

AI creates capacity. Leadership determines whether it **becomes value**.

Productivity gains from AI do not automatically become enterprise value.



AI UPLIFT



CAPACITY CREATED



MANAGED
CONSTRAINTS



ALLOCATION
DECISION



ENTERPRISE
VALUE

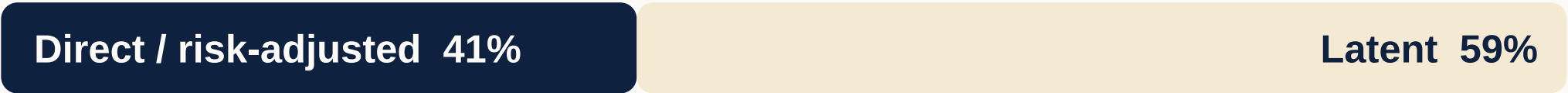


The economic logic

Most AI-ROI math skips the step in between — and that step is where the constraint, and the money, actually is.



Direct P&L vs latent capacity



\$662K direct/risk-adjusted P&L. \$968K is capacity — real hours freed, booked as value only once re-allocated.

\$1.63M

Core modeled value / pod / yr
counted total after overlap & constraint rules

\$1.16M zero-feature floor

Illustrative single-pod model. Capacity value is latent and allocation-dependent, not booked P&L.

Same AI uplift. Different allocation.
9× different modeled value.

Two teams receive the identical AI gain, releasing 376 story points — approximately 2,257 delivery hours — of capacity.

Team A — backfill / BAU

\$53K

$376 \text{ SP} \times 6 \text{ hrs} \times \$93/\text{hr}$ recovered as hours,
× 25% realization (lower-value work).

Team B — confirmed new features

\$470K

$376 \text{ SP} \div 20 = 18.8 \text{ features} \times \$25\text{K}/\text{feature}$
× 100% realization (full value).

Same released capacity — the difference is the allocation decision.
Illustrative modeled scenario. Outcomes depend on confirmed demand, delivery constraints, and the value of the capacity's ultimate use.

What the model evaluates

15 scenarios across six value categories — not one uplift number.

- **Growth capacity**
Feature acceleration & reallocation (the value engine)
- **Direct P&L & loss avoidance**
Security remediation, incident downtime, contractor displacement
- **Stability & governance**
Quality drag (deducted), review capacity, alignment ceilings
- **Knowledge & expertise**
Learning acceleration, legacy discovery & key-person risk
- **Vendor & modernization**
Build-vs-buy unbundling, rebuild-vs-refactor decisions
- **Flow & maintenance**
Intake refinement, general productivity, patch velocity

The scenarios are not all additive. A capacity-claims ledger prevents the same released hour from being counted twice, while direct, risk-adjusted, and capacity value are reported separately.

Calibrate the model to your operating economics.

I am opening a small number of executive calibration sessions for leaders who own AI investment, product growth, transformation, operating performance, or technology.

The diagnostic calibrates all 15 scenarios to your organization, identifies the binding constraint, and develops a defensible, risk-adjusted value range.

Request an executive calibration

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