SOLARWINDS

IT Trends Report

Lessons From Observability Leaders Survey

2023

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SolarWinds IT Trends Report 2023: Lessons From Observability Leaders

The very first internet[1] connection occurred in 1969. Charley Kline typed a short message from his computer at UCLA to Bill Duvall's computer at Stanford Research Institute, in a scene reminiscent of Alexander Graham Bell's exchange with Thomas Watson nearly 100 years before. He got two characters in (the "L" and "O" of "login") before the system crashed, causing the world's first internet outage.

Nearly half a century later, the industry continues to see high-profile digital services outages from major players (like Microsoft®, AWS®, Instagram®, and others). Turns out, assuring digital end-to-end services is hard—*really* hard. This explains why Gartner® included "observability" in its famous Hype Cycle™ in 2022.

The fact is, IT environments are now too complex for humans to manage alone. Observability tools have emerged as a solution for achieving optimal performance, compliance, and resilience in digital environments. In essence, observability provides visibility across your network, infrastructure, systems, application, database, digital experience, and log monitoring—all in one end-to-end solution.

Observability also goes a step *beyond* monitoring, using cross-domain data correlation, machine learning, and AIOps to provide actionable business insights needed to identify and remediate issues in real time.

In other words, the value is right there in the name: observability enhances your ability to observe your digital ecosystem with increased transparency, improved detection, and more intelligent insights.

We've come a long way from Kline's dorm-room computing. Today's enterprise landscape s more complex than ever before, with development cycles happening at unprecedented speeds and an increased focus on performance, security, and customer experience.

Observability is a crucial tool for IT, DevOps, and SecOps teams—but how is the adoption process going? SolarWinds commissioned the ***2023 IT Trends: Lessons From Observability Leaders Survey*** to find out.

Our goal was to learn how enterprises can best leverage advantages from their observability initiatives. What we found is fascinating...

Methodology

SolarWinds recently surveyed 300 IT and C-level managers from North American global enterprises. We focused on various-sized enterprises:

- **Small**
  (1,000 to 2,499 employees)
- **Medium**
  (2,500 to 4,999 employees)
- **Large enterprises**
  (more than 5,000 employees)

We spoke with a wide range of senior managers, directors, and C-level executives, from IT operators to developers to network engineers and beyond. Respondents came from a wide variety of industries, including manufacturing, pharmaceutical, retail, and others.

[1] Actually, it was the Internet's forebearer, ARPAnet – NPR. October 29, 2009

It's All About End-to-End Digital Services

Modern enterprises revolve around being reliable, effective, and frictionless—especially in providing end-to-end digital services.

What matters most when it comes to successful end-to-end digital service delivery? We asked participants to weigh in, and they identified the crucial priorities for their business and customers:

...said Security

Critical in terms of enhancing customer trust, reducing business risk, and maintaining compliance with key regulations, the importance of security cannot be overstated. A full 100% of participants rated security as extremely important as it relates to their organization's delivery of end-to-end digital services.

... said Customer Experience

In today's digitally transformed world, customers expect seamless, personalized, and efficient interactions with businesses[2]. Their needs are constantly evolving, but they expect high-quality service and reliable products to add value to their lives. Consensus was nearly unanimous here, too. Prioritizing customers' experience is paramount to build loyalty, gain actionable feedback, and maintain a competitive advantage.

...said Performance

Digital transformation isn't easy, but investments in processes and tools to improve efficiency and performance today can pave the road toward tomorrow's innovations. Observability helps enterprises stay a step ahead of emerging problems or performance bottlenecks—meaning they can work faster, more intelligently, and with more support to eliminate threats that could otherwise cost valuable time or money.

... said Privacy and Data Sovereignty

Integrating robust privacy measures into end-to-end digital services is essential to maintain trust, demonstrate regulatory compliance, and ultimately guarantee the successful delivery of these services. In today's global digital landscape, where data breaches and privacy concerns are on the rise, ensuring data sovereignty helps build customer trust, supports regulatory compliance, and ultimately influences the success of digital transformation initiatives.

