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Report for UN DGACM Management
**SHORT-TERM STUDY OF DOCUMENTATION
OUTSOURCING OPTIONS**

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Short-term Study of UN DGACM Documentation Outsourcing Options

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Executive Summary

Epstein & Fass Associates (USA) partnered with Faulkner and Associates (Canada) to conduct a short-term study of outsourcing options for the United Nations Department of General Assembly and Conference Management (DGACM, at UNHQ–NY) starting from their working knowledge of the department derived through their 2002 comprehensive study.

The team first delineated and assessed the likely impact of 3 options:

- **Option 1:** Extension of the current processes of work flow revision and automation, including a strong drive towards virtualization and improving upstream quality. This was determined overall to have the least risk of diminishing the likelihood of meeting the documentation requirements of the organization, including quality, quantity, and timeliness requirements. But this option has the major limitation of requiring a considerable amount of time to achieve maximum operational efficiencies and cost and space savings.
- **Option 2:** Selective outsourcing of identified elements of work based on “tranches” of risk. This was understood to increase the risk of a reduction in quality standards, a decline in the timely availability of documents, threats to information security and require significant changes in the skill requirements for management, all without a clear indication of significant benefits through reduced net budgetary costs or enhanced cost-effectiveness. The use of tranches of risk offers an opportunity to make this option manageable—to test it over time with lower risk work before deciding to outsource work that has greater consequences for failure.
- **Option 3:** Introduction of a range of institutional innovations from full arms length outsourcing through to the creation of a Special Operating Agency. It was determined that the more fundamental the break with existing operational circumstances as through full outsourcing, the greater the overall risk to the on-going operations of the Organization,; while the less the break with these circumstances the less would be the opportunity to overcome certain of the identified barriers to operational efficiency and enhanced cost-effectiveness.

Because it seems unlikely that the first three options would result in the UN attaining its objectives of cost and space savings while meeting its requirements for timely, quality, efficient documentation, we identified and assessed a **fourth option:** The creation of an “off-shore hybrid” (**the Off-Shoring Option**). A **UN Language Center**, operating within the existing organization structure, could provide the full range of services from a remote location. The Center would use information and communication technologies at a lower cost location to achieve cost and space savings while still remaining subject to existing UN standards and rules. The Center, as envisioned, would be a free-standing physical entity strategically located to take advantage of time zone differences from New York for overnight servicing of UNHQ, while maintaining the mandated international character of the UN.

I. Introduction

Epstein & Fass Associates (USA) partnered with Faulkner and Associates (Canada) to conduct a short-term study of outsourcing options for the United Nations Department of General Assembly and Conference Management (DGACM). A working knowledge of the department based on a 2002 comprehensive study of the Department of General Assembly Affairs and Conference Services (DGAACS, predecessor to DGACM) and previous studies of Conference Services enabled the team to complete this study in the brief time available (17 January–10 February 2006). This study includes only UNHQ–New York.

The Options Considered

DGACM management provided us with the following three options concerning the future operations and organization of documentation services

Option 1: Optimal Workflow

Full implementation of the recommendations and directions identified in the 2002 study. This option recognizes that DGACM already does a significant amount of outsourcing, especially for translation, and improved workflow can enable more outsourcing as well as better performance by internal staff.

Option 2: Contracting Out Selected Parts of the Workload

The outsourcing of selected components of the work cycle within the Department to firms in the private sector, based on levels of risk to the UN of outsourcing specific types of work.

Option 3: Institutional Innovation

An institutional restructuring of the Department including the transfer of the existing work cycle to a new organizational entity. This option includes a range of possible corporate governance and commercial arrangements, and a range of associations with the UN from “arms length” to very close.

To this range of options we added a **fourth option**; an “**Off-shore Hybrid**” of these options taking elements from each but recognizing as a necessary condition the requirement to maintain the current “international” character of the institution. The hybrid is organizationally closest to Option 1, but would still involve consideration of risk as in Option 2, and, like Option 3, the geographic separation of most of the Documentation Division and related functions to a more cost-effective location. After reviewing our preliminary findings, DGACM management asked us to include this fourth “off-shore hybrid” option.

Impacts Assessed Based on the Terms of Reference and Other Considerations

The terms of reference for this study include assessing the impact on quality, quantity, timeliness, staffing level, organization structure, office space, budget, and cost-effectiveness of the options for the outsourcing. To those, we added six additional characteristics for assessing impact that are important to consider: information security, integrity of the document chain, UN institutional memory, image of the UN, management challenge, and transition challenge.

Historical Context: A Department with Important Achievements to Build Upon

Since 2002, DGACM has recognized the importance of considering the UN's whole cycle of work that leads to the demand for, production of, and use of documents. Previously, with DGACM focused on planning and managing only parts of the cycle, DGACM staff were forced to react to the uncontrolled flood of documents that poured into the department for work, often with little or no notice. By planning the whole UN Cycle of Work, DGACM has taken control of the flood of documents, enabling better scheduling of document submission and workflow. Also, information technology has been selectively introduced to facilitate and increase efficiencies in the workflow. As a consequence, capacity planning has become more realistic and strategic, document timeliness has improved, and department budget deficits have turned into surpluses. These are important achievements for DGACM to build upon as the Department considers further changes as for example, through outsourcing or further internal operational improvements.

Assumptions

Certain assumptions underpin our analysis of the presented three options:

- The demand for service will stay about the same as it has been, with both predictable cyclical fluctuations and unpredictable perturbations based on world issues.
- Improvement to the quality and timeliness of front end texts sent in by authors and edited for translation, along with enhancing the electronic character of the entire document chain, will realize benefits in all three options.
- A cost-recovery base for translation services can be introduced in all options with the effect of introducing an external discipline on the operations (this is explained most in Option 2).
- There are risks associated both with implementing each of the options and with maintaining the status quo.
- An assessment of "risk" (over and above the impact on the cost of service delivery) is a useful basis of analysis, with "risk" understood as the potential for the UN's functioning to be impaired due to insufficient quality, timeliness, and cost-effectiveness of work, and problems that can arise due to other risk factors.

The Team

The consulting team for this project brought to it a unique set of experiences with the United Nations. Team members included a former UN staff member who worked on internal organizational reviews of what was then Conference Services, the consultant who conducted a 1994 comprehensive study of conference services management, and three members of the consulting team that conducted the 2002 comprehensive study of DGAACS. The 2002 study led to the department's major reform effort, launched with the Report of the Secretary-General: *Improving the performance of the Department of General Assembly Affairs and Conference Services* (A/57/289, 9 August 2002); a reform effort that is continuing. (e.g., see also A/58/213, 5 August 2003 and A/59/172, 23 July 2004).

II. Methodology and Limitations

This project was undertaken with great urgency, with a very short time frame for results. Thus, the consultants were unable to undertake an original examination of the state of documentation activity within DGACM or to conduct primary data collection. The consultants relied on their deep knowledge and experience with the overall operations of the department in this specialized area based on previous work. This was updated by briefings from senior officers and officials within the department, reviews of current documents, and data provided by department staff.

A. Assessment of the Current Situation Against 2002

To start this project, we reviewed the findings and recommendations from the 2002 comprehensive study and to determine what progress had been made within Conference Management in relation to those objectives. This was done in a systematic fashion by reviewing each of the relevant recommendations with the responsible officer within the department to determine what had been done, or not done, since 2002 and why. This assessment provided a “baseline” for the required review of the outsourcing options.

B. An Approach to Assessing Risk for Different Parts of the Workload

In response to the request to undertake an “impact assessment,” the team reviewed a range of alternative approaches. We decided that the most appropriate approach would reflect the specific and even unique conditions of various aspects of work undertaken within the context of the United Nations. Thus the approach selected considers how each option affects the capacity of the UN to fulfill its broad and diverse responsibilities to its clients—the Member States. Consistent with this, early in the study we proposed to the client to assess the “impact” of outsourcing options through a review of the potential “risk” to the functioning of the UN represented by each option.

In practice, the team reviewed each option in turn from the perspective of the potential risk posed by the “outsourcing” of various elements of DGACM’s documentation work. These were reviewed in relation to a range of potential risks initially identified by the client but supplemented by risks identified in the course of the project. Collective assessments were undertaken by the panel for each of the Options in the following areas among others:

- Maintaining required levels of language and document quality;
- Achieving the timely availability of UN documents, based on the range of timeliness requirements for different types of documents, many of which may not be released until available in all six official languages;
- Ensuring that production requirements are met for the full quantity of the wide variety of documentation work needed;
- Protecting the security of information where required;
- Maintaining stable costs for UN documentation work;
- Capacity of UN management to respond to the challenges represented by the outsourcing option in the selected area of activity.

These assessments were tabulated and aggregated to determine the “risk” presented by the identified outsourcing options and as specifically applied to individual functions within the UN’s

document development cycle. Additionally Senior Departmental officials were asked to make parallel assessments, and divergences between consultant assessments and those of the officials were reviewed. Adjustments were made to the assigned level of risk as appropriate. The consultants also considered staff comments responding to these assessments.

C. Consultations

Within the limits of available time and resources, the consultants interviewed representatives of private sector organizations in the language industry, and from national and international governmental counterparts of DGACM.

D. Limitations

The project and this report necessarily have a number of limitations. The first is the extremely tight timeline. Roughly 3.5 weeks were assigned to this project which had the effect of forcing the consultants to rely heavily on their existing base of knowledge for their insights into the department rather than launch a thorough, independent fact-finding update. Thus it would be impossible to assure that gaps in our knowledge concerning changes in conditions since 2002 would not be material to our assessment. However, a very close and highly collegial working relationship with departmental managers and an extremely useful set of feedback sessions with representatives of the Staff Council reacting to an interim report has been of very considerable assistance in helping us to overcome any errors or initial misunderstandings.

In addition, it was necessary to prepare a number of quantitative assessments concerning the impacts of the various options on departmental functions. The Department typically does not have its operational records organized in a manner supportive of the type of analysis we undertook, so we were constrained in many instances to make judgments and approximations in our assessments and based on the data the Department was able to provide. We did however, review our approximations and judgments with department managers, who either confirmed their reasonableness or provided us with additional data to improve our approximations.

These analyses, their results, and the supporting tables can be seen in various places throughout this text and the supporting materials which have been provided to the Department. Interim versions have been reviewed with departmental officials and staff who have agreed that, while necessarily tentative, our results do provide an order of magnitude approximation and are consistent with existing understandings. We would however, caution those using our results to treat them as indications rather than as final results. Our results may be useful for strategic thinking about what options to investigate further. But any subsequent decision making, budgeting, or detailed planning processes should be based on more in-depth and extensive follow on studies.

