



Build, buy, or Pega?

Five points to consider
before choosing



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Evaluating the best software for your enterprise

In the name of digital transformation, enterprises invest millions of dollars in technologies to meet their business objectives. Industry advisor IDC **forecasts** spending on digital transformation will grow at a rate of more than 16% between 2022 and 2026. The majority of this increase is due to enterprise software expenditures, prompting many organizations to ask a key question: Do they buy or build their next solution?

Buying off-the-shelf applications is appealing because they can be deployed quickly, and require fewer internal – although often specialized – resources to maintain. Alternatively, building bespoke solutions, despite taking longer to develop and costing more to manage, can more flexibly align business processes with market conditions. Adopting the Pega Platform™ enables enterprises to combine the best of both strategies.

Software buyers should consider five key points when evaluating their next purchase:

- 1 Primary use case
- 2 Long-term use case
- 3 Integration requirements
- 4 Agility
- 5 Total economic impact

1 Primary use case

Before reviewing any options, organizations should gather stakeholder input on the business requirements and industry regulations that need to be met. This ensures the enterprise is operating on a common set of goals when considering possible software solutions. Ideally, organizations can articulate their vision for the business and what process improvements will be required, as well as how technology can support it.

Build

Organizations may consider building a custom application to ensure that users have all their required functionality included. However, the primary drawback of the build approach is that bespoke applications require hiring experienced developers or using third-party services. They can take a significant amount of time to plan, design, build, and test. Additionally, widespread customization often causes significant performance issues that negatively impact the user's experience.

Buy

An off-the-shelf solution is the best approach for situations where the use case is relatively straightforward and not likely to change extensively. A thorough gap analysis is an effective way to determine if available solutions address both high-level business requirements and enterprise architectural standards in a cost-effective manner. Typically, buyers should look for an off-the-shelf application to meet 80% of their critical needs.

Pega

The Pega Platform is a great fit for organizations with complex processes or business rules that are looking to automate decisioning and efficiently route those processes. Even if an organization has current solutions that meet many of its business needs, Pega can extend its existing capabilities. Pega's low-code platform for AI-powered decisioning and workflow automation empowers business and IT to rapidly identify and build mission-critical workflow automations that unlock productivity, drive continuous improvement, and accelerate digital transformation.

Pega is suited to your organizational needs if you seek an application that requires:

- Seamless modifications and updates when underlying business processes or rules change
- Access to data from several internal systems or from back-end systems of your supply chain or trading partners
- Reuse of components across different operational areas

Pega's **low-code, drag-and-drop approach** makes it easy to set up, visualize, map, and manage all your data sources. As an open and unified platform, Pega facilitates navigating a complex IT landscape to quickly build, integrate, and update applications.

The Platform can be easily tailored to give your enterprise long-term flexibility. Pega has a proven track record of **helping a wide variety of organizations** improve user experience while cutting costs. We help enterprises configure applications to meet a diverse set of unique business requirements by taking a Center-out™ approach to business architecture.

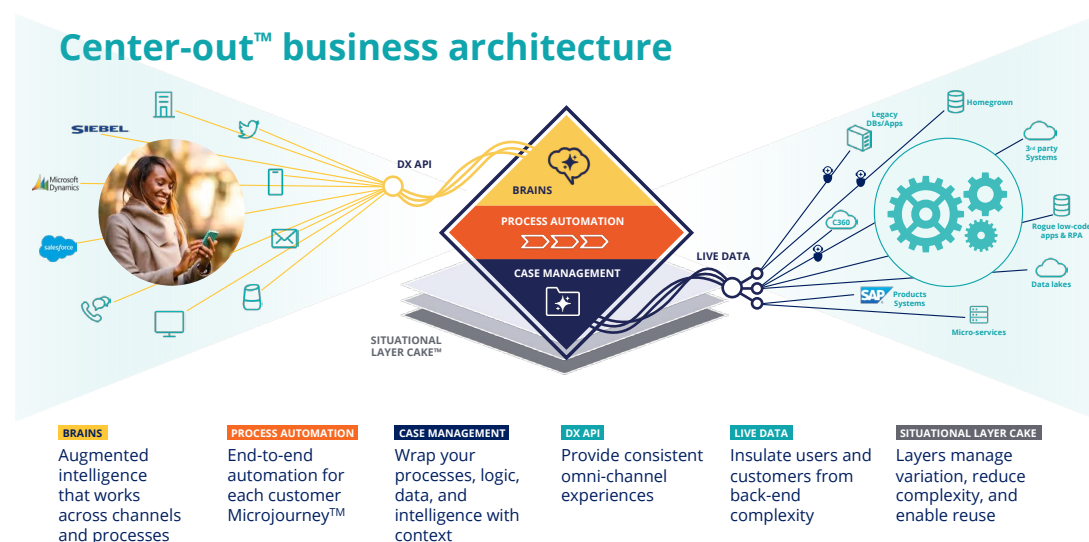


Figure 1: Center-out™ business architecture

2 Long-term use case

After setting the key business objectives, your organization should analyze long-term use case and the potential for expansion over time to future-proof your solution.

