

# The cost of poor planning

What a 36 person product organisation spends today on specs that arrive ambiguous, and what it costs to stop. Every figure below is an input you can replace with your own.

Measure Plansmith against your payroll, not your tooling budget. A 30 engineer organisation licenses **10 planner seats**, one per person who writes specs, plus 30 comment-only seats, at **\$21,500** a year. That is **0.32%** of a \$6,676,800 product payroll. It breaks even if it returns **7 hours** per person per year.

## WHERE THE MONEY GOES TODAY

Ambiguous specs never show up as a line item. They cost capacity in four places, none of which appear on an invoice.

| COST CENTRE            | WHAT HAPPENS TODAY                                                                             | WHY IT COSTS                                                                                                                       | WHAT IT COSTS |
|------------------------|------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------|---------------|
| Authoring              | A spec-author hand writes the spec, structures it, and breaks it into tickets                  | Skilled product time goes on formatting and decomposition instead of judgement                                                     |               |
| The clarification loop | An engineer hits an ambiguity, asks, waits, context switches, resumes                          | You pay twice, for the engineer's blocked time and the spec-author's interrupted time, and the switching cost exceeds the question |               |
| Rework                 | The feature ships, then is reworked or discarded because it met the ticket but not the intent  | The most expensive class of defect. It consumes full delivery capacity before anyone discovers the error                           |               |
| Wasted agent cycles    | A coding agent is pointed at a vague ticket, builds down the wrong path, output is thrown away | A new cost, and the only metered one. Vague input converts directly into billed tokens you throw away                              |               |

## WORKED EXAMPLE

**Profile.** 30 engineers and 6 spec-authors, authoring 288 specs a year at 4 per author per month. Fully loaded rates of \$90/hr engineering and \$85/hr for spec-authors. 20 engineers on a coding agent at \$200 a month.

|                               |                            |                    |                           |
|-------------------------------|----------------------------|--------------------|---------------------------|
| ANNUAL RECOVERY, CONSERVATIVE | ANNUAL RECOVERY, BASE CASE | PLANSMITH PER YEAR | PAYBACK, CONSERVATIVE     |
| <b>\$162,000</b>              | <b>\$357,696</b>           | <b>\$21,500</b>    | <b>7 wks</b>              |
| 7.5x return                   | 16.6x return               | 0.32% of payroll   | from the first full month |

| COST CENTRE           | BASIS, BASE CASE                         | CONSERVATIVE | BASE CASE |
|-----------------------|------------------------------------------|--------------|-----------|
| Authoring time        | 6 hrs to 2 hrs of author time per spec   | \$48,960     | \$97,920  |
| Clarification loop    | 5.0 hrs to 1.7 hrs per spec, both sides  | \$42,048     | \$84,096  |
| Rework                | 12% of capacity, cut by 25%              | \$67,392     | \$168,480 |
| Agent cycles          | 30% of agent spend wasted, 50% recovered | \$3,600      | \$7,200   |
| Total annual recovery |                                          | \$162,000    | \$357,696 |

WHY THE NUMBER IS HARD TO ARGUE WITH

Most vendor ROI models collapse under one sceptical question, because they need a large behavioural change to clear a large licence fee. This one does not. The seats are small enough that the argument holds on structure alone.

Across 36 people, \$21,500 buys back **241 hours** a year at a blended rate. That works out at **6.7 hours** per person per year, or about **100 minutes a quarter**. To reject this business case you have to believe clearer specs will save your team less than that.

SENSITIVITY ON THE TWO CONTESTABLE INPUTS

Two assumptions carry the model: the share of engineering capacity currently lost to rework driven by unclear specs, and how much of that Plansmith removes. Both are shown across their plausible range. Figures are total annual recovery, with the other three cost centres held at base case.

| CAPACITY LOST TO REWORK | CUT BY 15% | CUT BY 25% | CUT BY 35% |
|-------------------------|------------|------------|------------|
| 6%, a disciplined team  | \$240,000  | \$273,000  | \$307,000  |
| 9%                      | \$265,000  | \$316,000  | \$366,000  |
| 12%, base case          | \$290,000  | \$358,000  | \$425,000  |
| 15%                     | \$316,000  | \$400,000  | \$484,000  |

The weakest corner of this grid, a disciplined team with only a 15% improvement, still returns \$240,000 against \$21,500 of seats. The case does not depend on the optimistic corner being true.

WHAT THIS MODEL DELIBERATELY EXCLUDES

Four real benefits are left out. They are harder to defend in a finance review and the case does not need them.

Cycle time.

Shipping the same roadmap sooner has revenue value we have not attempted to price.

Escaped defects.

Spec errors that reach production cost materially more than those caught in delivery.

Retention.

Rework is among the most commonly cited sources of engineering frustration.

Token efficiency.

We believe better structured specs cut agent token consumption substantially. That is something to measure in a pilot, not assert in a spreadsheet.

ASSUMPTIONS, STATED PLAINLY

Fully loaded hourly rates of \$90 engineering and \$85 for spec-authors assume US mid-market salaries at a 1.3x burden multiplier over 2,080 hours. Spec volume of 288 a year assumes 4 per author per month. The authoring and clarification figures are per-spec estimates, to be replaced with your own observed values during a pilot. Rework percentages are ranges and not measurements, which is why the sensitivity grid is there.

PRICING

Team plan. A full planner seat is \$2,000 a year (\$167 a month, billed yearly); a comment-only seat is \$50 a year. Every plan gets the whole product; tiers differ by usage. Developers receiving issues in the issue tracker and prototype reviewers on a share link need no seat.

Draft for discussion. Operational assumptions are illustrative and pending validation against customer data. No figure in this document is an industry benchmark presented as fact. Every one is either the customer's input or a stated estimate.