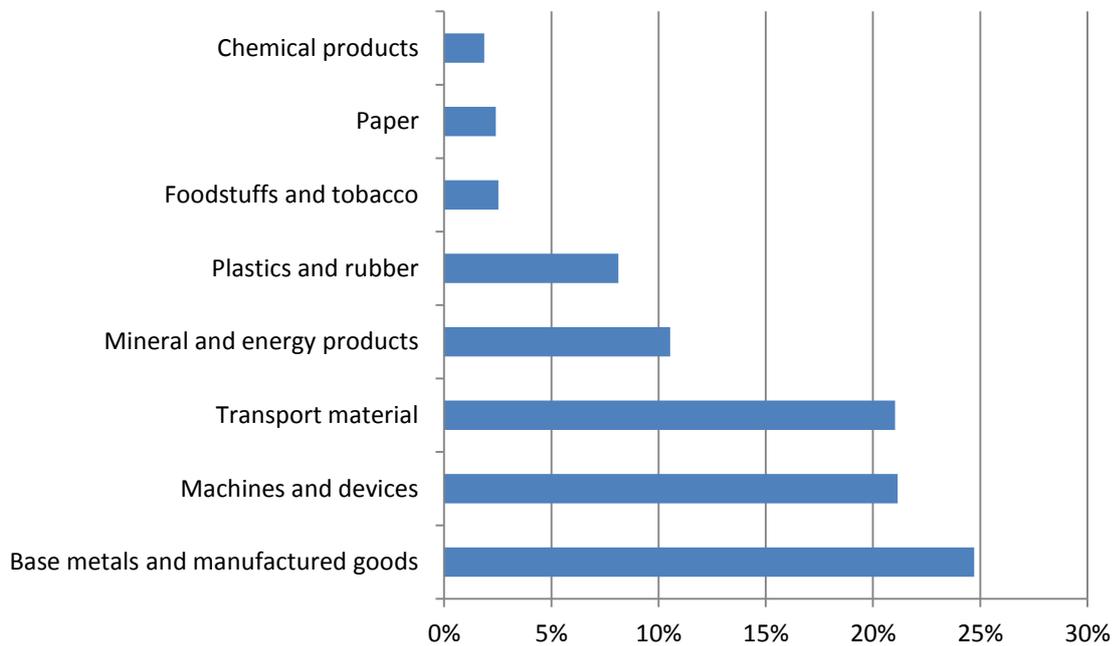
Language use outside Europe



Source: Research into the effectiveness of language competencies in Basque SMEs. Langune. 2011

Nevertheless, the predominance of English does not rule out the need to use local languages when it comes to developing contacts.

When one looks at exports by sector, the sectors that export the most are that of base metals, the ones that have to do with machine tools and transport materials are the sectors with the largest number of exports.



Source: Eustat. 2012

1.2. Potential target companies.

Exports are crucial for Basque companies so they can open up to the markets. In fact, the local market is shrinking and there is no alternative but to expand outside. As pointed out above, the exports of Basque companies have grown in recent years, and this trend is expected to continue in the future.

The following categories of SMEs could be the targets of the LCA (Language Communication Audit) services:

- The machine-tool industry
- Automotive industry

These categories are considered to be traditional categories. However, there are some new areas where SMEs are introducing new services in the Basque Country and exporting them:

- Electronics, computing and telecommunications
- Energy industry

What is more, some Basque companies are highly accustomed to managing two languages: Basque and Spanish. Indeed, in the BAC-Basque Autonomous Community, 250 companies have or have had a Basque-language plan, a language plan to ensure the use and presence of Basque. So, they could be highly suitable candidates for the conducting of language audits in the companies that have expanded to other markets. There are many types of companies in this sphere:

- Industrial: machine tool, automotive, machinery components, transport components, aeronautical, etc.
- Services companies: telecommunications, consulting, research, etc.
- Others:

The most important markets for Basque companies are as follows:

1. France
2. Germany
3. Russia
4. United Kingdom

And they have the chance to expand their markets further elsewhere:

1. China
2. India
3. Brazil
4. Mexico

1.3. Support from other agencies

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As pointed out above, Basque companies have been designing and developing Basque-language plans for over 20 years. So when it comes to promoting language inspections there are many organisations in a position to carry out this important work:

- **Langune, The Language industry Association in the Basque Country**



It was set up in January 2010 following nearly two years' work carried out by a working team formed in February 2008 within the

Gipuzkoa Berritzen-Innobasque platform; it brings together the fields of translation, content, teaching and language technologies.

Langune sets out to support and consolidate the Basque Country's Language Industry and give it cohesion; its main aim is to enhance the competitiveness and visibility of the sector and the members of the association.

Two variables have been taken into consideration when defining the Language Industry:

1. Language management being the object of the activity itself, or
2. Operating in language management that provides market opportunities.

An important economic sector is emerging as a result of the mobility and multilingualism brought by globalization: the Language industry. In the Basque Autonomous Community (region) this sector does in fact have a traditional set-up, and we are aiming to organise and activate this industrial economic sector through a revitalizing process in order to achieve the following:

- To achieve a critical mass and viability of this emerging sector
- To revitalise the agents driving the sector, and to foster co-operation
- To attract other players, because even if they have not participated in the project until now, they could be interested and they could be important.
- So as not to duplicate efforts and in order to achieve synergies
- To develop a sector that will be a reference in European language industries
- To address the challenges and implement the projects identified by the sector
- To do the coordination work between the sector, other sectors, and the Administration.

- **Orkestra. The Basque Institute for Competitiveness.**



Orkestra -The Basque Institute for Competitiveness- was set up within the Deusto Foundation in 2006 to study and discuss competitiveness in the BAC.

Its main aims are as follows:

- To study the competitiveness of the BAC's economy and society within the changing sphere of global economic relationships.
- To reflect on the appropriate means for improving the competitiveness of the production system and the well-being of citizens.
- To evaluate the influence of the policies, instruments (both public and private) and tools designed to improve competitiveness.
- In collaboration with social and economic players, to put forward and build suitable strategies for competing.

- **SPRI**



The SPRI Group is the Business Development Agency of the Basque Autonomous Community Government and its core work is to serve the network

of companies in the Basque Autonomous Community.

The SPRI group manages 75% of the budget of the BAC Government's Department for Economic Development and Competitiveness, and distributes this amount by means of services, programmes, investments and grants.

It handles many activities: funding of venture capital projects, offer of land for economic activities and about 40 programmes to provide companies with grants and services so that they can invest in technology, innovation, entrepreneurship, information society and internationalisation. To develop this last section, the SPRI has a broad external network that extends to over 60 countries.

Occasional projects linked to language management also receive funding, and interest is expressed in subjects linked to internationalisation and language barriers.

In addition, the Network of Technology Parks belongs to the SPRI Group, and the Technology Park of Bizkaia has already conducted an awareness campaign with the companies there. The Technology Park of Araba-Alava has also expressed interest.



- **Basque Autonomous Community Government (Sub-Ministry for Language Planning)**

The Sub-Ministry for Language Planning of the Government of the Basque Autonomous Community has a programme called LanHitz which makes funding available to design and develop Basque-language plans in companies.

In addition, Euskalit (The Basque Foundation for Excellence) also manages the Quality Certificate for Basque and this audit system looks at how companies manage languages (Basque and Spanish).

Language Audits in the Basque Country.

- **In-company Basque Language Plans**

Basque companies produced plans for managing Basque and Spanish over 20 years ago. The first company in this experience was Elay. After spending over twenty years on this work, Elay today uses Basque normally, and the Basque Commission has been turned into the Multilingual Commission, because of the languages the company needs to use internationally.