Build

Building an application is often suited for organizations in niche markets that need a custom application to meet particular requirements. However, in today's uncertain business climate, operational requirements and customer expectations are evolving faster than ever. This is causing many enterprises to deem custom solutions too inflexible in the long run – and they carry too much risk as well.

Buy

Typically, an off-the-shelf offering enables faster deployment and cheaper implementation than a custom-built application. However, buyers should keep in mind that out-of-the-box offerings grow obsolete more quickly than customized solutions. Furthermore, if organizational key performance indicators or business processes change, the application could become outdated – requiring a new solution and generating additional unforeseen costs.

Pega

With its out-of-the-box capabilities, Pega enables organizations to set up a future-proof software framework. The Pega Platform's industry-leading AI-powered decisioning and workflow automation capabilities help you connect your people, data, processes, and technology across business functions to drive mission-critical outcomes and build scalable value across your enterprise:

- Use Pega's **AI-powered decision engine** to unlock real-time intelligence that drives empathetic, customer-relevant engagement and optimizes processes
- Take advantage of Pega's **Center-out business architecture** that puts decisions and workflows at the center of your operations so you can automate across systems and channels and streamline the total experience
- Build layers of reuse with Pega's patented **Situational Layer Cake™**, architected to help you manage variations and adapt instantly for continuous innovation

Markets and technologies are constantly evolving. You can't stop the rate of change, but you can plan for it by building an organization – and an enterprise architecture – that is purposefully designed for constant and continuous change.

Many enterprises have overlapping processes but lack the ability to capitalize on those overlaps. Pega's **Situational Layer Cake™** gives companies greater scalability and control of their crucial operations. Organizations utilize our patented architecture to reuse common features and rulesets, and adjust them automatically based on customer type, channel, department, geography, language, product, and time. Situational Layer Cake enables faster change, tighter consistency, reduced time to market, and lower maintenance costs.

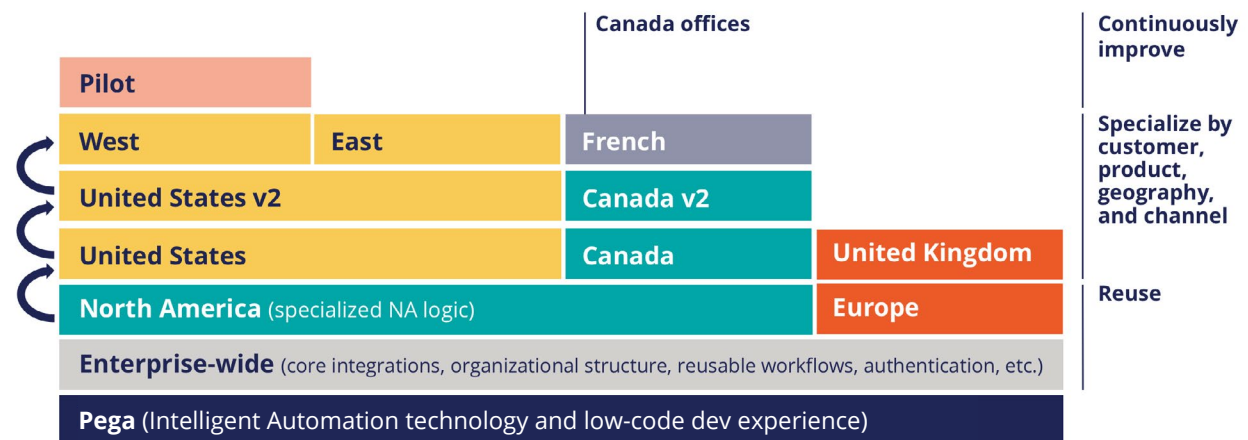


Figure 2: Situational Layer Cake

3 Integration requirements

Modern enterprise applications and their data sources are rarely self-contained. Typically, data are housed in myriad legacy systems, with organizations implementing an entire middleware layer to their technology stack in an attempt to integrate their enterprise data effectively. However, many companies fail to properly integrate existing or third-party systems due to the complexity and upkeep costs – running discrete and siloed applications as a result.

Build

Organizations that have had customers for decades often keep the corresponding data on equally old systems. As companies update their IT environments, maintaining integrations with older systems becomes increasingly cumbersome. Your organization needs to develop applications that comply with your market regulations, integrate with legacy and third-party systems, and use APIs for a build strategy to be successful. If open APIs are not available, building and integrating will be much longer and more expensive because the connectors will need to be built and maintained on an ongoing basis.

Buy

Ensuring compatibility with your current IT infrastructure and mandatory compliance standards can be challenging when buying an off-the-shelf solution. As a result, effective data integration often requires custom coding and continual upkeep – nullifying the benefits of an out-of-the-box solution.

Pega

The Pega Platform provides a broad spectrum of **integration capabilities** and communication protocols, enabling enterprises to use existing APIs or Pega RPA to extend the use of legacy systems. Organizations can focus on the business requirements of their applications rather than struggling with connectivity issues. Organizations can extend the life of investments and continue to deliver value back to the business.

