

Build vs. Buy in the Age of AI

Build from the ground up, or inherit years of learnings on day one?

AI has vastly reduced the cost of building software: what took months now takes just days. It is no surprise that industrial leaders are asking whether to build their own connected-worker platform.

As an IFS Cloud customer, you can leverage a connected worker platform that works for your organization from day one.

The barrier to building has fallen. The bar for production has not.
95% of generative-AI pilots never reach production.¹

Three reasons build economics break down

1. You're not buying code.

AI can generate an application; it cannot generate a decade of manufacturing learning. What can't be built quickly:

- Workforce skills data and training history
- SOP governance and compliance traceability
- Adoption methodology, the part no codebase contains
- Best practices refined across hundreds of deployments

The asset is the operational knowledge, not the application.

2. Building makes you a software company.

The prototype is the cheapest part. The real cost arrives after launch and never leaves:

- Infrastructure, security, integrations, and support
- Regulatory changes, user administration, and AI-model evolution

These consume your most skilled people, and large IT builds run **45% over budget for 56% less value**². Building doesn't remove dependency; it transfers it to you indefinitely.

3. Governance is the floor, not a feature.

Leaders are judged on whether they can prove a system works, not just that it does. That requires:

- Immutable audit trails and version control
- Role-based permissions and electronic signatures
- Multilingual consistency and enterprise-grade security

These can't be added cheaply later, and AI-generated code makes it harder, shipping **2.74x more security vulnerabilities**³. Governance must be in the architecture from day one.

Why purpose-built platforms pull ahead

Every deployment compounds: more operational insight, product innovation, deployment experience, better governance, and better AI. The platform gets smarter with every customer, plant, and year. An internal build starts at zero; a mature platform starts with years of learning, validated in production by leaders like Bosch, Coty, and L'Oréal.



What this means for leaders

The question isn't "Can we build it?" It's "Does building it create competitive advantage?"

For most industrial companies the answer is no. Their edge comes from production, quality, and workforce performance, not from owning software infrastructure.

AI made software creation easy. It did not make production, governance, adoption, or industry expertise easy. IFS Cloud customers are able to inherit years of proven learning and empower their people to do their best work from day one.

Sources

1) RAND Corporation; MIT Sloan Management Review (2025): 95% of generative-AI pilots fail to scale to production.

2) McKinsey & Company: large IT projects run 45% over budget and deliver 56% less value than planned.

3) Veracode (2025): AI-generated code contains 2.74x more security vulnerabilities than human-written code.

**Buy the platform. Compound the advantage.
Put your best people back into the operation.**

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