

Enterprise AI:

BUILD

OR

BUY

Your guide to making AI investment decisions that align with business value and risk — knowing when to build, when to buy, and how to scale responsibly.

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Key takeaways



Speed to value matters

AI evolves faster than most enterprises can plan. The faster you can deploy governed, explainable AI, the faster your teams and customers benefit.



In-house builds often collapse under hidden costs

Recruitment, integration, compliance, infrastructure, and maintenance can drag timelines and budgets far beyond expectations.



Failures are public and expensive

Big players across industries have faced monetary losses and reputational damage on failed AI builds, demonstrating how internal overreach can erode trust and ROI.



The future goes hybrid and beyond

The most effective AI strategies combine the speed of buying with the precision of building, ideally delivered through managed, adaptable platforms that evolve at the speed of AI.

Executive summary

The debate over whether to build or buy enterprise AI isn't just technical. It's strategic. AI evolves faster than most enterprises can plan. In-house development rarely keeps pace with the rate of change.

Recent research reinforces this. Insights from the MIT State of AI in Business Report 2025 show that **only about 5% of enterprise AI pilots achieve measurable value**. The findings highlight how difficult it is for organizations to move from experimentation to production when building in-house. Moreover, **Forrester research demonstrates that 67% of software projects fail due to the wrong build vs. buy choices**.

The companies leading in AI have learned that control doesn't come from owning every model. It comes from deciding where AI should differentiate what your business is known for and where it should accelerate operations and productivity.

In short, build in-house AI where it defines your core product, customer experience, or proprietary industry edge. Buy managed enterprise AI where it modernizes your internal operations and streamlines how your business runs.

This guide helps enterprise leaders achieve that balance. You'll find a practical buy-first framework and discover how Unframe enables fast, secure, and scalable AI deployment without altering what makes each business unique.

Common reasons for building in-house

When focus is on defensible foundations to create proprietary AI where models themselves become intellectual property, building is usually the best bet.

For example:

- A bank developing proprietary fraud detection tailored to its transaction graph
- A pharmaceutical company training AI on proprietary molecular datasets for drug discovery
- A manufacturer embedding predictive AI into IoT devices for uptime guarantees
- An energy company optimizing drilling through proprietary sensor-driven AI

Strengths	Risks
• Full responsibility and ownership • Proprietary IP that compounds as a competitive moat • Potential to redefine an industry's economics	• Talent dependency - ML/GenAI engineers, data scientists, and MLOps talent are scarce and expensive • Execution risk - multi-month cycles often grow longer, turning into years • Ongoing cost curve - training, fine-tuning, and maintenance require sustained investment • Technology obsolescence - AI frameworks, protocols, models evolve rapidly, risking wasted efforts in outdated stacks

Building comes with complete responsibility, which can be advantageous yet challenging at the same time. It also comes with sunken cost risks. Moreover, when the tech landscape shifts, your in-house platform could quickly become outdated. Building AI is equivalent to creating new intellectual property. **It needs to be justified with the same rigor as M&A or R&D considerations.**

Why some enterprises choose to build

For many enterprise teams, building AI solutions in-house can feel reassuring



Hesitations we often hear from leaders:



Security

"Vendors can't meet our privacy and security standards."



Data quality

"Our data is unique, complex, and often unorganized. External models can't handle it."



Control

"We need IP ownership for compliance."

These are valid concerns. But control should not be mistaken for capability. Owning infrastructure doesn't guarantee agility. It often slows delivery through long procurement cycles, complex validation, and maintenance backlogs. Competitors who adopt managed AI platforms move faster.

It's true that not all vendors can meet stringent compliance and security needs. Focus on those that can. Unframe was built with security in mind with deep cybersecurity expertise across the team. Learn more about [compliance and security at Unframe](#), including GDPR, ISO 27001, CCPA, and SOC II certification.



Hidden costs of building in-house

Building AI internally isn't only about model development. It's about everything required to keep it safe, compliant, and sustainable.

→ Talent cost

It's expensive to hire and retain senior AI engineers, MLOps leads, and compliance experts. The demand exceeds supply.