Pega technology facilitates:

- Connecting new and existing data sources from remote systems of record as if they were in your Pega application data source
- Exposing assets from your Pega application as resources for other applications to consume by publishing microservice APIs
- Using real-time intelligence and AI-powered decisioning to optimize processes and drive engagements based on a next-best-action principle
- Managing files and content by using external Content Management Interoperability Services (CMIS) or online repositories to store and source application content
- Setting security configurations to ensure proper governance and allow only authorized users to have access to your applications and data

4 Agility

Updating operations and systems is typically a complicated, tedious, and time-consuming task. Stakeholders need to determine the frequency of expected changes to the use case or business rules as organizations determine their next application purchase.

Build

While the build strategy gives control of work and release schedules, business stakeholders often need months to document requirements before IT spends even more time creating the specifications. Business requirements and objectives are likely to have changed by the time the solution is developed, tested, and deployed. As a result, the newly deployed solution is already outdated, forcing the IT organization to implement modifications and updates that further delay the application delivering value.

Buy

Many off-the-shelf solutions can be configured to account for changes out of the box. Enterprises might consider buying if they are ready to deal with ongoing management and maintenance on the vendor's release schedule. The organization's anticipated rate of change in requirements is the key decision-making factor because adding additional features is often difficult after the application is purchased.

Pega

Pega's low-code platform supports greater collaboration between business and IT teams, enabling rapid application development at enterprise scale. Our **innovative technology** allows for business objectives to be captured directly into your enterprise system. Pega's intelligent automation capabilities – consistently ranked by industry analysts as top of market – ensure operational agility and improve change management processes.

Pega supports and facilitates change management across diverse use cases in many ways, including:

- An intuitive graphical interface that enables business users to easily create rules and workflow models. The Pega Platform automates programming and turns rules and models into executable applications, which accelerates deployment timeline and drives business change.
- A wide range of capabilities that make collaboration easy for business users, including a version-controlled rules and process repository, automatic documentation generation, and built-in review and approval mechanisms.
- The Pega rules engine that business users utilize to create and manage business rules. Reusing elements helps maximize agility and quickly adapt to changes in product, customer, channel, or region.
- Industry-specific applications for Financial Services, Insurance, Healthcare, or Telecommunications, as well as industry-tailored tools that accelerate building and deploying applications, such as workflows, data models, role definitions, auditing mechanisms, and user interface templates.

Pega can effectively support change in any industry or sector and meet diverse business use cases, including personalizing engagement, accelerating acquisition and onboarding, automating customer service, streamlining operations, and resolving exceptions.

Our low-code platform for AI-powered decisioning and workflow automation lets you:



Figure 3:

Pega helps you connect capabilities across use cases and business functions to deliver true value at enterprise-scale.

5 Total economic impact

Organizations are challenged to ensure a seamless customer journey while maintaining low operational costs. Unfortunately, a typical enterprise technology landscape is very complex, relies on disconnected teams, and uses data buried in siloed legacy systems. This results in poor response times, disjointed customer experiences, and high maintenance costs. When making a software purchase, organizations should consider the total economic impact of the application – the cost of ownership as well as the benefits of investment.

Build

Building a bespoke application helps meet customer needs, but also generally demands the ongoing involvement of in-house developers or consultants and increases the cost of ownership. If the initial use case doesn't cover future scope changes, new application enhancements will need additional development work and application releases, which can be prohibitively expensive.

Buy

Off-the-shelf applications usually have straightforward pricing and relatively low initial costs, but often require costly add-ons. Every update or minor change to business requirements generates additional expense. When organizations need their applications to go beyond the default use case and support their changing objectives, investing in new applications becomes increasingly likely, which nullifies previous ownership cost models.

Pega

Pega commissioned Forrester Consulting to evaluate the returns on investment of our low-code platform for AI-powered decisioning and workflow automation. These Total Economic Impact™ studies found clients realized up to 421% ROI from intelligent automation with the Pega Platform and productivity savings of nearly \$12.5 million with Pega's low-code application development tools. For detailed information, we recommend you review the [Total Economic Impact™ studies](#) on our website.

Many of our clients are using Pega to extract business rules from custom code in their legacy applications and systems of record. Housing business rules and processes in Pega improves operational efficiency and keeps your total cost of operations low. Pega builds agility into your organization so you can work smarter, unify experiences, and adapt instantly. Organizations can use Pega as their system of innovation, enabling them to minimize risk and maximize simplicity of application upgrades for future use cases.

Conclusion

Choosing the right approach to deploy an enterprise application requires a thorough evaluation of business objectives, use case, cost, available resources, and technology on hand. Out-of-the-box applications tend to be cheaper and faster to deploy. Bespoke solutions, while more expensive to build and maintain, could work better long term. The Pega Platform combines off-the-shelf convenience with room for customization – to offer you a solution unlike any other available on the market.



Pega delivers a powerful low-code platform that helps the world's leading brands adapt to rapid change. Clients use our AI-powered decisioning and workflow automation to solve their most pressing business challenges – from personalizing engagement to automating service to streamlining operations. Since 1983, we've built our scalable and flexible architecture to help people focus on what matters most, so they can meet today's customer demands while continuously transforming for tomorrow.

For more information, please visit us at www.pegacom