



Louisville Microsoft Users Group

A Forum for Computer Professionals

Today's Agenda

- **11:30 - Welcome Attendees and Sponsors & Announcements**

- Microsoft in the news?
- Job hunting / hiring?
 - IT Project Services Systems Engineer – Mirazon
 - IT Security Specialist (Pre-Incident Consulting & Incident Response Lead) – Mirazon
 - Business Development Representative - Mirazon
 - Inside Sales Representative (ISR) - IT– Mirazon
 - HR & Operations Coordinator - Mirazon
- Share some good news

- **11:50 – Presentation**

- 2026 IT Forecast: Cloudy with a Chance of Price Increases
 - Presented by Tyler Switalski

2026 IT FORECAST

Cloudy with a Chance of Price Increases

Friday, April 24, 2026 | 11:30 AM - 1:00 PM
@ Foundation for a Healthy Kentucky



The Presenter



Tyler Switalski
Inside Sales & Purchasing Manager
Mirazon

End of Grace Periods & EST

Historically, Microsoft allowed roughly a 30-day grace period after subscription expiration to give organizations time to renew or transition services. Beginning May 4th, those grace periods will no longer apply.

At the end of a subscription term, customers will have three options:

- I. Renew the subscription - Auto-renewal continues without interruption.
- II. Cancel the subscription - The subscription ends immediately at expiration, and services stop.
- III. Disable auto-renewal (Extended Service Time) - Disabling auto-renewal now triggers enrollment in Extended Service Time (EST) rather than preventing renewal.

What is EST?

- I. Pricing increases to month-to-month rates with a 3% uplift:
 - I. 23% higher than annual prepaid MSRP
 - II. 18% higher than annual commitments paid monthly
- II. License counts cannot be increased or decreased during EST
- III. Subscriptions can be canceled at any time and are billed on a prorated basis

Price Increases

Commercial & Non-Profit:

- **Business Basic: 17%**
- **Business Standard: 12%**
- **Business Premium: 0%**
- **O365 E1: 0%**
- **O365 E3: 13%**
- **M365 E3: 8%**
- **M365 E5: 5%**
- **M365 F1: 33%**
- **M365 F3: 25%**

Government:

- **O365 G3: 13% (split across 2026 & 2027)**
- **O365 G5: 13% (split across 2026 & 2027)**
- **M365 G3: 8%**
- **M365 G5: 5%**

Bundle Enhancements & Copilot

- **Business Plan Enhancements (Effective July 1)**
 - Basic, Standard, and Premium: mailbox storage 50 GB → 100 GB
 - Business Premium: strongest value option for orgs under 300 users
- **Enterprise Plan Enhancements**
 - Office 365 E3: adds Defender for Office Plan 1
 - M365 E3: adds Defender for Office Plan 1 + Intune Plan 2
 - M365 E5: adds Defender P1, Intune P2, Endpoint Mgmt, Security Copilot
 - NEW: M365 E7: Includes M365 E5, Entra SioTE, M365 Copilot, Agent 365 – GA on 5/1 – MSRP: \$99/user/month
- **Copilot Options for Business Customers**
 - Copilot Business: \$22.05/user/month (~30% lower than enterprise)
 - Bundle options available with Business licenses for added savings
 - Promotional discounts of 15–35% available (first year)

M365 Licensing Updates

Summary:

- Disabling auto-renewal will no longer prevent renewal-related costs after May 4th.
- Microsoft 365 price increases take effect for renewals on or after July 1st depending on your renewal date.
- Microsoft is enhancing and restructuring several licensing bundles.
- Microsoft 365 Copilot bundles for Business customers offer lower pricing.
- Proactive renewal planning is critical to avoiding unnecessary cost increases.
 - Look to possibly right-size your licensing or look into a bundle that might be more inclusive and cost-effective.

We're Spring Cleaning Our Email List!

We're cleaning up our LouMUG email list to keep things simple (and spam-free)!

