RETHINKING TECH STRATEGY:

BUILD VS BUY, ONSHORING, AND THE REAL-WORLD ADOPTION OF AI

As AI matures from theoretical hype to practical tool, tech leaders are being forced to confront some difficult questions:

- Do we build or buy our critical systems?

- Where should we invest in talent, offshore or onshore?

- And what does meaningful AI integration really look like?

These aren't abstract debates. They're real, high-stakes decisions shaping the future of tech teams right now.

At our recent **Tech Leadership Collective - South West** Meetup, hosted by **iO Associates**, we heard a compelling case study from **Mike Downing, CIO at WPA Health Insurance.** Through candid insights and a transparent account of WPA's digital transformation journey, Mike laid out not just what his organisation has done, but why it matters now more than ever.

BUILD vs BUY
Isn't Just a Tech Choice

It's a Strategic One.

Mike's story of WPA's 20+ year commitment to building in-house software (including a full insurance platform, CRM system, claims engine and more) challenged conventional thinking. At a time when most companies would have defaulted to external solutions, WPA doubled down on in-house innovation, and reaped the rewards.

From agility and ownership to cost control and customer service differentiation, the benefits were clear. WPA's systems are not only fully tailored to their needs, but also flexible enough to support rapid experimentation, something Mike credits as a key advantage when adopting emerging tech like AI.

During the event's breakout sessions, some attendees agreed that WPA's strategy has proven highly effective but also acknowledged it might be a luxury not every organisation can afford. Many leaders admitted that, while they admired WPA's conviction, they would likely still opt for third-party solutions in their own organisations.

Takeaway from Mike's talk: Owning your own platform doesn't just give you control, it gives you the freedom to scale on your own terms.

Takeaway from the room: Building isn't always realistic, but aligning tech with long-term strategy is essential.

The Onshoring Shift:

From Cost Efficiency to Capability Strategy

A standout theme from Mike's presentation was WPA's recent strategic shift from long-standing offshore partnerships to building and investing in a UK-based tech team. While offshoring was once a clear cost-saving measure, Mike explained how their model had begun to show cracks, rising expenses and diminishing contextual alignment pushed WPA to rethink their approach.

This topic sparked lively discussion across breakout sessions and the room more broadly. While some leaders echoed WPA's shift toward onshoring, others noted a contrasting trend: turning to offshore teams as a response to rising UK employment costs, including the **April 2025 National Insurance increase.** However, many pointed out that **not all offshore partnerships are delivering the cost savings they once promised,** weakening the traditional business case.

Takeaway from WPA: Long-term value lies in talent you can grow, not just rent.

Takeaway from the room: The Onshoring/Offshoring debate is not clear cut. Many organisations continue to find value in an offshore option with cost efficiency being a key driver. A key focus though is on effectively managing these blended teams.

Our perspective: You don't have to choose between cost and control. With the right partner, offshoring can still be a powerful tool in your talent strategy.

A recurring challenge raised during the event was the complexity of blending onshore and offshore teams under unified leadership, from managing time zones and communication to ensuring a shared culture.

Tech Leaders Collective will be hosting a follow-up discussion to delve deeper into this challenge and share strategies for building cohesive, high-performing hybrid teams.

AI Readiness Starts With
Systems and Ends With People

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Part two of Mike's talk focused on AI, and how WPA is already embedding it across its core functions. From an AI agent platform built on LangChain and Databricks, to the development of a proprietary WPA LLM, their approach is robust, pragmatic, and deeply integrated with their internal systems.

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But the standout moment was this: **AI at WPA is not replacing people, it's elevating them.** Rather than using automation to reduce headcount, WPA is using it to free up its team to work on higher-value problems. Their contact centre now uses AI agent assist tools to deliver real-time, context-aware support. Their claims processing is increasingly automated. And their AI agents are being trained to detect anomalies in medical billing data, something that traditionally took hours of manual analysis by clinical teams.

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Attendees raised thoughtful points around the risks of scaling AI internally, particularly in highly regulated sectors. Some cautioned about building large-scale LLM capabilities from scratch, while others questioned how to preserve institutional knowledge when entry-level tasks disappear.

There was also a lively discussion around how to get people on board with AI. Mike and his team acknowledged that change management isn't easy. Adoption is uneven, and success depends on clear communication, lived benefits, and visible wins.

Takeaway from WPA: AI adoption should serve your people, not sideline them.

Takeaway from the room: Culture, not just code, is the biggest barrier to AI integration.

Legacy Is a Mindset
as Much as a System

One of the most powerful moments came when Mike described WPA's legacy platform as a "grandfather, father, son" system, each generation building on the last. Despite being over 20 years old, the platform still delivers, but it has its limits.

WPA's response?
DON'T PATCH. REBUILD.

They're now building an entirely new insurance platform, designed from the ground up for modularity, data architecture optimisation, and AI-native operation. Notably, the future-facing business platform they're building may not even rely on traditional user interfaces. Instead, AI agents could become the primary interface between the system and the user.

Attendees reflected on the courage it takes to move on from past successes. While everyone wants to modernise, few are willing to make a clean break from legacy systems. But as one attendee put it:

> *You can't build the future on a foundation designed for 2003.*

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Takeaway from WPA: Modernisation isn't about tweaks. It's about rethinking the architecture, and the role of the human in the loop.

Takeaway from the room: Legacy systems may be holding you back, but legacy thinking definitely is.

Final Thought:

Strategy Requires Space

What stood out most during this Tech Leaders Collective wasn't just the technology, it was the honesty.

Mike didn't present a perfect journey. He presented one full of trade-offs, real challenges, and difficult decisions. And that's what made it so impactful. WPA's story is a case study in how to evolve with purpose, and the open dialogue it sparked is exactly what communities like the Tech Leaders Collective are built for.

Whether you're grappling with modernisation, experimenting with AI, or reconsidering your team structure, the message is clear: make space to step back and think strategically. The companies doing that today will be the ones shaping the next decade of tech leadership.

Want to join the conversation?

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