→ Integration drag

Each model must connect to existing systems, data stores, and authentication layers. Integration alone can double project timelines. Another aspect is integrations are difficult to produce, especially with legacy or highly proprietary systems. Very few AI solutions offer native integrations. They often require extensive stitching through middleware, MCPs, or custom connectors. This leads to fragile, maintenance-heavy pipelines that slow delivery and increase operational risk.

→ Infrastructure

If you build it yourself, you're also paying for compute costs: model training, inference, and data processing. As usage scales, so do cloud costs, GPU allocations, and ongoing optimization expenses that rarely appear in initial budgets.

→ Governance overhead

Human-in-the-loop review, audit trails, and explainability are mandatory for enterprise-grade AI. Building these from scratch multiplies effort and risk.

→ Maintenance and technical debt

Data changes. Regulations evolve. Models drift. Maintenance takes more time than development and grows with every new use case.

→ Opportunity cost

Every quarter spent building infrastructure is a quarter not spent creating differentiated business value. In AI, speed to value defines competitive advantage.

→ Project backlogs

Internal AI initiatives join a long queue of competing priorities. Promising ideas often get pushed to the bottom of the list, delayed by resourcing constraints, cross-team dependencies, and shifting roadmaps.

When internal AI builds go wrong

Even major enterprises across industries have found themselves trapped in AI build failures. In the insurance space, for example, automation without oversight costs a leading insurance provider dearly in lost time, reputational damage, and expensive reversals. The in-house AI lacked the right governance, agility, and human oversight.

The system they built was meant to improve efficiency in claims processing. However, it ended up triggering lawsuits and public backlash after reports of claims denied in seconds without proper human review. The company faced regulatory scrutiny, customer frustration, and harm to its brand reputation that outweighed the savings.

What they could have done instead:



Start from a governed foundation that includes explainability, human-in-the-loop workflows, and compliance by design



Build selectively on top of proven infrastructure for use cases that drive business differentiation



Time-box internal projects to short milestones. If value isn't proven quickly, pivot to a managed solution

Reasons to select buying

When the board demands visible AI outcomes in the next 90 days, this is the strategy that delivers. Buying an AI solution gets you production-ready capabilities in days or weeks, de-risking political and financial exposure.

Common use cases for buying:

- Knowledge management, compliance monitoring, and content summarization
- Process automation across HR, finance, procurement, claims
- Customer support assistants, call summarization, agent copilots

Strengths	Risks
• Predictability SaaS/subscription OPEX with transparent ROI • Risk reduction Proven security, compliance certifications, managed upgrades • Talent leverage No need to hire scarce ML engineers or data scientists; existing teams can focus on higher-value tasks.	If you end up procuring a typical point solution, several risks may arise over time. • Scope creep and disappointing delivery if expectations aren't set clearly • Potential lock-in and dependency on external roadmaps • Rapidly shifting AI landscape can make today's SaaS less relevant tomorrow

Where point solutions often fall short

With the plethora of off-the-shelf AI tools out there, it's not surprising that many of them are imperfect. They stop excelling after a certain point, especially in complex enterprise environments. Point solutions might promise instant automation or insight but end up delivering fragmented results, disconnected from governance and data pipelines. They also struggle to scale at the enterprise level.

Plus, managing a dozen disparate tools only adds to the noise instead of cutting through it. The 2025 Digital Workplace And Employee Technology Survey by [Forrester](#) reveals that nearly **70% of employees report facing too many applications and context switching at least monthly**.

While point solutions can bring value in isolated teams or functions, they rarely survive enterprise-level rollouts. Their limitations in security, integration, and scalability turn initial momentum into operational drag.

Type of point solution	What it does	Why it fails at enterprise scale
AI meeting or note-taking assistants	Transcribe and summarize calls or meetings	Lack data governance and compliance controls; hard to integrate
Standalone chatbot platforms	Automate simple customer or employee queries	Offer generic models that can't be tuned to internal data or security requirements
AI document analyzers	Extract insights from PDFs or contracts	Struggle with contextual understanding, version control, and sensitive data handling
Team-level automation tools	Automate repetitive workflows in HR, finance, or ops	Create shadow IT; duplicate data; no centralized governance or audit trails
Generative writing or coding tools	Produce text or code outputs for specific tasks	Can't enforce enterprise compliance, security, or brand governance standards

True enterprise AI maturity doesn't come from stacking point tools. Undoubtedly, your team will thank you for preventing tool sprawl. It's more worthwhile to start within a governed, unified foundation. This is where the hybrid strategy begins: combining the speed of buying with the structural integrity of building.