 Want to keep getting LouMUG event invites, reminders, and updates?

 **Scan the QR code and reconfirm – it takes less than a minute.**

 **If you don't reconfirm, you'll stop receiving LouMUG emails**

Scan the QR code to stay in the LouMUG loop!



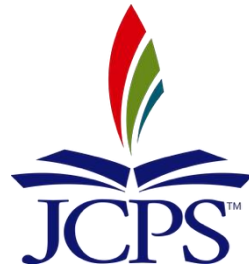


Giveaway!

Bose QuietComfort Ultra Headphones

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MEETING & IN-KIND SPONSORS



FOUNDING SPONSORS



Next Meeting

- When: Thursday, May 21st, 2026
 - 4:00 PM – 7:00 PM
- What: BrewMUG Networking Event
- Where: 3rd Turn Brewing in JTown

INVITES COMING SOON!



Technology to Elevate Your Business

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2026 IT Forecast: Cloudy with a Chance of Price Increases

Navigating Market Pressure, Platform Changes, and Budget Reality

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The Forecast

FRI 4/24	 75° /59°	 55%
Mostly cloudy; a little rain in the morning followed by a shower in spots in the afternoon		
RealFeel™	76°	Max UV Index 3.0 (Moderate)
RealFeel Shade™	72°	Wind SSW 12 mph
SAT 4/25	 74° /52°	 25%
Mainly cloudy		
RealFeel™	74°	Max UV Index 3.0 (Moderate)
RealFeel Shade™	72°	Wind NNE 7 mph
SUN 4/26	 66° /48°	 20%
Partial sunshine		
RealFeel™	74°	Max UV Index 9.0 (Very High)
RealFeel Shade™	64°	Wind NNW 7 mph

The 2026 IT cost landscape and where increases are already impacting budgets

Why is pricing rising faster than expected?

The risks of delaying decisions

How organizations can plan proactively for 2026

Welcome Class

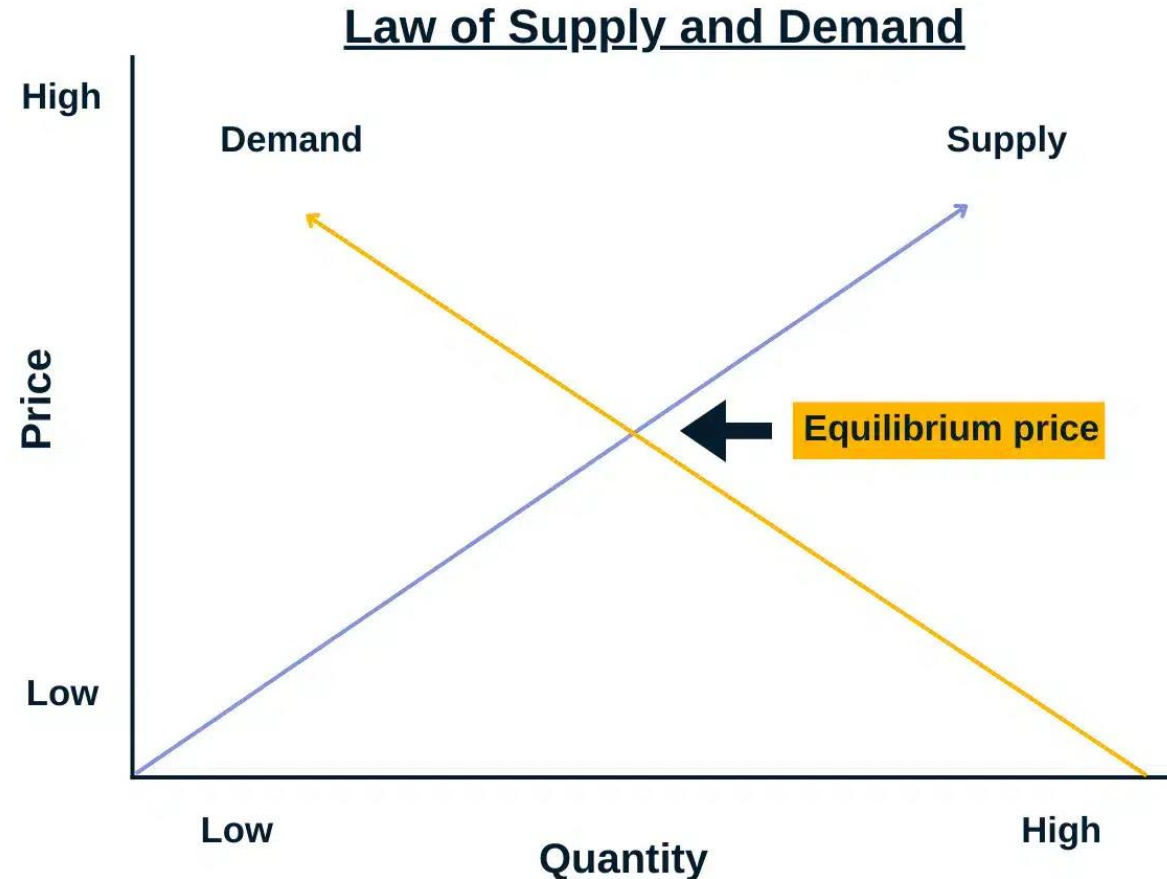
- I have been with Mirazon since 2018 and am the Inside Sales & Purchasing Manager, supporting both clients and internal teams.
- I'm originally from Indianapolis, but am now based locally with my wife, 2 kids, and pets.
- Outside of work, I'm a dedicated sports fan and enjoy movies, LEGOs, and a good conversation about Lord of the Rings.



