

Build, Buy, or Partner Decision Matrix

A structured way to decide how to deliver a capability: build it yourself, buy it, or partner for it. Score the options, compare the real three year cost, and record the decision so your team can stand behind it.



Build

Your team designs, develops, and owns it.



Buy

License or subscribe to a finished product, then configure it.



Partner

Deliver it with an outside party through co development, white label, resale, an alliance, or a managed service.

HOW TO USE THIS TOOL

1 Frame it

Describe the decision, your must haves, and each option (page 2).

2 Score it

Rate each option from 1 to 5 on ten criteria, weighted by what matters to you (page 3).

3 Cost it

Compare the real three year cost and time to first value (page 4).

4 Decide it

Check the result, record the decision, risks, and tripwires (page 5).

5 Learn from it

See a worked example and common mistakes (pages 6 and 7).

FILL IT IN ON SCREEN

Click any field and type. Fields outlined in cyan are yours to fill in. Blue shaded fields calculate for you. Totals update automatically in Adobe Reader and most desktop PDF viewers. If your viewer does not calculate, use the matching Google Sheet, which does the same math and also works on a phone.



You fill in



Calculates for you

Step 1. Frame the decision

Be specific. A clear decision statement and honest must haves make every later score easier and more defensible.

Decision or capability being sourced

Business goal it supports

Decision owner

Date

Team and reviewers

Must have requirements

Constraints (deadline, budget ceiling, regulatory, skills)

Describe each option. What exactly would you build, which products would you buy, who would you partner with?

Build

Buy

Partner

A STARTING HYPOTHESIS, NOT AN ANSWER

Capabilities that set you apart from competitors lean toward Build. Commodity capabilities lean toward Buy. Specialized or time critical capabilities, where a strong outside expert exists, lean toward Partner. The scoring on the next page tests that hypothesis.

Step 2. Score the options

Score each option from 1 to 5, where 5 is best for your business: 1 poor, 2 weak, 3 acceptable, 4 strong, 5 excellent. For cost, risk, and effort criteria, 5 means lowest cost, lowest risk, or lowest effort. Weights come pre filled and must total 100. Change them to match your priorities.

Criterion	Weight	Score 1 to 5			Weighted score		
		Build	Buy	Partner	Build	Buy	Partner
Strategic differentiation Does this capability set you apart from competitors?	15						
Time to market How quickly can customers get value?	15						
Total cost of ownership Three year cost. 5 = lowest cost.	12						
Fit to requirements How well does it meet your must haves?	10						
Control and roadmap flexibility Can you shape the features and the timing?	8						
Delivery and vendor risk Execution, vendor, security, regulatory. 5 = lowest risk.	10						
Team capacity and skills Do you have the people and skills right now?	8						
Integration and data effort Effort to connect to your stack. 5 = lowest effort.	8						
Scalability and long term viability Will it hold up as you grow?	8						
Exit flexibility How easily could you switch later? 5 = easiest.	6						
Optional: add your own criterion and give it a weight	0						
Optional: add your own criterion and give it a weight	0						
Total weight (must equal 100)							
Weighted total (out of 5.00)							
Percent of the best possible score							
Leading option by score							

Step 3. Compare the three year cost

Scores tell you what fits. Cost tells you what you can afford. Enter your best estimate in dollars for each option. Years two and three often decide the outcome.

Cost item	Build	Buy	Partner
Upfront cost Build effort, licenses, implementation, setup fees			
Year 1 ongoing cost Maintenance, support, subscription, hosting, staffing			
Year 2 ongoing cost Same categories as year 1			
Year 3 ongoing cost Same categories as year 1			
Integration and migration Connecting systems and moving data			
Training and change management Getting teams and customers ready			
Total three year cost			
Difference from the lowest option			
Months to first customer value From a funded decision to something customers can use			

Cost assumptions, hidden costs, and notes

Step 4. Decide and record it

RESULTS SNAPSHOT

	Build	Buy	Partner
Weighted score (of 5.00)			
Three year cost			
Months to first value			
Leading by score			
Lowest three year cost			

CHECK THESE BEFORE YOU COMMIT

- Scores within 0.25 points are a tie. Lean on cost, risk, and your tripwires.
- Move your two heaviest weights up and down by 5 points. If the leader changes, the decision is sensitive.
- A Build lead driven by control, with a weak team capacity score, is a warning sign.
- For Buy or Partner with a weak exit score, negotiate data portability and termination terms before you sign.

OUR DECISION

☐ Build☐ Buy☐ Partner☐ Hybrid or phased

Why this option

Top three risks and how we will handle them

We will revisit this decision if

Next steps

Approved by

Date

Worked example (sample numbers)

Decision: Customer analytics dashboard inside a B2B software product. All figures are illustrative.

Criterion	Weight	Score			Weighted		
		Build	Buy	Partner	Build	Buy	Partner
Strategic differentiation	15	4	2	3	0.60	0.30	0.45
Time to market	15	2	5	4	0.30	0.75	0.60
Total cost of ownership	12	2	4	3	0.24	0.48	0.36
Fit to requirements	10	5	3	4	0.50	0.30	0.40
Control and roadmap flexibility	8	5	2	3	0.40	0.16	0.24
Delivery and vendor risk	10	2	4	3	0.20	0.40	0.30
Team capacity and skills	8	2	4	4	0.16	0.32	0.32
Integration and data effort	8	3	3	4	0.24	0.24	0.32
Scalability and long term viability	8	4	4	3	0.32	0.32	0.24
Exit flexibility	6	5	2	3	0.30	0.12	0.18
Weighted total (out of 5.00)					3.26	3.39	3.41
Result: Partner 3.41, Buy 3.39, Build 3.26. All within 0.25 points, so too close to call.							

What this shows: the scores alone do not separate the options, which is common. That is the signal to move to the cost page and the risks and tripwires on page 5 rather than agonize over one more point on a score.

COST AND SPEED

Build

3 year cost: \$430,000
First value: 9 months

Buy

3 year cost: \$375,000
First value: 3 months

Partner

3 year cost: \$325,000
First value: 5 months

DECISION IN THIS EXAMPLE

Partner. It has the lowest three year cost, the second fastest path to value, and the top score by a hair. Build is slowest and most expensive.

TRIPWIRES

Revisit if the partner raises prices more than 15 percent, misses the five month milestone, or usage doubles the forecast.

Using the result well

FOUR MISTAKES TO AVOID

- 1 Scoring toward the answer you already want.**
Have two people score independently, then compare. The gaps between their scores show where the real debate is.
- 2 Ignoring run costs.**
Upfront price gets the attention, but years two and three usually decide the outcome. Include staffing, price increases, and usage growth.
- 3 Treating Partner as Buy with a different name.**
A real partnership needs shared goals, clear ownership of customers and data, and an agreed way out.
- 4 Skipping the tripwires.**
Decisions age. Write down now what would make you reopen it, and put a review date on the calendar.

Need a second set of eyes?

We help product teams make build, buy, and partner decisions as part of Fractional CPO + and Product Strategy engagements, from framing the question to negotiating the outcome.

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