Build versus buy decision matrix

Buying optimizes for speed and predictability, while building optimizes for control and defensibility. This trade-off defines every dimension of the matrix.

Dimension	Build	Buy
Time-to-value	Months (or longer)	Days
Financial model	CAPEX-heavy, high upfront investment	OPEX-based, predictable spend
Control	Full stack ownership and responsibility	Dependent on vendor roadmap and feature updates
Differentiation potential	Higher — tailored to proprietary data and processes	Lower — shared capabilities across users
Risk profile	Execution risk, talent gaps, and long timelines	Vendor lock-in and external dependency



Steps to guide clear decision-making

Turning strategy into results starts with clarity. It's important to operationalize the right balance between building for differentiation and buying for acceleration.

1

Map your AI portfolio into core and operational initiative

2

Time-box internal builds to prove value within a set timeline. If progress stalls, shift to managed solutions.

3

Audit governance readiness including audit trails, explainability, and human oversight.

4

Adopt a buy-first foundation that standardizes and secures internal AI.

5

Track dual KPIs

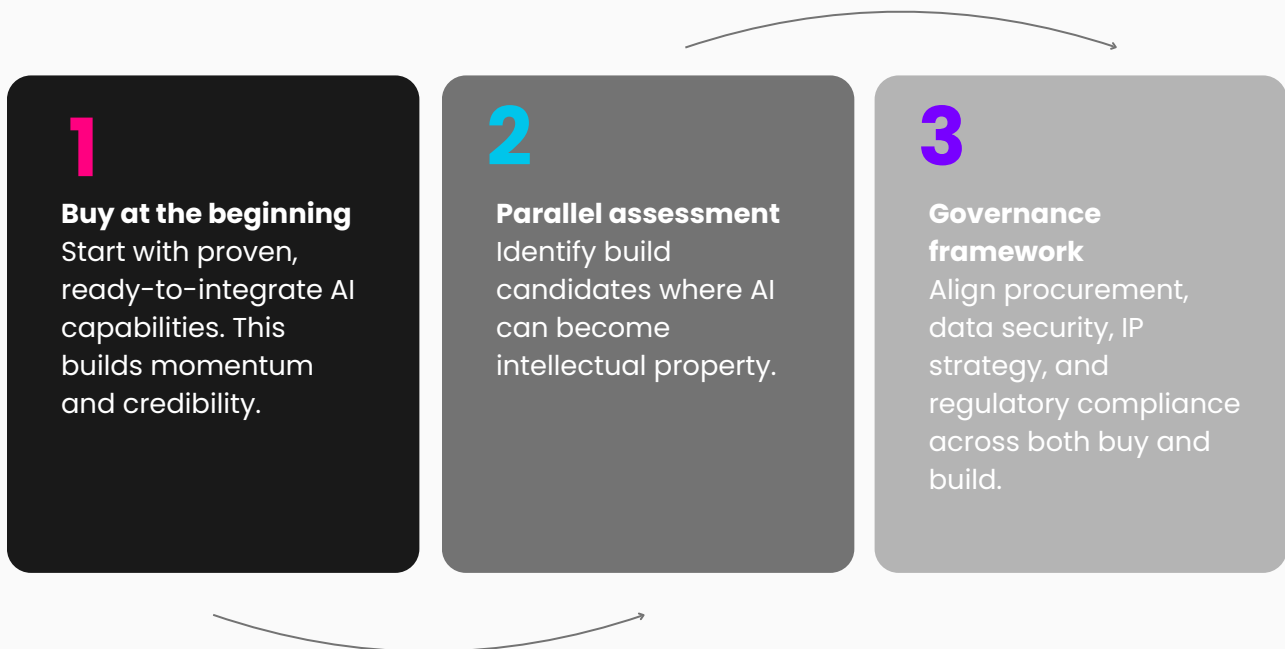
- Time-to-production for speed
- Governance maturity for trust and sustainability

The hybrid AI delivery strategy

Many successful enterprise AI initiatives are hybrid. Orchestrating both buying and building with clarity of purpose leads to short-term and long-term wins.