[2] Mastering the digital advantage in transforming customer experience – McKinsey & Company. May 3, 2017

Eliminating Outages Through Observability

Our survey found that, on average, the typical enterprise suffers **nine brownouts or outages** every month, lasting around **twelve hours each**.

The full cost of outages and brownouts averages **$13.7M** annually for these enterprises—a steep cost that no doubt should call into question the long-term strategy of leaders who decline to allocate budget.

Outages or brownouts in an enterprise's network are not just disruptions but stark indicators of deficiencies in the enterprise's observability efforts writ large. A robust observability strategy is designed to preemptively detect anomalies and potential issues—before they escalate into full-blown outages.

Therefore, repeated or prolonged outages signify a gap in the enterprise's ability to comprehensively monitor and understand its network's internal state and performance. This lack of insight undermines the ability to swiftly troubleshoot and resolve issues, impacting service quality, customer satisfaction, and, ultimately, business performance.

The costs of these outages and brownouts are extensive, including:

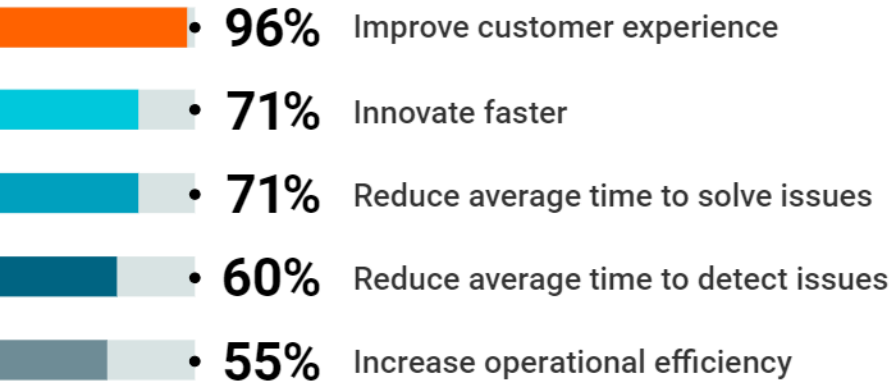
- Lost productivity
- Mitigation costs
- Lost revenue
- Loss of reputation or damage to the brand
- Compliance costs
- Lost customers
- Legal costs
- Fines due to missed service level agreements (SLAs)
- Loss in stock price

Observability Adoption: Still in the Early Days

Historically, IT teams have relied on monitoring tools to provide visibility into their environments, but this approach alone isn't working anymore. The increasingly complex multi-cloud IT environments for organizations around the world mean technology professionals now have reduced visibility into their networks, applications, and infrastructures.

This is one of the core advantages of observability: the ability to eliminate blind spots in complex, multi and hybrid-cloud digital environments while bolstering incident responsiveness. At its best, observability enables organizations to move from reactive to proactive postures by providing unified insights from across their ecosystems.

But more than simply ensuring applications remain operational, observability should enable teams to accelerate innovation. Respondents shared the observability goals most important to their organizations, shedding light on how they plan to harness observability to:



Defining Observability Leaders *vs.* Observability Laggards

Beyond simply adopting observability tools and best practices, we found other areas of consensus among survey participants. When asked to rate their organizations on their implementation of best practices—and weigh in on the resulting outcomes—we found a sharp contrast between **observability leaders** and **observability laggards**.

To identify observability leaders, we assigned points to every question in the survey related to good or bad observability outcomes. For example, enterprises experiencing fewer outages got positive scores, while those experiencing more outages received negative scores.

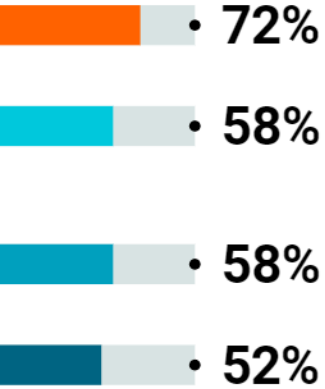
These scores were summed for every respondent. Those with scores in the top third overall are classified as observability leaders. Those with scores in the bottom third overall are classified as observability laggards.

