



Business Tech Report 2025/26

Contents

03 Introduction

- 04 Foreword
- 05 Key findings

06 Cyber Security

- 08 Why data security is the foundation of AI and automation
- 09 Making the most of cloud without compromising security
- 10 Smart, but vulnerable: The cybersecurity challenges of AI

11 Data, Automation and AI

- 13 No lunch break required: How Agentic AI is reshaping the modern workplace
- 14 Are you ready for the great data, automation and AI revolution?
- 15 People 2.0 - Why humans are still the best app in your business

16 Hybrid Platforms

- 18 Taking the ruin out of ransomware: What you can do to protect your data
- 19 Hybrid IT: Turning risk, efficiency and innovation into competitive advantage
- 20 How to drive AI innovation without drowning in compliance

21 Networking and Connectivity

- 23 Networking for outcomes: 4 ways to make your network work harder
- 24 From cables to consciousness: The smarter, greener future of networking
- 25 Observability: The new backbone of network modernisation

26 Workspace

- 28 All hands on DEX as workspace evolves
- 29 The convergence of ITSM, ITAM, FinOps, and SaaS optimisation. Car crash or cause for celebration?
- 30 Doing more with less: Smarter EUC for leaner, stronger IT

31 Sustainability

- 33 Sustainable IT isn't just good practice, it's good business
- 34 If no one talks about IT efficiency, does it still matter?

35 Procurement

- 37 New procurement legislation is putting social value front and centre
- 38 Enhance, not replace: AI and procurement

39 Strategic Business Priorities

- 41 Why productivity, and not technology, is the new differentiator
- 42 Giving procurement the ability to shift with the times
- 43 From data chaos to AI clarity: A smarter, more mature approach to the data revolution

44 Corporate Verticals

- 46 From cyber resilience to AI growth: What's shaping IT investment
- 47 The AI arms race
- 48 The equaliser effect: Tech is bridging the gap for SMBs

49 Public Sector

- 51 Digital transformation in housing: Data, devices, and dignity
- 53 From cost control to innovation: How councils are redefining digital
- 54 Making PA23 work for everyone

55 Summary

- 55 What our 2025 survey tells us about the future

How organisations are redefining value in 2025

Fast. Rapid. Accelerated. We're running out of adjectives to describe the breathtaking pace of change in technology. Over the past year, the continued rise of AI has begun to have a real impact, creating new opportunities and fresh challenges for every organisation.

Delivering value requires agility, resilience, and a sustained focus on digital transformation. And that means investing wisely in the IT solutions and services that make a real difference.

This year's report looks at the latest technology and business trends shaping our customers' priorities. It explores how organisations are using technology to drive value, overcome challenges and stay one step ahead.

Softcat 2025 Customer Experience Survey: Methodology

The data is collected from our annual Customer Experience Survey, which runs throughout May every year. In FY25, we received 6,089 responses from customers at 3,992 customer organisations spanning both private and public sectors. We endeavour to make our survey as unbiased as possible by sending it to our entire trading customer base. The survey consists mostly of multiple-choice answers and very little free-text entry.

Welcome to Softcat's 2025 Business Technology Report

This year, organisations are navigating substantial transformation as technology becomes an increasingly integral part of strategic decision-making.

The focus areas for organisations

According to the Softcat CES 2025 report, cybersecurity remains a top priority for organisations. This year, special attention is being paid to data security, which has emerged as the primary focus. Artificial intelligence is a significant area of interest, following closely behind data security.

For end users, the adoption of Windows 11 and efforts to improve user experiences continue to be important topics.

Organisations are also moving towards integrated IT Service Management (ITSM) capabilities to ensure both customers and employees receive the necessary support.

Strategic focus. Smart investment

The strategic priorities of many organisations are evolving, with a strong emphasis on how to best leverage technology to drive innovation. There is an increasing emphasis on maximising the impact of existing technologies to ensure that investments yield valuable returns.

Looking ahead to the coming year

The rise in cyber threats will continue to ask tough questions of organisations everywhere.

With rapid progress anticipated on multiple fronts, Softcat is well-equipped to offer comprehensive support during this transformative period.

I hope you find it insightful, interesting, and most of all, useful.



Dean Gardner

Technology Director

“Everyone at Softcat is committed to helping our customers navigate change with confidence, so I’m delighted to share this year’s Business Tech Report. It’s an essential overview of the trends and technologies shaping digital transformation today, and I hope it can help you plot a smooth course into the future.”



Graham Charlton

CEO, Softcat

Organisations want innovation without chaos

Our 2025 survey shows a clear duality of priorities: ambitious innovation tempered by cost, underpinned by a relentless focus on security and service experience.

6,089

total survey responses

3,992

customer organisations surveyed

We asked our customers what their technology, procurement and strategic priorities for the year ahead are. This is what their responses tell us.

Technology priorities

AI and modernisation are attractive, but only when secured, standardised, and cost-controlled

- **Data security (selected by 47% of respondents)** remains the non-negotiable foundation, driven by escalating threat complexity and hybrid estates.
- **Artificial intelligence (46%)** has surged from a mere curiosity to a real-world, urgent priority. Organisations are looking for a safe, value-driven adoption of AI.
- **End-user devices and software (37%)** reflect the need for action in light of the Windows 10 end-of-service deadline, and the appetite for AI-enabled productivity.

3,563 respondents

Procurement priorities

The need for transparent value and expert guidance

- **Price competitiveness (83%)** dominates, signalling heightened scrutiny of cost and consolidation.
- **Customer service excellence (77%)** is the differentiator when price reaches parity.
- **Quality of advice and expertise (68%)** underscores the demand for trusted guidance through the hype and complexity of tech and modernisation.

671 respondents

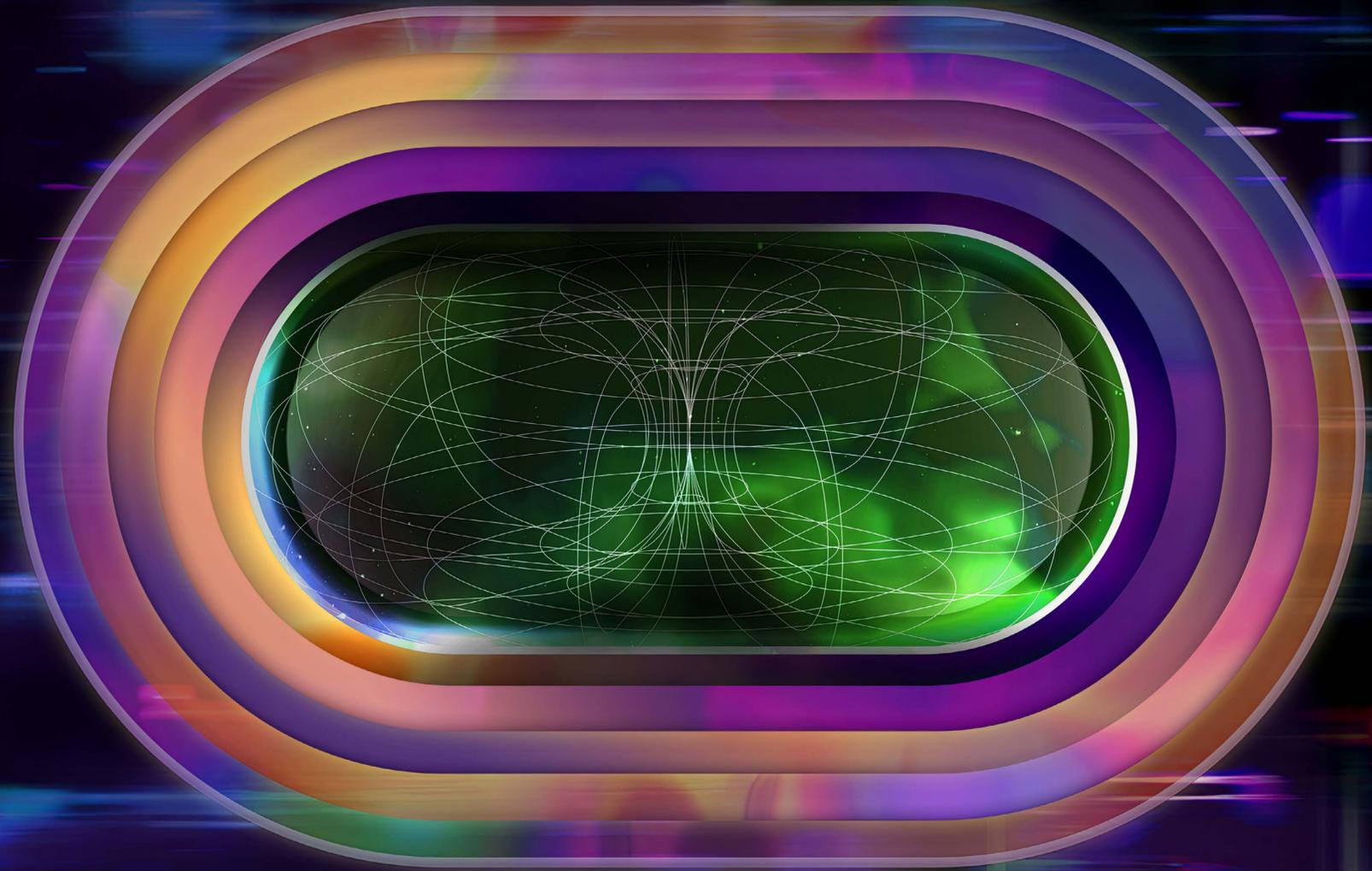
Strategic priorities

Organisations want us to do more with what they have while preparing for what's next

- **Cost control and budgeting tops both technical (52%) and leadership (63%) personas.**
- **IT standardisation and rationalisation (42%)** and **Business continuity (36%)** dominate technical thinking.
- Leadership teams are telling us **leveraging technology for innovation (65%)** and **maximising impact of current tech (53%)** are top of the priority list.