III. The Availability and Cost of Quality

The quality requirements for language services at the United Nations are a direct function of the unique nature and mandate of the Organization, including the equivalency of status of each of the six official languages and the resulting requirement that all official UN documents be made available in all six official languages simultaneously. Official debates in UN bodies in multiple languages, and the need for equivalent accurate understandings of pre-session texts, working drafts, and final decisions and resolutions in all official languages, create a high demand for language services in the UN. There are at most a handful of multi-lateral parliamentary organizations with language service demands that are in some ways comparable to the UN (e.g., the European Union uses more languages), but no other international organizations have as many Member States making demands for documentation and language services. Also, others do not have as many bodies, committees, and subsidiary organizations that create as busy a calendar of multi-lateral meetings throughout the year. Those meetings generate the need for a constant flow of documents to be translated and produced in multiple languages, on the wide range of security, political, legal, social, scientific, economic, and other topics that come up before these bodies.

A. Context & Constraints for All Options: Availability of Quality Translation Services

While high quality is needed in all parts of the documentation chain, translation services are the most costly part, and historically, the UN has had difficulty finding enough quality translators in the private market in all languages to augment the services of UN staff translators. Companies have been engaged for contractual translation into Chinese and Russian, but tests of companies for translation into other languages have so far not resulted in any considered qualified to do UN work by the UN language services. (A test is now underway to consider a company for French translation.) Historically, many contractual translators have been retired UN translators, who bring their years of training and experience from working at the UN to the challenge of meeting quality requirements. However, retired UN translators form a limited talent pool to draw upon.

Special Translation Quality Challenges at the UN

The UN deals at any particular time with all the problems and topics debated by the international community, leading to the need to translate accurately, and under time pressure, any kind of text on virtually any subject. Private translation companies that aspire to quality work have the luxury of specializing in fields such as legal, financial, or pharmaceutical documents for which they can find specialists who concentrate in one or two fields. While some UN translators have specialties, the constant stream of work is such that anyone on call to translate for the UN must be prepared to translate material on any subject at any time.

Another special translation challenge at the UN is accurately capturing political nuance. One can say that the test of a quality translation is that it does not lose the meaning of the original language text. But how accurate or “true” to the original meaning is accurate enough? UN translations reflect political contexts where nuance is essential to meaning. Variations from nuanced meaning can cause problems for delicately negotiated resolutions and agreements among Member States. Private sector legal translations, as in contracts that may have to be valid in the courts of several countries, also offer challenges of rigorously capturing precise meaning. A challenge for many UN translations, however, is not only accurately capturing precise meanings, *but also accurately capturing ambiguities*. It is not uncommon for Member States to

intentionally leave parts of resolutions and agreements ambiguous, just as other parts are precise, so they can bridge national and political differences to make progress on a subject. The UN translation of such a resolution must be *accurate in all its precision and ambiguity*.

A great deal of international parliamentary documentation, which forms the bulk of DGACM's workload, concern items with legislative and political histories, leading to a high premium on the *consistency* of UN translations. Translators need to be aware of when items they are given to translate have such a history and spend time determining if parts of texts they have been given are part of previously adopted resolutions or conventions so they can provide the exact wording in the target language. UN translators have also taken the time to develop electronic databases and tools to help them with these research tasks, an investment of time that freelance translators used by private companies have no incentive to make.

Not every UN document carries the same consequences if translations are not completely accurate. But almost every type of UN document carries some level of quality risk, as noted in the tables of outsourcing risk in section V (Option 2) of this report. That table includes brief notes of types of outsourcing risk for all the types of documents translated by DGACM, including twenty brief examples of the nature of quality risk for different types of documents.

Finding a Proxy for the Cost of Quality Translation

Private translation services offer a wide range of prices for different kinds of work at different levels of quality, suggesting that the private marketplace already puts a price on quality of translation work, with work such as “certified” legal translations and pharmaceutical translations at the high end. We have not quoted prices here because we did not have the time to find “apples to apples” comparisons and we hesitate to suggest false precision. However, as noted in section V (Option 2), when we used certified legal translation costs as a comparison, it was impossible to tell, within the range of approximations of our data, whether private translation services would be more or less expensive, overall, than UN internal staff. Much depends on the mix of timeliness requirements for translations jobs sent to companies, which carry high premiums from translation companies, and how much extra the UN would have to pay if private companies were asked to perform tasks they typically do not do, such as referencing, which UN translators perform.

While our price comparisons were inconclusive, one *can* conclude from the UN experience and the private market price ranges, that the capacity to produce high quality translations is a scarce and valued commodity, despite the many freelance translators and translation companies in the marketplace. In the competitive translation marketplace, quality, as with timeliness and quantity, can be seen as a commodity. As quality requirements increase, so does its price.

B. Referencing and Terminology in Support of Quality Translation

Considering the size of the UN translation staff (over 300 professional translators) and the volume of work done (over 150 million words translated internally, over 200 million total in a UN biennium), DGACM has a very thin support staff for referencing and terminology. Having only one professional terminologist and one terminology assistant per language is insufficient to keep up with the changes in terminology in all the fields covered by UN documentation, and

affects the quality, productivity, and timeliness of UN translators. Also, a loss of terminology consistency can, over time, lead to obscuring the political history of issues debated in the UN.

UN translators need access to more up-to-date electronic terminology databases, and, if contractors will be used for more information-sensitive and time-sensitive documents than are now generally sent for contractual translation, they will also need access to better terminology support than is now available. Other governmental translation services, such as the Canadian Translation Bureau, make major ongoing investments in maintaining their terminology databases. In whatever option for documentation performance improvement the UN chooses, with whatever degree of outsourcing, a significant investment in terminology staffing is in order to make it more likely future savings due to other improvements can be realized. Also, if future savings in other documentation staff are planned in the UN budget, reinvestment of a small portion of those savings in terminology improvement can help maintain quality while other costs are reduced.

The requirement for referencing of UN documentation is so great that it is probably impractical to fill all referencing needs through an increase in referencing staff. UN translators typically do their own referencing. Reference materials are typically assembled and sent to contractual translators electronically or in hard copy, which is possible because contractual translators are now only sent documents with long translation lead times. Improving the timeliness and usefulness of electronic referencing tools will make internal translation more timely and productive. Sharing those electronic tools with private translation suppliers will enable private translators to work on documents with faster turnaround requirements than those now sent for contractual translation. Private translation companies typically do not do referencing and would charge extra for the service. Providing them with good electronic referencing tools may help keep the cost of this extra charge down.

C. Upstream Quality and Timeliness: Author Preparation and Editing

The quality and timeliness of a document prepared and edited in its original language affects the quality and timeliness of the document in all six languages. Although DGACM has added staff to Editorial Control since 2002, editing is still a bottleneck in producing pre-session documents, and parallel processing by editors and translators still occurs, leading to a need for extra work by translators as a trade-off for timeliness. This situation not only reduces the productivity of internal translators, it would also be unworkable if private translation is increased to include more time-sensitive documents. While this study precluded precise calculation of the numbers of editors needed, it is safe to say that ***doubling or even tripling the number of qualified editors*** would be a worthwhile investment in ending bottlenecks, improving quality of documentation, and improving the productivity of both internal and contractual translators. Ideally, DGACM would not only substantially increase the number of editors who edit documents once they are submitted, but would also selectively and strategically assign editors to assist authors before certain documents are submitted, to improve upstream document quality so less work will be required on documents between submission and translation. Also, a large increase in the number of editors will allow editors time to complete more of their work on screen to improve the productivity and timeliness of the rest of the documentation chain. Projected savings in other staff and budgetary resources can be used to justify an investment in a large increase in the number of editors. The next section (IV. Option 1) has more on upstream quality and timeliness.

IV. OPTION 1: Optimal Workflow for Documents to Be Attained by 2010

Over the past 60 years the UN has evolved a robust and intricate system for producing documents in six languages. Building on this achievement, Option I continues to develop the gains of the current reform effort incrementally, using existing staff but augmenting their capacity with an automated workflow and organizing this work to be done at least in part at offsite locations. Over time, the staffing pattern would change through attrition and rebalancing to achieve the increase in editors and terminologists noted in section III, while reducing total staff and gradually increasing the amount of contractual (outsourced) translation. A scenario of what this optimal situation would look like is offered. It illustrates how to further advance the UN position as a recognized leader in this area, to put it at the cutting edge of technological and institutional developments and to better leverage their expertise in the exchange of knowledge across national boundaries.

A. Highlights of the Current Document Workflow

Great strides have been made in managing the flow of incoming documents, and in increasing the outsourcing of work to contractual translators (currently up to 30%). The document slotting system for pre-session and other plannable documents, and enforcement of page limits, has enabled better capacity planning and improvements in timely document release, and an overall better use of resources. However, some of the documentation work processes have not yet been streamlined to reflect the opportunities provided by information technology. At various points of the document workflow there are processes operating in parallel that reflect not only the processing of documents in both hard and soft copy but also reflect work practices whereby editors, translators, and text processors are sometimes all working on the same document simultaneously to speed up the turnaround time of documents.

B. Scenario of an Idealized Workflow for the Documentation Chain in 2010

It may appear in the following ideal scenario that our concern is to show optimal benefits from an automated workflow and from a sequential workflow. However, we were made aware in the course of this study through interviews with translation services in other national and international organizations, that full automation can yield only up to 10% more productivity for language specialists because no matter how efficiently the documents are prepared and transmitted, and no matter what computer and software tools are used, the intellectual work of language professionals requires careful attention to detail and professional judgment. The translation process has been described as one requiring “high touch” (as contrasted with “high tech”) and as akin to legal work which requires a similar level of “negotiated meaning”. But overall, greater productivity, quality, and timeliness improvements are possible if technological improvements are combined with a rebalancing of the professional workforce as noted above.

Optimal Workflow 2010

Entry

A request entered by an author department or other submitter is accompanied by the original document. Secretariat-originated documents have been edited by the submitting author in accordance with manuals and guidelines pertaining to the form and language of UN documents and full supporting references. The submission is transmitted electronically to the document control unit where it is registered and entered, assessed for “risk of outsourcing” (see section V.

Option II), and electronically entered into the DGACM workflow. The software streams document assignments to the language services and the contractual translation unit based on assessed risk and electronic tracking of capacity vs. assigned workload of each language service. Service chiefs are notified of documents designated for contractual translation and have a limited time to overrule an outsourcing decision if, for example, they expect to have excess capacity, they want an “easy” document for training and development of new staff, or they have staff available with expertise related to the subject of the document. Author departments are assured that if the document adheres to document submission and timeliness rules, DGACM will process the documents within the designated four weeks and the documents will be made available in the six official languages six weeks prior to the documents designated meeting agenda date (for the GA and ECOSOC) or at the scheduled date for the Security Council or scheduled subsidiary bodies.

Document preparation

Documents for both internal and contractor translations undergo preparation by editors and referencing assistants before being sent to the translator. A web-based program is used to improve the quality of manuscripts and certain aspects of the editing are automated with templates for standard formats, terminology, and UN spelling. In addition, previous translations or similar translations already in the document database are referenced for the translator.

