The value of digital resilience in financial services: building a leading observability practice

Insights from Splunk and Logicalis

If there's one thing financial services institutions are good at, it's rising to the occasion — and innovating.

The industry is always navigating change, usually on multiple fronts. Over the last several years, it has faced emerging competitors, rising customer expectations, and a changing regulatory environment.

To keep up with this onslaught of change — both what we can see and what's to come — there is an opportunity for institutions to fortify their ability to adapt to anything with digital resilience.

By embracing observability, organizations can keep digital systems resilient and reduce the human toll of operating them by letting software do more of the heavy lifting to find and fix problems faster.

Organizations that prioritize building a leading observability practice have more visibility into their interwoven environments, which translates into greater agility, less downtime, faster issue resolution, greater confidence in their applications' reliability — and, ultimately, more revenue and happier customers.

Financial services organizations that have embraced observability see a 2.5x annual return on investment.

2024 Splunk State of Observability in Financial Services

It pays to be resilient

Financial services organizations are working to develop their observability practices. In the 2024 State of Observability survey, these trends emerged among financial services respondents:

- Financial services organizations have an edge when it comes to visibility — reporting excellent visibility across infrastructure types, including network infrastructure they own and operate (53%) and public cloud infrastructure (50%). Additionally, 41% of financial services respondents rank alignment between ITOps, developers, and security teams as the number one benefit of using observability solutions.
- Being an observability leader pays off in a big way. The data reveals that leaders experience greater success in nearly every area — innovation, speed, resilience, and more. However, just 12% of financial organizations are leaders in observability, while 40% are still in the beginning stages. Financial institutions are some of the most data-intensive and heavily regulated organizations, and much of the world economy depends on them staying up and running despite escalating disruptions.

Financial services organizations also face top- and bottom-line impacts, including:

Slowed growth and customer churn
Technology — and particularly the migration of consumers to remote channels of interaction — is arguably the most disruptive overarching influence in financial services. It has never been easier for customers to move their money and decide who they want to do business with.

Operational inefficiencies
Many financial services organizations still rely on legacy systems and on-prem infrastructure for regulatory reasons. However, managing these older systems increases risk as they are more vulnerable to failure. Teams are also feeling the pressure, finding themselves manually toggling between tools to do their jobs, which is a tedious routine.

Many financial services professionals cite alert fatigue associated with observability tools as an issue. Nearly half (49%) call it somewhat or very problematic.

2024 Splunk State of Observability in Financial Services

Poor customer experience
After years of investments in on-prem and legacy technologies, many financial services organizations now struggle to build modern customer experiences on top of these digital systems. They have to emulate the best of consumer technology while complying with complex and inflexible regulations, which means they have to serve the customer and genuinely know the customer to meet needs they often don't articulate.

Observability: The foundation for always-on digital resilience

Change and unexpected events are truly inevitable in the financial services sector. It's not always clear how software and infrastructure performance problems directly impact metrics the business cares about. To be ready for the next shift, it's important to move beyond point-by-point compliance strategies and the "see it, solve it" approach that leads to a disconnected collection of single-purpose solutions that can be expensive, hard to maintain, and also results in slowed triage.

But operational resilience is about more than just compliance — it also affects the speed and availability of everyday business transactions. In the U.S., the SEC adopted T+1 in 2023, requiring the settlement of stock trades in one day, while trades previously settled in two days (T+2). This means there's no longer time for manual intervention if something goes wrong, they must know — right away — if any trade is at risk of failure. "Always on" is the expectation.

Meanwhile, in the EU, the Digital Operational Resilience Act (DORA) focuses on maintaining the availability of critical business services to ensure that the financial services industry remains resilient. The regulation has broad impacts on financial services operations, including how institutions will manage information and communications technology risks and bolster operational resilience.

Advanced automation and observability technologies can help financial institutions meet government-regulated mandates. With the right technology investments, they can monitor their end-to-end business processes and act swiftly and with confidence. They can consolidate tools and bring relevant data to one place. As changes surface, they can validate the impact — both to the business and the customer experience.

Advancing the observability journey in financial services

To keep up with consumer and regulatory pressures to modernize, financial services institutions are focusing on increasing visibility over data streams.

Splunk enables financial services institutions to:

95% of organisations are increasing their investment in environmental technology initiatives, showing strong and sustained adoption across the market.

Logicalis 2025 CIO Report

Ensure operational resilience
Baseline customer behavior leveraging time-series customer transaction data to detect and alert on anomalies and outliers.

Streamline storage and retrieval
Optimize storage and retrieval strategy for compliance data.

Identify the customer
Produce risk scores and "first time applying data" to verify identity, protect against account abuse, and cross-reference threat intelligence.

Enforce rules and controls
Provide compliance monitoring for AML, account abuse, banking regulations, PCI, SOX, FISMA, and any rules against any data sources.

Determine due diligence
Correlate data across applications that determine due diligence to enrich queries and enhance risk scores.

Optimize reporting and continuous compliance
Solve for continuous compliance with regulations like PCI, T+1, and DORA with 1,000+ real-time reports available.

Optimize hybrid and on-prem performance
Link application performance monitoring to business metrics and every network, API, and service applications rely on.

Provide complete business visibility
See across three-tier architectures, cloud-native apps, all domains, and owned and unowned networks.

Splunk empowers the entire observability journey

Digital resilience is a journey. But the path is far from linear — and it can vary greatly. Splunk has a proven maturity journey to help ITOps and engineering teams use observability to improve their digital resilience. It takes organizations from getting visibility to being more prioritized and proactive, integrating workflows in and between teams for safer and more resilient digital infrastructures.

Logicalis pairs its expertise with Splunk to remove complexity and give customers unified visibility, helping teams detect issues faster and make clearer decisions.

Building a leading observability practice

Foundational Visibility
See across environments

Troubleshoot mission-critical apps and infrastructure by combining metrics with logs.

Guided Insights
Detect threats and issues with context

Prioritize issues based on business impact and reduce alert noise to focus on what matters.

Proactive Response
Get ahead of issues

Prevent outages and accelerate MTTR with guided root cause analysis.

Unified Workflows
Collaborate seamlessly

Standardize observability practices across teams to improve productivity, with shared data, context, and workflows.

Accelerated by Splunk AI

Forging ahead on the observability journey with Splunk and Logicalis

As data streams continue to grow and diversify, Splunk Observability, which is now supercharged by Splunk AppDynamics, provides complete business visibility across financial institutions' complex, hybrid environments to improve reliability and build better customer experiences, while complying with evolving regulations. By injecting the right business context, Splunk helps organizations troubleshoot business problems and keep digital systems up and running.

With better observability, the industry can increase the digital resilience of systems that impact customer experience, gain insight into end-to-end customer journeys, and embrace open finance while reducing risks.

Let's accelerate together.

> Splunk Observability solutions offer full-stack, real-time monitoring capabilities to different types of infrastructure and business applications. With Splunk Observability deployment, organizations experience a considerable reduction in outages and MTTR, as well as labor cost savings, translating to more uptime and higher profit.
>
> **The Total Economic Impact™ Of Splunk Observability, Forrester, August 2023**

Are you ready for complete business visibility to prevent threats and disruptions? Contact our team today to learn how we can help.

Logicalis

info@uki.logicalis.com

splunk> a CISCO company | LOGICALIS Architects of Change

Learn more: www.splunk.com/asksales Learn more: www.uki.logicalis.com