3,688 respondents

Cyber Security



Guarding tomorrow's digital world

Cybersecurity is evolving faster than ever, driven by leaps in AI that bring thrilling possibilities and brand-new challenges.

Agentic AI is reshaping how we authenticate, govern, and protect. Organisations must stay ahead with fresh strategies that balance innovation and defence.

Cloud adoption is booming, but so is the need for sharp planning. Navigating a mix of cloud, on-premises, and hybrid setups demands seamless security, swift incident response, and rock-solid data protection to keep compliance tight and businesses running smoothly.

At the heart of it all is **data**, the lifeblood of modern organisations. Protecting, understanding, and using data wisely isn't just about security; it's about unlocking trust and innovation. In this rapidly shifting landscape, strong cyber hygiene fuels resilience and opens doors to a confident, data-driven future.



Adam Harding

Head of the Office of the Chief
Technology Officers (OCTO)

Why data security is the foundation of AI and automation

Good AI depends on good data. Softcat's Ryan Birch explains why data security must now be seen as a strategic enabler, not just a technical concern.

As organisations roll out their AI and automation programmes, the volume, variety, and sensitivity of data being handled has grown dramatically. This makes a robust data strategy essential. Securing data, yes. But also classifying and understanding it.

Know what you have.

And know how to protect it.

Data is only powerful if you understand it. Knowing what data you have, where it resides, and how it's used allows businesses to apply appropriate protections, meet compliance requirements, and unlock its full value.

Without clear classification, sensitive data may be exposed or mismanaged, increasing the risk of breaches and regulatory violations.

Data security as resilience

Data security ensures that these valuable assets remain confidential, accurate, and available. It protects against threats like cyberattacks, insider misuse, and ransomware, while supporting business continuity and resilience.

Regulatory frameworks such as GDPR, HIPAA, and PCI-DSS further underscore the need for strong data governance and protection.

A strategic enabler

Ultimately, data security is not just about compliance or defence. It's a foundation for confident innovation.

With strong protections in place, organisations can adopt new technologies like AI, comply with evolving regulations, and build trust with customers and stakeholders in an increasingly intelligent, data-driven world.

“Data security is not just a technical concern, it's a strategic enabler.”



Ryan Birch

Cyber Tower
Sales Lead

What is data classification?

- It's the process of identifying and organising data by sensitivity and importance.
- Helps ensure the right protections are applied.
- Supports compliance with regulations like GDPR and HIPAA.

Key regulatory drivers to know about

GDPR - Protects personal data in the EU.

HIPAA - Secures healthcare information in the US.

PCI-DSS - Safeguards payment card data globally.

DORA - Governs operational resilience in financial institutions.

EU AI Act - Governs the use of AI systems and their output within the EU.

Making the most of cloud without compromising security

Some organisations are asking if their cloud strategy truly aligns with their productivity goals and security requirements. Trevor Highley explores how cloud strategy is changing.

Over recent years, most customers have seen an increase in deliberate and organic use of cloud computing. Yet this rapid growth means some organisations aren't always using cloud computing in a way that delivers the greatest gains and the strongest security.

It's why many organisations are reviewing their cloud use to decide which workflows and applications should be delivered via cloud, which should remain on-premises, and which fit best in a hybrid infrastructure.

This is driven by two factors: ensuring the best user experience and meeting security requirements for sensitive data.

What next for cloud strategy?

We expect this trend to continue over the next year, with organisations focusing more closely on protecting critical data in the cloud. It's one of the reasons why both cloud and data security ranked so highly in our 2025 Customer Experience Survey (CES).

Alongside this, businesses will increasingly look to achieve high levels of continuity in a hybrid IT world.

My advice for organisations everywhere

Organisations must ensure their cybersecurity approach is consistent across both cloud and on-premises environments. For example, if you're taking a Zero Trust approach that requires two-factor authentication, make sure you apply it across your entire estate.

This consistency strengthens compliance with internal and external requirements and ensures security is not compromised by the delivery model. It's also critical to invest in incident detection and response.

Cloud infrastructure is a more attractive target for attackers, as it often holds multiple customers in shared infrastructure, making rapid breach detection even more important.

“Cloud computing remains a platform for innovation, flexibility, and growth – but only with the right security approach.”



Trevor Highley

Head of
Networking
and Cyber

What is hybrid IT?

- A model that combines on-premise infrastructure with public and private cloud services.
- Enables flexibility and scalability.
- Helps organisations match workloads to the most suitable environment.

Why incident detection matters?

- Cloud infrastructure often hosts multiple customers.
- This concentration makes it a prime target for attackers.
- Early detection helps limit damage and meet compliance obligations.

Smart, but vulnerable: The cybersecurity challenges of AI

Agentic AI uses other AI on your behalf. Here, Softcat's Kieron Newsham explores the security risks and opportunities of this transformative technology.

Three years ago, the idea of asking your AI assistant to write bedtime stories or summarise your meeting might have seemed far-fetched. Today, it's normal.

But what's next? Agentic AI, which means AI can take on much more complex multi-stage tasks, will likely be the biggest shift in cybersecurity over the next 12 months and the most significant leap in AI adoption since ChatGPT's launch in late 2022.

Many Softcat customers are rightly concerned about its impact: in our Customer Experience Survey, AI ranked second only to data security, with 18% prioritising it through the coming year.

In security, Agentic AI will disrupt two areas previously untouched: authentication and authorisation. Imagine an AI agent accessing multiple large language models and files across varied platforms with different permissions. That's a new authorisation challenge.

Combine this with authenticating both human and non-human identities assumed by the agent, and we face a new architecture, protocol stack, and token-based methods for delegated access.

Governance under pressure

Do we want speed, or speed with governance? Governance is evolving beyond risk management. Frameworks like the Cloud Alliance's AI Control Framework (AICM), ENISA's Multilayer Framework European AI Legislation, and now the Cyber Resilience Act (CRA) are reshaping expectations.

The CRA introduces mandatory cybersecurity requirements for digital products, including AI systems, ensuring security is built in from design through to deployment.

Opportunities for security teams

Agentic AI also brings major benefits. One area poised for rapid growth is Information Security, particularly third-party risk.

With countless suppliers, manual data transfers, and frequent inaccuracies, Agentic AI can autonomously review contracts, identify supply chain vulnerabilities using threat-aware intelligence, and conduct scalable audits.

AI is already smart - our job is to keep it safe.

“Agentic AI represents the biggest shift in cybersecurity over the next 12 months.”

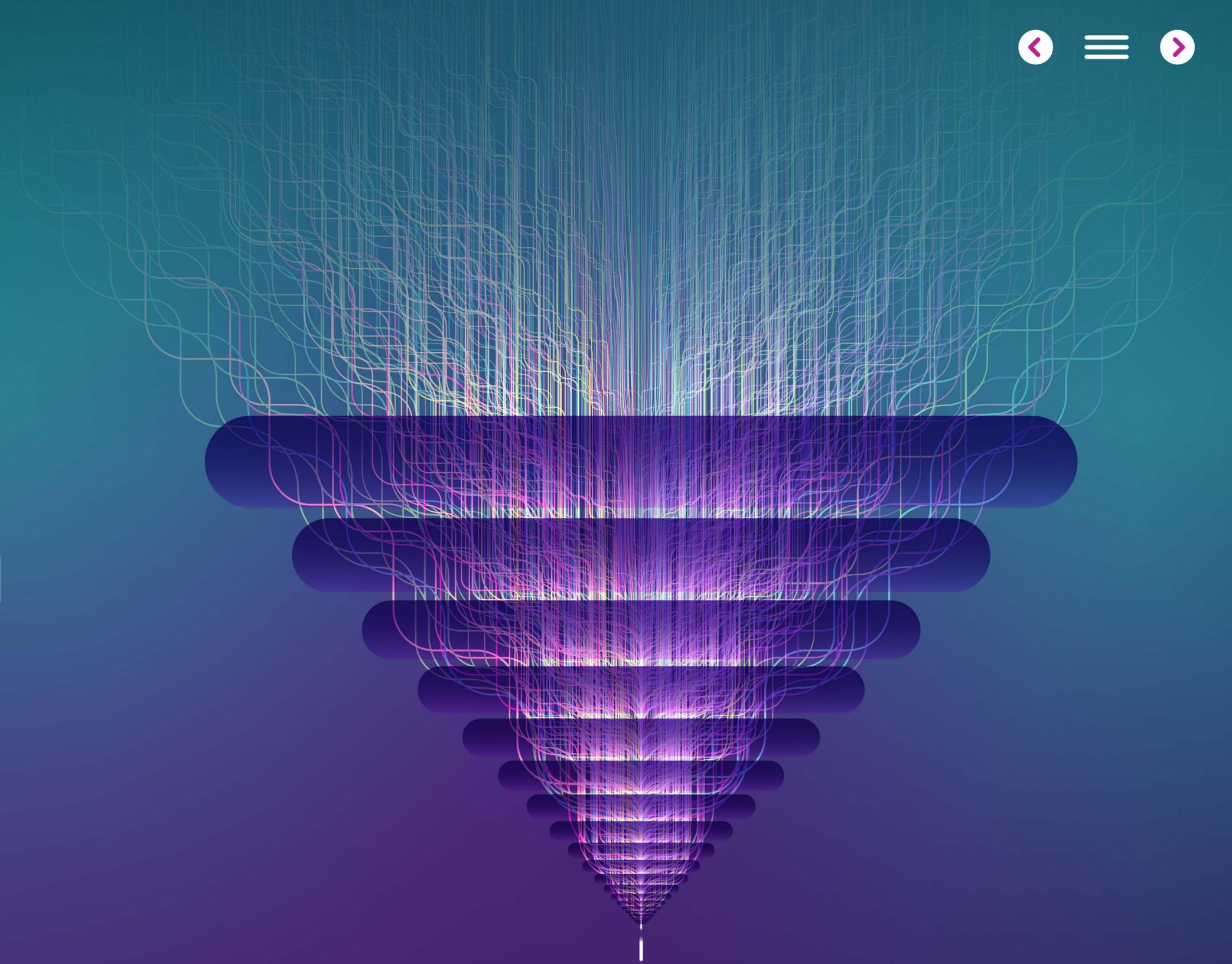


Kieron Newsham
Chief Technologist
Cyber Security

What is Agentic AI?