Translation

In deciding how to assign the work to their staff, the language units have decision-support systems to notify them of system overload and changing priorities that will require the rescheduling of documents. The translators access the original document and all the electronic files needed to work on the document are made electronically available including the reference documents, the document comparisons, and on-going translations for translators who are all working on the same document. The document archiving system contains all incoming documents, and outgoing edited or translated documents which can be searched with a number of search criteria enabling a translator to find any document or passage within seconds. From their workstation, the translators access integrated inter-institutional UN terminology databases, departmental resources (such as LEO), as well as in-services data bases. The electronic archives and translation memories allow them to search and re-use previously translated texts or even sentence fragments. The document archive, because of its capacity for full-text search, parallel scrolling and downloading to the desktop is a powerful translation aid. The translator uses terminology tools (e.g., the upgraded UNTERM) and an array of institutional memory tools such LEO, Bi-Text, Logiterm, and ODS that allows for data sharing, and also TRADOS for computer-assisted translation.

The translators use their preferred work method, whether it is working onscreen or using digital dictation or voice recognition. The final document is proofread by the text processing unit and put in the appropriate format for each type of UN document and made available electronically for printing on demand and for distribution. The progress of the document is tracked and monitored as it moves from editing to translation to text processing to publishing and to the recipients.

Internal translation services will be provided by translators who may not be physically located in a single place (providing their services through telecommuting, for example) but who will be

interlinked electronically with their offices and supervisors, other translators, clients, and others either from their homes, from satellite work centers, or elsewhere as might be appropriate. They may be located anywhere in the world with sufficient telecommunications connectivity. For staff who do work in a UNHQ–NY building, translation teams will be organized in two shifts sharing the same workspace. This is complemented by a third team who work remotely and together with the other two teams, rotate into the Secretariat every three months. Each team has a supervisor who is in permanent contact with service programming officers.

Printing and distribution

This is the last step in the chain even in a fully digitized work flow. It appears likely that some form of hard copy publishing will still be needed. However, the specific nature of this publishing will depend quite directly on the nature and degree of the digitization of the other elements of the work flow including through the local off-shoring of certain of the printing equipment and operations. Even if the submission to printing becomes largely digital the role of the Publishing Section as a coordinating hub for documents coming from multiple language services is unlikely to disappear.

Incentives, performance improvement, and professional development

There are bonuses (allowable in the UN but seldom used) given to those small teams of translators and other language professionals and assistants who have the highest productivity and quality. Other incentives used to stimulate productivity include giving high performance appraisal ratings resulting in acceleration of within-grade promotion. The staff are enabled to participate in performance improvement and are rewarded for developing improved practices in the context of a knowledge building program. A coaching strategy is in place for peer to peer skill building and for managers to help their staff reach their developmental goals.

Value added

The value-added role of language specialists has now gained additional recognition for its role in providing in-house language expertise, ensuring clarity of communication, maintaining the image of the high language standards of the UN, and guaranteeing the language rights of the Member States. Emphasis is now placed not only on the “logic” of their performance but on the “logic of performance improvement” for the functioning of the UN. Knowledge fairs are held to share their new learning with authors and other clients, theme days and clinics are held to assist authors with pre-editing or in managing translation contracted by author departments (see cost-recovery and competition in section V. Option 2) to UN approved standards.

C. Impacts of Option 1

1. Cost savings in the Use of Office Space

If telecommuting is in place for 50% of staff who could be working from various locations around the world, 48,000 sq. ft. would be saved at a notional cost saving of \$2.8 million (based on \$59/sq. ft. rental equivalent in mid-town Manhattan). Reducing the amount of required office workspace by two-thirds (approximately 64,000 square feet) through the double-shift, three team approach described above, would result in a saving of approximately \$3.7 million a year.

2. Staffing

Cost savings

To implement this option fully with existing staff we have calculated the cost saving from attrition and the commensurate cost avoidance of office space rent associated to this attrition to a total of approximately \$22 million. While this will be partly offset by staff rebalancing (adding editors and terminologists), a substantial net savings will still result.

Succession Planning

Given the level of attrition over the next 5 years it is important to have a coaching strategy in place to accelerate the development of more junior staff.

New Competencies

Managers will need additional skills to manage virtual teams with regular and frequent online meetings or conference calls, set assignments and track workflow electronically, and manage permanent and contract staff in a way that ensures predictable workload for both. In addition they will need to develop practices that capture tacit knowledge from those operating virtually as an on-going basis for ensuring continuing cost savings and to support the strategic advantage of the UN document services. Professional and support staff will of course, need to work online and to be comfortable working daily with conference calls, Voice over IP, and the use of collaboration software. Recognizing the importance of the collegiality that exists among language professionals, voluntary *communities of practice*, (which span across the organizational structure to include the other sites of DGACM and other UN Agencies) will be established and facilitated to address work related issues and as a means to share new terminology and new developments in the profession.

Enlarging the UN Staff and Contractual Talent Pool

There has been a decline in the number of people who sit for the language exams since they are now only advertised on the web. There is currently a very small pool of contractual translators who are almost exclusively recruited from the ranks of retired UN translators (40%) and others who have worked in international organizations. Because of the high quality standards of the UN this market supply segment is very narrow and will need to be broadened if the UN is to increase its contractual capacity. A review of the existing modes of recruitment as per their billing rates and benefits, and a study done jointly with other UN institutions to explore other means to augment the pool of both staff and contractuales while still retaining high quality is indicated. Alternative strategies are likely necessary to supplement the existing supply as for example through preparing candidates for the UN in home country as is currently done by Russia and China. Select universities in all language groups could also be invited to offer an advanced degree with a specialization for translation work in cooperation with international organizations.

3. Quality

The definition of quality offered by UN translators is that “UN quality means 100 percent full rendering of meaning, no compromises allowed.”¹ Achieving this level of expertise is said to take up to five years of service and the development of skills both as a specialist and as a generalist in UN terminology and topics. Whether this exceptionally high quality standard is realistic or not, especially given the vast array of document types and subjects covered at the UN,

¹ Provided by Translation representatives of the Staff Council.

it is a standard that can only be approached if a large enough professional cadre of language specialists is kept on staff to make it worth the investment in their continual professional development. Private translation companies rely mostly on freelancers and have no incentive to make this investment. While internal language staff would be reduced in Option 1, the gradual nature of that reduction will allow the UN to maintain high quality standards while achieving savings, and the rebalancing of staff, incentives, and professional development envisioned above can even lead to increased quality while savings are achieved.

4. Timeliness and Security are not at risk

In the optimal workflow the automation of certain parts of the document chain, such as more preparation of the document upstream and sequential processing would improve timeliness.

5. Other Impacts

In the future, once Option I has been realized, the usually hidden value-added of the language services will become more evident. The linguists are emboldened to take the lead in providing their language expertise to the author departments. All staff now share a clear vision of the advantages of working virtually and, with renewed spirit and energy, work towards achieving the common goal of being on the cutting edge of technology and being the world's foremost body of language professionals. Efforts are actively made to maintain the cohesion of the work units with measures to extend the pattern of collegial work into virtual space. No one has been threatened with losing their jobs and coaching strategies for skill-building and problem-solving have been implemented involving up to 10% of the staff and thus a tipping point has been reached and a culture created that values high quality through innovation.

V. OPTION 2: Contracting Out Based on Level of Risk to the United Nations

Option 2 represents the most generally accepted understanding of outsourcing. This option involves determining what parts of the documentation workload are suitable for being contracted out into the market place. It also involves identifying and testing the market of private suppliers to see if they can meet all UN requirements for quantity, quality, and timeliness of work at a price lower than the internal costs they would replace less extra costs to manage the outsourcing. The number of suppliers used can vary depending on the extent that DGACM uses individual freelancers, companies that perform one function (e.g., translation), or companies that provide integrated management of parts of the documentation chain (e.g., translation, final formatting, printing). Option 2 envisions DGACM managing multiple suppliers of documentation services, definitely more than in Option 3 in which there is one main external supplier, and probably more than in Option 1, in which the use of freelancers and translation companies is likely to increase incrementally.

A. *Levels of Risk* to Determine Parts of the Workload Most Suitable for Outsourcing

Analytically, Option 2 has been developed in a way that can be used not only for traditional outsourcing, but also as a basis to help make management decisions in Option 1 and Option 3. We did not simply identify an unchangeable “core” element in the documentation workload that cannot be outsourced and propose that the rest or “non-core” part of the workload *could be* outsourced. Instead, we developed the idea of DGACM’s “core work” as a “stepwise variable” based on “levels of risk” the UN would take on for each type of work it might outsource.

We assessed six dimensions of *assumed risk created by outsourcing* for defined “types of work” done by DGACM in producing documentation:

- Risk of outsource suppliers not producing needed *quantity* of work
- Risk of outsource suppliers not producing needed *quality* of work
- Risk of outsource suppliers not meeting *timeliness* requirements
- Risk of *cost instability* or sensitivity (costs could readily end up higher than expected)
- Risk of outsource suppliers compromising *information security*
- Risk of DGACM not meeting the *management challenge* created by outsourcing

We defined “Types of Work” based on combinations of *types of documents* and documentation *functions* (i.e., translation, editing, concordance, copy preparation & proofreading, referencing, terminology, verbatim reporting, text processing, and publishing). All “types of work” analyzed sum to the entire documentation workload now performed internally. Contractual translation was not included in the volume of work and resources analyzed for Option 2. We reviewed our initial risk assessment with DGACM managers and also considered staff comments on our initial assessments, leading us to make adjustments to levels of risk assigned to different types of work.

1. Five Tranches of Outsourcing Risk

To guide management in making outsourcing decisions, we have grouped the types of work that make up the internal documentation workload into five “tranches” of risk, shown in the tables below with key risk factors noted for each type of work. Our estimates for resources used for tranches 3–5, for which outsourcing is most likely, are provided in “Impacts of Option 2.”

