

HexaCorp

TCO Comparison

Power Apps vs Custom Development

for enterprise application modernization

Compare total cost of ownership between Power Apps and custom development to evaluate cost, scalability, maintenance, and long-term value in enterprise application modernization.

2026

Power Apps vs Custom Development

Power Apps vs Custom Development for Enterprise Application Modernization

According to McKinsey & Company, organizations that effectively modernize applications can reduce IT costs by up to 30% while accelerating delivery timelines.

Yet, many enterprises still evaluate modernization decisions based on upfront development costs, often overlooking long-term financial impact.

In reality, total cost of ownership (TCO) is the defining factor. It encompasses not just development, but infrastructure, maintenance, scalability, and the cost of delay.

As enterprises shift from capital-intensive custom builds to platform-driven approaches like Microsoft Power Apps, the conversation is no longer about how to build, but how to sustain and scale efficiently.

The Cost Complexity of Enterprise Application Modernization

Application modernization costs are rarely linear.

Initial development is only one part of the equation. Hidden costs such as maintenance, upgrades, and technical debt often exceed the original build cost over time.

Research shows that 60–80% of application lifecycle costs are spent on maintenance and support, not development.

Delayed delivery introduces another layer of cost. Every month of delay impacts revenue, productivity, and competitive positioning. In fast-moving markets, this cost is often invisible, but significant.

Power Apps vs Custom Development for Enterprise Application Modernization

Understanding the Two Approaches

Custom Development

Custom-built applications offer maximum flexibility and control. Organizations can design systems tailored to exact requirements, integrate deeply with existing architecture, and retain full ownership.

However, this comes with:

- High engineering effort
- Longer development cycles
- Continuous dependency on specialized skills

Power Apps (Low-Code Platform)

Power Apps enables rapid application development through pre-built components, integrations, and low-code capabilities.

It reduces:

- Development time
- Dependency on large engineering teams
- Complexity of deployment

Low-code platforms can reduce development time by up to 60%, according to Forrester.

TCO Dimensions for Enterprise Decision Making

A true TCO comparison must evaluate multiple dimensions:

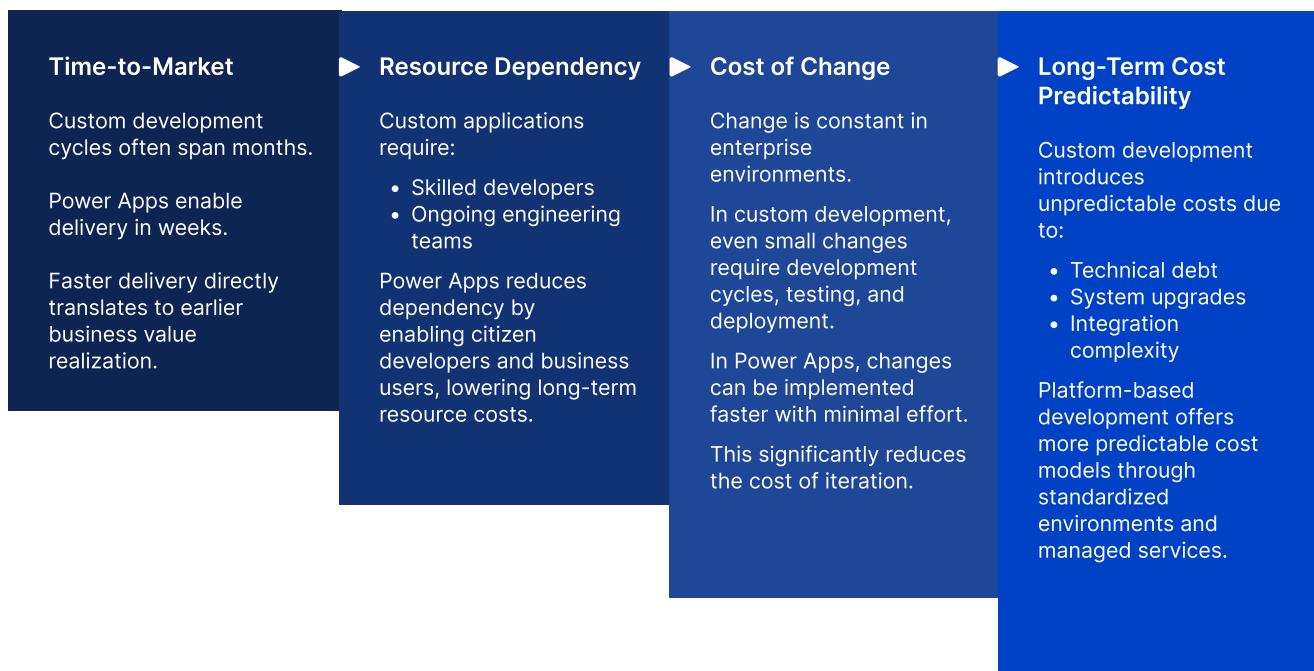
- Development Costs: Time, resources, and effort required to build applications
- Infrastructure Costs: Hosting, environments, and platform management
- Maintenance Costs: Bug fixes, upgrades, enhancements
- Operational Costs: Licensing, scaling, and support