- 1 Agentic AI**
Agentic AI uses AI agents to interact with other AI systems and services on your behalf.
- 2 Delegated actions**
It can take delegated actions across multiple platforms.
- 3 New challenges**
Creates new challenges for identity, authentication and governance.

Data, Automation and AI



Fuel for an organisational revolution

Agentic AI is making its move. AI is shifting from reactive to proactive, automating smarter, orchestrating better, and opening new possibilities.

While full AI replacement isn't here yet (to the relief of many), businesses are busy integrating these intelligent agents with solid data foundations and strong governance to unlock value safely at scale.

Data itself is now the star player, with organisations recognising it as the key to future growth. AI and automation are increasingly important, but success depends on more than technology. It requires people.

Fostering creativity, diversity, and trust through 'Relentless Enablement' helps teams adapt, innovate, and thrive alongside rapid advances, making the human element the real propellant.



Adam Harding

Head of OCTO

No lunch break required: How Agentic AI is reshaping the modern workplace

Asking an AI tool to help you write an email is so 2024. Today, agentic AI is challenging businesses to rethink not just how work gets done, but who (or what) does it. What does it all mean for your organisation? Softcat's Andrew Hermsen explains.

Back in 2024, 38% of customers highlighted AI as a key focus area, but most implementations were still reactive. Content generation here, data analysis there. Useful, yes. Transformative, not quite.

Fast forward to 2025, and the conversation shifted. Intelligent automation and Agentic AI are firmly in the spotlight. Leaders are now asking a bigger question: *what would this team or department look like if most of its tasks could run themselves?*

We're not at the point of human replacement – and likely won't be for some time – but the pace of progress is undeniable. Agents and their supporting technologies are advancing fast. For tech leaders, orchestration and integration dominate the agenda. For organisation leaders, it's agility and profitability.

Data underpins everything

Many organisations already own automation platforms and applications that will soon deploy Agentic capabilities.

The challenge is making sure the data foundations are strong enough to feed these tools. That piece, while complex, is at least becoming well understood.

So what really keeps leaders awake?

Not the vision of things going right at record speed, but the fear of things going wrong at scale. Poor data. Weak guardrails. Unreliable oversight.

In an environment where the pace of change is only accelerating, it's clear that Governance, Risk and Compliance (GRC) will make or break the next wave of AI deployments.

“We're not at the point of human replacement – and likely won't be for some time – but the pace of progress is undeniable.”



Andrew Hermsen

Data, Automation and AI Chief Technologist



of 6,000 Softcat customers say AI is their priority

Are you ready for the great data, automation and AI revolution?

Andrew Hermsen makes a prediction for the coming years: automation is going to become a big priority. Here's why.

Something interesting happened between our 2024 and 2025 surveys. Last year, 'Data' ranked relatively low on the list of customer priorities. This year, it has become one of the most requested customer conversations.

What's driving this shift?

The reason is clear: data is the linchpin holding everything together as organisations accelerate into an AI-driven future. The paths of data, automation, and AI are all intertwined and converging.

Data and intelligent automation platforms can help your workforce achieve more with less effort, improve job satisfaction, and create the foundations for a more autonomous organisation.

Governance, Risk and Compliance (GRC) is woven into multiple conversations

With regulation and standardisation evolving rapidly, no one wants to risk a costly fine because their team used a new tool in the wrong way. This connects back to the idea of relentless enablement: the importance of empowering people and building trust as we adopt new technologies.

Another recurring theme is price competitiveness

Organisations are realising they need a stronger grasp on cost-to-serve as a baseline before they can make smart investments, measure ROI, and scale with confidence.

And finally, sustainability

AI can be both a cause of environmental challenges and part of the solution. What's clear is that visibility is essential: only by seeing the full picture can organisations understand their impact and act to improve it.

“The paths of data, automation, and AI are all intertwined and converging.”



Andrew Hermsen

Data, Automation and AI Chief Technologist

What is 'relentless enablement'?

A framework for better adoption of new technologies.

- **Continuous upskilling and support.** It's an ongoing process.
- **Inclusive and adaptable.** Ready for different learning styles.
- **People-first adoption.** Keeps feedback channels open so technology succeeds through trust and involvement.

People 2.0 – Why humans are still the best app in your business

The organisations that succeed with AI are those that start with people. Softcat's Andrew Hermsen tells us what this means and how to do it.

I recently gave a talk extolling the virtues of Agentic AI. Afterwards, an audience member approached me and asked "How do you sleep at night?". For them, the future I described – and the AI-forward way their organisation was approaching change – felt like a threat rather than an opportunity.

That reaction highlights a common fear: that AI is going to replace humans. But I don't think that will happen, and nor is it the goal of AI. After all, technology alone doesn't deliver transformation. Diversity, inclusivity, trust, and above all, people, are the foundations of effective teams, and those teams are the bedrock of organisational success.

Every individual has a different appetite for change, a different learning style, and a different perspective. The organisations that succeed with AI are those that start with people, not with technology rollouts followed by damage control.

Start with people, not with tools

Work with your people: the most valuable asset you have. Involve them at the design stage to harness their creativity and strategic thinking. Make them feel included and empowered with continual feedback as you pilot and test new technologies. And once solutions are live, keep those channels open so you can continue to learn and grow together.

I've begun using a new phrase this year: relentless enablement. Change is accelerating, but it doesn't have to be overwhelming. By taking a more personal and diverse approach, creating change champions, developing tailored upskilling programmes, and running meaningful feedback sessions. You can put people at the heart of transformation.

This approach doesn't just help your workforce adapt; it ensures technology delivers on its promise. With the right people, empowered in the right way, you can build the resilient, forward-looking organisation of tomorrow.

“The organisations that succeed with AI are those that start with people.”



Andrew Hermsen

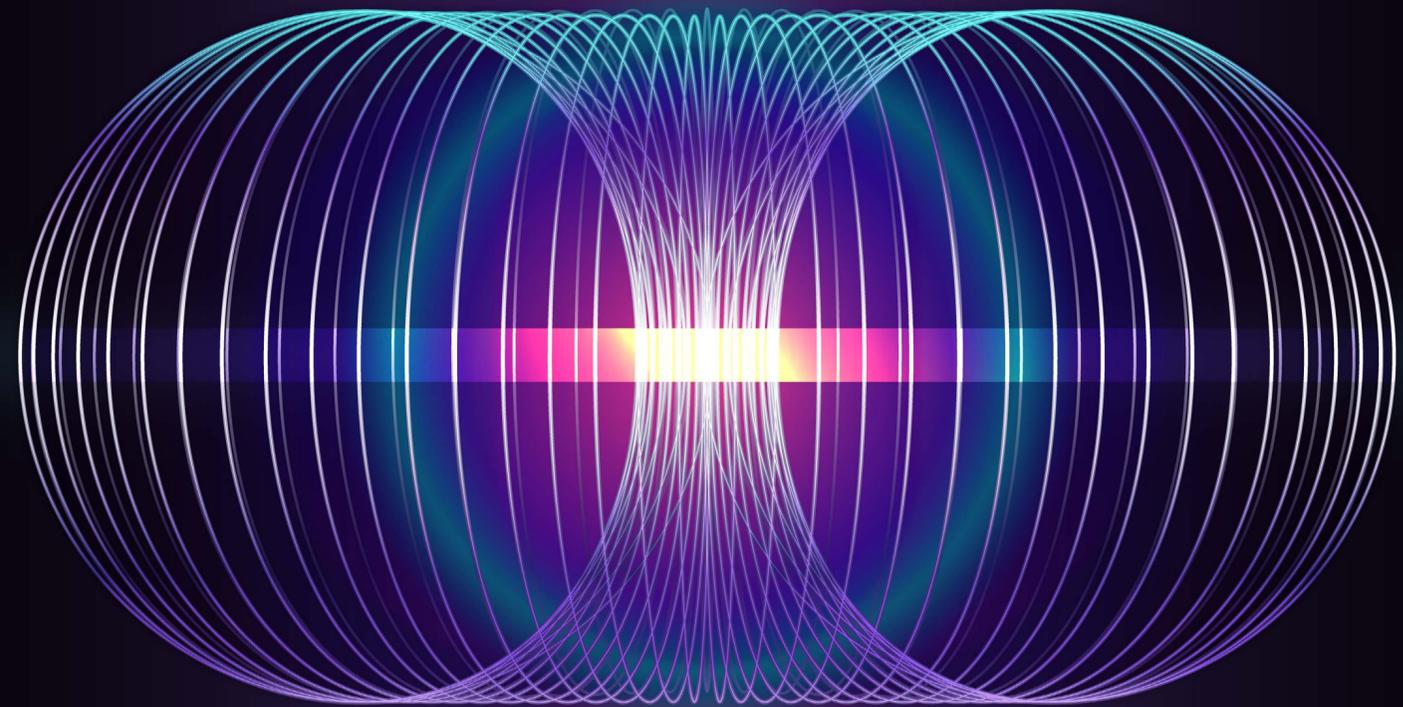
Data, Automation and AI Chief Technologist

How to put people at the heart of transformation

Change is accelerating – but it doesn't have to be overwhelming.