Scarcity, Supply & Demand

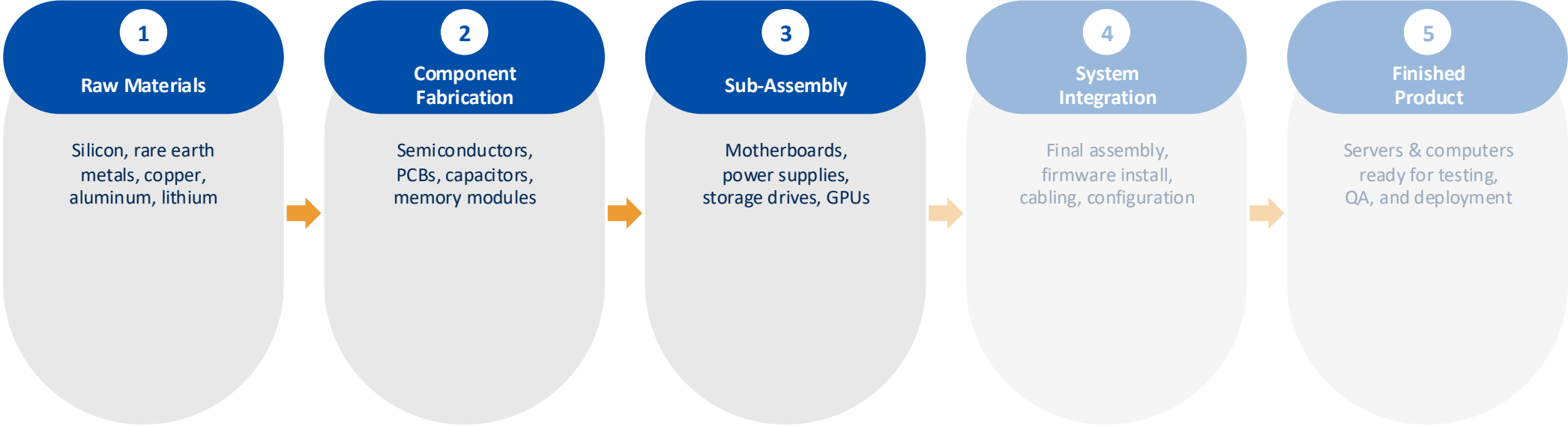
Economics 101

- Supply represents how much of a product or service producers are willing to sell at different prices, while demand represents how much buyers are willing to buy.
- When demand increases and supply stays the same, prices rise; when demand falls, prices drop.
- When supply increases and demand stays the same, prices fall; when supply decreases, prices rise.
- Markets move toward equilibrium, where supply and demand balance, determining the market price and quantity exchanged.