TRANCHE 1: HIGHEST RISK

Type of Work: Type of Document, Functions	Main Risk Factors
Security Council Resolutions & Decisions <ul style="list-style-type: none"> • Translation & text processing • Publishing 	<p>Quality: High risk of failure. Translators need to understand history and terms, pick up new terms quickly, and be politically sensitive.</p> <p>Timeliness & Cost: Very fast turnaround and no margin for vendor to be late can drive up cost.</p> <p>Info Security: High risk of failure. Need translators to be party to discussion, creating security issues for non-UN staff.</p> <p>Management Challenge: High pressure.</p>
Verbatim Reports for Security Council	<p>Quantity: Pool of qualified people may be small.</p> <p>Quality: High delegate expectations; steep learning curve for new people vendors may use. Must reflect 100% of what was said.</p> <p>Timeliness: Very fast turnaround for Security Council.</p> <p>Cost: Quality risk & small pool may drive up cost.</p> <p>Management Challenge: High risk of failure.</p>
Documents for Executive Direction, Administration, and Common Services: Sensitive Materials <ul style="list-style-type: none"> • Translation and text processing 	<p>Quality & Info Security: Includes highly sensitive SG documents that can have serious consequences if leaked or translated poorly.</p> <p>Timeliness: Includes docs such as press releases that must be ready on time for specific “news hole” deadlines.</p> <p>Management Challenge: High pressure & high risk of failure.</p>
Parliamentary Documents in Original Language: Editing <ul style="list-style-type: none"> • Editorial control workload (excluding concordance by ORES) 	<p>Quality: Editors are the first bastion of quality control. Must capture political sensitivity. Editing errors are repeated in 6 languages.</p> <p>Timeliness: Less control could cause unexpected bottlenecks or delays of documents.</p> <p>Info Security: Risk for most sensitive documents.</p> <p>Management Challenge: Managing boundary with contract editors riskier, as in assuring they follow UN manual & develop political sensitivity; becomes more complex & risky if upstream editing with author depts is attempted.</p>
Other High Risk or Sensitive Documents <ul style="list-style-type: none"> • Translation & text processing 	<p>Quality: Quality important for interim in-session working materials needed for parliamentary progress, though users have opportunities to make corrections at this stage before formal draft resolutions.</p> <p>Timeliness & Cost: Sometimes requires very fast turnaround with little margin for delay, which can drive up vendor cost.</p> <p>Info Security: High risk of failure. Translators sometimes need to be party to discussion, creating security issues for non-UN staff.</p> <p>Management Challenge: Managing boundary between contract translators, committee secretaries, and delegates.</p>
Terminology in support of all types of documents.	<p>Quality: Gatekeepers of the organization’s terms and house style; must keep terms updated and consistent. Terminology drift can obscure political history of issues.</p> <p>Cost: Costs could go up if databases become fragmented.</p> <p>Management Challenge: Maintaining UN standardization & consistency if vendors change.</p>

TRANCHE 2: HIGH RISK

Type of Work: Type of Document, <i>Functions</i>	Main Risk Factors
GA & ECOSOC Resolutions & Decisions <ul style="list-style-type: none"> • <i>Translation & text processing</i> • <i>Publishing</i> 	<p>Quality: High risk of failure. Translators need to understand history and terms, and be politically sensitive.</p> <p>Timeliness & Cost: Vendors may be available to meet 48-hr turnaround, but at higher cost.</p> <p>Info Security: Translators need immediacy of contact with drafters.</p> <p>Management Challenge: Managing boundary between contract translators, committee secretaries, and delegates</p>
Communications from Member States <ul style="list-style-type: none"> • <i>Translation & text processing</i> • <i>Publishing</i> 	<p>Quality: Sensitive nature creates a risk of failure. Some boilerplate documents could go out easily but most of these are high risk.</p> <p>Timeliness: Time sensitive but low volume.</p> <p>Info Security: Could be some risk for most sensitive communications.</p>
Verbatim Reports for GA General Debate	<p>Quantity: Pool of qualified people may be small.</p> <p>Quality: High expectations as General Debate includes heads of state; steep learning curve for new people vendors may use. Must reflect 100% of what was said.</p> <p>Cost: Quality risk & small pool may drive up cost.</p> <p>Management Challenge: Managing boundaries when contract staff are in meeting rooms, especially when heads of state speaking.</p>
Pre-Adoption (In-session) Concorded GA Resolutions	<p>Quality: Risk of failure: Member States' resolutions may not mean the same in all languages. Must be politically sensitive.</p> <p>Timeliness: Time sensitive & high pressure to conclude concordance in six languages in the limited time between drafting & adoption.</p> <p>Management Challenge: Managing boundaries with delegates of Members States & contractors could be complex if in-session concordance staff are contract staff; keeping contract staff working together in six languages.</p>

TRANCHE 3: MODERATE TO HIGH RISK

Type of Work: Type of Document, <i>Functions</i>	Main Risk Factors
Slotted Security Council Documents <ul style="list-style-type: none"> • <i>Translation & text processing</i> (Editing covered in Tranche 1) • <i>Publishing</i> 	<p>Quality: High risk of failure.</p> <p>Timeliness: Vendors may allow less opportunity to adjust for priority, especially if authors are late.</p> <p>Cost: Less leeway on late submission could drive up costs.</p> <p>Management Challenge: Less leeway, more pressure, high risk of failure. However, could be done with staff working remotely.</p>
Major Policy Documents (e.g., Budget) & Subsidiary Bodies' Documents <ul style="list-style-type: none"> • <i>Translation & text processing</i> • <i>Publishing</i> 	<p>Quality: Complex documents with risk of failure. New concepts and terms are crafted in these docs, which become the source documents for future translations. Negotiation of terms is key.</p> <p>Timeliness: May be hard for vendors to meet variable time sensitivity & priority.</p> <p>Cost: Variable time sensitivity can drive up cost.</p> <p>Management Challenge: Managing boundaries among author depts, contractors, & Member States very challenging with high risk of failure.</p>
Verbatim Reports for other than Security Council sessions, and the GA General Debate	<p>Quantity: Pool of qualified people may be small, though currently have 15% working offsite, mostly former translators.</p> <p>Quality: Steep learning curve for new people vendors may use.</p> <p>Cost: Quality risk & small pool may drive up cost.</p> <p>Management Challenge: Managing both on-site & virtual staff.</p>

Summary Records in Original Language: <i>Précis Writing</i>	Quality: Needs to be done on the spot with someone in the room. Need to coordinate with committee secretaries & pick up nuances. Management Challenge: Managing boundary with contracted précis writers when they need to be in the meeting in person.
Summary Records Translations for SC Subsidiary Bodies, GA Bureau Committee, 5th & 6th Cttees	Quality: Quality most critical for these bodies and committees. Timeliness & Cost: These bodies require faster turnaround, which could drive up vendor costs.
Reference in support of all types of documents.	Quality: Reference staff are the “knowledge brokers” to assure docs are properly referenced for political history & other sources. Timeliness: Poor or non-existent referencing support can add to translators’ turnaround time. Cost: Private section translation companies typically do not reference; will add to cost if referencing not done well beforehand or made easy for contract translators. Management Challenge: Managing boundaries if reference staff do not work for same organization as translators.

TRANCHE 4: LOW TO MODERATE RISK

Type of Work: Type of Document, <i>Functions</i>	Main Risk Factors
Slotted GA & ECOSOC Reports Originating in Secretariat • <i>Translation & text processing</i> (Editing covered in Tranche 1.) • <i>Publishing</i>	Quality: Quality essential as basis for debate in UN meetings. Timeliness: Somewhat less opportunity to adjust for priority, but easier to manage than docs above. Cost: Some risk of late submission raising cost. Management Challenge: Managing boundaries with author depts & contractors complex.
Post-session Concorded GA Resolutions & Books of All Resolutions	Quality: Some risk of failure: Member States’ resolutions may not mean the same in all languages. Resolution books are complex. Management Challenge: Managing boundaries with delegates of Members States & contractors could be complex.

TRANCHE 5: LOW RISK

Type of Work: Type of Document, <i>Functions</i>	Main Risk Factors
Documents for Executive Direction, Administration, and Common Services: Non-Sensitive Materials • <i>Translation & text processing</i>	Cost: With outsourcing, can lose opportunities to make fuller use of existing capacity for functions not outsourced.
Summary Record Translations Other Than Those Mentioned Above	Quality: As long as SRs are mandated, they are the official written record of meetings so must be done well, though they are considered among the easier translation jobs. Cost: With outsourcing, can lose opportunities to make fuller use of existing capacity for functions not outsourced.
Publications, Other Non-parliamentary Documents not covered above • <i>Translation & text processing</i> • <i>Copy Preparation & Proofreading</i> • <i>Publishing</i>	Quality: Concern about branding and image, especially for the UN’s “flagship publications.” Cost: Lose opportunities to make fuller use of existing capacity for functions not outsourced; adjustments for users (e.g., “AAs” in printing) can become more expensive.

Quality is the Most Frequent Risk Factor

In the above table, quality is the most frequent risk factor, reflecting the many different kinds of language challenges for many different types of UN documents and functions, including challenges to report, edit, and translate both with accuracy and political sensitivity. After quality, management challenge, cost, and timeliness are all frequently cited risks. This makes sense, as the need for quality can drive cost and make achieving timeliness difficult. Managing all these risk factors in combination, especially when the work is being done at arms length by contractors, is especially challenging,

2. Applying the Tranches of Outsourcing Risk

Tranche 5 Can Be Tested for Outsourcing, then Tranche 4 When Workflow is Improved

Tranches 2 and 3 are most likely to be too high risk to contract out. The low and moderate risk tranches 4 and 5 can most readily be considered for conventional outsourcing, assuming required quantity, quality, and timeliness can be obtained in the market for a cost less than the cost to perform this work internally. However, a more optimized workflow with improved upstream quality and maximum virtualization, as envisioned in Option 1, is needed to fully outsource tranche 4 due to greater timeliness and quality requirements for most of those documents.

More Information is Needed to Determine How Much of Tranche 3 Can Be Outsourced

Tranche 3 involves types of work that can have varying degrees of quality, timeliness, or information security sensitivity. If a more optimized workflow as envisioned in Option 1 is achieved, some of these documents can be considered for outsourcing on a case-by-case basis. Also, DGACM could conduct a detailed study of the risks involved in these types of documents, to forecast the number of pages of tranche 3 documents that can be candidates for outsourcing.

Suitability of Documents for Cost-Recovery and Public-Private Competition

Currently, costs for almost all DGACM’s documentation work is in DGACM’s budget. However, the cost for much of that work could be put in author department budgets, with departments charged when DGACM or other suppliers do the translations, text processing, printing, or other work associated with finished documents. Conference Services at UNHQ–Nairobi currently, operates on a cost-recovery basis for documentation. While some DGACM work (e.g., in-session parliamentary documents, terminology) may not be suitable for cost-recovery, the following table lists the types of documents that may be, and their level of outsourcing risk.

Types of Documents Potentially Suitable for Cost-Recovery from Author Departments

Type of Documents	Risk Tranche
Sensitive Documents for Executive Direction, Administration, and Common Services	1: Highest Risk
Documents for Executive Direction, Administration, Common Services: Non-sensitive	5: Low Risk
Slotted Security Council Documents	3: Moderate–High
Major Policy Documents (e.g., Budget) and Documents of Subsidiary Bodies	3: Moderate–High
Slotted GA and ECOSOC Documents	4: Low–Moderate
Publications and Other Non-parliamentary Documents not noted above	5: Low Risk

When author departments can select suppliers of documentation services other than DGACM, a “public-private competition” between DGACM and private suppliers can be created, providing

DGACM and outside suppliers an incentive to provide quality services at a competitive cost. However, even if cost-recovery is used for all documents above, the tranches of risk may still be used to determine when departments can be free to use other suppliers (e.g., for slotted GA and ECOSOC documents) and when they would not be (highest risk documents). More study would be needed to determine which tranche 3 documents are suitable for outside suppliers. Even where competition is not used, the availability of DGACM-managed contractual translation as a less expensive alternative for departments that allow enough time for such work may provide author departments an incentive to submit work in acceptable condition on time or even early.

