

Cost-benefit analysis

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Overview

- Introduction
- Previous efforts
- General Cost-benefit Model
- Costs and benefits of Terminology Work



Introduction

- My background
 - Copenhagen Business School
 - Master of Language Administration
 - TERMDIST
- Collection of parameters to measure
- Collaboration with Annelise Grinsted, Southern Denmark University

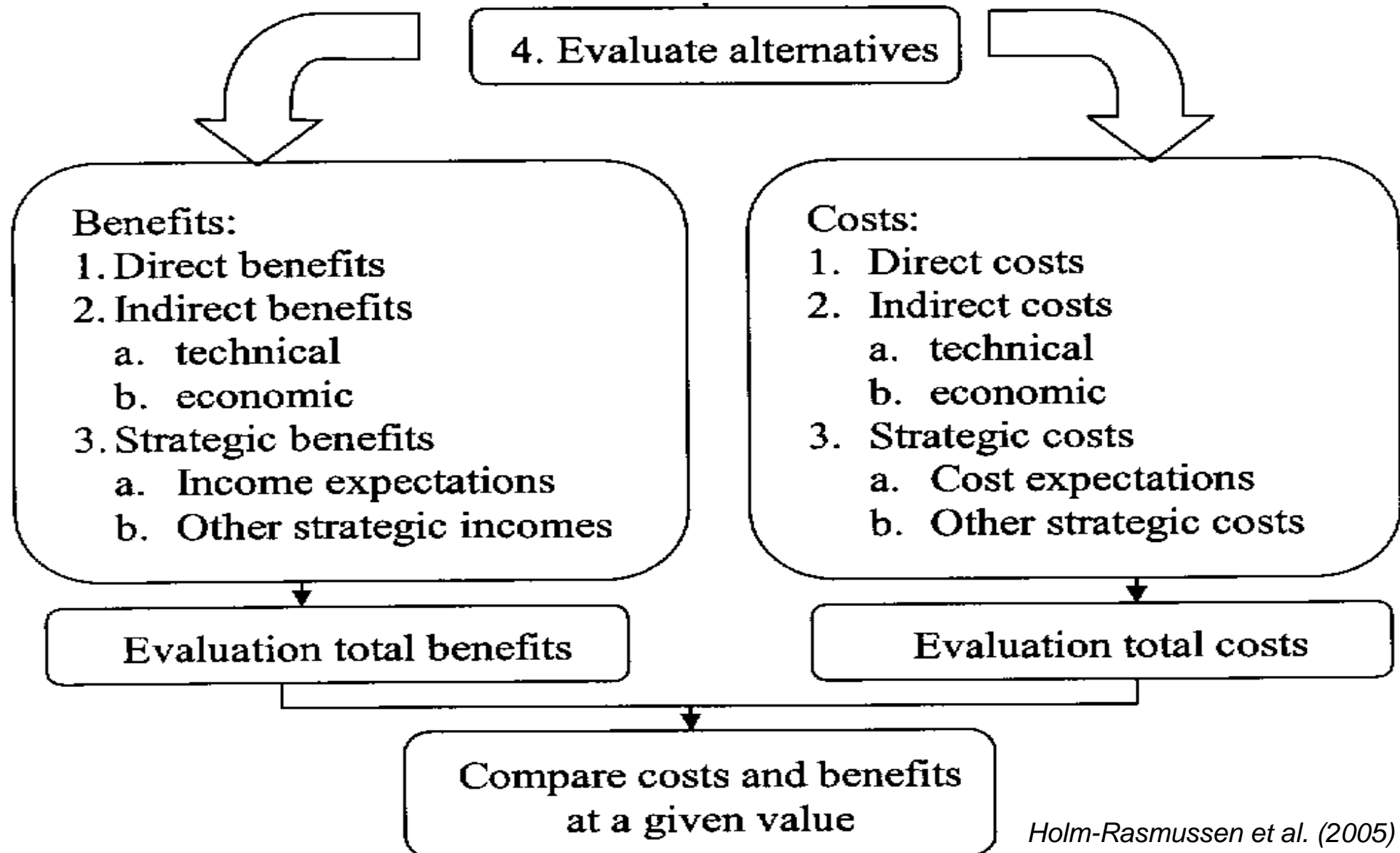


Previous efforts

- Introducing the need
- Pricing terminology work
- Types of costs & benefits
- Statistical data