Specialization & Global Economic Interdependence

Economics 102



Key Cost Driver Stages

The 2026 IT Cost Landscape

Expectations:

- TrendForce estimated a 45-55% increase on RAM and a 33-38% on SSDs in Q1 2026.
- Gartner estimated a 130% surge in combined DRAM and solid-state drive (SSD) prices by the end of 2026, which will increase PC prices by 17%.

Reality:

- TrendForce revised the price increase estimate to be 90-95% QoQ for RAM and 53-58% on SSDs.

Vendor Examples

- Dell (and all PC/Server/Storage Manufacturers):
 - Prices increase daily → quotes are only valid for 2 weeks.
 - Increases of 20% on servers and PCs are common on each refresh.
 - Widespread shortages and extended lead times.
- Object First:
 - 13% price increase in January, another in March, and another expected in May.
- Ruckus:
 - 10 to 25% price increase in February – another 10 to 25% coming in May.
- Fortinet:
 - 10 to 25% price increase on most hardware over the last 2 months.

Real Examples:

- **Example 1: ~28% increase MoM**
 - Server & SAN quote from 3/12 - \$270,763.50
 - Identical Server & SAN quote from 4/10 - \$345,632.20
 - By delaying a month, the price went up by more than the average IT technician's salary - \$74,868.70 sans tax and shipping.
- **Example 2: ~24% increase over 13 days**
 - 16" Laptop: i5/16GB/256GB w/ 3Y PSP quote from 4/1: \$1,672.23
 - 16" Identical Laptop: i5/16GB/256GB w/ 3Y PSP quote from 4/14: \$2,077.30
 - Across a 10-unit refresh, you are looking at an additional \$4,050.70 sans tax/shipping/accessories.
- **Example 3: ~225% increase over 2 months**
 - Server quote from 2/20 - \$15,163.96
 - Server with some substitute parts quote from 4/20 - \$34,202.77
 - By delaying 2 months, the price went up by enough that they could have gotten another server back in February (and probably Windows Server licensing).

Why Now?



Enterprise demand is off the charts:

AI companies, data centers & hypervisors are placing massive order requests for RAM, SSDs, & GPUs.



AI-ready PCs:

These are now the standard, not just a premium add-on. This means more advanced chips are required for what used to be less intensive hardware.



Production challenges:

The chip manufacturers simply don't have the capacity and what capacity they have is being focused on the most profitable products – AI chips.



Global factors:

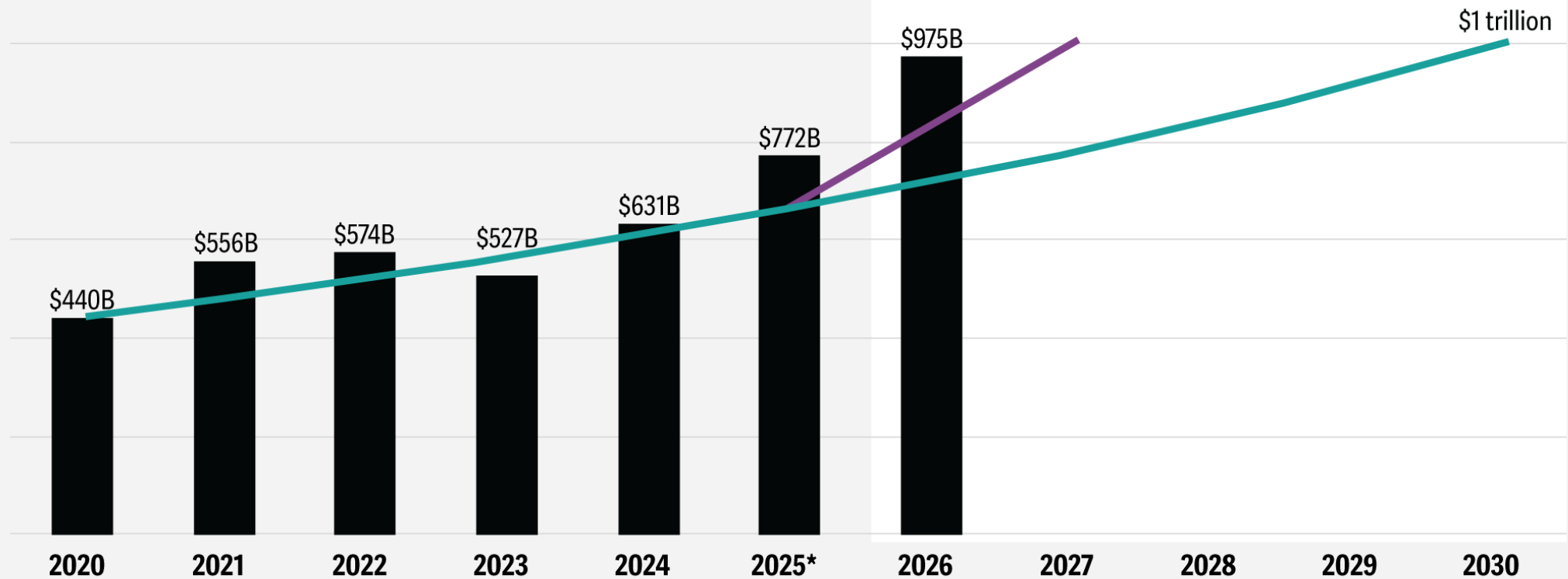
Factors such as tariffs, conflicts and fuel increases.



Covid-19 refresh cycle

More speculative than anything, but we are in the middle of the Covid-19 refresh cycle for everything from PCs to servers – adding extra congestion to the market.

Global Semiconductor Market



Note: * = estimate.

Source: Deloitte analysis and extrapolation based on data from World Semiconductor Trade Statistics (WSTS).

Enterprise Demand is Off the Charts

SpaceX / Tesla / xAI

“SpaceX AI and Tesla (TSLA.O), expect to continue ordering Nvidia (NVDA.O), chips at scale.”

— Reuters

OpenAI

“In less than a month, the San Francisco startup behind ChatGPT has committed to acquiring a staggering 26 gigawatts of sophisticated data processors from Nvidia, AMD, and Broadcom—more than 10 million units that would consume power equivalent to 20 standard nuclear reactors.”

— Tech Xplore

OpenAI

Amazon’s “cloud unit has signed a \$38 billion deal to supply OpenAI with computing power... The ChatGPT maker will pay Amazon Web Services for access to hundreds of thousands of Nvidia Corp. graphics processing.”

— Bloomberg

Meta

“AMD will sell up to \$60 billion worth of artificial intelligence chips to Meta.”

— Reuters

Anthropic

“Committed to purchase \$30 billion of Azure compute capacity and to contract additional compute capacity up to one gigawatt.”