In practice, companies buy for ~70% of enterprise AI needs (to accelerate transformation and show impact within a quarter) and build for ~30% that define the company's future competitive edge.

Recommended sequencing:



Another challenge arises, however. Even with a hybrid strategy, leaders can feel trapped when considering builds (especially those that involve consultants) and typical point solutions. The former comes with customization but is slow, risky, and very expensive. The latter can seem quick at first but ends up being too generic to align with proprietary data and workflows.

Going beyond hybrid

Overall, the challenge is multifold. Buying AI solutions is fast and predictable, but often too generic — and can create long-term vendor lock-in. Building in-house offers deep customization, but it's slow, costly, and dependent on scarce talent. This leaves CIOs facing a difficult balance: boards expect near-term outcomes and long-term advantage, yet neither path alone can deliver both.

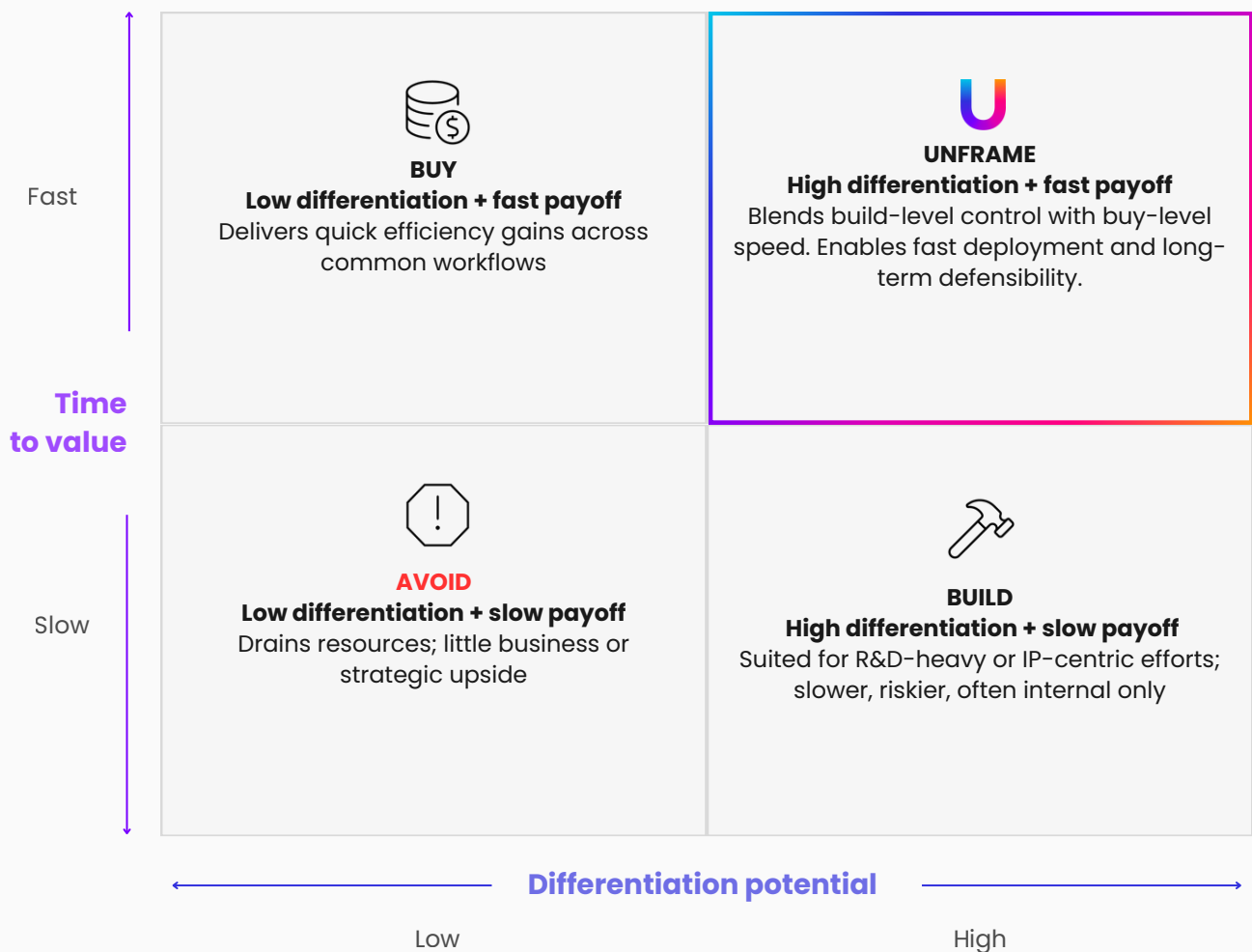
On the bright side, the gap between “build” and “buy” is narrowing. Imagine a platform that's as tailored as building, delivered at the speed of buying. It's already a reality: Unframe.