Decide on Publishing Changes *After* Other Documentation Outsourcing Experience is Gained
 Publishing is at the end of the document production chain. Decisions about work earlier in the chain that change the mix of documents by size, printing requirements, and time available to print and distribute in all languages will change the optimum mix of printing equipment needed and the effect of outsourcing or moving parts of the publishing operation. Thus, it is best to wait until experience is gained from outsourcing or moving other document functions, and, if it is done, through shifting part of the document workload to a cost-recovery basis, with departments choosing their own suppliers. Then, when new mixes of documents and timeliness requirements for publishing are better known, more specific analyses can be done to determine the optimum mix of equipment and the impact of moving some or all of that equipment and related staff to a different location or of outsourcing some or all of the publishing workload to outside suppliers.

B. Impacts of Option 2

1. Potential Impacts on Budgeted Staffing Costs, Staffing Level, and Office Space

The following table shows estimated current internal resources, excluding publishing and contractual work, for the three tranches for which conventional outsourcing may be possible:

Tranches of Risk: <i>Levels of Risk of Outsourcing</i>	Staffing Costs	Numbers of Staff	Space
3: Moderate to High Risk	\$30,344,000	123.1 P + 102.3 G	28,688 square feet
4: Low to Moderate Risk	\$20,690,000	94.3 P + 64.6 G	20,974 square feet
5: Low Risk	\$10,099,000	50.1 P + 29.4 G	10,460 square feet

These estimates use the proportion of workload in each tranche to divide work units' resources by tranche, not on actual staff time and other resources needed, based on different effort per unit needed for each type of work. Thus this table should be considered for strategic management guidance only, and not for determining specific numbers of posts or other internal resources that could be cut from the budget should the work in these tranches be outsourced. With that caveat in mind, the table suggests that about \$10 million of staffing costs and 10,460 square feet of office space could potentially be reduced very soon, and about another \$21 million once the upstream quality and workflow is optimized as envisioned in Option 1. As that work is tested for outsourcing, further analysis and case-by-case decisions can determine how much of the \$30 million in staff costs and 28,688 square feet of office space can be saved by outsourcing parts of tranche 3.

2. Potential Impacts on Quality and Timeliness

Current difficulties in finding adequate translation suppliers in four languages considered capable of producing UN quality translations suggest that moving quickly to outsource tens of

millions of dollars of additional work can create great risks of reducing quality below an acceptable level. Also, unless upstream quality is improved and DGACM's workflow is optimized as envisioned in Option 1, on-time delivery of documents can suffer dramatically. Also, even if the workflow is optimized, if DGACM staff must heavily revise poor quality work by suppliers, timeliness can still suffer. This is not to say that risks to quality and timeliness cannot be managed if the approach to outsourcing is gradual, and if DGACM works with suppliers to ensure that the talent pool for UN-quality translators increases as outsourcing increases. However, as translation companies mainly use freelance translators, they have little incentive to develop translators' skills, and generally leave that up to the individual translators.

3. Impact on Net Budget Costs

While the above table suggests about \$30 to \$60 million in internal staffing costs that may eventually be saved if DGACM moves up the risk ladder in outsourcing, our review of private sector costs are inconclusive concerning whether such outsourcing will actually result in a net saving to the Organization. While there are translation companies that offer very low unit costs for translation compared with DGACM's internal costs, considering the UN's needs for quality work, we did not consider that the low-cost suppliers provide the best comparison. A better comparison is the cost charged for a high quality standard of private work, such as translations certified for legal use. While this is not an exact comparison with UN work, it provides a closer benchmark. A check against a company that provides such certified translations found that their costs can end up in the same range as DGACM internal translation costs, particularly when considering timeliness premiums the UN is likely to be required to pay (especially for tranche 4 and above) and adjustments for referencing work that the supplier's translators currently do not perform.

4. Transition: Employee Buyouts, Supplier Learning Curve, Management Shift

Option 2 anticipates a faster reduction of the internal workforce than by attrition alone. So transition arrangements will be needed for UN employees whose posts would be eliminated. This would likely include buyout offers involving large one-time costs to the UN. It would also be useful to require new suppliers to hire DGACM staff whose posts are eliminated (or give them preferential consideration in hiring) when the suppliers expand their workforce or roster of freelancers in order to meet the UN's documentation demand.

There will also be transition issues among private suppliers new to UN translation that have to get up to speed on UN terminology and expectations of UN-quality products. Assuming private suppliers can eventually overcome some of the difficulties of developing UN-qualified translators and translations, there will almost certainly be a period in which they must go up a learning curve to achieve expected quality and timeliness. It would be speculative to guess how long it will take for new suppliers to get over their learning curve, and how often Member States will complain about poor translations and late documents during this transition.

DGACM management will also face a serious transition period, in shifting to a mode of much more contract management, well beyond the capacity of the current CTU. More contract managers will be needed, and more existing DGACM managers will have to learn to deal with a full range of contract management issues. In addition to managing arms-length contractors, DGACM managers will find themselves "in the middle," between language service contractors,

author departments, Committee secretaries, and sometimes, Member States. They will have to learn new practices to negotiate the increases in boundary management issues they will inevitably face.

C. Other Considerations

Options for Planning and Managing Seasonality of Work

These options assume that DGACM will first attempt workload sharing (especially virtually) across duty stations whose high seasons differ, before hiring temporary assistance e.g.:

- temporary assistance is used for “core high season work” while non-core high season work is outsourced along with attempting to contractually ensure a vendors’ reserve or the availability of additional capacity as needed for high season.
- planning for additional temporary assistance as needed only for core high season work, so some that TAM is used for non-core work, as a safety margin against vendors not being able to increase their capacity to handle all additional high season non-core work.

Maintaining Internal Capacity Somewhat Beyond the “Core” Risk Level

Risk assumptions for types of work are necessarily generalizations. So, for specific documents normally considered lower risk that clearly involve higher risks than usual, a small additional percentage of internal capacity will need to be available to perform this work as it arises. Also, when such added capacity is maintained, DGACM will be better prepared for the emergency documentation requirements that inevitably occur at the UN from time to time, and the “lumpiness” or imbalances of the workload that occurs even in normally “light” times of year when temporary assistance has not been arranged in advance and other duty stations do not have excess capacity.

Option to Offload Concordance to Member States

In recent years DGACM and three committees of the GA have been attempting pre-adoption concordance to assure that the eventual published resolutions in all six official languages include the actual wording agreed to in each language when adopted. However, pre-adoption concordance has proven impossible for the GA plenary and remaining three GA committees given their working practices. One possibility to alleviate the situation would be to revert back to post-adoption concordance for all GA committees. That would relieve a stressful situation and could also make all GA concordance potentially available for outsourcing.

Another approach would be to offload responsibility for concordance of resolutions from the Secretariat to the Member States. This would put the responsibility for determining the wording of resolutions in all official languages where it would seem to belong: in the hands of Member States who vote on the resolutions. However, it may prompt some Member States to use this process to re-open matters that were already settled during the regular intergovernmental debate and discussion. Of course, Member States would have to agree to such a process which might follow the following broad outlines:

- Member States would form language committees, assigning delegates or experts from Member States for each language.
- The delegates or experts for each language would review resolutions, make refinements in each language as needed, and certify that the wording in each language means the same as the wording in the original language when the vote was taken.

VI. OPTION 3: Institutional Innovation

The final option we were asked to review was that where the department would undertake a process of significant change at the institutional level to reflect the emerging opportunities presented by new technologies, emerging commercial trends, new business models and other corporate and commercial developments. Specifically we were asked to review opportunities for either facilitating or creating institutional arrangements through which the direct control of the UN over its documents preparation cycle including editing, translation, publishing and distribution could be given over to an alternative structure.

In this context we first reviewed four separate “scenarios” based on the degree to which the UN would cede direct control over at least the “non-core” components of its documents cycle, meaning those components considered non-essential to the well-functioning of the UN. We envision the “tranches of risk” approach described in section V (Option 2) to be used to separate core (higher risk) from non-core (lower or acceptable risk) types of documents and functions.

- **Scenario 1: Contracting to a Private Company:** The immediate and direct contracting out of those parts of the documentation workload understood as being “non-core.” In this scenario, all activities assessed at acceptable risk levels in Option 2 would be contracted out to an arms-length, fully private company in the private sector with no direct link to the UN except for a standard commercial contract.
- **Scenario 2: Management Buyout:** The creation by the UN of a company (perhaps in partnership with an existing private sector organization) of a new private sector entity which would take over from the UN identified non-core activities including staff, management, and associated support for these functions. In this scenario, the new entity would have an only partial commercial independence from the UN for a limited (transitional) period of time during which it would have a Board appointed by the UN but which would, after that transition period, be fully independent (revert to Scenario 1).
- **Scenario 3: “Crown Corporation” or “Public Authority”:** The creation of an independent structure to which the identified elements of the document cycle would be ceded but which would retain a Board appointed by the Secretary General and over which the UN would retain ownership and ultimately control. However, the new entity would be required to competitively compete with private sector bodies for UN contracts and would otherwise not operate under the same terms and conditions (including employment conditions) of current UN Secretariat operations. This scenarios may be similar to creation of a new UN agency, such as UNDP, but with the purpose of providing services specifically to the UN system.
- **Scenario 4: “Special Operating Agency”:** The creation of an organizational unit within the overall UN structure which would be subject to all of the conditions of current UN mandates and would be organizationally an element of the UN Secretariat but which would have a measure of negotiated independence in the manner in which it conducted its work and which would otherwise organizationally operate as a private

sector company. This new agency (which mirrors the current operations of the Canadian Translation Bureau) would use full-cost accounting for its services, and work in a cost-recovery mode as described in section V (Option 2), charging for its services to its customer agencies and departments in the UN system. In addition it would be in competition with the private sector for contractual documentation work, with UN departments having been given the responsibility and the resources to enter into contracts with the Special Operating Agency or with external competitors on the basis of competitive tender (outsourcing as in Option 2).

A. The Scenarios

All the scenarios presented except for Scenario 4 would involve some degree of relaxation of current UN rules and operating procedures particularly concerning personnel. For example, in the first scenario of contracting out, management would have complete discretion over hiring and firing, setting rates of pay, providing incentives, and determining when to use regular staff versus freelancers or outside companies. In the “Public Authority” scenario, the amount of discretion from current rules would be subject to negotiation and it is difficult to predict what the eventual differences from current arrangements would be. Presumably, the greatest benefits towards establishing a cost-effective operation would come from the scenarios allowing the greatest relaxation of current rules. On the other hand, the risks associated with working at arm’s length from the UN such as losing required quality, timeliness, information security, and institutional memory, and becoming captive to market forces would be greatest with the first scenario and would lessen with later scenarios in which the new entity is organizationally closer to the UN.