— Microsoft

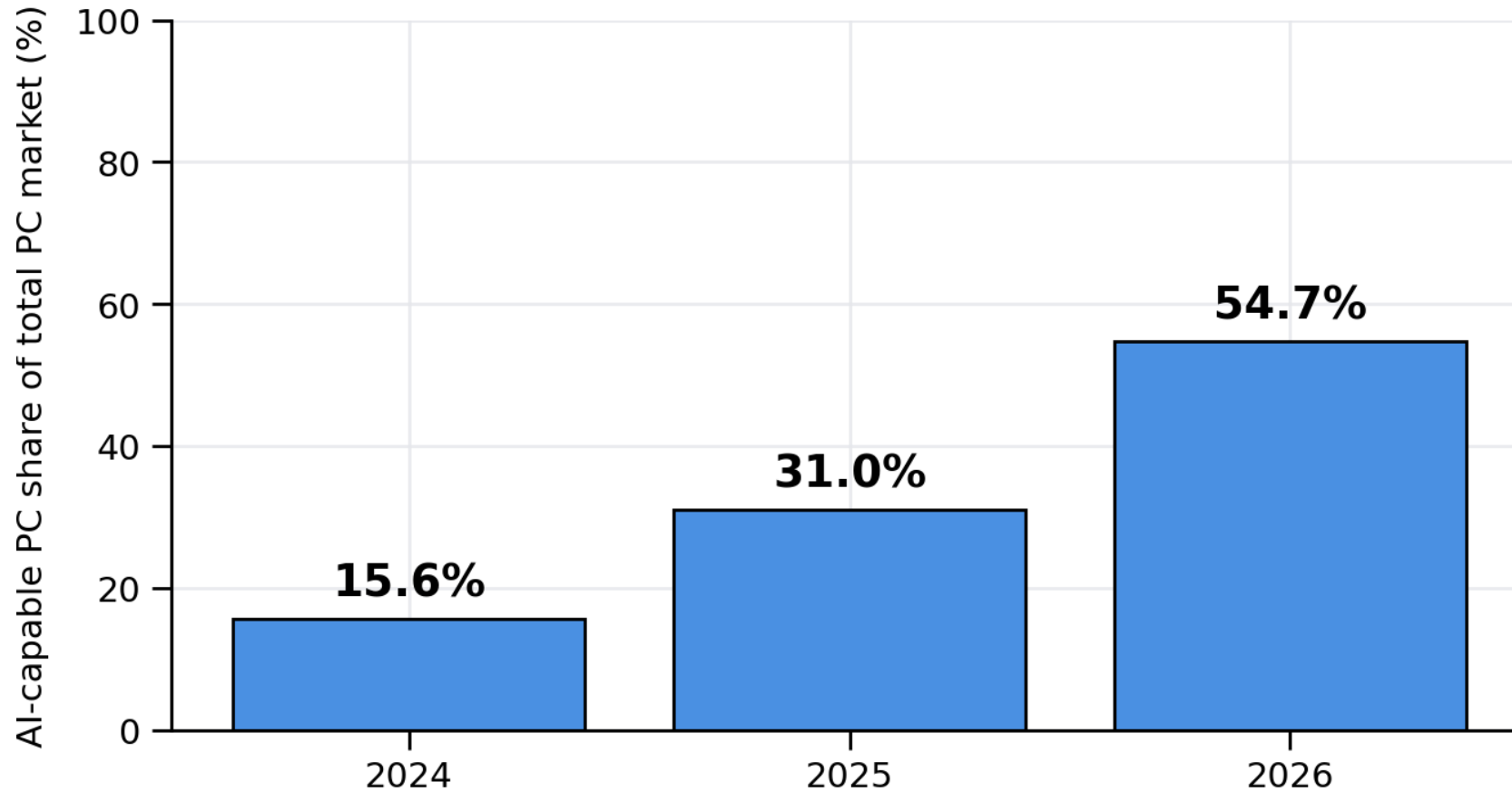
Microsoft

“Microsoft has inked more than \$33 billion in commitments to neocloud providers...As part of the deal, Microsoft will get access to more than 100,000 of Nvidia Corp.’s latest GB300 chips.”

— Bloomberg

AI Ready PCs

AI-ready PCs as a share of global PC shipments (Gartner forecast)



Production Challenges

“The world’s two largest chipmakers have warned that investment in new capacity will not come fast enough to alleviate an AI-driven supply squeeze in semiconductors.”

— Financial Times

“Chipmakers have been prompted to allocate more of their production to higher-margin orders, leaving fewer memory chips available.”

