

TOP 5 CONSIDERATIONS
for CIOs

Should you *build* or *buy* products and capabilities?

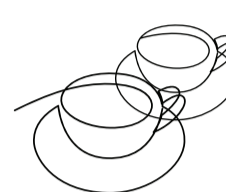
Strategic Alignment

Your strategy
and business needs

Determines
whether to build or buy

Building may provide a competitive advantage if the capability is a unique differentiator, while buying may offer faster time-to-market and reduced development risks for non-core functionalities.

Bottom line: Be the change you want to see in the world. Know your business's unique differentiator. According to Deloitte, companies who leverage their core competencies while efficiently integrating ready-made solutions for non-core areas, can achieve 50% time to market gains and 30% higher innovation rates.



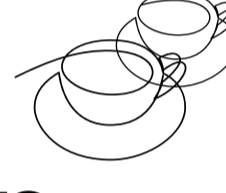
Cost and Resource Allocation

Often it is more
about aligning data and industry insights

Than IT for IT sake
that makes digital transformation magic

Building may incur higher upfront development costs and resource commitments but may offer greater control and customisation. Buying may involve lower initial costs and faster implementation but may result in long-term vendor dependency and integration challenges.

Bottom line: Your unique differentiator can justify the expense of building in-house, if you have support from the top down. Forrester cites that 53% of organisations choosing to build in-house solutions reported higher initial development costs to those buying off-the-shelf. While Gartner reports that 68% of companies that built their own software reported significantly higher satisfaction with customisation and control over their technology stack.



Time-to-Market and Speed of Execution

Precision needs patience
but don't stall

Your company's DNA:
the ultimate GPS

Building may offer more flexibility and customisation but also require longer development cycles and delay time-to-market. Buying can provide ready-made solutions which are implemented quickly, accelerating time-to-value and reducing time-to-market.

Bottom line: Getting products out to market is essential for maintaining a going concern. If you don't have the stomach for building, compete in whatever way you can. (Sustainable) winning is winning, plain and simple.

After 30+ years of experience...

“ In fast paced industries where the core competency is service delivery it makes sense to buy and configure as the tool or outcome is part (not all) of the story. However, organisations that commit to the build because they know their core business is a delight to see from every angle. ”



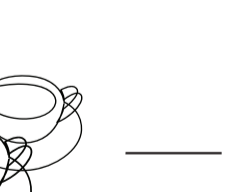
Quality and Expertise

Always create and control
tension where it is needed

Building may create anxiety
while buying can create lock-in

Building may leverage internal expertise and offer greater control over quality and security but may require specialised skills and experience. Buying may leverage vendor expertise and best practices but may involve vendor lock-in and reliance on third-party solutions.

Bottom line: Intelligent organisations strike the right balance for innovation to flourish where it needs to. No one wants to be locked in but if you don't have the quality outcomes, know your limitations. Companies that adopt a hybrid approach (combining in-house development and off-the-shelf solutions) experience a 35% higher innovation rate says Harvard Business Review.



Risk and Innovation

Where there is risk
there is reward

However, there is always more risk too

Building may have higher development risks, including technical challenges, project delays, and unforeseen costs. Buying may involve vendor-related risks, such as vendor stability, product roadmaps, and service quality.

Bottom line: There is no easy way or short cut...sing along now! Regardless of approach, approximately 70% of IT projects fail. This includes missing deadlines, going over budget, or not delivering the expected results (Standish Group 2020). **Best advice:** ensure your project's ROI only gets signed off if it meets your internal rate of return and has sufficient contingency.



Like to delve into, dissect or draw on my experience over a coffee — let's set up a time...

