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# Terminology and the famous Rol



# Return on Investment (RoI)

## Definition 1

ROI. A measure of a corporation's profitability, equal to a fiscal year's income divided by common stock and preferred stock equity plus long-term debt. ROI measures how effectively the firm uses its capital to generate profit; the higher the ROI, the better.

## Definition 2

More generally, the income that an investment provides in a year.

This content can be found on the following page:

[http://www.investorwords.com/4250/Return\\_on\\_Investment.html](http://www.investorwords.com/4250/Return_on_Investment.html)



## RoI – you will love this one:

### Definition

Earning power of assets measured as the ratio of the net income (profit less depreciation) to the average capital employed (or equity capital) in a firm or project. Expressed usually as a percentage, it is a measure of the profitability which (while not taking the time value of money into account) indicates whether or not a firm is using its resources in an efficient manner. For example, if the ROI of a firm (in the long run) is lower than its cost-of-capital then the firm will be better off by liquidating its assets and depositing the proceeds in a bank. Also called rate of return, or yield.

<http://www.businessdictionary.com/definition/return-on-investment-ROI.html>



# Return on Investment (RoI) & Terminology

## FREQUENTLY ASKED QUESTIONS

- What does it cost?
- Why does it cost so much?
- What is it good for?
- Do we really need it?



# Return on Investment (RoI) & Terminology

Let's remember:

- RoI = **income** that an **investment** provides in a year
- Terminology (work, management, entires) = **costly, costly, very costly!**

## EXAMPLES

- What does it cost & Why does it cost so much?



## **RoI, Costs, cost-benefit arguments**

**EXAMPLE 1: JD Edwards, e-catalogues → hand out 1**

**EXAMPLE 2: Error propagation**

**→ hand out 2**

**EXAMPLE 3: Pain curve**



# Rol, Costs, cost-benefit arguments

## Key message:

- Indicators, key figures, Rol and cost-benefit arguments are very good and useful – and can be **dangerous!**
- Make sure to really talk the language of the manager / boss / decision maker you want to „convince“ (or impress...)



## So what – how to argue then?

i.e. How to **SELL** terminology ?

How we usually „sell“ it?

Example 4:

- By showing what happens **if you don't do** terminology work
  - And by showing what happens **if you do** terminology work
- (please refer to Kara Warburtons presentation at TAMA 2008 in Canada)



## Motivate them – Why bother?

### Example 5:

5.1 There is a market for multilingual products and services

5.2 Again: Consequences of localising and of NOT localising -  
„Localwise“?

- Financial: markets, image, customer satisfaction...
- Legal: product liability, investor's relations...
- Marketing: branding and corporate speech
- Internal: communication, efficiency
- Market Opportunity



# Motivate them – Why bother?



Example 6: eCommerce:  
What can you purchase here?

What **value** would a  
localised version have for  
the provider?



# The value of intangible assets

We are not alone:

- In our information and knowledge societies – **information and knowledge** still is **NOT recognized as core & key assets & values !**
- Many ongoing activities and sophisticated strategies **to measure the value of knowledge**
- Similar strategies and activities apply to the value of linguistic and cultural diversity, diversity management at the workplace, etc.



## The value of intangible assets

**EXAMPLE 7** Intellectual Capital Reporting („Wissensbilanzierung“)

<http://www.akwissensbilanz.org/index-en.htm>

The research group "Arbeitskreis Wissensbilanz" promotes the scientific development and broad application of **Intellectual Capital Statements as a strategic management tool**. We help organisations to **understand, collect, evaluate and develop their intellectual capital systematically**. Our ultimate ambition is to strengthen innovation potentials and sustainable competitiveness of the knowledge based economy.



# The value of intangible assets

## Example 8      Balanced Score Card

- has been developed in 1992 by Robert S. Kaplan and David Norton (Harvard)
- in order to plan & to measure activities of an organization in relation to the vision and strategies of the whole enterprise
- Focus on soft skills & facts & financial aspects of an organization

→ **Balanced Terminology Score Card ?**



# What a Terminology Manager must know ...

Skill Units for a „Certified Terminology Manager“

Skill Unit „Business Process & Management Skills“ → **Hand out 3**

→ You are cordially invited to contribute to this  
Skills Definition for the Job Role “Certified Terminology Manager”

**THANK YOU VERY MUCH FOR YOUR FEEDBACK !**