- Take a more personal and diverse approach.
- Create change champions across the organisation.
- Develop tailored upskilling programmes.
- Run meaningful feedback sessions.

Hybrid Platforms



Mastering complexity, unlocking innovation

Hybrid platforms are the new frontier where resilience, innovation, and control come together.

When ransomware hits, it's no longer enough to react, you need a rock-solid strategy that unifies business continuity, disaster recovery, and cyber resilience to bounce back fast and keep trust intact.

But resilience is just the start. The real game changer is harnessing AI across on-premises, cloud, and next-gen environments, all while staying firmly within compliance boundaries. Organisations that crack this will need to unite speed with security, turning hybrid potential into a sharp competitive advantage.

For today's C-suite leaders, mastering hybrid platforms isn't optional, it's the key to driving efficiency, protecting innovation, and seizing new opportunities in a fast-changing digital world.



Adam Harding
Head of OCTO

Taking the ruin out of ransomware: What you can do to protect your data

Gary Hawkins explains why unifying Business Continuity & Disaster Recovery (BCDR) with Cyber Resilience improves data safety.

When ransomware hits, every second counts. The difference between a quick recovery and enduring chaos hinges on preparation.

BCDR + CR is the new baseline

This reality makes the integration of Business Continuity and Disaster Recovery (BCDR) with Cyber Resilience a bare essential. This unified strategy acts as the ultimate shield against ransomware's devastating impact.

Without this harmony, silos form and gaps emerge. In a ransomware crisis, a business's response will be slower and more disjointed, stretching hours of disruption into weeks of recovery.

The fallout could be extensive: revenue loss, eroded customer trust, and lasting reputational damage. Just look at recent major UK brands that have suffered at the hands of cyberattacks.

Why is integration so important for data?

Because it delivers more than just protection. A fully aligned BCDR and cyber resilience plan guarantees you'll know:

- exactly where your critical data resides
- how it's secured
- and ensures you can restore it cleanly and confidently without contamination

This precision vastly reduces downtime, prevents costly errors, and streamlines compliance, so your backups remain secure, verified, and instantly accessible.

The benefits don't end there

Maintaining clean, high-quality data drives easier access to business insight, sparks innovation, and unlocks AI capabilities.

Cyberattacks are no longer a question of if, but when. The time to prepare is now – because safeguarding your data means securing the future of your business.

“The integration of Business Continuity and Disaster Recovery (BCDR) with Cyber Resilience is a bare essential in the fight against ransomware.”

“You can reduce downtime, prevent costly errors, and streamline compliance, so your backups remain secure, verified, and instantly accessible.”



Gary Hawkins
Cloud and
Datacentre Chief
Technologist

Hybrid IT: Turning risk, efficiency and innovation into competitive advantage

From data centres, to cloud, to the edge, organisations are living in a new hybrid reality. Gary Hawkins from Softcat explains what you need to do to get the best from your hybrid platforms.

Of course, hybrid IT offers huge advantages, from greater agility to lower operational overheads. But hybrid IT also challenges executives to successfully balance risk management, efficiency, and innovation.

To win, you need a technical and organisational strategy purpose-built for hybrid environments. This strategy needs to do the following:

Manage your risk

AI-driven GRC tools deliver real-time visibility, mitigate third-party risks, and adapt to evolving laws like GDPR. Resilient, vendor-neutral architectures with distributed workloads offer business continuity and reduce downtime.

Maximise your efficiency

Mix private clouds (for security) with public clouds (for scalability) to avoid cloud sprawl. Automate via Infrastructure-as-Code, while unified cloud management can replace manual tasks, speed delivery, and boost agility.

Unlock your innovation

Hybrid platforms let organisations modernise applications and spool up AI adoption. Public clouds more often provide scale for AI pre-production experimentation, while private clouds and on-premises options mean sensitive data stays local for compliance.

What's the outlook for hybrid?

Hybrid and multi-cloud use is growing. We would recommend you follow a phased hybrid platform roadmap (not a big bang approach), invest in skills and cultural change, and use unified control (observability) via hybrid operations platforms.

Then you can turn a potentially sticky, complex area of technology into a decisive competitive edge.

“To be successful, you need a technical and organisational strategy purpose-built for hybrid environments.”



Gary Hawkins
Cloud and
Datacentre Chief
Technologist

How to drive AI innovation without drowning in compliance

It's time to rethink how we all see compliance and AI. Compliance is not an afterthought or box-ticking exercise. Softcat's Gary Hawkins explains why compliance is an enabler of good AI innovation, not an obstacle.

In our increasingly AI-focused world, governance, risk, and compliance (GRC) is growing in importance. AI needs guardrails, and GRC offers the right mechanism to put them in place. GRC is arguably now the cornerstone of AI innovation in organisations everywhere.

This is what we've seen in our CES results: 36% of 6,000 customers say GRC is their highest strategic priority.

The hybrid approach is emerging as the answer

By uniting on-premises private clouds, Neoclouds (GPU-as-a-Service platforms), and public hyperscalers, organisations can train and run AI securely while maintaining control over sensitive data.

Confidential workloads stay protected in trusted environments, while scalable cloud compute accelerates experimentation and delivery.

GRC is a catalyst for embracing the potential of dynamic infrastructure. Unified policy frameworks, real-time monitoring, and granular access controls ensure every AI outcome is transparent, auditable, and defensible.

Regulatory obligations, from GDPR to data-sovereignty mandates, are met without slowing development.

Compliance is no longer the 'cost of innovation'

It's the confidence behind it. Organisations that exercise the discipline to protect and govern their data won't just keep up with AI transformation, they'll lead it.

“By uniting on-premises private clouds, Neoclouds (GPU-as-a-Service platforms), and public hyperscalers, organisations can train and run AI securely.”



Gary Hawkins
Cloud and
Datacentre Chief
Technologist

What's a 'neocloud'?

Neoclouds are a new type of cloud provider focused on delivering dense GPU power for artificial intelligence and high-performance computing (HPC).

Network and Connectivity

The smart backbone of digital progress

Networks are no longer just pipes carrying data, they're strategic engines driving agility, resilience, and simplicity.

Organisations are embracing wireless-first approaches, diverse connections, and platform consolidation to align network investments directly with business goals.

The new era is all about being smarter, faster, and greener. AI-powered network management, tailored infrastructure for AI workloads, and sustainability focused designs are transforming networks into intelligent, efficient enablers of digital transformation.

With hybrid and distributed cloud environments expanding rapidly, observability is now key, delivering real-time, AI-driven insights across every corner of the network.

This opens the door to seamless network refreshes, smarter tool use, and future-ready operations that keep organisations ahead in a fast-evolving digital world.



Adam Harding

Head of OCTO

Networking for outcomes: 4 ways to make your network work harder

In our hybrid, always-on world, networks aren't just there to keep organisations ticking over, they're the engine of transformation. Thomas Rowley throws the spotlight on network and connectivity strategies being adopted across industries.

At Softcat, we've seen a clear shift: our customers are using networking and connectivity to drive outcomes, not just connect things. A few new trends have become clear:

Wireless that goes beyond just connectivity

Whether it's Wi-Fi, Private 5G or point-to-point links, wireless-first thinking gives people and data the freedom to move. As hybrid work, return to office and IoT adoption accelerate, it's the foundation for agility, effective collaboration and innovation.

Connectivity is, of course, an essential utility. By combining multiple technologies (like Direct Internet Access, public 5G, satellite and SD-WAN) organisations can build resilience, keep uptime high and stay connected when it matters most.

Automation can do the work

Running a complex, high-performance network takes visibility, control and speed. Automation and AI-driven observability are transforming operations, cutting manual effort and spotting issues before they cause disruption. Add in GRC-aligned governance, and you've got a network that's ready for anything.

The more complex networks become, the more value there is in keeping things simple. Consolidating platforms and streamlining vendors brings lower costs, stronger security and faster decision-making, all without losing agility.

Making it work in the real-world

Each of the moves above reflects how modern networking is helping organisations become more resilient, efficient and innovative. At Softcat, we're helping customers turn that strategy into real-world outcomes.



Thomas Rowley

Networking & Connectivity Chief Technologist

From cables to consciousness: The smarter, greener future of networking

Has the AI conversation pushed sustainability into the background? Definitely not, says Softcat's Thomas Rowley.

AI and sustainability are two different but equally important pillars of any good technology strategy. Networking is the enabler of both, and that means networking itself is adapting to a new role, not just as nuts-and-bolts infrastructure, but as an intelligent, responsive and responsible enabler of transformation.

I've observed three major trends that are redefining how networks are designed, deployed and valued:

1 Building networks using AI

AI-driven networking is changing everything. Intelligent systems now configure, monitor, and optimise networks in real time, spotting issues before they happen and keeping things running smoothly.

With natural language interfaces and agentic AI tools, teams can simply ask questions to get instant insight and receive recommended actions that can be instantly and autonomously carried out with human oversight. This saves time, boosts efficiency and lowers skill barriers for IT teams.

2 Building networks that keep up with AI

As organisations train and deploy their own AI models, the network becomes the backbone of performance.

High-speed network fabrics using RoCEv2, InfiniBand, and soon Ultra Ethernet Transport are powering GPU-intensive workloads across data centres and multi-clouds. This helps deliver the ultra-low latency AI applications demand.

3 Making the network part of ESG efforts

Networks account for nearly a quarter of ICT emissions, but that's changing fast. From energy-efficient switches to AI-powered monitoring that improves network energy usage visibility and reduces power consumption, modern networking is helping organisations hit sustainability goals without sacrificing agility.

At Softcat, we're helping organisations capitalise on these advances to build infrastructure that's intelligent, sustainable and ready for what's next.

“With agentic AI tools, IT teams can simply ask questions to get instant insight and receive recommended actions that can be instantly and autonomously carried out with human oversight.”