The case for organizations adopting observability seems clear-cut.
So, the question remains: *why haven't they yet?*

Overnight adoption simply isn't an option for many enterprises. Most survey respondents say they're still in the early days of observability adoption.

While 100% of respondents are currently engaging with observability in some form—whether planning, researching, or implementing—only 1% say they've moved past the implementation stage and are now actually leveraging observability, with another third in the implementation stages.

When asked about some of the most challenging obstacles to observability, respondents shared the following:



- **72%** said the accelerating pace of change in technology (including apps and networks) was extremely challenging
- **58%** said observability blind spots in today's modern networks—including cloud, tunnels, and databases—present extreme challenges
- **58%** reported challenges with the growing complexity of modern applications
- **52%** cited insufficient observability budgets as an extremely challenging obstacle

The challenges enterprises face in implementing observability aren't just technological in nature, either. More than half (51%) of respondents reported poor retention of IT observability staff due to burnout in their organizations—a widespread issue and the area that garnered the most negative performance ratings from survey participants.

Observability Leaders Report Better Business Outcomes

We wanted to explore whether—and why—some enterprises were doing better than others when it comes to observability, outages, and costs. To analyze this, we tiered respondents into observability leaders and laggards (see sidebar on page 4 for details).

According to our findings, observability leaders are three times more likely to say their organization is doing extremely well with growing revenue and 2.5 times more likely to say the same about their organization's speed of innovation.

We examined the findings to find out what the leaders are doing better than most—and how we can follow their example.

OBSERVABILITY LEADERS VS. OBSERVABILITY LAGGARDS

Observability Leaders are

More automated

Observability leaders are embracing automation more than their laggard counterparts, investing in tools that provide lift to their operations and efficiency, as well as identifying and remediating issues.

more likely to say they are doing extremely well with operational efficiency.

more likely to say they are doing extremely well with the speed of innovation.

better at automatically collecting background data for IT support staff to assist in diagnosing issues.

more likely to say they are doing extremely well with the auto-remediation of complex alerts.

Observability Leaders are

More integrated

Observability leaders are increasingly trading tool sprawl for the comprehensive, single-pane-of-glass visibility and actionable intelligence that observability provides.

Observability Leaders use a median of 8 observability tools.
(versus 20 for observability laggards)

of observability leaders say their observability tools are extremely integrated.
(versus just 2% for observability laggards)

Observability Leaders

Provide a better employee experience

Among the observability leaders, participants gave higher ratings to their organization's employee experience, including a higher estimation of their staff's observability skills and lower levels of reported burnout.

more likely to say they are doing "extremely well" with employee experience.

report fewer and smaller skill gaps, rating 13% of their staff as "extremely skilled" at observability.
(vs. 2% for observability laggards)

Observability Leaders Report Better IT Outcomes

Above, we explored the ways that observability leaders experience better business outcomes and a stronger bottom line.

IT outcomes can have an immense impact on an organization's bottom line, efficiency, and even customer retention. To remain competitive, increase market share, and drive growth, enterprises must ensure they extract sufficient value from data. However, it can be laborious and time-consuming to do so without the right tools.

The report found observability leaders lead the laggards by huge margins in monitoring, detecting, and resolving the issues that could otherwise bring the business to a screeching halt. In fact, these observability leaders report their organizations are:

233%
better at auto-escalation of IT service management (ITSM) or help desk tickets

213%
better at auto-remediation of simple alerts

36%
better at setting alert levels based on historical behavior

36%
better at the auto-generation of ITSM tickets

17%
better at providing IT support with a detailed remediation plan

Observability can play a key role in bringing these successes to your organization by accelerating insights, improving data integrity and resilience, implementing automation, and reducing human error—all while supporting data privacy regulations.

