THE PER-SEAT TAX WORKSHEET

Add up what your software rentals really cost — then see the number that makes owning cheaper than renting

Software vendors did something brilliant twenty years ago: they stopped selling software and started charging rent — priced per person, per month, forever. It felt cheap because each line item was small. Then the line items multiplied.

This worksheet takes 20 minutes with your last three months of invoices. Most leaders who fill it in are surprised by the total — some are appalled. Either way, it's the number every renewal negotiation should start from, and almost nobody knows theirs.

PART 1 — THE VISIBLE RENT

List every tool with a per-seat or monthly fee. (Pull the credit card statement — you will find tools nobody remembers buying.)

TOOL	SEATS	$/SEAT/MO	ANNUAL COST
CRM	_____	_____	_____
Project / work management	_____	_____	_____
Document / e-sign	_____	_____	_____
Scheduling / dispatch	_____	_____	_____
Inventory / ops tool	_____	_____	_____
Reporting / dashboards	_____	_____	_____
The tool only one department uses	_____	_____	_____
The one you forgot until the statement	_____	_____	_____
Subtotal A — annual			**$**__________

PART 2 — THE INVISIBLE RENT

These never appear as line items, but you pay them:

HIDDEN COST	ESTIMATE	ANNUAL
"AI add-on" fees appearing at renewal ($/seat/mo × seats)	_____	_____
The upgrade tier you bought for ONE feature	_____	_____
Integration/middleware tools that exist only to glue the rentals together	_____	_____
Hours/week your team spends re-typing data between systems (hrs × loaded cost × 52)	_____	_____
The consultant who configures the tool every time you change a process	_____	_____
Subtotal B — annual		**$**__________

PART 3 — THE GROWTH TAX

> Subtotal A ÷ current headcount = **$__________ per employee, per year.**
>
> Now multiply by the headcount you plan to have in 3 years: **$__________.**

That's the tax you'll pay for growing — on tools that won't fit you any better at 120 people than they do today.

THE BREAK-EVEN QUESTION

Take **(A + B) × 5 years = $__________.**

That's your five-year rent. Now the question that was unaskable until recently: **what would it cost to own, instead?**

For most of the last two decades, the answer was "far more" — custom software was a luxury. AI-accelerated development changed the arithmetic: bespoke systems on standard technology now get built for a figure that regularly lands *below* the five-year rent — and the spend converts from a permanent expense into an asset you own, with **zero per-seat fees**. Seat 51 costs the same as seat 50: nothing.

Three honest caveats, because worksheets that hide the fine print are how you got here:

1. Owning fits **core operations** — the systems your business actually runs on. Keep renting the true commodities (email, accounting).
2. Owned software has a maintenance cost. It's real. It's also a fraction of compounding rent — and it buys changes *you* choose.
3. The asset is only an asset if you hold the source code and the data. Get that in the contract or you've just found a more expensive landlord.