B. Managing the Tranches of Risk Under Different Scenarios

An important additional consideration in choosing among the scenarios of Option 3 is that the closer the new entity is to the UN organizationally, the more the entity can be trusted to manage the higher levels of risk relative to the Organization. Thus, the scenarios that keep the entity closer to the UN, especially scenarios 3 and 4, have the advantage of allowing the new entity to move higher up the risk ladder, and take on work from the higher-risk tranches described in section V (Option 2). For example, the risks of working with a fully private company, as in scenarios one and two, might only allow outsourcing to a private company of the workload of tranches 4 and 5, involving the least risk to the UN.

A “public authority” (scenario 3) might be trusted to take on the workload of tranches 4 and 5, and eventually a large part of the work in tranche 3. In scenarios 4 and 5, the “special operating agency” may be considered close enough to the UN to take on more risk from the start, and begin its existence by managing a much higher proportion of the workload, from tranches 2 through 5. Eventually, as the working practices of the new entity are solidified, it can even take on the highest risk work in tranche 1, bringing all of DGACM’s current documentation work under its auspices.

C. Difficulties with the Four Scenarios

Given the international and intergovernmental nature of the UN, the first two scenarios, involving contracting out non-core activities to a single private entity domiciled in one country

(though staff and operations may be in many countries) would likely be unacceptable to Member States and most out of character with the nature of the Organization.² Scenario 3 would require unprecedented action by the General Assembly in creating an independent agency of this size purely for internal service purposes, and is considered unlikely. Our investigation of the closest governmental example of a Special Operating Agency for language services, the Canadian Translation Bureau (CTB), revealed that many of the issues of concern within the UN with respect to the translation service (e.g., micro-management, over-restrictive work rules) would not be eased within this scenario in that the CTB functions with only extremely minor exceptions as a fully operating element of the Canadian Government. Any changes to operating rules or standards would require legislation, which in the UN context would be extremely unlikely to be achievable. It is thus our conclusion and in consultation with our client that none of the “institutional” Option 3 scenarios as originally conceived provide the Organization with the benefits which are being sought in terms of reduction in overall costs, improved operations, and a significant reduction of office space for documentation purposes.

After consideration of the difficulties of the four scenarios above, and in consultation with the client, we determined that a “Fourth Option,” a hybrid involving the advantageous aspects of Options 1, 2, and 3 should be considered

D. An Offshore Hybrid: A UN Language Center

This fourth option would work within same operating framework of DGACM and the Secretariat. Documentation stays within DGACM and workflow is optimized as in Option 1, risks are considered as in Option 2, but a new entity is created—a new physical entity, rather than a special or independent agency—as in Option 3.

The new Language Center, which may mainly be based in a Less Developed Country, would still have a small number of staff based at UNHQ—New York for such work as advance editing with author departments and “forward echelon” coverage of the Security Council. Also, some of the workload in tranches 2 and 3, such as pre-adoption concordance and précis writing, which currently involve language staff working in meeting rooms or in close collaboration with committee secretaries or delegates, may also involve having staff from the new entity stationed at UNHQ. However, experimentation with videoconferencing and teleconferencing, and advances in communication technology, may eventually allow some or all of even these parts of the workload to be done at a distance, with even less need to station staff at UNHQ. The next section of this report describes the “Off-shore Hybrid Option” in more detail.

² The General Assembly has specified “To respect the international character of the Organization” as a goal that must be considered with regard to the use of outsourcing by the UN (A/RES/55/232, paragraph 1).

VII. The Fourth Option: An Off-shore Hybrid: A UN Language Center

A. Organization

This “hybrid option” includes the continuation of the development of a fully technology-enabled and virtualized document cycle, as envisioned in the 2002 comprehensive study and presented in Option 1. The UN Language Center option would take the idea of full implementation of remote service provision to include not only telecommuting, but also “off-shoring”³ In addition, the UN Language Center would be in a position to provide, based on the implementation of a suitable information technology platform, services from a remote location or locations.

These services would include the full range of those currently provided within the organizational context of the Documentation Division, expanded to include text processing and possibly Verbatim Reporting which can be written from digital recordings. While the service provision may be physically remote it would for all other purposes function as “in-house” and with the division between what could be provided remotely and what needed to be directly on-hand in New York not being a hard and fast one but changing as circumstances, requirements, technologies and institutional and other capabilities evolve and change. The Language Center would be a free-standing physical entity strategically located to take advantage of time zone differences from New York, either in Europe or in Asia. A 6 hour (Europe) or up to a 12 hour (Asia) time difference from New York, where most documents originate, would allow overnight processing (from New York’s perspective) without the cost of night shifts. The proposed Center would thus maintain the mandated international character of the institution but be in a position to take advantage of what we estimate to be quite considerable cost and New York office space savings achievable through the relocation to a Less Developed Country.

This new Center could also be organized to provide services to the UNO overall (other UN agencies as well as the Secretariat) on a full cost-recovery and competitive basis. Given that it is able to work with streamlined technology practices and significantly reduced overhead and support costs (reflecting its location in a low cost region) it would be in a position both competitively to provide Language and Document Management Services to the agency as well as providing services in a timely and quality manner through the use of its advanced technology infrastructure.

In this Option, the location of the new Center in a relatively low-cost environment and yet one which has state of the art technology access and capability would immediately make it cost-competitive with the provision of those services in high-cost environments such as New York if one applies full-cost accounting principles to the provision of office space, other infrastructure and support (non-UN international staff) services. In our initial calculations we estimated maximum cost savings with full implementation (the transfer to the Center of all DD functions plus text processing and Verbatim Reporting) on the order of 25% of existing staff costs. These savings come as a result of lower post adjustment for professional staff and for anticipated lower

³ “Outsourcing” refers specifically to the process of “contracting out” aspects of operational activity to third party suppliers; “off-shoring” refers to the process of shifting existing work to a lower cost location (lower personnel and operating costs) while maintaining direct control of the work as a continuing aspect of internal operations and management.

local salary levels for general service staff. This represents a net saving in the range of \$30 million per annum, with an additional saving of some \$4 million per year (depending on the local rent paid) in notional costs for rent. (Rent costs are notional since the UN does not at this time include attributed rent costs in its budgets.) We also estimate an overall net saving of approximately 70,000 square feet of prime midtown New York office space currently being used by DD staff and managers at UNHQ. Even if a relatively small number of these staff members (e.g., editors and a few translators in each language) must stay to service New York in person for a period of years, savings will still be substantial.

In addition to providing overnight servicing for UNHQ–New York, the new Center could take advantage of information technology and create dispersed and satellite work centers specifically located to take advantage of (and contribute to) language capabilities in Less Developed Countries where UN official languages are used as first or mother tongue languages. In this way, there would, in addition to the anticipated cost savings also be a net contribution to local economic development in the host countries. The information technology would also allow migrating work between locations as might be useful for financial or timeliness considerations.

In sum, the anticipated UN Translation Center would include:

- Transfer of existing Documentation Division with related functions such as text processing and verbatim reporting to a new location with management and reporting structures remaining intact
- No change in current terms and conditions of employment for UN permanent staff
- Complete accordance with existing UN language and operational standards and conditions
- Setting up fee-for-service arrangements with client departments and agencies with full cost-recovery
- Be able to locate in most cost efficient sites
- Have full access to the UN system to maintain quality standards and security
- Provide continuing full access to operations and services by client UN departments
- Be able to conduct work representing all five tranches of risk (see section V. Option 2)

B. Benefits

The anticipated Center would allow for continued UN control, responsiveness to the requirements of the individual Member States, and compliance with current UN standards and practices. At the same it would allow for achievement of cost savings and for the installation of state of the art technology systems and infrastructure in a new physical environment, which would move documentation far along into the future envisioned in Option 1.

C. Risks

We anticipate a limited amount of risk with this hybrid option associated with the reliance on technology to bridge the considerable physical distance between services and clients. Possible unreliability of communications and information systems and local infrastructure might provide some difficulty on occasion which could increase the risk of timely document delivery. However, the current state of development of communications technology is such that a range of

highly competitive communications options are almost universally available. As well, there is a similarly widespread availability of appropriate levels of technology support for infrastructure and other maintenance. This indicates that with appropriate planning (as for example for back-up systems and redundancy) these risks should be limited.

In addition, the off-shoring of the preparation of certain highly time-sensitive documents could present difficulties given the time zone differences although these would likely be accommodated by the residual operational staff at UNHQ. Also, placement of the Center in a Less Developed Country environment, while perhaps supportive of one or several language sets, might create difficulty in obtaining translators capable of others. We feel, however, that through the use of “telecommuting” of staff in other locations—including existing staff who never leave the New York area—these issues might be at least partially overcome. In addition there is always the danger of a degree of language quality drift from separating language clients from language service providers when there is a substantial physical separation. But a degree of rotation of staff and more deliberately planned engagement between clients and service providers might alleviate some of this difficulty.

D. A Transition Strategy

The transition strategy towards the UN Translation Center will require the development of the capacity to operate internally with full-cost accounting and also a corresponding capacity on the part of the UN departments to contract with outside agencies based on a knowledge of the full cost of the services that are being provided.

A second consideration will be to determine an appropriate venue for this activity. The current move to off-shore activities to lower cost venues has become a routine and general practice in major corporations. Such a practice is of mutual benefit to the corporation and to the recipient country. The corporation is able to reduce its over-head costs in areas where the activities being off-shored allow for such, while providing employment, external investment and some skill transfer to the recipient country. Thus the UN should have no embarrassment in following this practice. Use of a lower cost venue in a Less Developed Country for the placement of this agency will also improve the balance of UN supported activity between Developed and Less Developed Countries.

Another transition issue is that many of those currently involved in the activities being off-shored may, for personal reasons, be unwilling or unable to make the physical move. The process of “virtualization” envisioned in Option 1 should help these staff members make the transition while working from their current homes, thus minimizing disruption and the need for costly “buy-outs” while maintaining productivity and quality standards. This will, however, be transitional in two ways:

- The process of replacing these staff through attrition will recognize the new geographical arrangements;
- The growth of virtualization may not require that all new staff locate at the UN Language Center. Some translators or other documentation staff may not have to leave their home country to become full employees, which may result in more satisfied staff and savings of costs associated with staff relocation, housing support, and other costs.

The integrity of the workflow chain in this Option can be maintained but there will be the need to accelerate the process of automation as the functions move off-shore and as connections between the activities and the clients become physically remote. With a virtual workflow platform, the entire work chain can be managed strategically from UNHQ with a small group of staff from the UN Language Center. To cover emergencies, the UNHQ would keep a microcosm of all the related documentation functions. A small number of staff who need to physically work part of the time in or next to UNHQ–New York meeting rooms, and others (e.g., advance editors) who work with author departments, may be housed in the Secretariat, at least until appropriate advances and testing of technology makes that no longer necessary.