Thomas Rowley

Networking & Connectivity Chief Technologist

Observability: The new backbone of network modernisation

As customer environments become increasingly hybrid, distributed, and cloud-native, traditional monitoring tools simply don't cut it anymore. Ebow Barnes unpacks 'observability'.

It's not just another buzzword. **Observability** is now a key idea. The benefits include improved service reliability, reduced downtime, and improved readiness for transformation.

What is observability?

Across many of our customers, Softcat is seeing firsthand the impact of observability on the network and infrastructure space. The observability platforms that win today are those that offer:

- Unified visibility across on-prem, cloud, and edge.
- Real-time correlation between infrastructure, network, apps, and logs.
- AI-powered root cause analysis to cut down resolution times.
- Scalable deployment that doesn't require complex tooling or specialist knowledge.

To make observability happen, you need...

- Auto-discovery and real-time performance baselining of existing infrastructure.
- Monitoring both legacy and new equipment during transition phases.
- Validating post-refresh outcomes with measurable performance gains.
- Maintaining visibility across a blend of on-prem, cloud, and SD-WAN environments.

“Customers want a single source of truth – and they want it fast, flexible, and cost-effective.”

The organisations that already have one foot in the future are those thinking beyond monitoring. These organisations are investigating how observability can bring operational efficiency through automation and alert intelligence, as well as cloud optimisation (cost and performance) across Azure, AWS, GCP.

Observability once meant simply 'monitoring', but now it's a make-or-break layer in any network transformation, cloud migration, or operational efficiency initiative.



Ebow Barnes
Networking &
Connectivity Sales
Manager

“As our IT ecosystem becomes more integrated and complex, observability is key to ensuring that our core systems perform as expected and that our security is maintained.”

Customer survey quote

Observability

Once a byword for 'monitoring', it now has a broader meaning: real-time insight into the performance, health, and behaviour of IT systems by analysing data from logs, metrics, and traces across hybrid and cloud environments.

Workspace



Powering the future of work

Digital experience technologies are transforming how people connect with their tools and data, making work smoother, smarter, and more flexible.

Organisations are levelling up their digital workplaces, using proven models to unlock potential and seize fresh opportunities like Windows 11 to supercharge performance.

With budgets tightening, the drive for cost-smart solutions is stronger than ever. Think smarter automation, smarter spending, and smarter experiences that don't just save money, they propel the organisation forward.

Plus, the merging of ITSM, ITAM, FinOps, and SaaS is creating a powerhouse of control, insight, and innovation.

In years gone by, the workspace was about devices. Today, it's where innovation meets productivity.



Adam Harding
Head of OCTO

All hands on DEX as workspace evolves

We all use workspace technology every day. But what it means and what it looks like is changing. Jack Lewis explains why the future is all about 'DEX'.

Whether you're a sous chef or a corporate consultant, the tools you use every day are critical to getting the job done. The results from Softcat's 2025 Customer Experience Survey (CES) bear this out: customers ranked **workspace** as their second-most important technology priority after **cybersecurity**, with 37% saying that **end-user devices and software** is the leading sub-category.

It's further evidence of the increased sophistication and growth of workspace as a discipline. It even has major industry events dedicated to it, like the Gartner Digital Workplace Forum.

“It's further evidence of the increased sophistication and growth of workspace as a discipline.”

Finding a new purpose

Workspace has moved from a device-centric model to a **platform-focused delivery of technology services** model, ensuring that the right tools are available wherever and however people work... which makes perfect sense. After all, the main reason an end-user switches on their device is to open the applications they need to get their work done.

Workspace success will come down to your organisation's ability to do three things:

- Give employees frictionless access to the right tools and data.
- Ensure your people can move between devices, locations, and contexts seamlessly.
- Attract and retain the best people by making work simpler, smarter, and more rewarding.

So how do you make this happen?

DEX appeal

First, you need to determine where you are on your workspace maturity journey. The **Gartner Digital Workplace Maturity Model** offers a useful framework.

Then comes your improvement plan. This should focus on **Digital Employee Experience (DEX)**, which is more of an approach than a single technology; it's about identifying quick-wins and transformational changes - finetuning productivity, employee satisfaction and employee engagement across all tools and interfaces.

Do more with what you already have

Much of the excitement around DEX is focused on 'maximising the impact of your current technology' - something that 53% of our survey respondents told us was a priority for the year ahead.

Through 2026 and beyond, we expect to see more organisations adopting DEX to create a foundation that supports an organisation's broader ambitions, not just day-to-day IT work.



Jack Lewis

Workspace Chief Technologist

What is DEX?

- Digital Employee Experience (DEX) focuses on the quality of employees' interactions with workplace tech.
- It combines performance metrics with user satisfaction insights.
- Uses analytics to make tools and experiences better and more productive.



want to maximise the impact of their current technology instead of adding new tech

The convergence of ITSM, ITAM, FinOps, and SaaS optimisation. Car crash or cause for celebration?

The lines between IT Service Management (ITSM), IT Asset Management (ITAM), FinOps, and SaaS optimisation are blurring fast. Des King gives his view.

Once separate disciplines, ITSM, ITAM, FinOps, and SaaS optimisation are now converging into a single strategy built on visibility, efficiency, and cost control across complex IT estates.

Organisations are bringing these functions together to solve shared challenges: maintaining service continuity, managing sprawling SaaS portfolios, staying compliant, and keeping spend in check. It's driving demand for platforms that combine service delivery, asset intelligence, and financial governance in one place.

The rise of FinOps speeds this up

It's a practice that aligns finance, IT, and engineering to make cloud and software spend accountable, transparent, and value-driven.

The FinOps Foundation predicts that by 2025, the framework will extend to cover SaaS, hybrid infrastructure, and software licensing, making it a natural complement to ITAM's lifecycle governance and ITSM's process maturity.

At Softcat, we're seeing this convergence play out across every sector

Customers want integrated solutions that reduce waste, enhance service quality, and support smarter decisions.

Our latest CSAT survey reflects the same momentum: the majority of leaders said cost control was their strategic priority, while 18% of technical respondents named ITAM/FinOps as a leading technical priority.

The future of IT is converged. It's not about managing services in silos - it's about orchestrating them intelligently.

“The future of IT isn't about managing services in silos - it's about orchestrating them intelligently.”



Des King
Solutions
Consultant

What is FinOps?

FinOps (short for Financial Operations) brings financial accountability to technology.

- Aligns IT, finance, and business teams around shared cost goals.
- Turns cloud and SaaS spending data into actionable insights.
- Promotes a culture of efficiency, transparency, and continuous optimisation.

Doing more with less: Smarter EUC for leaner, stronger IT

Kelly Calver knows that every Softcat customer wants to do more with less. Here's how to make your end-user tech more efficient.

Budgets are under pressure. And that means everyone is looking for ways to make investments in end-user compute (EUC) go that little bit further.

In our latest survey, over half of technical respondents and nearly two-thirds of CIOs (63%) named cost control as their top concern. The challenge isn't just to cut spending, but to do it intelligently, without sacrificing performance or experience.

“The challenge isn't just to cut spending, but to do it intelligently, without sacrificing performance or experience.”

Get more from what you've got

The quickest wins come from better use of what's already there. Many organisations underuse key features in existing platforms, or miss savings through poor device lifecycle management.

By improving adoption, using analytics, and automating manual tasks, IT teams can unlock measurable value with minimal new investment.

Set a standard and stick to it

Fragmented tooling and inconsistent configurations drive complexity and cost. Establishing a consistent EUC baseline across devices, apps, and policies streamlines support, strengthens security, and improves user experience. It also makes automation and procurement simpler and more scalable.

Spend smarter, not smaller

True optimisation means understanding what drives value. Standardisation helps forecast spend, reduce licence sprawl, and negotiate better vendor terms. And as efficiency rises, sustainability follows naturally. That means less waste, fewer devices, and smarter operations.

What this all means

Cost optimisation isn't about doing less. It's about doing things better: leveraging existing investments, driving adoption, and making EUC a smarter engine for savings and performance.



