

BEYOND BUY VS BUILD

AI-AUGMENTED ENGINEERING AS A CATALYST FOR
REIMAGINING THE ENTERPRISE CORE

EXECUTIVE PERSPECTIVE: A SHIFT THAT FEELS FAMILIAR, BUT ISN'T

Every generation of enterprise technology believes it is experiencing a revolution. Most are mere evolutions. Incremental improvements in tooling, architecture, or delivery models. Important, but ultimately reinforcing the same underlying paradigms.

What is happening today is different.

The rise of AI in software engineering is not simply another productivity enhancement. It is triggering a deeper re-evaluation of long-standing assumptions about how enterprise systems should be conceived, built, and evolved. For decades, organizations have operated under a relatively stable equilibrium: core business capabilities were standardized, commoditized, and delivered through large enterprise software suites. ERP systems became the backbone of the enterprise, anchoring processes, data, and control.

Today, that equilibrium is beginning to shift. Not abruptly, not universally, but visibly. A new question is emerging, not at the margins, but at the core.

If technology can fundamentally change how we build, do we still need to buy in the same way?

THE END OF AN ERA: WHEN “BUY” BECAME THE DEFAULT

At the end of the 1990s and early 2000s, organizations faced a defining decision: **build or buy**. In most cases, the answer quickly converged toward “buy.” ERP vendors matured, standard processes were codified and the risks of custom development were well understood.

The logic was compelling:

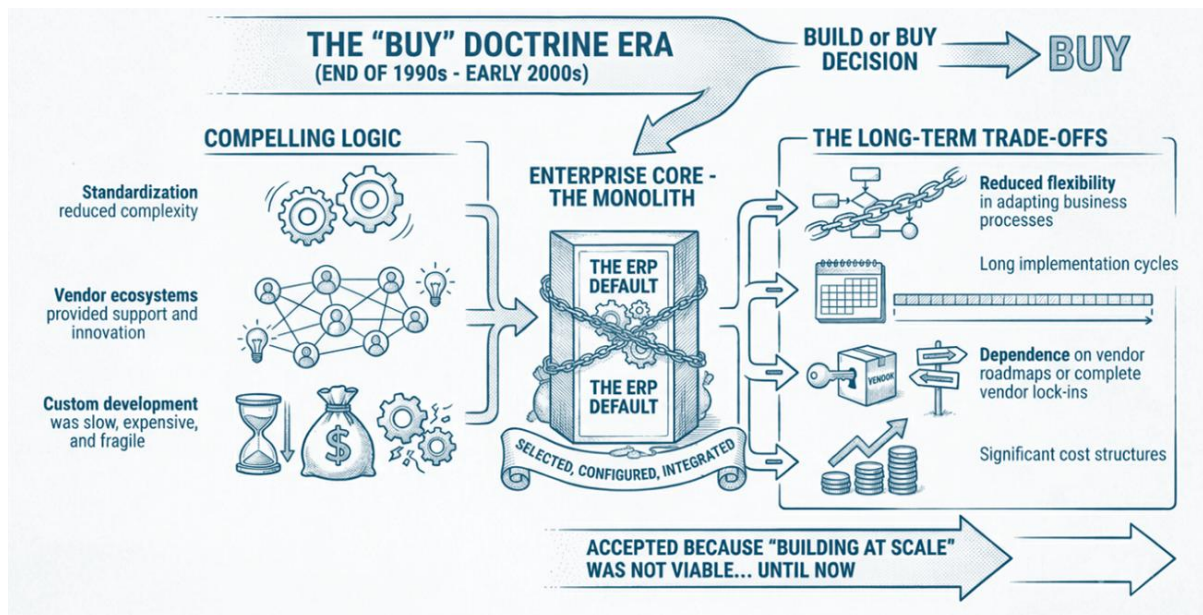
- Standardization reduced complexity
- Vendor ecosystems provided support and innovation
- Custom development was slow, expensive, and fragile

Over time, this decision solidified into doctrine. Core systems were not to be built. They were to be selected, configured, and integrated. Enterprise architecture evolved around this assumption. Skills, governance, and operating models followed.

For many years, this model worked. But it came with trade-offs:

- Reduced flexibility in adapting business processes
- Long implementation cycles
- Dependence on vendor roadmaps or even complete vendor lock-ins
- Significant cost structures

These trade-offs were accepted because the alternative, building at scale, was not viable. Until now.



A NEW CATALYST: AI CHANGES THE ECONOMICS OF BUILDING

The emergence of AI-Augmented Engineering fundamentally alters the economics of software creation. Where building once required large, specialized teams and long timelines, it can now be approached in a radically different way:

- Development effort is reduced
- Iteration cycles are dramatically shortened
- Access to capability is widened

The implication is not that “everything should now be built,” but that the **constraints that made buying the only viable option are weakening**. This creates a new dynamic. Organizations are beginning to explore possibilities that were previously dismissed, not because the problems have changed, but because the **cost and speed of solving them have**.

AI acts as a multiplier. It lowers the barrier to entry, accelerates experimentation, and enables modular evolution of systems. Combined with a platform foundation, it introduces a new architectural option:

Not replacing the core, but reshaping it incrementally.

FROM REPLACEMENT TO DECOMPOSITION: THE CARVE-OUT STRATEGY

One of the most striking emerging patterns is a shift away from large-scale system replacement toward **incremental decomposition**. Rather than undertaking high-risk, multi-year ERP replacement programs, some organizations are exploring a different path. They **carve out** capabilities from existing systems over time.

This approach is both pragmatic and radical. Pragmatic, because it avoids the disruption of a full replacement. Radical, because it gradually dissolves the centrality of the traditional system itself.