In the course of this endeavour many consulting companies have come up with methodologies to design and develop Basque language plans. Elhuyar was the pioneer in the designing of plans, and today consulting companies in general use the EME (Standard Framework for Basque) proposed by the BAC Government to analyse the situation of Basque and Spanish.

This framework has four hubs:

- The organisation's communication and corporate image
- External relations
- Internal relations
- Language management

Once the diagnosis of the language situation has been made (through data gathering and interviews), the aim that the company wants to achieve is established. After that, the design and plan to achieve the aim is agreed upon together with the company.

http://www.euskara.euskadi.net/r59-14154/eu/contenidos/informacion/euskararen_egoera_lan_munduan/eu_00152/sarrer a.html

- **Bikain, the Certificate of Quality of the Basque Language:**



This certificate is official, public and free-of-charge; it is awarded by the BAC Government and certifies the presence, use and management of the Basque language in companies and organisations.

So this certificate can be obtained once an assessment has been made. This assessment certifies, among other things, what languages the items included in the EME (Standard Reference for Basque) are in, and how they are managed.

This assessment process is similar to the method routinely used to assess the development levels of company management, but is considerably more straightforward.

Basically, an external assessment team evaluates the company to detect strong points

and the aspects that need to be improved. For this purpose, the assessment team reads the information it has received in advance, and after visiting the company and conducting interviews, produces a report. It is an assessment, not an audit.

<http://www.euskalit.net/bikain/>

• **The “Bai Euskarari” Certificate:**

The Certificate Association has been strategically involved since 2007 in the work to make the workplace Basque-speaking, and its tool is the "Bai Euskarari" certificate. The Council of Social Organisations in support of the Basque Language created the "Bai Euskarari" certificate in 2000, but it is the Certificate Association that has been in charge of the overall management of the certificate since 2007. Through it, collaboration among bodies in the socio-economic field is encouraged so that Basque can fill new spheres. The "Bai Euskarari" certificate is the result of a participatory, dynamic and planned process, and it is continually being improved as it gathers the contributions of all users. The "**Bai Euskarari**" **certificate** verifies that companies, retail outlets and all kinds of organisations are implementing measures to increase knowledge and use of Basque. That way, it certifies an organisation's language situation.

<http://www.baieuskarari.org/1-hasiera>

2. Overall objectives of the Scheme

2.1. Overall objectives of the Scheme

The general and most important objective of the LCA (Language Communication Audit) Scheme is as follows:

1. To help Basque Small and Medium-sized (SME) enterprises by providing feasible consultancy services in the area of business communications,
2. To increase the effectiveness and market competitiveness of SMEs by helping them to identify their export communication barriers, their weaknesses and market advantages in communication and by providing them with solutions for the problems which have been identified.

2.2. Objectives of the Basque partner

1. To implement a training programme for language auditors in the Basque Country, taking the local language reality into consideration
2. To transfer theoretical materials for use in the Basque LCA scheme
3. To transfer and develop practical materials adapted to the Basque Business culture
4. To examine the structure and methodology of Basque-language plans and to merge them with the LCA.
5. To select and train up to 10 future auditors in the Basque Country
6. To pilot the LCA in up to 20 SMEs
7. Produce reports as part of the WPs
8. To validate and disseminate the project and its outcomes.
9. To disseminate project information through the Elhuyar website
10. To prepare for the permanent implementation of the audit scheme in the Basque Country.

3. Scheme Management

3.1. Management of Scheme

The tasks of Elhuyar will be as follows:

- To attend international meetings of the Project Team and host one meeting (in the Basque Country);
- To conduct the initial feasibility study;
- To review any existing language audit processes for the Basque Country;
- To identify key national players and agencies for the Language Communication Audit (LCA);
- To review available materials/resources for the Basque Country and adapt/develop them;
- To review, adapt and localise the Protocol training materials, audit framework and model training scheme;
- To develop and enhance the Scheme management handbook and training pack for auditors;
- To contribute to user needs analysis for on-line tools;
- To adapt the tool for Basque and proof/edit/adapt as required;
- To adapt the Scheme Management training materials for the Basque market and evaluate training;
- To implement an operational LCA scheme in the Basque Country;
- To identify potential auditors in the Basque Country for training;
- To train a minimum of 10 auditors;
- To conduct a minimum of 20 reviews of SMEs over 2 years;
- To prepare the validation plan and set up user panels for the external validation of products;
- To carry out and record internal and external validation according to the plan;
- To prepare a dissemination plan for promoting the Scheme and the Training Programme;
- To contribute towards the setting up of Basque webpages with news of developments and summaries of the work undertaken;
- To disseminate the results and information to training providers and companies by means of webpages, business and providers' seminars, articles and reports;
- To publish articles in press and trade magazines.

3.2. Infrastructure, Qualification, Resources

3.2.1. Elhuyar-Zubize

The Elhuyar Foundation is a not-for-profit organisation. It was set up in 1972 with the aim of bringing science and the Basque language together. Since then Elhuyar has been opening up new avenues and its main lines are as follows:

- a) Language and Technology: Elhuyar's Language Services and Eleka merged to form a single unit. Among other things they offers dictionary production and translation services and they are underpinned by an R&D unit to conduct research into language technologies.

- Translations and correction work
- Dictionaries and corpora
- Research and development
- Language engineering

We work on language and its technologies

- b) Science: to embed science and technology in society, work is done to awaken a curiosity in them and to foster a scientific culture.
- c) Communication: communication services and specialised services in the area of science are offered.
- d) Consulting (Elhuyar-Zubize): Consulting services are provided in four areas:
- Gender equality: this is consulting work approved for working in companies. It works above all in local public policy.
 - In the area of local public policies based on participatory processes.
 - Management of multilingualism. In the area of companies immersed in internationalisation processes.
 - Fostering of Basque: in the workplace as well as in the area of local public policies.

With respect to the latter area, it is 20 years since we managed the first Basque-language plan in the company Elay, and this experience is very valuable for us to adapt and implement the LCAs.

Furthermore, taking as the basis the experience accumulated in Basque-language plans over the last two years, we have conducted research work to produce language plans in internationalised companies to adapt our methodology and way of working.

3.3. Marketing and Promotion of the Scheme

Our main aim is to inform Small and Medium-sized Enterprises and economic players about the work we will be doing in the EPIC project. For this we anticipate the following work:

- a) To make presentations to the players:
 - Confebask (Confederation of Basque Enterprises)
 - ASLE (Associations of Worker-owned Companies in the BAC)
 - Association of Machine-Tool Companies
 - SPRI (Business Development Agency of the Basque Autonomous Community Government)
 - The Charter Provincial Council of Gipuzkoa, Department for Innovation.
- b) To organise working sessions for Small and Medium-sized enterprises: The Technology Parks of Araba-Alava, Gipuzkoa and Bizkaia.
- c) We will be spreading information among our customers on the development and progress of the project.
- d) At the key moments in the project, we will be spreading communication in the press, through the web site and social networks, etc.
- e) We will be presenting the project to the Sub-Ministry for Language Planning of the Basque Autonomous Community Government.

4. Financing of the Scheme

Initially, the financial support is provided by the European Union Leonardo da Vinci programme. The Scheme budget will form the basis of the budget signed in the contract.

When the project is completed, Elhuyar will offer the service to the customers that request it, just like any other service.