Kelly Calver

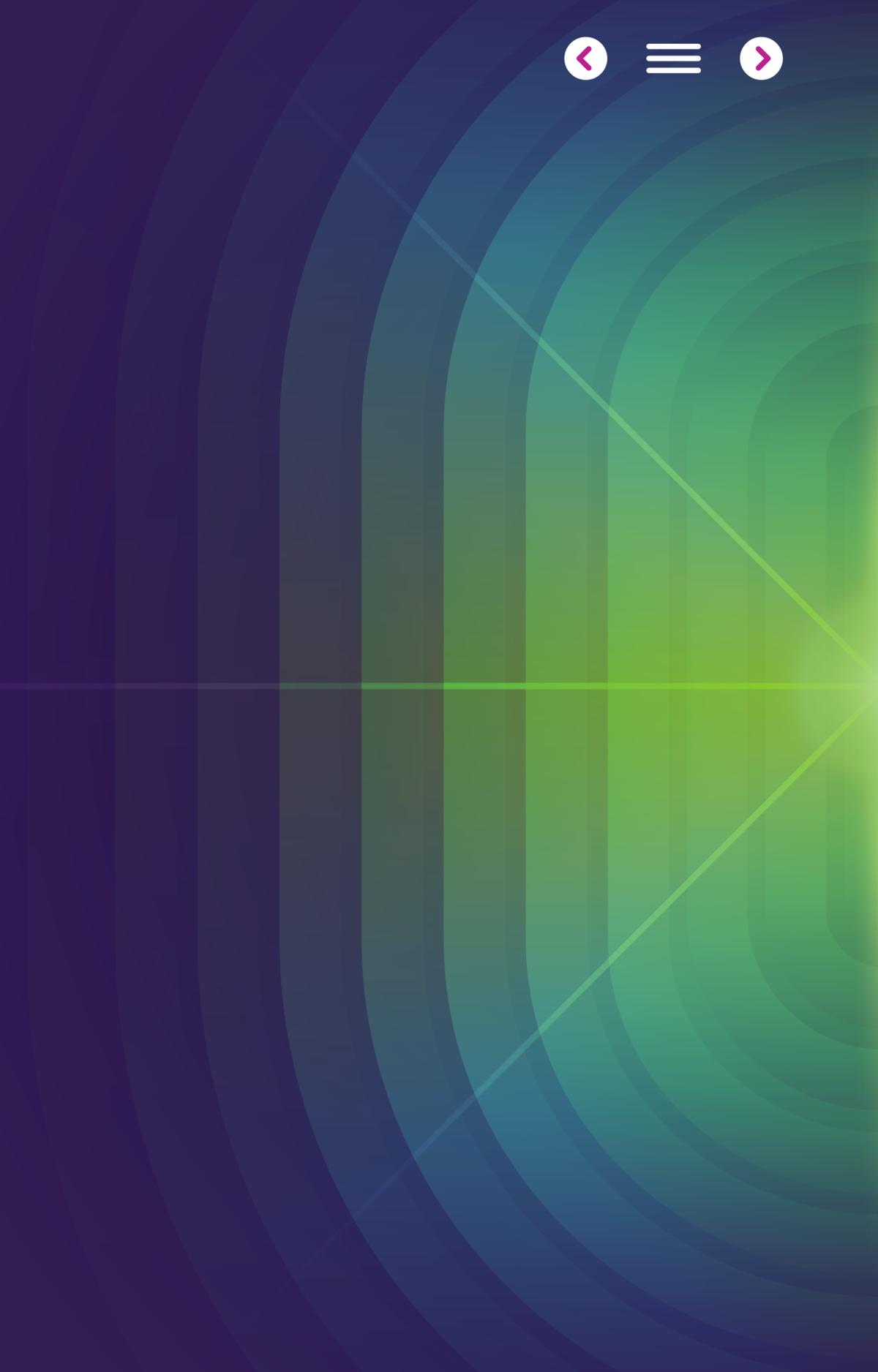
Head of
Workspace



63%
of CIOs say cost control
is their top concern*

* Softcat CES Survey 2025

Sustainability



Saving money, reducing your impact

Sustainability is a core part of how we operate and deliver technology responsibly. It's embedded across our operations, supply chain, and customer solutions.

Softcat helps customers make informed, responsible choices through circular services, carbon-neutral offerings, and sustainability success management. Internally, we continue to strengthen governance, enhance ESG data, and grow social initiatives such as inclusive hiring and community volunteering.

Through strong partnerships and shared values, we aim to enable progress responsibly, viewing sustainability as a guiding light for innovation, growth, and resilience.



John Gladstone

Sustainability
Lead

Sustainable IT isn't just good practice, it's good business

One of the biggest challenges in IT today is the constant need for new hardware and the energy needed to run it. John Gladstone looks for a way to get upstream of the problem.

A recent Softcat survey* showed that 75% of organisations that responded either already have an IT sustainability strategy or are working on one.

That's very positive news.

But the key question is this: why aren't more organisations reviewing every purchase they make? Shouldn't they be analysing what they buy, why they buy it, how it's used, and who it's from? Without the right policies in place, companies are just managing symptoms instead of solving the underlying problem.

Think of it like an overflowing bath. Do you keep grabbing towels to mop up the water, or do you turn off the tap?

“Do you keep grabbing towels to mop up the water, or do you turn off the tap?”

Starting with procurement

- Are you choosing sustainable, energy-efficient products that are correctly sized for your needs?
- Could refurbished or remanufactured hardware meet the requirement instead of buying new?
- Are suppliers and manufacturers providing the data to support informed, sustainable decisions?

Next comes the 'in-use' phase

- Are you optimising the technology you already have?
- Extending hardware lifecycles, managing data efficiently, or optimising cloud use can all reduce environmental impact and cost.

Finally, the 'post-use' phase

- How do you retire your hardware responsibly?
- Can it be reused, refurbished, recycled, or even donated?

Sustainable IT procurement delivers more than just environmental benefits. It reduces costs, extends value, and strengthens your organisation's reputation. And it supports your journey to Net Zero. Sustainable procurement isn't just good practice, it's good business.



John Gladstone
Sustainability Lead



of organisations either already have an IT sustainability strategy or are working on one

* Voice of the Customer Survey 2025, follow up to CES 2025

If no one talks about IT efficiency, does it still matter?

Is IT efficiency and sustainability still important? It should be, argues John Gladstone.

If a tree falls in the woods and no one is there to hear it, did it make a noise? Likewise, if nobody questions the efficiency of an organisation's IT estate, should it just be ignored and swept under the proverbial carpet?

The answer, of course, is a resounding 'no'!

We at Softcat believe that we all have the responsibility as humans and professionals to make things more cost-effective and more environmentally friendly.

We would encourage organisations to spend more time looking into how GreenOps can assist in not only reducing costs but also supporting the organisation's environmental goals. We all want to reduce the impact we have on the planet.

Taking a GreenOps approach and embedding sustainability into everyday IT operations, companies can:



Reduce environmental impact

Optimising workloads, improving energy efficiency, and extending hardware lifecycles can all directly lower carbon emissions and e-waste.



Support Net Zero goals

For many organisations, IT is one of the largest contributors to emissions. GreenOps aligns technology management with long-term carbon reduction commitments.



Cost efficiency

Sustainable practices often lead to cost savings - whether through energy-efficient cloud optimisation, extending device lifespans, or refurbishing and trade-ins.



Boost reputation and innovation

Demonstrating sustainable operations strengthens brand value and opens doors to new opportunities.



Meet regulatory and stakeholder expectations

Governments, investors, and customers demand transparency. GreenOps provides a measurable way to report and demonstrate progress.



John Gladstone
Sustainability Lead

What is GreenOps?

GreenOps - short for Green Operations - is the practice of optimising IT operations with sustainability at the core. GreenOps helps organisations tackle the challenges of increasing power demands and rising energy costs while still meeting the needs of the business.



would choose buy-back or trade-in

Of the 698 customers who said sustainability was a priority, 58% would consider circular purchasing and 80% buy-back or trade-in.

Procurement

In recent years, Softcat has seen a shift in our customers' buying behaviour. It's in part driven by an emphasis on good data to inform buying decisions and evidence of successful outcomes.

Our customers want to see value in every transaction, not just the high-value purchases that dominate their budgets. Customers are more socially and environmentally conscious than ever before. And procurement teams are at the centre of our customers' strategies when it comes to ethical and sustainable sourcing, balancing company values, delivering value for money, and ensuring return on investment.

There's never been a more important time to understand the goals and objectives of Procurement Teams and build value that supports their needs.



Mark Brazington

Sales Operations Director

New procurement legislation is putting social value front and centre

New procurement legislation means that social value is going to be increasingly important in the years ahead. Helen Molloy explains Softcat's strategy.

Softcat is currently recruiting its first-ever Social Value Officer. We think it's important that our social value strategy aligns with legislation, customer expectations, and Softcat's ESG goals.

But one candidate asked a great question: is social value a shield or a halo? In other words, do we want to protect ourselves from the growing number of requests, or stand out as a shining example?

Honestly, we're still deciding.

Softcat has always prided itself on doing the right thing

We look after our people, contribute to society, and use our influence as a market leader to give back, all while managing our environmental impact. But a great social value strategy alone won't meet future expectations.

The Procurement Act 2023, which took effect in February 2025, now requires organisations to 'have regard to the importance of maximising public benefit' when awarding contracts. This is a step up from the Social Value Act 2012, which merely asked them to 'consider' it.

This shift means customers are increasingly asking value-added resellers like Softcat to deliver tangible, contract-specific social value initiatives.

While it works in industries like construction, it's more complex in IT, where margins are slim and much of our work involves reselling software with limited scope for local employment or community projects.

What we're planning for the year ahead

Our goal this year is to create social value that genuinely benefits customers while keeping us commercially competitive. That means developing local initiatives, educating customers on what meaningful social value looks like for IT, and finding new ways to show the positive impact of working with the channel.

Because ultimately, the question isn't whether social value is our shield or halo - it's how we make it both.

“The Procurement Act 2023 now requires organisations to 'have regard to the importance of maximising public benefit' when awarding contracts.”



Helen Molloy

Head of
Commercial
Operations

Enhance, not replace: AI and procurement

Softcat is embracing the transformative power of AI to enhance its procurement services, delivering greater value, efficiency, and insight to its customers.

With AI-driven tools, Softcat will offer smarter recommendations and enable quicker, data-informed decisions. The aim is to help customers to optimise their spend, manage operating costs, reduce risk and deliver greater visibility and control than ever before.

AI should enhance humans, not replace them

Whilst Softcat recognises the immense benefits AI can offer, it remains grounded in a belief that technology should enhance, not replace, the human relationships that define its business. Our recent customer experience survey scores 'Account Manager handled orders' with the highest levels of satisfaction.

Softcat's customer Procurement contacts rate customer service excellence as their second-highest priority in a supplier relationship. Personal interaction, deep understanding of needs, and responsive, high-quality service are what set Softcat apart. Long-term, meaningful relationships aren't built by algorithms, they're built by people who genuinely care.

AI is a powerful tool - but not the whole story

That's why Softcat's AI adoption is guided by a 'human-first' philosophy. AI will be used to *augment* the capabilities of its people, freeing up time to focus on strategic conversations, proactive problem-solving, and personalised service.

Softcat's customers want innovation, but not at the cost of the personal touch. They value the relationships they've built with account managers who understand their unique challenges and goals.

Looking ahead, Softcat will continue to invest in AI technologies that make buying and managing IT simple, smart and personal.

