AI Cost-Saving Calculator (Workshop Edition)

Mapped to: - Workshop Activity – Cost-Saving Calculator
- Lecture 10.2 – Essential Tools & Platforms

This calculator is designed to help leaders **quantify AI ROI in real numbers**, not estimates or hype. By the end of this workshop, learners will know exactly **how much money AI can save (or generate)** in their own organization.

HOW TO USE THIS CALCULATOR

- Time required: **7–10 minutes**
- Input real organizational data (or best estimates)
- Conservative assumptions are intentionally used
- Output is **board-ready ROI, savings, and payback period**

STEP 1: IDENTIFY REPETITIVE WORK (INPUT)

List **three high-volume task categories** in your organization.

Category 1

- Task Type (e.g., Document Processing): _____
- Examples (contracts, reports, invoices, emails): ___
- Number of employees involved: ____
- Avg hours per employee per week: ____

Category 2

- Task Type: _____
- Examples: _____
- Number of employees involved: ____
- Avg hours per employee per week: ____

Category 3

- Task Type: _____
- Examples: _____
- Number of employees involved: ____
- Avg hours per employee per week: ____

STEP 2: CALCULATE ANNUAL TIME COST

Formula (per category):

```
Annual Hours = Employees × Hours/Week × 52
```

Category 1 Calculation

Annual Hours = __ × _ × ***52*** = _ hours

Category 2 Calculation

Annual Hours = __ × _ × ***52*** = _ hours

Category 3 Calculation

Annual Hours = __ × _ × ***52*** = _ hours

Total Annual Hours (All Categories): ____ hours

STEP 3: CONVERT TIME TO MONEY

Fully Loaded Cost Formula

```
Fully Loaded Cost per Hour = (Annual Salary × 1.4) ÷ 2000
```

If unknown, use **₹ / $50 per hour** as a conservative estimate.

Annual Cost Calculation

```
Annual Cost = Total Annual Hours × Cost per Hour
```

Annual Cost of Repetitive Work = _ × _ = ____

STEP 4: APPLY CONSERVATIVE AI SAVINGS ASSUMPTION

Assumption: AI delivers **40% efficiency improvement** (conservative)

```
Potential Annual Savings = Annual Cost × 0.40
```

Potential Annual Savings = _ **× *0.40* =** _

STEP 5: CALCULATE AI TOOL COST

Typical Enterprise AI Cost

- Avg cost per user per month: _____
- Number of users: _____

```
Annual AI Cost = Users × Cost × 12
```

Annual AI Tool Cost = _ **×** _ × 12 = _____

STEP 6: NET SAVINGS & ROI

Net Savings

```
Net Savings = Potential Savings – AI Tool Cost
```

Net Annual Savings = _ **–** _ = _____

ROI Formula

```
ROI (%) = (Net Savings ÷ AI Tool Cost) × 100
```

ROI = (_ ÷ _) × 100 = _____ %

STEP 7: PAYBACK PERIOD

Formula

```
Payback Period (Months) = AI Tool Cost ÷ Monthly Savings
```

Monthly Savings = _ **÷ *12* =** _

Payback Period = _ ÷ _ = ____ months

STEP 8: EXECUTIVE SUMMARY (OUTPUT)

Complete this sentence:

> "By implementing AI for ____**, our organization can save approximately** __ per year, achieve an ROI of _***%, and recover our investment in*** _ months."

This statement is **board-ready**.

COMMON MISTAKES TO AVOID

- Overestimating AI impact (stay conservative)
- Ignoring adoption and training time
- Applying AI to low-frequency tasks first
- Treating this as IT savings only (this is business value)

RECOMMENDED NEXT ACTION

Based on this calculator, your **highest-cost category** is:

➡ ____

Commitment:

> In the next 30 days, we will pilot AI for _____.

FINAL NOTE

If this calculator shows **<100% ROI**, recheck inputs — most real organizations see **300–1000% ROI** within the first year when AI is applied correctly.

This calculator is designed to create **confidence, urgency, and clarity** — not hype.