It pays to know where your time goes: Part 1

Tracking time spent on various professional activities can help interpreters in more ways than one. Here are some of the things we learnt about how we use our time.

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In a previous article on budgeting time and costs, Julia posited that 1/3 of our time input was overhead (non-billable administrative tasks, bookkeeping, client acquisition, quote preparation, telephone calls, voluntary work for professional associations, etc.), but that was only an estimate with no empirical evidence to back it up. Since then the German region of AIIC set up a profitability working group and one of its first tasks was to test the hypothesis by having members track the amount of time they dedicated to various activities. The three of us participated in the exercise and would like to share our views in this 3-way conversation.

What were the initial results?

Julia: We saw that the hypothesis was basically correct, but that the 1/3 figure also varied to a certain extent with a range of results. Further examination revealed that senior colleagues who have worked in the private market for a considerable time have less overhead (e.g. 20-25%), particularly when based in a larger city with lots of work. They tend to have long-standing customer relationships, so their marketing, sales and continuing education overhead is lower. We also found that a specific event in one’s professional and/or personal life, such as moving home and/or office, can turn the time split upside down.

Almute: Another salient result was that we all worked many more hours than we thought, as many as 60 or more a week. It’s easy to deceive ourselves about how much (or little) we work. Time tracking can be a very sobering experience when you realize that you work as much as some managers who earn six-figure salaries (and you don’t). And it’s equally sobering to find out what you spend time on. For example, I realized that I spend much more on organization and consulting for clients than I thought, and put an incredible amount of time into reading, processing and answering emails. Writing a short email covering various items while sticking to the point takes much more time than I thought.

Nacho: The most striking result is the fact that I don’t work efficiently enough. There were months when I invested 70 % of my time in non-billable activities (overhead).

How did you act on these results?

Almute: Well, first of all I raised my consulting fees and started tracking organizational and consulting tasks more specifically so as to be able to present time sheets to my customers to
illustrate the full extent of the services I provide. To make this even more credible, I matched the
time sheet with a printed list of all emails exchanged (showing title, day and time each email was
sent or received, sender and recipient), which I then filed under a single project name.

**Julia:** Time tracking also contributes towards better time management because you come to realize
that you do a lot of multitasking or quick task switching, which can be time consuming. It is
better to stick to one task for a longer time. For example, switch off your email client for an hour
or two or even half a day when you are doing a translation or preparing for a conference.

The time tracking exercise also makes it very clear that, if you break down the time input for an
assignment faithfully and comprehensively (communicating with the client, booking transport,
preparing, travelling, being on site half an hour early, working in the booth, etc.) and divide the fee
by total number of hours spent, your **hourly revenue** is sometimes low, or rather **too low**. You will
find – sometimes surprisingly – that some types of jobs are much more profitable than others. For
example, I found that certain jobs that on the face of it had relatively low daily fees were still very
profitable taking into account the total time input, while others with higher fees were less profitable
than I thought. By the way, I also found that translating is often much more profitable than
interpreting, believe it or not.

**Nacho:** Now I know better what my weaknesses are in terms of organization and time management.
After realizing that I spent too much time preparing quotes that wouldn’t land assignments, I
decided to **limit quote preparation time** (including telephone calls and email exchanges) to 20-30
minutes per project for non-premium clients and agencies.

Time tracking is a very good way of focusing on a specific task, which automatically translates into
greater efficiency.

**So what did you change or think should be changed?**

**Julia:** Well, we definitely have to charge higher fees, one way or another. I started to try to **charge
for prep time** whenever the quote could be structured in such a way that I could convincingly back
up the claim vis-à-vis the client. In my case this has worked particularly well in two cases. The first
is for supervisory board meetings for which prep material typically comes no earlier than the day
before. It’s not too difficult to convince the customer that you must not – and will not – accept
another assignment for the day immediately before the meeting, and that you need to be paid for
your time. This is the **concept of “opportunity costs”** (missing out on another opportunity to make
more money).

The other case is for very, very technical conferences on engineering topics, where clients
understand that the subject matter is so difficult that it easily takes 1/2 day per conference day to
prepare (it can certainly be more but half a day paid extra is better than nothing!). My experience is
that preparation is accepted and appreciated much more by the client if it figures in the quote. Also,
prep material tends to arrive in my inbox much earlier and are more complete than otherwise.

**Does this mean that you plan to bill by the hour in the future or quote on the
basis of hours?**

**Julia:** Not at all! Time tracking is something you do **for purely internal purposes**, in order to
make the value of your time investment comparable across jobs. Once you have divided your fee by
the time input and determined an hour’s return for various assignments, you have a much better
basis on which to judge whether an assignment has been profitable or not. Many of us use gut
feeling, but it’s too easy to fool yourself. Also, you can compare this hourly figure to other
productive activities you do, such as translating. You will be in for a surprise! Hours simply lend themselves as a time unit for such comparisons.

Billing by the hour makes no sense because ours is a personal service; when we enter into a contract we are personally bound by it. For example, if I were to sign a contract for a half-hour press conference on a Wednesday, and even if I were to account for all my time from first contact to being paid, I could miss out on the opportunity of another assignment spanning the whole week. So, by asking for at least a daily fee (and not an hourly or half-day one) we cushion this risk to some extent. It’s clear that it is easier to fill some or all of the remaining four days of that week than fractions of a day.

*Julia/Almute/Nacho:* This brings an end to the first chapter of our two-part article. In Part 2 we’ll take a look at how we went about tracking our time, what categories we chose, and the tools we used.

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