



# Beyond Stalemate: FusionWork is a Catalyst for Progress

Denis Wallace Barnard ©Bloor Research January 2026

## UK businesses can be sympathised with for being caught in an increasingly complex dilemma right now.

The UK business environment is currently characterised by a “wait and see” approach. Most firms are prioritising liquidity and efficiency over expansion, with many actively trimming discretionary spending and pausing capital projects to offset the increased cost of employment and taxation.

But risk containment and cost-cutting policies carry the threat of both labour and technology debt (Blog passim). Hopes of replacing headcount with AI have been somewhat dampened by Salesforce’s recent experiences, and with tightening employment legislation shedding employees becomes potentially ever more hazardous or costly.

All of these concerns exist against a backdrop of aggressive foreign competition, some of which is either State-subsidised or protected by tariffs.

At first glance, it’s more of the same for now; research from the British Chambers of Commerce (BCC) and Novuna Business Finance show:

While many SMEs are trying to invest in growth, a significant 36% of London-based small businesses report a specific intention to reduce fixed costs in 2026 (up from 22% the previous year).

### Investment Cutbacks:

Roughly 27% of all UK firms have scaled back their investment plans for 2026.

### Headcount and Hiring:

Only 21% of directors expect to increase headcount in 2026.

Survey data identifies the “pain points” that are forcing these measures as: Labour Costs, Tax /National Insurance concerns and Inflation/Input Costs

However, all is not so gloomy in outlook. Despite trade frictions, UK businesses are looking beyond traditional boundaries:

### Digital Globalisation:

While 70% of leaders view deglobalisation as a risk, the UK Business Data Survey 2026 found that 36% of large businesses and 10% of micros are actively expanding international data transfers to facilitate global service delivery.

### IPO Market Recovery:

There is significant anticipation for a “class of 2026” in the London Stock Exchange. Major fintech players like Revolut and Monzo are widely expected to lead a wave of new public listings in London this year, signalling a return of appetite for market-scale expansion.

The AA/WARC Expenditure Report is the gold standard for UK ad spend. Their latest forecast (October 2025/January 2026) projects:

### Overall Growth:

Total UK advertising spend is forecast to rise by 6.6% in 2026, reaching approximately £49.1 billion.

### Search & Display:

These online formats are predicted to grow by 9.2% and 6.7% respectively.

They note that despite a “languid economy” a stable trajectory with online formats now accounts for 4 out of every 5 pounds spent.

Fortunately, it seems that the temptation to trim Sales & Marketing activity has largely been resisted, reflecting a recognition that demand creation remains essential even in constrained conditions. This is significant, because another and less obvious driver of growth is now emerging: the enhanced productive capacity of organisations where human and digital labour are deliberately combined.

This is the foundation of **FusionWork**. FusionWork recognises a simple but uncomfortable reality:

***The workforce is no longer purely human, yet most organisations continue to design work, roles, reward and governance as if it were.***

AI is already embedded across marketing, finance, operations, customer service and HR, automating tasks, accelerating analysis and compressing time. However, without a coherent operating model, these gains often translate into friction rather than value: duplicated effort, unclear accountability, rising technology debt and an erosion of workforce engagement. ►

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- Where FusionWork differs from conventional “AI adoption” narratives is in its focus on **work design**, not tools.

Rather than asking *what AI can replace*, FusionWork starts by asking:

- What outcomes actually create value?
- Which parts of work are best done by humans?
- Which parts are best handled by digital labour?
- And how should these be governed, priced and measured together?

Early evidence from organisations experimenting (consciously or otherwise) with this model shows that when work is redesigned around outcomes rather than tasks, productivity gains compound rather than plateau. Human capability is amplified rather than displaced, and fixed employment costs become more flexible without defaulting to simple headcount reduction.

Crucially, this re-framing also offers a path through the current strategic stalemate facing UK businesses. It allows firms to:

- Contain risk without freezing progress
- Improve efficiency without hollowing out capability and
- Invest selectively without committing to irreversible cost structures

In this sense, FusionWork is not a technology strategy but a **workforce sustainability strategy**, one that helps organisations navigate labour cost pressures, AI capability growth and global competition simultaneously.

The coming period will not be defined by whether businesses adopt AI, that question has already been answered. It will be defined by whether leadership teams have the vision and courage to **redesign work itself** for a fused human-digital reality.

Those that do will unlock growth, resilience and competitive advantage earlier than their peers.

Those that do not risk accumulating labour and technology debt that will be far harder and more expensive to unwind later.

If you need FusionWork solutions, talk to us!

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