The 50% tech deflation: why bespoke software is the only business expense getting cheaper for UK SMEs

Tuesday 28 April, 2026

FOR IMMEDIATE RELEASE

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As inflation hits everything from rent to SaaS subscriptions, London bespoke software developer Red Eagle Tech reveals how agentic AI has slashed the cost of custom software builds by half.

LONDON - 21 April 2026 - Right now, almost every operational expense for a UK small and medium business is going up. Rent, energy, payroll, and monthly software subscriptions are all creeping higher. But according to London-based tech firm Red Eagle Tech, one notoriously expensive business asset is experiencing a massive, unprecedented price reduction: bespoke software.

Driven by the integration of "agentic AI" tools like Claude Code, which autonomously handle repetitive coding tasks under human supervision, senior software engineers are suddenly operating at 50% higher productivity. For small and medium-sized businesses, this translates directly into significant reductions in the cost and delivery time of custom-built software systems.

"Think about what else in your business is 50% cheaper today than it was a year ago. Absolutely nothing," says Kat Korson, director at Red Eagle Tech. "Everything else an SME buys today is getting more expensive, but the cost of bespoke tech has become significantly more affordable. For years, small businesses have had to stitch together multiple off-the-shelf software subscriptions that don't integrate properly, simply because a custom build was out of reach. That calculation no longer applies."

For years, SMEs across London and the wider UK have faced a frustrating trade-off. They could either pay eye-watering enterprise fees for a custom-built system, or piece together off-the-shelf tools that didn't quite fit and force staff to work around the limitations.

Research suggests that close to 70% of employees spend upwards of 20 hours per week chasing information across fragmented systems.

"Most SMEs we speak to are running their operations across four or five different SaaS subscriptions," Korson explains. "Staff end up manually copying data between systems, things fall through the gaps, and nobody has a clear picture of what's actually happening in the business. On top of that, you're paying monthly licensing fees that just keep going up. By handing the repetitive coding heavy lifting over to AI agents, a small team of our highly experienced senior engineers can now build a bespoke, fully integrated system in a fraction of the time and cost. It brings enterprise-level tech within reach of SME budgets for the first time."

Red Eagle Tech is clear, however, that the engineering judgement underpinning that work hasn't been removed.

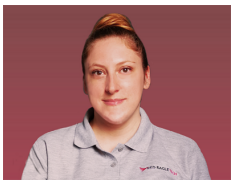
"The architecture decisions, the ironclad data security, the complex business logic - all of that remains as important as ever, and requires experienced human oversight," Korson adds. "What agentic AI removes is the slow, repetitive implementation work. Our senior engineers are still directing every outcome; they're just orchestrating the AI instead of doing the tedious manual labour."

As AI adoption continues to grow, with more than half of UK SMEs now actively using AI tools, the gap is widening between businesses that just experiment with chatbots and those that use the technology to fundamentally upgrade their core operations.

"SMEs have been told for years that enterprise-grade, custom software isn't for them," Korson says. "That's simply no longer true. It's our mission to make sure custom builds are as accessible as possible. Businesses that recognise this deflationary shift will have a huge operational advantage, especially in a fiercely competitive market like London."

More information about bespoke software development for London and UK businesses is available at **redeagle.tech**.

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Notes to editors

What is agentic AI?

Unlike standard generative AI (which acts like a chatbot answering questions), agentic AI systems can take autonomous action. In software development, tools like Claude Code can be given a high-level goal, and they will navigate files, write code, run tests, and fix their own errors under the strict supervision of a human senior developer, vastly accelerating the build process.

Research cited: Quickbase, Roadblocks to the Dynamic Enterprise (2023); British Chambers of Commerce, Future of Work: AI in the Workplace Report (2026).

About Red Eagle Tech

Red Eagle Tech is a London-based technology consultancy specialising in bespoke software development, AI solutions, and digital transformation for small and medium-sized enterprises. We believe technology is for all of us - we make it accessible, straightforward, and enjoyable. We partner with UK businesses to replace fragmented off-the-shelf tools with purpose-built software that integrates seamlessly with their existing workflows, freeing our clients to focus on what they do best.

Media contact

If you'd like to chat about how agentic AI is triggering deflation in the tech sector, or to arrange an interview with Kat Korson, drop us a line:

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