In this model:

- Core processes are progressively externalized
- New capabilities are built outside the ERP
- Data flows are disentangled
- Dependencies are reduced step by step

The ERP does not disappear overnight. It becomes less central, less dominant, and eventually, in some cases, replaceable without a “big bang.” This would have been unrealistic a decade ago.

*Today, with AI-Augmented Engineering **and** strong platform capabilities, it becomes conceivable.*

A NEW ARCHETYPE: SCALING WITHOUT ERP

In parallel, a different pattern is emerging among high-growth organizations. These are companies operating in highly focused market segments, often scaling rapidly under intense competitive pressure. Historically, reaching a certain level of scale would trigger a familiar next step: the introduction of an ERP system to impose structure and control. Increasingly, this assumption is being challenged.

Some organizations are choosing a different path:

- Instead of introducing a monolithic system, they invest in a **robust platform**
- They build targeted capabilities tailored to their specific needs
- They leverage AI to accelerate development and iteration

The objective is not to reject structure, but to **create it differently**. Rather than aligning the business to the system, they align the system to the business continuously. This approach reflects a subtle but important shift.

*Structure is no longer synonymous with standardization through packaged software. It can also emerge from **well-governed, platform-based construction**.*

THE SILENT MAJORITY: THE “GOOD ENOUGH” ERP

There is a third, quieter scenario playing out across many organizations. Legacy systems that are technically outdated, sometimes unsupported, continue to operate at the heart of the business. They are not modern, not flexible, and not aligned with current best practices. Yet they fulfill their primary function. They work. From a purely technical perspective, the “logical” decision would be to replace them with modern ERP solutions.

But logic is not the only driver of decisions. Increasingly, organizations show limited appetite for large-scale ERP transformations:

- The cost is high
- The disruption is significant
- The (perceived) value is uncertain or simply low to even non existing

In this context, a different line of thinking begins to emerge. If the current system works, and new capabilities can be built around it, is replacement still necessary?

AI-Augmented Engineering reinforces this possibility. It enables organizations to extend and surround legacy systems rather than replace them outright. This creates a form of **functional decoupling**, where the legacy core remains, but its strategic importance diminishes over time.

FULL CIRCLE: REVISITING BUILD VS BUY

Taken together, these patterns suggest that the industry is coming full circle. The original “build or buy” debate is re-emerging, but under entirely different conditions.

In the past:

- Build was constrained by cost, time, and risk
- Buy was the safe and scalable option

Today:

- Build is accelerated and augmented
- Buy remains stable but comparatively rigid

The decision is no longer binary. It becomes contextual, dynamic, and continuously revisited.

Organizations are no longer choosing between building everything or buying everything. Instead, they are:

- Building strategically where it creates differentiation
- Retaining or integrating systems where they provide stability
- Deconstructing monoliths incrementally

This represents a more nuanced, adaptive approach to enterprise architecture. One that was not feasible before.

PLATFORM AS THE NEW CORE

At the center of this shift lies a fundamental transition. From **application-centric architecture** to **platform-centric architecture**. Historically, the ERP system acted as the core. The gravitational center around which other systems revolved.

In the emerging model:

- The platform becomes the core
- Capabilities are built and composed on top of it
- Systems become interchangeable components rather than fixed anchors

This is not simply a technical redesign. It is a conceptual one.

The platform provides:

- Governance and control
- Reusable building blocks
- Integration and orchestration
- Consistency across distributed capabilities

It creates a stable foundation upon which variability can exist safely. In this model, AI plays a crucial role, not as the core itself, but as the **accelerator of everything built on the platform**.

THE EMERGING DIRECTION: NOT YET MAINSTREAM, BUT VISIBLE

It is important to recognize that this shift is still in its early stages. The patterns described are not yet dominant. ERP systems are not disappearing. Large-scale implementations continue, and many organizations remain firmly within the traditional model. However, the direction is becoming increasingly visible:

- Experiments are turning into initiatives
- Edge cases are becoming repeatable patterns
- Strategic discussions are shifting

There is still uncertainty:

- AI capabilities continue to evolve
- Governance models are maturing
- Organizational readiness varies widely

But the underlying trajectory is clear. What was once considered unrealistic, reimagining the enterprise core, is now being explored in concrete, practical ways.

WHAT THIS MEANS FOR THE ENTERPRISE

The implications of this shift are profound. Organizations are no longer constrained to reshape themselves around predefined systems. They gain the ability. Gradually, selectively and pragmatically to reshape their systems around their evolving needs. This does not eliminate complexity. It redistributes it. The challenge moves from selecting and implementing systems to **designing and governing an evolving ecosystem**.

Success will depend on:

- The strength of the platform foundation
- The clarity of architectural direction
- The ability to manage incremental change
- The discipline to maintain coherence over time

AI, in this context, becomes more than a productivity tool.

*AI becomes a catalyst for rethinking how
enterprise systems are conceived, structured,
and evolved.*

CONCLUSION: A WINDOW OF OPPORTUNITY

The enterprise is entering a period of renewed architectural freedom. For the first time in decades, the dominant model of “buying the core” is being questioned. Not because it has failed, but because alternatives are becoming viable. AI-Augmented Engineering, combined with Platform Engineering, creates a new option space:

- Systems can be decomposed rather than replaced
- Capabilities can be built rather than configured
- Legacy can be surrounded rather than removed

This does not imply a universal shift away from ERP or packaged software. It implies a rebalancing. A move toward a more flexible, adaptive, and continuously evolving architecture. The organizations that recognize this early will not necessarily abandon existing systems. Instead, they will redefine how those systems fit into a broader landscape.

They will move from **static cores** to **dynamic ecosystems**.

And in doing so, they will begin to realize the true potential hinted at by this transformation.

*AI becomes not just a tool for efficiency, but a powerful catalyst for **productivity** and **value creation**.*
