UK SMEs reach AI deadlock as legacy software stalls productivity gains, says London tech firm

Tuesday 5 May, 2026

FOR IMMEDIATE RELEASE

UK SMEs reach AI deadlock as legacy software stalls productivity gains, says London tech firm

As businesses rush to adopt AI tools, London-based Red Eagle Tech warns that outdated core systems are silently cancelling out the gains.

LONDON, UK - 5 May 2026 - Red Eagle Tech, a London-based bespoke software firm, has identified a growing technical debt crisis among UK small and medium enterprises. As AI adoption accelerates, many businesses are finding that their existing systems are simply unable to support the automation required to remain competitive.

The rush to implement AI tools in 2024 and 2025 led many firms to layer new technology onto outdated infrastructures. Now, fragmented data and siloed software are preventing AI from delivering the efficiency gains businesses were promised. Research from Protiviti's Global Technology Executive Survey found that nearly 70% of organisations say technical debt is directly limiting their ability to innovate, with UK businesses dedicating an average of 38% of their IT budgets to managing it.

While off-the-shelf AI tools are easy to adopt, their effectiveness is limited by the quality of the underlying systems. Many businesses still rely on a patchwork of spreadsheets and ageing databases that do not communicate with one another, making it impossible for AI agents to get a complete, accurate picture of the business.

"You cannot build high-performing automation on top of a fragmented foundation," says Kat Korson, Director at Red Eagle Tech. "We are seeing frustration from business leaders who bought into AI but are now finding that their data is too disorganised or their systems are too closed to use it effectively. In most cases, the real problem is the technical debt they have been carrying for years, often without realising the true cost."

The manual workarounds required to keep old systems running frequently cost more in lost productivity than a modern bespoke solution would. Customer data, inventory, and finance held in disconnected systems give AI nothing coherent to work with. Older software also often lacks the integration points required for AI agents to take meaningful action.

Red Eagle Tech advocates for a foundation-first approach: replacing or modernising core business systems with bespoke software designed for connectivity, so that AI becomes a core component of daily operations rather than an expensive add-on that underdelivers.

"The most successful businesses we work with are not chasing the next AI tool," Korson explains. "They are fixing their core software so that information flows naturally across the business. Once that foundation is right, AI integration becomes far more straightforward and the results are immediate."

"If your internal systems do not talk to each other, an AI agent cannot navigate your business effectively," Korson adds. "We help firms move away from manual workarounds and toward a setup where their software genuinely supports the automation they want to achieve."

For businesses concerned about their current infrastructure, Red Eagle Tech provides guidance on identifying and reducing technical debt in preparation for an automated future. More information is available at redeagle.tech.

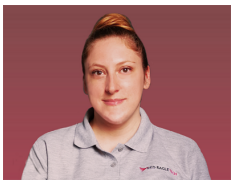
ENDS

Notes to editors

What is technical debt?

Technical debt is the accumulated cost of shortcuts and outdated systems that were never properly modernised. In a business context, it typically shows up as disconnected software, manual workarounds,

Media:



Related Sectors:

Business & Finance :: Computing & Telecoms :: Construction & Property :: Consumer Technology :: Education & Human Resources :: Environment & Nature :: Government :: Manufacturing, Engineering & Energy :: Public Sector & Legal ::

Related Keywords:

Legacy Systems :: Technical Debt :: Bespoke Software :: Ai Integration ::

Scan Me:

and data that lives in too many places at once. Left unaddressed, it becomes a direct barrier to AI adoption and operational efficiency.

Research cited
Protiviti, Global Technology Executive Survey: The Innovation vs. Technical Debt Tug of War (2023).

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 discuss the technical debt crisis facing UK SMEs, or to arrange an interview with Kat Korson, drop us a line:

Kat Korson
Director, Red Eagle Tech

kat.korson@redeagle.tech

+44 (0)20 8044 3221

Company Contact:

Red Eagle Tech

T. +44 (0)20 8044 3221
E. kat.korson@redeagle.tech
W. https://redeagle.tech/

View Online

Additional Assets:

Newsroom: Visit our Newsroom for all the latest stories:
https://www.red-eagle-tech.pressat.co.uk