But our core principle remains unchanged: people come first. Because, while AI can suggest the right product, only a trusted advisor can understand the bigger picture. And that's where Softcat truly delivers.

“While AI can suggest the right product, only a trusted advisor can understand the bigger picture.”



**Mark
Brazington**

Sales Operations
Director

Strategic Business Priorities

For enterprises...

This year's customer feedback has heightened the increased momentum in two trends that appear fundamental to the majority of enterprise organisations.

Firstly, while cybersecurity and AI continue to dominate as technology priorities, the dichotomy of how to innovate faster while mitigating the risk of an ever-increasing threat landscape can feel like opposing pressures. A partnership that helps to harness data in a way that enables secure AI is therefore crucial to many.

In commercial terms, while cost control continues to feature heavily, the importance of leveraging technology has superseded cost alone as the primary priority.

This reflects the dependence on technology as the basis for differentiation and a procurement strategy that allows organisations to find the long-term balance between cost, governance, and enabling innovation.



Tim Jeans

Enterprise Sales
Director

Why productivity, and not technology, is the new differentiator

We asked you what you think about tech. You told us that partnerships and productivity are what really matter. Tim Jeans analyses the results.

This year's customer feedback has reinforced the momentum behind three trends that feel fundamental to most enterprise organisations.

1 Innovation over security?

Firstly, while **cybersecurity** and **AI** continue to dominate as technology priorities, the tension between innovating faster and mitigating an ever-expanding threat landscape can feel like opposing pressures. A partnership that helps harness data securely and enables innovation through **secure AI** is critical to many.

2 Do more with what you already have

Secondly, while **cost control** remains important, the need to **leverage technology effectively** has overtaken cost alone as the top priority. This reflects how deeply organisations now depend on technology as a source of differentiation, driving procurement strategies that balance cost, governance, and, more than ever, innovation.

3 Productivity is a priority

A third and final observation, drawn from both customer conversations and our survey results, is that **productivity is everything**. The differentiation enterprise organisations are striving for comes from internal talent having the time to do what competitors are not.

Whether it's through **consolidating supply chains**, the reliability of the services delivered, or the initiative that comes from trusted partnerships, the role of any true partner is to remove as many of the non-differentiating tasks as possible and give your teams that time back. That's a responsibility we want to embrace here at Softcat.

“The differentiation enterprise organisations are striving for comes from internal talent having the time to do what competitors are not.”



Tim Jeans

Enterprise Sales
Director

Giving procurement the ability to shift with the times

A few years from now, multinational procurement could look very different. Liam Dennison looks at the forces driving change.

For today's IT buyers, there's more to decision-making than cost, quality and speed. Risk, innovation, sustainability, and geopolitics are now unavoidable parts of the equation. But in the short-to-medium term, three trends in particular are causing procurement teams to adapt:



**Liam
Dennison**

Head of
International

Complexity = more work

Our customers tell us that one of the greatest challenges they face is supplier sprawl. Managing dozens of partners across different countries is time-consuming. It also creates inconsistencies in service and accountability.

Organisations want to consolidate their supply chains, not just for efficiency, but to create simplicity in a complex world.

Regional nuance adds to the complexity

Procurement is never truly global; it is shaped by local realities. In the US, state-level regulation can alter procurement dramatically. European markets prioritise compliance and data protection, while APAC buyers emphasise supply chain resilience.

Digitisation will continue to reshape procurement

Real-time visibility, self-service tools, and embedded intelligence are rapidly becoming the new standard. AI will support this shift by analysing data and automating tasks, but the shift to agentic AI represents a step-change.

The opportunity is huge, but so is the risk. Without high-quality data, AI may magnify existing challenges rather than solve them. Sustainability is also climbing fast up the agenda.

These challenges are echoed in our survey

Customers consistently rank customer service excellence, ease of doing business, and quality of advice as their top priorities.

The message is clear: procurement success is no longer judged purely on efficiency or cost, but on the overall experience delivered to the organisation.

Leaders who treat procurement as a strategic dial to move up or down, not just a transaction, can help define the future of their organisations.

“ Procurement success is no longer judged purely on efficiency or cost, but on the overall experience delivered to the organisation. ”

From data chaos to AI clarity: A smarter, more mature approach to the data revolution

Andy Crossley, CTO at Softcat partner Oakland, explains why both companies can deliver better data management and unlock the power of AI.

Data is the backbone of every organisation. Naturally, organisations want advanced analytics, enhanced data management, and innovative insights to stay one step ahead of competitors. The arrival of AI and agentic AI means the opportunities to drive transformation have never been more exciting.

Data overload

However, Agentic AI has arrived just as organisations are generating, using, obtaining and selling an ever-increasing quantity of data.

The vendor landscape in the data space is complex, with a variety of promised outcomes and proposed applications. But when we speak to our customers, we hear that the value of AI data tools can sometimes fail to live up to expectations.

This is why I'm so excited by Oakland's partnership with Softcat

Together, Oakland and Softcat can help you adopt new technologies across the full data and AI stack, as well as driving benefits from existing investments in your data estate.

From initial data architecture design and implementation to advanced data platform capabilities, data security and governance, through to advanced analytics and enterprise AI.

I believe this is the mature, sophisticated response to an increasingly complex data environment. By aligning our broad technological capabilities with deep data and AI expertise, we can deliver greater value - enabling clients to unlock the full potential of their data.

“ Together, Oakland and Softcat can help you adopt new technologies across the full data and AI stack. ”



Andy Crossley

Chief Technology Officer, Oakland

About Oakland

Oakland is a UK-based data consultancy, helping organisations build strong data foundations, governance and AI solutions that drive measurable business value.

Oakland

Corporate Verticals

For SMBs...

From SMBs to enterprises, organisations of every size are navigating a shared set of challenges: cybersecurity, AI adoption, and digital transformation. Yet the path to progress is rarely the same. SMBs and mid-market firms lean on trusted partners for scale, expertise, and flexibility.

The rise of AI-ready infrastructure, the emergence of Neoclouds, and the demand for managed services are reshaping how all businesses compete.

This section of the report explores how technology is levelling the playing field, and why partnership is now a strategic imperative for SMBs everywhere.



Adam Fraser

Corporate Sales
Director

From cyber resilience to AI growth: What's shaping IT investment

Softcat's latest insights reveal strong growth in managed services – particularly across the SMB and mid-market – what does this tell us? Gareth Price has some clear ideas.

Over the past year, we've seen clear growth in demand for managed services. SMB and mid-market organisations have increasingly turned to outsourcing as recruitment challenges persist and higher National Insurance contributions add pressure to in-house hiring. With skills shortages still a factor, there's no sign of this letting up.

All of these factors mean the need for managed services is growing in three areas:

“ Demand is rising for managed device security solutions, like Microsoft's Sentinel SIEM platform. ”

1 Priority #1 Managed cybersecurity tools

Cybersecurity remains the number one priority. High-profile breaches at major UK organisations have kept resilience front of mind, with many customers strengthening policies, defences, and managed security partnerships.

So it's no surprise that demand is rising in the workspace area for managed device security solutions, like Microsoft's Sentinel SIEM platform.

2 Priority #2 AI and workspace

AI is now firmly the second priority. Investments in technologies from NVIDIA, VAST Data, and Microsoft Copilot have accelerated as businesses explore new ways to unlock productivity and insight.

3 Priority #3 End-user devices

The third priority is end-user devices and workspace. Hardware investment surged early in the year as companies prepared for the Windows 10 end-of-support deadline in October 2025, and with many devices still awaiting upgrade, demand is expected to stay strong.



Gareth Price

Head of
Corporate
Sales (North)



Daniel Robinson

Head of
Corporate
Sales (South)

The AI arms race

Nearly half of Softcat customers are prioritising AI, but there's more to this than meets the eye. Cam Turner takes a closer look.

There are two facts that I find fascinating, one from Softcat's recent customer satisfaction survey, and the other from Morgan Stanley.

Corporations want to do more with AI, the stats* confirm that. However, what they don't show is the challenge of executing an effective AI strategy. That starts at the infrastructure layer.

“Most companies are opting not to deploy their own AI infrastructure.”

1 46% of Softcat customers now rank AI as a top priority for the next 12 months, making it the second-highest priority behind data security (47%).

2 Over the next five years, Morgan Stanley estimates that \$3 trillion will be spent on AI data centres globally; more than the GDP of France.

Build or buy?

Building AI-ready infrastructure is complex for a number of reasons, but the main ones are finding the right architectural talent, securing a site that can handle the power-hungry cooling demands of GPUs, structuring data effectively, and funding the significant capital investment required to build an AI-ready platform.

And that's before you even consider the shortage of next-generation GPUs - or the fact that, by the time you've deployed them, a new model is already available.

It follows, then, that most companies are opting not to deploy their own AI infrastructure, instead relying on hyperscalers such as AWS and Azure.

Yet this brings its own challenges: around cost and data sovereignty. Both corporations and public sector bodies are increasingly concerned about privacy, security, and maintaining independence from foreign AI technologies.

Rise of the neocloud

This has driven the rise of a new breed of AI hyperscaler: neoclouds. These providers offer AI-ready compute through private clouds, reserved instances, and on-demand consumption models, all while guaranteeing data sovereignty.

Their rapid emergence means organisations now have access to the computational power needed to deliver an effective AI strategy, without the upfront costs, power challenges, or specialist staffing requirements.

Neoclouds may not yet be household names, but they're already attracting billions in investment in the UK alone and could soon represent the first real challenge to the established public cloud giants.



Cameron Turner
ITSP Sales
Manager

The equaliser effect: Tech is bridging the gap for SMBs

Technology has the power to be the true equaliser for organisations of any size. Michaela Nankin explains how.

When the cloud exploded in usage in the 2000s, it gave every business access to enterprise-grade tools and limitless scale. Today, AI presents the same opportunity - democratising capability once again.