The key insight:

Custom development concentrates costs upfront and over time, while Power Apps distributes and optimizes them across the lifecycle.

Power Apps vs Custom Development for Enterprise Application Modernization

Comparative Cost Analysis: Power Apps vs Custom Development



Impact on Business Agility and Innovation

Speed is no longer optional, it is a competitive requirement.

Organizations using low-code platforms can deliver applications 5x faster, enabling rapid experimentation and innovation.

Power Apps empowers business users to build and iterate solutions, reducing dependency on IT backlogs.

Custom development, while powerful, often slows innovation due to longer cycles and higher effort.

Power Apps vs Custom Development for Enterprise Application Modernization

Risk, Control, and Trade-Off Analysis

Every approach involves trade-offs.



Custom Development

- Full control over architecture
- Higher flexibility
- Greater responsibility for security and maintenance



Power Apps

- Platform dependency
- Standardized governance
- Built-in security and compliance



Organizations must balance

- Control vs efficiency
- Customization vs standardization

Notably, misconfigured custom systems are a leading cause of security breaches, emphasizing the importance of governance regardless of approach.

Scenario-Based Evaluation for Enterprises

The choice is not binary, it depends on the use case.

Power Apps is ideal for:

- Internal business applications
- Workflow automation
- Rapid prototyping
- High-change environments

Custom development is suitable for:

- Complex, customer-facing platforms
- Highly specialized requirements
- Systems requiring deep architectural control

A hybrid approach is increasingly common leveraging both where appropriate.

Power Apps vs Custom Development for Enterprise Application Modernization

Decision Framework for Selecting the Right Approach

Enterprises should evaluate:

- Business criticality of the application
- Speed of delivery required
- Frequency of change
- Available resources and skills
- Long-term scalability needs

The decision should not be driven by cost alone, but by cost-to-value alignment.

Long-Term Financial and Operational Implications

Over time, TCO differences become more pronounced.

Organizations leveraging low-code platforms often experience:

- Reduced maintenance overhead
- Faster scaling without proportional cost increase
- Improved operational efficiency

According to Gartner, 70% of new enterprise applications will use low-code or no-code technologies by 2025, reflecting a clear shift toward platform-based development.

Closing Insight: Making Cost-Informed Modernization Decisions

The real question is not whether Power Apps is cheaper than custom development.

The question is: Which approach delivers sustainable value over time?

Custom development offers control, but at a cost. Power Apps offers speed and efficiency, but within a platform model. Enterprises that succeed are those that move beyond cost comparisons and adopt a strategic, use-case-driven approach to balancing flexibility, governance, and long-term value.

In modern application development, TCO is not just a financial metric, it is a measure of how effectively technology supports business growth.

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Thank
you

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