Unframe combines the control of in-house development with the agility of managed AI to give enterprises a governed, production-ready foundation to scale AI safely and effectively.

How? Building blocks are enterprise AI capabilities packaged as modular components. They accelerate delivery while allowing full customization to match data, workflows, and governance needs. Knowledge Fabric is the context layer that connects data, applications, and AI systems across the organization. It enables multiple AI solutions to scale together, learning from shared context while maintaining security and control.

Unframe helps enterprises move faster without sacrificing governance or control, empowering teams to innovate confidently on top of a secure, adaptive AI foundation.

Where do your use cases fit best?



Decision heuristic:



BUILD

If it's core IP that your brand is known for, then build



BUY

If it's for use cases that streamline how you work and strengthen your business, then buy

How to go beyond hybrid with Unframe

At Unframe, we are outcome-driven. Every engagement starts with measurable business impact and ends with production-ready AI that scales.

Step 01

Choose a high-value use case

Tell us about the AI problem that, once solved, will move the needle for your business. We focus on clear objectives and measurable outcomes tied to ROI, efficiency, or customer experience.

Step 02

Get your production-ready solution

Our experts create your tailored solution with proven building blocks to deploy context-aware AI for your specific data and workflows. It's enterprise-grade, fully managed, and live in days.

Step 03

Review and subscribe

Measuring the impact will help you confirm the value. Then you can subscribe to experience long-term results. You can unsubscribe in the future if you wish; there's no lock-in.

Step 04

Scale to more use cases

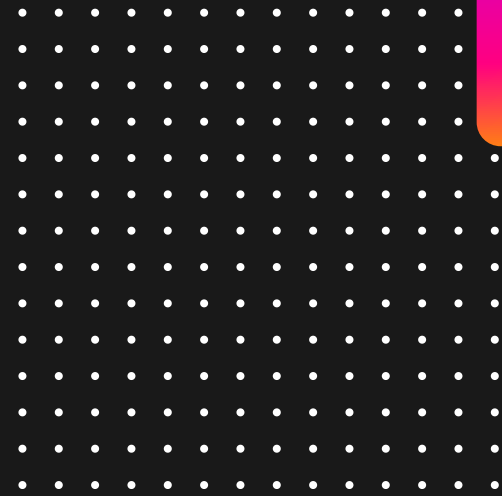
The possibilities are endless. Together, we can expand solutions across teams and workflows. Each deployment improves continuously, learning from your context while staying governed, secure, and adaptable.

Conclusion: AI doesn't have to be all or nothing

Enterprise AI leadership isn't about controlling every model. It's about owning your outcomes. Build for differentiation. Buy for acceleration. Do both with the rigor, governance, and speed that define an intelligent enterprise.

AI progress is constant but maturity is unevenly distributed. Some organizations move quickly, deploying managed AI that transforms workflows in weeks. Others spend years developing in-house systems that never make it out of pilot. Only a few find the balance: combining fast, governed adoption with long-term strategic ownership.

That is the essence of a successful enterprise strategy lies in building where it makes you different, buying to gain speed, and scale responsibly. The next chapter of enterprise AI won't be defined by who builds the most models. It will be defined by who builds the most resilient, adaptable, and outcome-driven AI portfolio.



About Unframe

Unframe is the Managed AI Delivery Platform that delivers AI solutions that work — tailored to your business and delivered in days. With Unframe, organizations can turn high-value AI use cases into real outcomes, without sharing data, committing upfront costs, or compromising on results. Unframe is headquartered in Cupertino, California, with a global presence in Tel Aviv and Berlin.

unframe.ai