The Human Side of the Transition

In the language services the current average age of 50 could pose some problems for relocation. Some measures will need to be in place to attract professional staff to relocate at least for a fixed period of time before they can be eligible for a buyout or retirement. This is to ensure that the operations are not too disrupted during the transition period. Also, a large scale coaching strategy will need to be in place to ensure skills transfer and to help people deal with transition issues.

VIII. Impacts of the Options on the UN Organization

Option 1, the extension of the current processes of work flow revision and automation, including a strong drive towards virtualization, overall has the least risk of interfering with the standards and operations of the Organization. We believe the implementation of Option 1 will over time, realize many of the existing Organizational objectives including reduction in existing staff complement through attrition, and reduction of office space through virtualization, while maintaining standards of quality, timeliness and cost-effectiveness. The major limitation on this option is that it will take a considerable amount of time to achieve these goals and not all of these benefits may be achievable given a degree of resistance to organizational and cultural change within the Organization.

Option 2, the selective outsourcing of identified elements of work based on “tranches” of risk, would, we believe, have a significant degree of impact on the Organization. We believe that Option 2 would increase the risk of a reduction in the maintenance of quality standards, increase the risk of a decline in the realization of existing standards of the timely availability of documents, increase the risk to information security within the Organization and require significant changes in the skill requirements for management, all without a clear indication of significant benefits through reduced net budgetary costs or enhanced cost-effectiveness.

Option 3 is the introduction of an innovative institutional structure encompassing a very substantial part of the documentation staff and functions. We considered a range of these institutional innovations from full arms length outsourcing of the activity as the most fundamental break with existing structures, through the creation of a Special Operating Agency (based on the model of the Canadian Translation Bureau) where there were only minor changes to existing operational patterns (and what are widely understood to be operational limitations). In this option we clearly identified a scale where the more fundamental the break with existing operational circumstances as through full outsourcing, the greater the overall risk to the on-going operations of the Organization, while the less the break with these circumstances the less would be the opportunity for changes in the operations of the Organization so as to overcome certain of the identified barriers to operational efficiency and enhanced cost-effectiveness.

The fourth “off-shore hybrid” option, the UN Language Center, draws beneficial elements from each of the other options. Through virtualization, the hybrid option provides a full range of services from a remote location to improve timeliness and achieve savings. A small amount of staff and services will be provided at UNHQ as needed, though those may be reduced as requirements, technologies, and institutional capabilities evolve and change. As the Language Center is still part of DGACM, it can perform work from all risk tranches described in section V (Option 2). Finally, the hybrid could be strategically located to take advantage of time zone differences from New York (either in Europe or in Asia) representing either a 6 hour up to a 12 hour time difference from the source of most documents. The Center would also maintain the mandated international character of the UN.

Detailed Assessment of Impacts

Our comparative assessment of each of the four options considered these in relation to the nine characteristics specified in the Terms of Reference, as well as six other characteristics that emerged as important in the course of this study. We have organized these as seven risk factors, four types of resources, and three types of challenges.

In presenting our comparative assessments here, and summarizing them graphically on page 35, we used “Scenario 1: Contracting to a Private Company,” to represent Option 3, as the Scenario that offers the most contrast to the other options.

A. Risks

1. Quality: What is the “impact” or overall risk to the maintenance of the overall quality standards of the translation and documentation within the UN?

The implementation of Option 1 will likely either maintain or enhance the quality of the final text. Digitization and virtualization will facilitate achieving more upstream quality for documents before they reach translation. Option 2 will likely increase the risk to the organization of a reduction in quality given that an increasing number of documents would be outsourced for translation and reproduction. Option 3 Scenario 1 would present the greatest risk to the delivered quality of documentation in that the documentation process would be outsourced with quality control only available after the fact and with the significant reduction in an in-house capability for revision as might be required. The Hybrid Option would likely have a limited risk of a reduction in quality (much of the communication with the clients being transferred to electronic modes with some risk of language “drift”), however, this might be counterbalanced through the introduction of full digitization and virtualization of the document cycle, which may add quality in other ways.

2. Quantity: What is the “impact” or overall risk to the maintenance of the overall capacity of the organization to produce the quantity of documents required by the UN at adequate levels of quality and timeliness?

We feel that there would be no likely impact on overall “quantity” standards of Option 1. However with Option 2, additional risk would be introduced as there is some question concerning the availability in the marketplace of a sufficient number of suppliers with suitable competence (particularly translators) to satisfy the demand. For Option 3, quantity may not suffer at first assuming the company that acquired UN documentation services kept most of the current staff. But over time the risk of not meeting heavy UN quantity demands may grow as the for-profit entity increases the non-UN business it does, thus creating a risk competing demands for the same limited resources. The hybrid option presents a much more limited risk primarily because of the (anticipated) physical distance between the origin (and recipients) of the documents and where the processing is taking place which opens the overall process up to technology and “act of god” risks which would not normally be found in physically co-located workflow.

3. Timeliness: What is the “impact” or overall risk to achieving the timely availability of the high volume of UN documents at an adequate quality level?

Option 1 with full implementation should if anything enhance timeliness. There would however, be greater risk to the Organization under Option 2 since the Organization would no longer have direct control over a considerable portion of the documents which had been outsourced for processing. The greatest risk however, would come with Option 3 where the UN must rely on a third party contractor to manage on-time delivery from its freelance suppliers. In Option 3, the UN may also have to compete with other customers who pay higher premium rates for “rush” projects. Under the Hybrid Option there would be relatively little risk since the Organization having direct control over each step in the process could adjust processing production capacity as necessary to achieve the requirements for timeliness of the availability of its documents.

4. Information Security: What is the effect on maintaining security of certain documents produced by the UN with a considerable degree of “sensitivity” of information?

We assessed there to be a small degree of risk introduced into the document cycle through the process of virtualization since a considerable amount of the document processing will no longer be done in a manner subject to the physical security supervision of the UNO. This degree of risk increases substantially in Option 2 and even further in Option 3. Under the Hybrid Option full information security should be attainable although this will require secure data communications capability between HQ and the remote (or offices).

5. Integrity of the Document Chain: We identified the maintenance of an integrated “document chain” as being a significant element in the maintenance of the overall UN document standards and we assessed what the impact of the options would be on the maintenance of such an integrated document chain.

Under Option 1 we identified little to no risk in the maintenance of the integrity of the document chain. Option 2 also has little risk as DGACM manages multiple suppliers in different parts of the chain but maintains control of the document cycle and chain of production. However, under Option 3 we identified increased risk as the control over the chain is transferred over a major market supplier. Under the Hybrid Option we identified little to no risk to the integrity of the document chain.

6. Retaining a UN “Memory”: Organizations develop ways of doing things which facilitate the accomplishment of their objectives. This knowledge is retained in part in the rules and procedures of the organization but it is also found in the “memory” and on-going working practices (often called “tacit knowledge”) of long-time employees. Without this memory organizations often have unexpected difficulties in their operations and we assessed the effect of the Options on the Organization retaining this “memory”.

With Option 1 we believed that the Organization would be able to retain its tacit knowledge including what is being learned as the Organization goes through its transition process towards virtualization. With Option 2 however, we saw a risk of the Organization losing some of this knowledge as it outsourced certain specific functions to private sector firms and

a very considerable risk being associated with Option 3. The Hybrid Option had a similar risk profile to that of Option 1 in our judgment.

7. Image of the UN: We considered that the “image” of how the UN is publicly perceived, including by Member States, is a major element in the successful achievement by the UN of its mission and that any possible risk to the UN image should be assessed and the possible impact of the Options on this “image”.

With Option 1 we perceived there to be little to no risk and in fact with a more efficient operation there may be even a slight enhancement of the Organization’s image. With Option 2 we perceived a limited risk as possibility of a decline in the quality or timeliness of documents might be seen by clients as an overall decline in the capacity of the Organization. With Option 3 we perceived there to be considerable risk since with this Option the Organization overall might under some circumstances lose control over the documents which it was producing as well as a loss of control over the production process itself, both of which would introduce considerable risk to the UN’s image. With the Hybrid Option we perceived there to be relatively little risk as control over document processing was retained with the possibility of a slightly enhanced image through a further “internationalization” of the Organization with the creation of a UN Center in a Less Developed Country.

B. Resources

1. Staffing levels: What is the “impact” on the staffing levels of the Organization?

Option 1 would see a gradual reduction in staffing levels through attrition as technology enabled efficiencies were achieved. Under Option 2, these staffing reductions could be accelerated as functions were outsourced to external suppliers however, additional contract managers would be needed. The net result however, would be a significant reduction in staffing levels, although as noted elsewhere, not necessarily a reduction in overall costs. Option 3 would see a very significant and immediate reduction in UN staff levels. Under both Options 2 and 3 there would be the need for costly staff buyouts as sufficient reductions would not be achievable through attrition. The impact on staffing levels of the Hybrid Option would be the most complex in that it would involve a significant relocation of existing staff with the likelihood of substantial staff turnover including both through attrition and buyout. The Hybrid Option might also lead to the necessity of a modest increase in staff to handle the coordination between clients and processing staff as well as in information technology areas. However, the anticipated relocation under the Hybrid Option could be an occasion for additional internal organizational streamlining and increased digitization all of which might result in overall staffing levels remaining roughly the same.

2. Office Space: What is the impact on office space requirements.

Elsewhere in this report we provide detailed assessments of the impact of various of the options on office space requirements however overall we would expect that all options would impact extremely favorably on the office space requirement of the UN with the difference perhaps being in the speed with which these impacts might be realized. Option 3 and the Hybrid Option would allow for accelerated positive impact, Option 2 slightly less and Option

1 having the longest period for the realization of the positive benefits of change. However, as the UN Language Center in the Hybrid Option will take on a greater percentage of the documentation workload—all the way up to the highest risk tranche—than the private suppliers in Options 2 or 3, the Hybrid Option will enable the off-shoring of more staff and operations, and will free up the most New York office space the shortest time of all options.

3. Cost: What is the overall impact of the Options on the net budget cost of document processing to the Organization?

With the exception of the Hybrid Option, our very preliminary calculations and assessments were not sufficient to allow us to identify any significant benefits to the Organization as a result of any of the Options. Option 1 would reduce the cost of office space over time but this might be counter-balanced by the requirement to compensate employees for the use of their premises, for the development of an appropriate technology infrastructure and the additional cost of work coordination. Cost reductions based on Option 2 would depend on the cost of comparable services in the private sector. Based on our preliminary study of the available suppliers, significant benefits were likely to be achieved only if the Organization was willing to reduce its standards of quality and timeliness. Even for Option 3 we were unable to determine whether an outsource supplier would be able to be fully cost competitive with in-house processing on a full cost assessment basis (and using the cost of “certified” translation as our market place comparison, with premiums for rush jobs and referencing). Only for the Hybrid Option where significant cost savings could be achieved through a reduced cost of General Service staff and post adjustments for a significantly lower cost duty station compared with NYC, and lower imputed office rental costs.

