Value added means generating greater return on investment than the cost of the initial investment. Return on investment can mean bringing in more money (or increasing users’ satisfaction) or it can mean reducing costs, such as the cost of supporting customers. Value added is a concept that technical communicators can use in a wide range of fields (not just in high-tech companies) and in a wide range of roles (not just as writers or producers of documents). Case studies and literature from technical communicators and professionals in related fields suggest many different measures that technical communicators can use to show how they add value. As technical communicators consider value added, they should be aware of two important issues: Numbers don’t tell the whole story; process is also critical. They may have to go beyond traditional corporate accounting systems to get credit for value that they add.

Finding Ways to Measure Value Added

Over the course of the project, we have accumulated a substantial list of ways that you might measure value added. Let’s discuss them in four categories:

1. Outcome measures
2. Ratings of customer satisfaction
3. Projections (estimates) of value added
4. General perceptions of the value of technical communicators’ work

Projections (Estimates) of Value Added

In many cases, you do not want to wait until the work is completed to make the case that the technical communicators’ work is going to add value. Two ways to estimate value added are to use historical data and to conduct comparative or iterative usability tests.

Estimating Avoidable Costs from Historical Data

Martha Cover and her colleagues at Cadence Design Systems (Cover, Cooke, and Hunt, this issue) show us how to use estimates to make a convincing case for letting professional technical communicators do their job well. They calculate the cost of developing a typical manual. They also calculate the avoidable costs that are incurred in fixing problems, including:

- Costs of writing and sending updates and adding to bulletins about problems and solutions
- Costs to the technical communicators’ company when a customer needs support

Despite tremendous growth in our profession, some organizations still produce technical communications without professional assistance. In most organizations, technical communicators, whether employees or contractors, still struggle for recognition and appropriate funding. Too many product managers and subject-matter specialists still believe the fallacies of “anyone can write” and “documentation isn’t so important anyway.” In an era of increasing cost consciousness, we technical communicators are under ever greater pressure to justify our roles and our activities—to show just how we add value and how much value we add. How can we do that?
• Costs to the customer’s company when users have difficulty getting the information that they need

Using historical information and typical salary figures, Cover, Cooke, and Hunt estimate that the cost per problem rises significantly the later it is found. Table 3 shows the relative cost of finding problems at different times.

Table 3. Cost of fixing problems at different times in a product’s life cycle

<table>
<thead>
<tr>
<th>Problem found in</th>
<th>Cost</th>
<th>Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Edit cycle</td>
<td>$123</td>
<td>1.0</td>
</tr>
<tr>
<td>Beta testing</td>
<td>$330</td>
<td>2.68</td>
</tr>
<tr>
<td>The field</td>
<td>$3,116</td>
<td>25.3</td>
</tr>
</tbody>
</table>

The much higher cost of finding the problem in the field is not only the actual cost of revising incorrect information or adding missing information. It is also the cost to the customer who does not yet have the information and the cost to the technical communicators’ company of supporting customers before they get the information.

The detailed descriptions and calculations in Cover, Cooke, and Hunt can serve as a “how-to” for technical communicators who want to make a similar case for the costs that they can help their companies or clients avoid.

Estimating savings through usability tests. An important metric of value added is increasing users’ productivity. Usability specialists and forms designers have used comparative and iterative usability testing to show how their work reduces users’ errors and reduces the time it takes users to perform a task.

For example, Anita Wright of the Document Design Center at the American Institutes for Research, working with Deborah Stone and Marie van Melis-Wright of the Bureau of Labor Statistics, used iterative usability testing to show that by following a process model of document design, they could make significant improvements in Internal Revenue Service (IRS) forms and instructions (Stone, van Melis-Wright and Wright 1993; Wright 1994).

WORKING WITH MEASURES OF VALUE ADDED

As you consider the many measures in these lists, think about these four points:

1. Comparisons help to show value added.
2. Cost avoidance may be as important as cost savings.
3. The value increases with more users.
4. Several measures are likely to go together.

Cost Avoidance: As Important as Cost Savings

When you count cost savings, or potential cost savings, think broadly. What would the impact be if technical communicators were not doing the job that you have shown adds value? What costs is the company avoiding by having professional technical communicators?

For example, in the GEIS study (Spencer and Yates, this issue), the real value of the technical communicators is much greater than just saving the costs that GEIS is now spending to support the group that does not use their manual. What if the four other groups also did not have that good manual? They might be calling as often as the group that is already without the GEIS manual. GEIS is avoiding the cost of supporting those groups, and the cost savings increase fourfold. With every added group of users, the technical communicators’ good manual helps GEIS avoid calls and adds the value of what that support would cost.

Value Increases from More Users

As the previous example shows, value measured as costs saved or costs avoided goes up rapidly with more users and higher volumes of use. For several years, usability specialists have been using volume estimates to show that even small improvements can mean large dollar differences (Karat 1993; Bias and Mayhew 1994).

If the technical communicators’ work reduces call volume by 10% (either the number of calls because fewer users call or the duration of calls because support staff or subject-matter specialists can find the answers more easily), the technical communicators save the company $900,000 a year.

CAVEAT: MAKE SURE YOU GET CREDIT WHEN YOU ADD VALUE

It isn’t enough to do studies of value added. We have to make sure that managers and executives know about the value that we add.

A major problem in many organizations is that what managers and executives see in accounting reports does not show the value that a specific group of professionals, like technical communicators, is adding. Traditional accounting practices in many
organizations make it very difficult to show the
benefits of improving quality and adding value. In
fact, with traditional accounting practices, actual
improvements in performance may be hidden, or,
even worse, show up as negative value on accounting
reports (Kaplan 1990a).
As Carnevale and Schulz (1990, p. S-4) point out
in discussing return on investment in training:
"Managers . . . sacrifice long-term profit gains in favor
[of] short-term cost cutting. Under current
management accounting standards, the economic
impact of such mismanagement is not assessed."

Three Problems with Traditional Accounting
Practices
One problem is that many accounting systems still
track costs by department, not by project. If customer
support costs go down, the customer support group
looks good. The documentation group doesn’t get
any credit for reducing support costs, even if good
documentation contributed substantially to the
reduction.

A second problem is that once accounting reports
are set up, they may be slow to change. They may not
let a department distinguish costs for different
activities or for similar work on different products.
The cost per unit of work may seem to go up, even
when the department has become more efficient.

A third problem is that many accounting systems
are still based on a manufacturing model, not a labor
intensive service model. They use measures that relate
overhead and labor cost to the number of widgets
that are produced or worked on. A documentation
group that is measured only on pages per day will
appear to be costing more if technical communicators
are spending time on activities other than writing and
production or if their higher quality documents have
fewer pages. Value that they are adding through these
other activities or the greater benefits of shorter
documents may not be reflected in the accounting
reports.

CONCLUSION
Part of a manager’s job is to make judgments about
the value of the contributions that different people
make. Without hard data, managers make those
judgments subjectively. Without data, managers must
draw their own conclusions, which may be incomplete
or inaccurate. Even with data, if it is from traditional
accounting systems, managers may be getting an
incomplete or inaccurate picture. You have to
consider it part of your role to show the value that
you add as a technical communicator.

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