

The Capers-Workman Equation

A worksheet for the true cost of AI versus people, by Valerie Capers Workman, Esq.

Cost per unit of useful work = total cost ÷ output delivered

The equation to run on one role. The lower result wins.

Option A: AI alone

AI license (or amortized build) \$

inference at volume \$

the terms left out

human verification \$

quality and remediation \$

attrition it triggers \$

total cost \$

output (units delivered)

cost per unit = \$

Option B: people equipped with AI

salary \$

benefits and taxes \$

development \$

AI seat (or amortized build) \$

inference at volume \$

– knowledge kept \$

total cost \$

output (units delivered)

cost per unit = \$

First, define the unit. Pick one output you can count (claims resolved, defects caught, deals closed) and pull the real 12-month count. Use the same unit for both options.

Steps for Option A: AI alone

1. Price the AI: license quote, or amortized build cost.
2. Meter the inference at production volume, at tomorrow's rate.
3. Add the terms usually left out: the verification it needs, the quality it degrades, and the attrition it triggers among the people who stay.
4. Measure its output in a pilot: count only the units it gets right and that hold.

Steps for Option B: people equipped with AI

1. Enter the fully loaded salary and benefits.
2. Add development, and the AI they use: the seat (or amortized build) and its inference.
3. Subtract the knowledge kept by not losing the person.
4. Measure their equipped output in the same pilot: how many more they resolve at the same bar.

Then compare. Divide each side's total cost by its output. The lower cost per unit wins. Check which single input, if wrong, would flip the result, and measure that one in the pilot.

*Both options assume humans remain in the loop and as final decision-makers.
Run the equation for AI alone, then for people equipped with AI. The lower number wins.*

by Valerie Capers Workman, Esq.