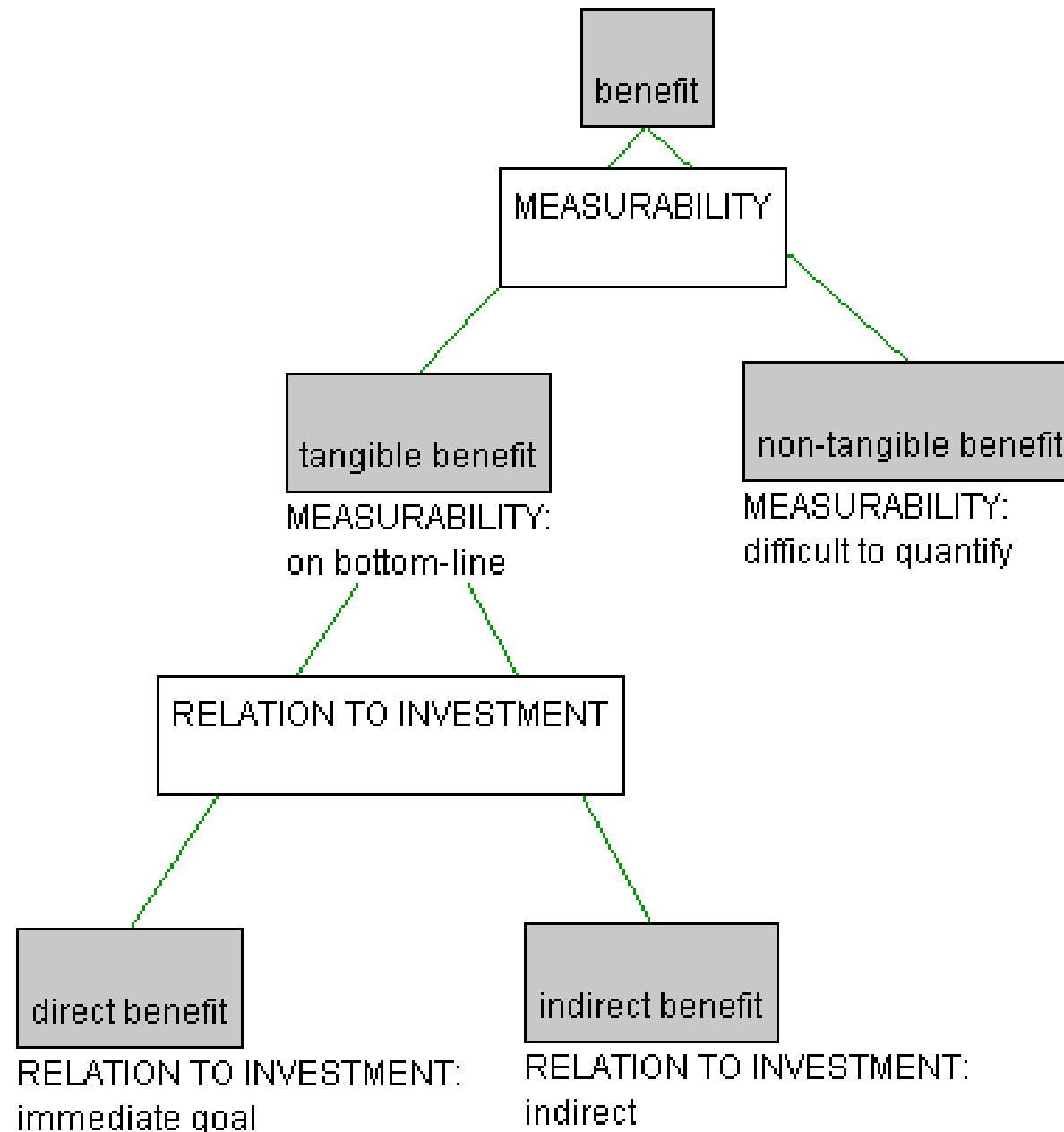


General cost-benefit model



Holm-Rasmussen et al. (2005)

Benefits



Direct benefits

- Savings in translation process
- Consistency in terminology
 - Across versions, departments, documents





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EAFT
Terminology & Market Place

Indirect benefits

- Customer service
- Hotline



Strategic or non-tangible benefits

- Readily accessible information
- Maintenance of terminological knowledge
- Facilitation of negotiations
- High quality in documents and elsewhere
- Customer satisfaction: cost-effective use of product (user instructions, user interfaces)
- Avoid delay in cross-border marketing
- Avoid litigation due to erroneous user guides



Consequences

Litigation and responsibilities

However, it can be difficult to document:

- Language / terminology often “only” an element (an unauthorized / incorrect translation, the interpretation of a term, equivalence, choice of language, etc.)
- What is found in EUR-Lex are often preliminary rulings to clarify legislation, later to be decided in national courts (e.g. Colim-Bigg’s case, Belgium in Dutch-speaking area)



Direct costs

Initial costs

- TMS
- Training
- Initial terminology work

Operating costs

- TMS
- Training
- Terminology work



Indirect costs

- Project overhead
- Creation of derivative products
 - Glossaries, web sites,
 - Reports
 - Exports for customers
 - Consultancy for other companies
- IT assistance (backup, user support)



Strategic and non-tangible costs

- Involvement of other colleagues
 - technical writers
 - subject matter experts
 - etc.



Comparison of costs and benefits

Calculation of cost of time

- Price per PM
- Overhead?

Net savings per month:

benefits (monthly) - operating costs



Comparison of costs and benefits

- **Depreciation of initial costs**

$$\frac{\text{initial costs}}{\text{net savings per month}} = \text{number of months}$$

- **Depreciation with fixed period**

$$\frac{\text{initial costs}}{\text{number of months}} - \text{net savings per month} = \text{profit per month}$$



Concluding remarks

- Some parameters for measuring benefits and costs according to a general model
- Some examples

Future work:

- make analysis in enterprise or organization
- expand the list of parameters and examples