4. Cost-effectiveness: What is the “impact” or overall risk to the achievement of an appropriate level of cost-effectiveness in document processing and production?

With Option 1 we anticipate that there will be a gradual increase in documentation cost-effectiveness as the process of digitization and virtualization progresses. With Option 2 we anticipate a somewhat more rapid achievement of cost-effectiveness if costs in fact will be lowered without losing quality or timeliness. But as cost savings cannot be projected under Option 2, neither can cost effectiveness. We are also unsure as to the impact on cost-effectiveness of Option 3 as there are too many unknowns at this time to make an adequate assessment—among those unknowns are the current availability within the marketplace of document processing capability of sufficient quantity and quality to satisfy the UN’s requirements at a good cost. In addition, we do not know whether the particular nature of the UN’s requirements (or limitations) with respect to the provision of the documents either could be adjusted or whether when made available for processing in an unadjusted fashion would result in significant impacts on the cost processing and thus impact severely on the cost-effectiveness of the operation. With the Hybrid Option we feel that the benefits of enhanced cost-effectiveness achievable under Option 1 would be realizable with no risk to the organization. In addition as we have shown elsewhere in this document the savings achievable as a result of relocation to a lower cost area would significantly enhance the cost-effectiveness of the operation.

C. Challenges

1. Management: What would be the “impact” on the challenges placed on management?

In Option 1, management will need to develop new skills to manage both the work and the staff virtually, including additional requirements for contract management. Under Option 2 there will be a very significant increase in the requirement for contract management, coordination, and quality control capability and a significantly diminished requirement for existing staff management capabilities. Under Option 3 there would be a severely diminished requirement for existing management capability and a very significantly increased requirement for new skills in negotiation, contract management, coordination and quality control. Managing client relations will also become more challenging as management would be in the middle between author departments as users, Member States as clients, and the external contractors as service suppliers. Under the Hybrid Option, existing management skills and challenges would change relatively little with the exception of the need to develop additional capacities for coordination and managing the interface between remote clients and virtual and on-site processors.

2. Organizational Structure: What would be the impact on the internal structure of the Organization? What is the challenge in managing the structural change?

Under Option 1 the organizational structure would necessarily adapt to the opportunities and requirements for intensive operation in a virtual mode however the actual structure would only evolve as requirements and the patterns of work activities changed in response to the new modalities of operations. Under Option 2 there would be a significant change in structure as the Organization adapted to the out-sourcing of considerable volumes of activity, perhaps leading to consolidation of the current MPD and DD as documentation staff were reduced, creating new challenges in managing organizational change. Option 3 would entail the most significant requirement and challenge for change in the organizational structure with only a relatively small amount of management and support retained in the organization. The Hybrid Option would likely entail limited organizational change with the existing Document Division and related functions being able to be transferred to the proposed “Center” more or less intact leaving only a residual element within the existing operation for liaison and coordination. An issue under the Hybrid Option could be whether to treat the UN Language Center, with staff mostly from DD but some also from MPD, as its own operating unit and organizationally shift some MPD staff to work for the Center.

3. Transition: What are the transition impacts and challenges of each option, for the Organization and for the people involved?

We understood Option 1 to have the least “transition” issues associated with it, since processes of “virtualization” are already underway and this option is mainly recommending an extension or a managed acceleration of this on-going process. Option 2 presents considerable transition issues since a capability to manage the process of outsourcing in all its complexities would need to be established, staff would need to be trained to work with out-sourced processes, and there would be considerable issues of separation with existing

staff. Option 3 would have an even greater degree of issues with existing staff and re-training the Organization to work with a service which had previously been directly linked to its end users both organizationally and physically; now the Organization will be separated in all respects and connections concerning customer service and responsiveness depend on a third party supplier rather than with a direct employee. There will be somewhat similar adjustment issues for the Hybrid Option as for Option 3 in that means for managing the transition of existing staff into a new physical arrangement, including separations, remote working arrangements, and relocation will be considerable. In addition, establishing new working relations between clients and service providers will need considerable attention as well as establishing appropriate working environments, including technological connections.

Another transition management issue will be the availability of market alternatives for existing services. Our preliminary review of the market indicated that there were restrictions on the overall availability of suitably qualified and experienced translators and that this circumstance would impact on the achievability of all options, but most affects Options 2 and 3. Specifically, we believe that Option 2 was likely feasible from a supply perspective given the current availability of potential suppliers in the marketplace. However, as noted there is some question as the availability of certain translation capabilities in the short run and of longer term supply issues as might be required by Option 2. We had considerable reservations concerning the feasibility of Option 3 from a supply perspective since we could not identify in the marketplace any current supplier with the “internal” capability to manage document translation and processing of the quantity and complexity of the current UN document cycle with appropriate levels of quality and timeliness. The current translation suppliers in the marketplace have a very limited in-house capability and operate primarily as brokers for independent individual translators. With an assignment of the size of the current UN activity it is questionable whether current supply arrangements from existing suppliers or even possible consortia of suppliers would be able to manage the volume with a sufficient degree of oversight and control to satisfy UN requirements.

COMPARISON OF IMPACTS OF THE OPTIONS

Pattern Key to All Charts: Lightest: Best; Darkest: Worst

Key to Risks: Lightest: Least Risk; Darkest: Most Risk

RISKS	Option 1	Option 2	Option 3 (Scenario 1)	Off-shore Hybrid
Quality				
Quantity				
Timeliness				
Information Security				
Integrity of Document Chain				
UN Institutional Memory				
Image of UN				

Key to Resources: Lightest: Best: Most Savings or Cost Effective
Darkest: Worst: Least Savings or Cost Effective

RESOURCES	Option 1	Option 2	Option 3 (Scenario 1)	Off-shore Hybrid
Staffing				
Office Space				
Net Budget Costs		???	???	
Cost Effectiveness		???	???	

Key to Risks: Lightest: Least Challenge; Darkest: Greatest Challenge

CHALLENGES	Option 1	Option 2	Option 3 (Scenario 1)	Off-shore Hybrid
Management				
Organizational Structure				
Transition				

List of Officials Consulted in DGACM

Mr. Chen Jian
Under Secretary-General, DGACM

Ms. Cristina Mercader Steele
Chief Office of the Under-Secretary General
DGACM

Ms. Renu Bhatia
Acting Office in Charge of the USG Office

Ms. Vivian Lewis
Chief
Central Planning and Coordination Service

Ms. Shivona Tavaree-Walsh
Chief
Documents Control Section

Ms. Margaret Kelly
Director
General Assembly and Economic and Social Council Affairs Division

Mr. Stephen Sekel
Officer in Charge
Documentation Division

Ms. Xian Zhang
Director
Meetings and Publishing Division

Mr. Vitaly Ganin
Chief
Contractual Translation Unit

Mr. Paul Kazarov
Chief
Publishing Section

Representatives of the Staff Council, coordinated by:
Mr. Igor Shpiviov

GLOSSARY

Buyout: An investment transaction by which the entire or a controlling part of the stock of a company is sold.

Certification: The act of certifying. (dictionary.com)

Concordance: Agreement; concord. (dictionary.com)

“Core:” Highest level, internal staff.

Corporate governance: The set of processes, customs, policies, laws and institutions affecting the way a corporation is directed, administered or controlled. Corporate governance also includes the relationships among the many players involved (the stakeholders) and the goals for which the corporation is governed. The principal players are the shareholders, management and the board of directors. Other stakeholders include employees, suppliers, customers, banks and other lenders, regulators, the environment and the community at large.

Corporate Independence: Private limited companies with commercial autonomy and short decision paths that enable them to respond to market situations at short notice.

Cost Efficient Location: The most appropriate location at the lowest possible price.

Cost Effectiveness: The comparison of the relative expenditure (costs) and outcomes (effects) associated with two or more courses of action.

Cost Recovery Mode: An organization is expected to generate revenue for its budget from its customers by charging for its services based on full cost accounting.

Cost of Quality: The monetary cost of producing materials and work at a certain level of quality.

Document Chain: The sequence of work activities that lead to completion of the document.

Free Standing Agency: An agency separate from the main body of the organization.

Forces of Innovation: New developments that pertain to the organization’s work and make it more efficient.

In House Costs: Costs associated with producing work within the organization.

Integrity of the Document System: Assurance that the workflow is structured in such a way as to maintain an ongoing supportive relationship between the documents and the other activities of the organization.

Legally Certifiable Translated Text: Texts that have met the approval of the organization's legal body or system.

Leveraged buyout: When a financial sponsor gains control of a majority of a target company's equity through the use of borrowed money or debt.

Managing Change: Assuring a smooth and cost effective transition between management systems.

Market Pricing: Establishing the market's value for a product or service, and its trends, by the unit prices being paid within the market.

Monetary Incentive: a cash bonus or monetary reward.

Off-shoring: Relocation of business processes to another country, especially a country overseas. This includes any business process such as production, manufacturing, or services. There is no implication here of the process not being done as an integral of an on-going operation.

Outsourcing: Often defined as the delegation of non-core operations or jobs from internal production within a business to an external entity (such as a subcontractor) that specializes in that operation. Outsourcing is a business decision that is often made to lower costs or focus on core competences. A related term, **off-shoring**, means transferring work to another country, typically overseas. Off-shoring is similar to outsourcing when companies hire overseas subcontractors, but differs when companies transfer work to the same company in another country.

Privatization: The process of transferring property, from public ownership to private ownership and/or transferring the management of a service or activity from the government to the private sector. The opposite process is nationalization or municipalization.

Public company: A company owned by the public. There are two uses of this term. A company that is owned by stockholders who are members of the general public and trade shares publicly, often through a listing on a stock exchange. Ownership is open to anyone that has the money and inclination to buy shares in the company. It is differentiated from privately held companies where the shares are held by a small group of individuals.

Risk: The potential harm that may arise from some present process or from some future event.

Risk Ladder: Ascending levels of risk.

Sensitive Documents: Documents that deal with sensitive or classified issues.

Stewardship of Standards: Maintenance of norms set by the organization.

Succession Planning: The process of identifying and preparing suitable personnel, through mentoring and training, to replace key players within an organization as their terms expire.

Tacit Know How: Implicit knowledge of a specific skill set or subject area.

Talent Pool: The pool of potential employees whose skills and availability matches those of a potential employer.

Third Party Supplier: Supplier outside of the organization.

Timeliness: In time; opportunely. (dictionary.com)

Timezoning: Coordination of workflows with time zones to ensure timely turnaround of work.

Tranche: French term meaning “slice” or “portion.”

Image: Characteristic of a person, group or company that affects public perception.

Virtualization: A broad term that refers to the abstraction of resources across many aspects of computing.