

# IT Budgets: SaaS vs AI vs Custom Builds

How ten US enterprise IT budget owners are reallocating software spend across existing SaaS, AI-native tools, and custom builds — read for demand trajectory, switching behaviour, and wallet-share migration.

10

enterprise IT decision-makers

70

responses · 7 questions

May 27, 2026

fielded

US enterprise

incl. regulated FDA/ISO + K-12

## Synthetic panel

census-grounded, recruited

### THE MARKET SIGNAL

**AI is not a new budget line — it is a **reallocation**. Watch the indicators of wallet migration: AI toward ~15–20% of the software mix, seat compression in notes / grammar / BI-viewer categories, pilot pass rates, vendor-count decline, and renewal-driven switches.**

Basis: budgets flat with AI funded by SaaS consolidation (10/10); AI spend cannibalised from existing lines under 60–90 day KPI-gated pilots (9/10).

THE CONTESTED QUESTION · Q3, BUILD VS BUY

## Ten IT leaders, three answers on build vs buy

4

4

2

- **4 consolidate** into suite-native AI — building is a maintenance liability
- **4 build-lite converts** — narrow internal builds now beat vendor SKUs on unit economics
- **2 constrained** — validation (FDA/ISO) and privacy (FERPA) freeze the calculus
- **Budgets are flat; the mix is moving.** AI grew from low-single-digits to mid-teens share (one reports 2% → 19%), funded by consolidation and seat right-sizing, not net-new dollars.
- **Build-lite is real.** One CTO's four-week internal build replaced a vendor SKU at ~60% lower unit cost, 90–95% accuracy, with a human-review lane.
- **Cuts hit the edges:** meeting transcription, writing/grammar, BI viewers, forms and async video compress first. Systems of record — ERP, CRM, HRIS, QMS — are augmented, never replaced.