— Bloomberg

“An acute global shortage of memory chips is forcing artificial intelligence and consumer-electronics companies to fight for dwindling supplies, as prices soar for the unglamorous but essential components that allow devices to store data... The squeeze spans almost every type of memory, from flash chips used in USB drives and smartphones to advanced high-bandwidth memory (HBM) that feeds AI chips in data centers.”

— Reuters

“The chip market is heavily exposed to AI chips for data centers, with up to roughly half of industry revenues expected to come from that market in 2026... The chips have already been ordered and are in backlog, data centers are under construction, and the numbers for the next 12 months are likely solid.”

— Deloitte

“We are planning a substantial increase in our capital expenditure in 2026 as AI-driven demand is likely to continue... But supply shortages are likely to worsen as capacity expansion is expected to be limited this year and next.”

— Kim Jae-June EVP of Samsung’s Memory Business

“Predicting memory supply, demand, and pricing is hard, but some suggest that the current tightness in consumer memory could last a decade.”

— Deloitte

Global Factors



Covid-19 Refresh Cycle

References:

- Recommended PC refresh cycle is every 3 to 5 years.
- Recommended Server refresh cycle is every 5 to 7 years.

Approximate Global Server Shipments

Year	Estimate
2019	~11-12 million
2020	~11-12 million
2020	~13-15 million

Source: IDC Worldwide Quarterly Server Tracker (2019–2021); IDC press releases; Gartner market analysis

Estimated worldwide PC shipments per year (in million units)*



* Desktop and laptop PCs equipped with Windows, macOS and Chrome OS

Source: Gartner

Risks of Delaying Purchases

Financial:

- Being conservative, prices on all hardware so far this year increasing 10% QoQ.
- The main issues aren't going away anytime soon – conservatively, this will be the status quo through the end of 2026, but more likely through 2027, too.
- The prices you are seeing now are likely the best they will be for at least 2 years.

Other:

- Security issues – unpatched and supported hardware and software make you more vulnerable.
- Higher likelihood of failure in aging hardware – possible productivity issues.
- Changing strategic directions – losing your planned timelines.

Creative Solutions to Stay on Budget

Prioritize & Phase Your Refresh:

- Identify the most critical assets nearing end-of-life or posing security risks and replace those first.
- Stagger purchases across quarters to spread costs while still locking in current pricing.

Right-Size Your Specs:

- Avoid over-specifying – not every user needs top-tier RAM or storage.
- Match configurations to actual workloads to stretch your budget further.
- Standardization can not only help, but make your environment easier to manage.

Financing:

- Talk to your accounting/finance people – turning a large purchase that is slipping out/has slipped out of your budget from Capex to Opex can help.
- Some manufacturers offer low-interest financing on qualifying orders.
- Hardware as a Service or a consumption model might make sense here – ask!

Lock Pricing Early:

- Place orders now to secure today's pricing – even if delivery is scheduled for later.
- Quotes are expiring faster than ever – act within the validity window.

Creative Solutions to Stay on Budget

Review Other IT Spend:

- Is your M365 right-sized and maximized?
- When was the last time you reviewed your internet and/or phone contracts?
- Do you have duplicated tools?
- Is there excess time being spent on something manual?
- You budgeted, but what about a roadmap for 12 to 36 months out? Plan out your renewals, projects, upgrades, etc. It will help you budget, too!

Exploit Timing:

- Manufacturers all want/need to hit a number – bear in mind the end of their fiscal years.

Communicate the Costs of Waiting:

- We talked about pricing continuing to increase and it not stopping anytime soon – it's not an easy conversation to have with a CFO/CEO, but having the last few months of increase data can help make your case.

Adapt:

- Do you normally buy hardware with 5 years of support? Maybe try 3?
- Maybe look at the form factor?
- Over-communicate your timelines – if you need to adapt, your partner will let you know.

Thank You

Questions?



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