5. Scheme Operational Structure

Roles & Responsibilities

Name	Position	Classifications of Occupation	Number of days	Roles & Responsibilities
Maddi Etxebarria	Project Manager	ISCO 1	43	<ul style="list-style-type: none"> • General responsibility over the project • General operational management (activities and finances) • Attending meetings • Writing implementation plan • Writing articles to newspapers • Collect information from SME's • Participating in the forming of the consultancy concept • Contribution in defying curriculum and exam requirements • Collecting 10 auditors • Participation in testing and evaluation of the LCA process • Participation in organising dissemination • Writing final reports
Aizpea Otaegi	Project Manager	ISCO 1	10	<ul style="list-style-type: none"> • General responsibility over the project • General operational management (activities and finances) • Attending meetings • Writing implementation plan • Writing articles to newspapers • Collect information from SME's • Participating in the forming of the consultancy concept • Contribution in defying curriculum and exam requirements
Josu Waliño	Researcher	ISCO 2	10	<ul style="list-style-type: none"> • General operational management (activities and finances) • Attending meetings • Participation in organising dissemination • Writing final reports

Amaia Astobiza	Researcher and trainer	ISCO 2	50	<ul style="list-style-type: none"> • Follow accreditation framework/standard European quality procedures for conducting LCAs • Monitor standard of reviews and Review impact – evaluation • Prepare validation plan for project • Review market in country and ensure all channels for dissemination have been identified
Amaia Zarrabeitia	Researcher	ISCO 2	18	
Ana Gonzalez	Technician	ISCO 4	15	<ul style="list-style-type: none"> • General administrative management of the project • Communication with SME's participating in the project • Handling data about target groups • Organising documentation of the project
Juanjo Perez	Technician	ISCO 4	27	

6. Training Plan for Auditors

6.1. Auditor Training

The process to train the auditors will consist of the following steps:

1. Setting up criteria for LCA auditors: High competence in at least one foreign language and Basque; some marketing, communication experience in business life; Empathy – to understand customers' needs; Excellent communication skills; Analytical skills; Good appearance.
2. Selection of auditors based on criteria, and CVs provided
3. Selected auditors participate in adaptation of the LCA concept
4. Selected auditors collect information about the communication barriers of some exporting SMEs
5. Auditor training handbook is enhanced
6. Auditor training
7. Auditors regularly report on their activities
8. Each auditor reviews two companies, collects information about communication barriers, analyses data and submits a report to the stakeholders of the two companies
9. Auditors' reports and activity reports, together with the customer feedback are evaluated

Potential auditors will be selected according to the criteria. Our objective is to recruit consultants mainly from Elhuyar and another partners involved.

6.2. Main points of Evaluators

1. The training handbook is well structured
2. 2 case studies are experience-oriented
3. Selection of consultants takes place on basis of measurable criteria
4. Consultant training efficiency is measured by means of a questionnaire filled out by participants
5. Trainer report is files on the participants' activity and acquired competences
6. Review report is evaluated in terms of specific indicators
7. Customer feedback is collected by means of questionnaires (Post-Audit Questionnaire)
8. The quality of reports made by consultants about selected companies

6.3. Evaluation and Quality Control

We will be implementing the monitoring and assessment of the EPIC project as follows:

- The monitoring of the project will be done every month in the Elhuyar coordination group according to the information provided by the person in charge of the EPIC project.
- Within the innovation system of our organisation we have a language plan working team, and in it we will be examining the methodological aspect of the project. The person in charge of the EPIC project will be responsible for that working team.
- Finally, we have set up a co-ordination point among the project's participants to monitor and assess three aspects: administrative, financial and technical.

7. Available Resources/Materials for use by Auditors

Potential auditors will be tested and evaluated. Basic requirements are: fluency in English, and one other European language, ability to understand client needs, ability to determine company's communicational strengths and weaknesses, ability to present solutions to address client problems. According to the recent research, there are 10 potential applicants for the post of LCA consultant. All of them can speak English, have links with exporting companies and have some consultancy work background. They have the necessary communication skills to present solutions to clients.

In the adaptation process, potential auditors and target companies will be involved. Potential auditors may develop their own material based on the sample. After auditors visit companies, special needs might be discovered. The development of the auditing material must be improved step by step, in line with the new needs that emerge.

1. User needs analysis
2. Auditor's Training Syllabus
3. Resources document
4. Auditor training packs
5. Auditors training workshop content
6. Scheme manager's handbook
7. Company Audit Reports