Softcat's 2025 survey reveals a striking insight

SMBs want the same things as enterprise customers. Their top business and technology priorities mirror those of midmarket and enterprise organisations, from digital transformation and security to cloud adoption. The difference lies in how they get there.

Larger organisations often have specialist teams and in-house expertise to deliver on their priorities. SMBs, in contrast, rely on partners to bridge gaps in knowledge, capacity, and scale. They value:

- **Frictionless transactions and automation** - quick, easy purchasing processes that free up smaller IT teams to focus on delivering value.
- **Expertise and scale** - access to deep technical resources and verticalised knowledge.
- **Bridging the knowledge gap** - where skills don't exist in-house, partners provide expertise to help them move faster.

For SMBs, these pressures can feel greater

Every decision carries more risk. That's why financial flexibility is just as important as technological expertise. SMBs know they can't afford to stand still, but committing to heavy capital spend can be a hurdle.

OpEx-based financing solutions help bridge the gap, allowing SMBs to access enterprise-grade technology while protecting cash flow and reducing risk.

How SMBs differ from enterprises

SMBs have the same priorities as enterprises, but they approach them differently. By combining frictionless transactions, expertise, and flexible financial solutions, SMBs can achieve the same transformation outcomes as larger organisations. Technology is the great equaliser, and the role of the reseller has never been more pivotal.

“SMBs know they can't afford to stand still.”



Michaela Nankin
ITSP Sales Manager

Public Sector

Balancing IT upgrades with transformative change

Public sector organisations face mounting pressure from rising demand, ageing infrastructure, and evolving expectations, especially in Housing Associations.

Leaders are prioritising foundational tech improvements, cost control, and cybersecurity amid a fast-moving digital landscape. Local government executives are all-in on innovation, with AI and data resilience moving fast.

The Procurement Act 2023 introduces a streamlined framework that helps authorities align procurement with local priorities while adding greater transparency.

Across the board, there's a shift towards consolidation and optimisation, balancing core IT upgrades with transformative change. Success hinges on building strong digital foundations to deliver smarter, safer, and more efficient public services.

92 councils across the UK surveyed

65% of public sector execs say leveraging technology to drive innovation is their top priority

59% named cost control/budgeting as their top strategic priority



Adam Rice
Public Sector
Sales Director

Digital transformation in housing: Data, devices, and dignity

Rising demand, ageing infrastructure, and shifting tenant expectations are putting Housing Associations (HAs) under pressure to do more with less. Rachel Clay looks at the options.

Housing Associations are accelerating digital transformation by turning data, devices, and insight into the foundations of smarter, more human housing services. So how are they doing it and what's driving the changes?

“ HAs can deliver personalised self-service portals and proactive outreach for vulnerable tenants. ”

Data maturity drives smarter decisions

For Housing Associations, data maturity is no longer optional. Structured data strategies now span discovery, governance, integration, and optimisation; helping organisations map their data landscape, ensure compliance, and use predictive analytics and AI to improve outcomes.

Softcat has partnered with leading HAs to create the Housing Digital Innovation Group - a collaborative forum where housing IT leaders and Softcat experts share best practice, co-develop digital strategies, and address evolving regulatory requirements.

IoT transforms asset management

The Internet of Things (IoT) is changing how HAs manage assets and services. Smart thermostats, leak detectors, and predictive maintenance sensors are cutting costs, improving energy efficiency, and preventing problems before they occur.

Housing Associations must also align with the National Housing Federation's (NHF) five-year strategy, which prioritises decarbonisation, service improvement, and new housing development.

Softcat's housing team is helping automate administrative tasks such as rent collection and maintenance requests - improving speed, accuracy, and tenant satisfaction.

Keeping people at the heart of everything

Technology is an enabler, but tenant wellbeing remains the goal. By using data to understand demographics, financial behaviours, and support needs, Housing Associations can deliver personalised self-service portals and proactive outreach for vulnerable tenants.

Timely responses to tenant needs are critical, ensuring that issues affecting safety, comfort, or wellbeing are addressed before they escalate. Through the Housing Digital Innovation Group, Softcat continues to help the sector interpret regulation, strengthen compliance, and build digital strategies that put people first and keep tenants safe in their homes.



Rachel Clay

Chief Strategist
Public Sector



Nick Goulding

Education Sales
Manager

From cost control to innovation: How councils are redefining digital

What do local government leaders say about tech strategy and their priorities for the future?
Paul Fleming, Billy Smith, Ross Liddle unpack the survey results.

Local Government is, once again, going through a period of transition, driven by national initiatives such as Local Government Reorganisation (LGR) and the Fair Funding Review.

These will change both the shape and size of councils, as well as how financial resources are distributed among them. Over the past 12 months, we've also seen the introduction of the Procurement Act and a continued squeeze on public finances. Together, they mean further pressure on council budgets and IT and digital spending.

Softcat talks to council IT leaders and their teams on a daily basis, and it's clear they are balancing several key objectives:

- Ensuring stability and resiliency of core council services.
- Maximising value from ever-decreasing IT budgets.
- Delivering future-ready services for evolving citizen needs.

Our survey said...

In our 2025 Customer Experience Survey (CES), as with the previous year, 92 councils told us that cost control and budgeting (59%) was their top strategic priority.

This aligns with our work supporting councils in optimising costs across IT: reviewing contracts, reducing duplication, and replacing costly legacy infrastructure.

Councils are not alone: cost control is also the top priority across universities, the NHS, and the wider corporate sector CES responses.



of public sector execs say leveraging technology to drive innovation (65%) is their top strategic priority



say AI is the top tech priority

[Read more >>](#)

From cost control to innovation: How councils are redefining digital

Looking at what public sector execs are saying

Our first year of collating C-level CES responses revealed some interesting insights. Within Local Government, C-level leaders ranked leveraging technology to drive innovation (65%) as their top strategic priority, mirroring results from the corporate sector and the NHS (86%).

It demonstrates the push toward innovation and transformation to reduce costs while improving outcomes. Over the past 12 months, we've worked with a number of councils to support innovation in areas such as AI-powered contact centres and back-office automation.

There's also been a shift in technology priorities

AI was selected as the highest priority (55%), followed by data security, with AI jumping by a staggering 30% from last year's survey. This mirrors our ongoing work with councils exploring data and AI capabilities, often beginning with data strategy, platforms, and governance workshops.

Data security and cloud security remain high priorities

Many councils operating hybrid platforms blend on-premises (often commercial data centres), public cloud, and SaaS. Ensuring security and resilience across these environments is vital.

We've also had discussions through WARP networks (security info-sharing sites) around third-party resilience management, as cyber threat actors increasingly target supply chains.

Looking to the future, we anticipate growing maturity across data, automation, and AI, supported by scalable, resilient infrastructure. Councils will continue planning for organisational change under LGR, focusing on how to transition safely and efficiently.

Budget pressures will persist, meaning cost optimisation will remain front and centre - but innovation will continue to push things forward.



Paul Fleming

Public Sector
Advisory Lead



Billy Smith

Local Regional
Government
UK&I Sales
Manager



Ross Liddle

Scotland, Wales
and Ireland Senior
Team Leader

What is a WARP?

Stands for 'Warning, Advice and Reporting Point'. Think of a WARP as a wiki site for sharing security threat information. A WARP is a community-based service where members share advice and incidents to keep everyone better informed.

Making PA23 work for everyone

The Procurement Act 2023 is here. Emily Palmer investigates what the changes mean for public sector procurement.

The Procurement Act 2023 (PA23) has reshaped how public sector buyers and suppliers work together - with new rules designed to increase transparency, integrity, and social value. Softcat's dedicated Procurement Act team has been closely involved from the start, helping customers adapt and thrive under the new framework.

Supporting you under PA23

Softcat's Procurement Act team has monitored the Act's evolution from consultation through to go-live and adoption.

Through ongoing engagement with customers, we've learnt a lot about what procurement teams want: from demonstrating value and enabling technology adoption to driving ethical, sustainable sourcing.

Learning through experience

As well as attending events such as Procurement Act Live, framework authority briefings, and industry advisory sessions, we've built practical knowledge of the Competitive Flexible Procedure (CFP), compliance implications, and the importance of KPIs and social value in achieving Act objectives.

Data and AI coming together

We believe AI and data analytics will help make procurement more efficient. To us, PA23's new reporting requirements are an opportunity: Softcat's investment in advanced data management and analytics platforms means we can provide customers with real insights that strengthen compliance and performance.

For over a decade, Softcat has delivered transparent, data-led reporting across frameworks and customer contracts. Our experience, tools, and teams are built to meet the transparency, KPI, and social value expectations of PA23, helping procurement teams move from compliance to confidence.

“ PA23's new reporting requirements are an opportunity to generate real insights that strengthen compliance and performance. ”



Emily Palmer

Head of Public Sector Sales



Tom Blackwell

Contracts Enablement Senior Team Leader

The story this year is about maturity as much as momentum

Organisations are refining, integrating, and optimising tools to deliver measurable outcomes. The focus has shifted from experimentation to enablement: making sure every investment drives value, improves experiences, and supports secure, sustainable growth.

Data and AI remain at the centre of this evolution

As use cases become clearer, organisations are finding practical ways to turn intelligence into impact; from automated workflows and connected platforms to AI-driven insights that transform how people work and make decisions.

At the same time, the fundamentals matter more than ever

Strong foundations in security, governance, and connectivity continue to underpin success, ensuring performance, compliance, and resilience across hybrid environments.

The future will be about balance

Balance between innovation and control, automation and human insight, agility and accountability.

As we look to 2026, one thing is clear: organisations that align technology with strategy, with a healthy sense of experimentation and innovation, will not just keep up with change, they'll define it.



01628 403403

Find out more www.softcat.com