The SolarWinds View

Observability not only fosters transparency and collaboration but also encourages a system of ongoing review, which benefits the organization, IT teams, and—importantly—your customers. **When implementing observability, enterprises should consider these important factors:**

Make sure your observability solutions support hybrid and multi-cloud environments

Hybrid and multi-cloud environments have become standard for many companies because of the many upsides, such as the freedom and flexibility to optimize on-prem and cloud and use the best cloud for any particular workload. But while these approaches can add many benefits, they can also be challenging to manage for IT teams. Accelerate your organization's cloud migration with a solution designed for complex hybrid and multi-cloud environments. While there is no one-size-fits-all solution for cloud migration, careful planning and a purposeful approach to how, what, and when you move to the cloud can save a lot of headaches down the line.

Observability supports overworked IT teams

Organizations are faced with staff restrictions and skills shortages and need to maximize the productivity of their talent. Research confirms that technology pros are motivated to take on new challenges and expanded responsibilities. So why risk burning them out on monotonous maintenance? If you find your team is short on time, short on patience, or just plain short-staffed, embracing observability solutions can help them work smarter, faster, and more seamlessly. Support your staff by trading the most manual, painstaking parts of their day for something far more valuable: time to focus on achieving valuable business goals.

Observability brings you a step closer to autonomous operations

Observability brings your enterprise a step closer to autonomous operations. Autonomous operations, where IT systems can govern themselves, providing a proactive approach to addressing issues, rather than reactive, won't replace your human teams but rather free up their time and brainpower to support the business and drive innovation.

Don’t ignore the database

Databases represent the most difficult ecosystems to observe, tune, manage, and scale. They require significant computing power, tend to be memory-intensive, and likely make up the bulk of your organization’s cloud spending. To make matters more frustrating, databases have largely been seen as a black box for most organizations. We know what goes in, what comes out, and how long it took. But as far as the complexities occurring within? It’s often anyone’s guess. Tasks crucial to the health and functionality of your business—including troubleshooting, root cause analysis, and remediation—simply cannot happen without full, transparent observability across the numerous resources a database needs to engage to do its job.

Observability supports innovation

Our survey respondents agreed the growing complexity of developing modern applications and the rapidly accelerating pace of change in technology, including apps and networks, present extreme challenges to their organizations. Running workloads and applications across both cloud and on-premises infrastructure can be challenging, and many organizations are increasingly experiencing—and ultimately hindered by—these pain points. In short, the job of IT teams has become much harder thanks to the new realities of hybrid IT.

And yet, a lot rests on your ability to respond to these challenges, all while managing your customers’ expectations and the health of your bottom line. Solutions like a full-stack observability platform can help balance competing priorities and demystify application requirements while increasing your overall DevOps agility, efficiency, and speed to market.

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Conclusion

The job of IT, DevOps, and SecOps teams is hard enough without the obstacles preventing them from focusing on what makes them so invaluable: **innovating**.

If your team is so bogged down by technology "solutions" that add work instead of simplifying it to remain agile, develop new products, focus on business priorities, and beef up the bottom lines. Making the transition from monitoring to observability to autonomy to, ultimately, advancement, consider embracing observability solutions—and help your tech pros bring their best to making your business better.

For more, visit solarwinds.com/solarwinds-platform

ABOUT SOLARWINDS

SolarWinds (NYSE:SWI) is a leading provider of simple, powerful, and secure IT management software built to enable customers to accelerate their digital transformation. Our solutions provide organizations worldwide—regardless of type, size, or complexity—with a comprehensive and unified view of today's modern, distributed, and hybrid network environments. We continuously engage with technology professionals—IT service and operations professionals, DevOps and SecOps professionals, and database administrators (DBAs)—to understand the challenges they face in maintaining high-performing and highly available IT infrastructures, applications, and environments. The insights we gain from them, in places like our THWACK® community, allow us to address customers' needs now, and in the future. Our focus on the user and our commitment to excellence in end-to-end hybrid IT management have established SolarWinds as a worldwide leader in solutions for observability, IT service management, application performance, and database management. Learn more today at www.solarwinds.com.

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