

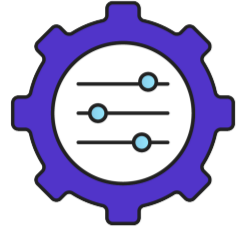
SHIFT

BUILD VS BUY – Pros and Cons

Thinking about building your own AI-based solution to help your team make faster, more informed decisions? Read this first to ensure you have all the necessary tools at your disposal.

Build

PROS



Control and customisation: Insurers have complete control over the solution ensuring its fit for specific business needs and use cases.



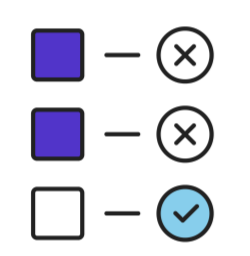
Internal expertise: Internal DS and IT teams know data and specific pain points better than anyone else.



Institutional knowledge: Insurers build valuable institutional knowledge needed to harness the power of AI.

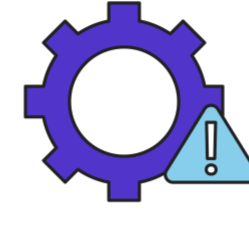


Intellectual property ownership: Insurers retain ownership of both IP and internal processes.

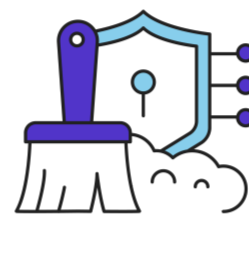


Flexibility to experiment: Insurers are free to try out new emerging technologies giving them capabilities offering competitive advantages.

CONS



Risk of failure: If the project does not go as expected, the sponsor is accountable for the failure.



Challenging data cleaning: Most AI projects start and fail due to the massive data cleanup needed to run AI/ML scenarios against.



Resource intensive: Significant IT and operational effort and resources are needed to maintain the solution.



High total cost of ownership: The hidden costs involved in building and operating an in-house solution negatively impacts its return on investment.



Cost to experiment: High storage and compute capacity costs to experiment & operationalise new technologies (e.g. GenAI) in-house is a huge barrier to entry for insurers.

Buy

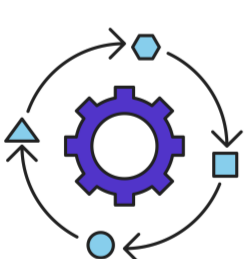
PROS



Economies of scale: Off the shelf AI products offer a rich roadmap of new capabilities, with regular upgrades to keep with latest trends.



Quick time to value: Off the shelf vendor solutions can be deployed quickly, saving time for insurers to tend to other higher value projects.



Flexibility and adaptability: Good vendor solutions offer flexibility and can adapt to changing fraud landscapes and business needs.



User round-tables: Customers get the opportunity to interact with others in the same industry and exchange best practices and lessons learnt.



Battle-tested: A system implemented at multiple customers benefits from being pressure tested with kinks and bugs smoothed.

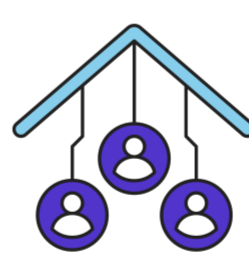
CONS



Customisation limitations: Vendor solutions may not perfectly match all specific requirements of the business, though configurability is often a key feature.



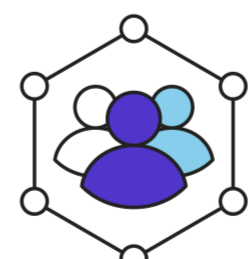
Cost considerations: Faster time to value comes at a higher upfront cost.



Vendor alignment: There is a risk that the vendor's strategic direction may not always align perfectly with the insurer's needs.



Risk of vendor going out of business: Any customer choosing a software partner takes on the risk of that partner going out of business.



Dependence on robust customer base: Insufficient depth in customer base (say in region or line of business) slows down maturity of a product.

See how you can benefit from Shift's 10 years of experience in AI for insurance.

[Request a demo now](#)

SHIFT

About Shift Technology

Shift Technology delivers AI-powered decisioning solutions to benefit the global insurance industry and its customers. Our products enable the world's leading insurers to improve combined ratios by optimising and automating critical decisions across the policy lifecycle. Shift solutions help mitigate fraud and risk, increase operational efficiency, and deliver superior customer experiences.

Learn more at www.shift-technology.com/en-gb