

AMERICAS TECHNOLOGY: SOFTWARE

Expert Network Series: Dash0 on Observability in the Agentic Age

We hosted a webinar with **Mirko Novakovic, Founder and CEO of Dash0, an OpenTelemetry-native AI observability platform, to discuss several of the themes increasingly shaping observability, building on our recent launch on the space.** Key discussion points included the architectural impact of OpenTelemetry, observability's growing role in diagnosis and operational workflows as software delivery becomes more agentic, and how pricing may evolve as customers place greater emphasis on efficiency and proof of value. Within this report, we unpack the key takeaways from the discussion and the implications for the broader observability market.

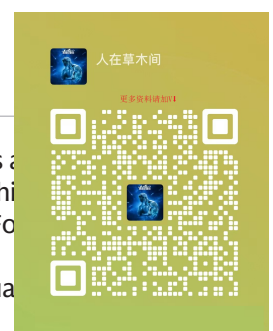
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Key Takeaways

- **OpenTelemetry emerged as one of the clearest architectural takeaways.** Mr. Novakovic argued that the emerging OpenTelemetry standard is increasingly creating a real distinction between vendors built natively around OTel and incumbents that can ingest OTel data but still translate it back into proprietary formats inside the platform, potentially weakening some of the portability and context that make the standard valuable in the first place. He framed that distinction as becoming more relevant in AI-native applications, coding-agent workflows, and serverless environments, where telemetry is already being emitted in standardized formats, even as older estates remain tied to years of proprietary agents and schemas. We think that is a useful way to frame the landscape: the legacy estate is unlikely to shift all at once, but the architectures being adopted in newer software environments may increasingly shape where observability spend starts and which vendors are best aligned with it. The balance between open-standards-based challengers and established enterprise platforms will be an important dynamic to watch as the category evolves.
- **The discussion put real substance behind the idea of observability as a more active production control layer.** Mr. Novakovic described three emerging categories – AI SRE agents, observability for AI agents, and observability for coding agents (spend-to-outcome visibility) – but the broader point was that autonomous software development creates a new operational requirement

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around validating, diagnosing, and responding to changes in production with far less human intervention than before. Management described a potential “dark factory” model in which coding agents ship code, SRE agents evaluate production behavior, diagnose issues, and feed that information back into the development loop, creating a tighter connection between software creation and software operation. That remains an ambitious end-state rather than a settled market reality, but we view it as a thoughtful articulation of where observability could be heading if deployment velocity continues to rise and manual review becomes a more obvious bottleneck. Management also argued that native access to telemetry and operating context still matters in that world, since external agent layers may be at a disadvantage when they depend on repeated MCP-style querying across third-party systems rather than working directly against the underlying data and relationships.

- **The pricing discussion sharpened the tension between telemetry growth and realized value.** Management argued that per-datapoint pricing creates weak incentives because vendors are rewarded for ingesting more data whether or not that data is actually queried, useful, or tied to an operational outcome. Mr. Novakovic suggested that a large share of telemetry collected today is effectively noise from the customer’s perspective and that, over time, the industry may move toward models tied more closely to resolved workflows or root-cause identification than raw data volume alone. We would be careful not to force that conclusion too far today, particularly since Management was explicit that AI workloads are still increasing telemetry volumes and supporting revenue growth across the category in the near term. Even so, the discussion suggests that the next pricing debate in observability is likely to center less on headline ingestion growth and more on value density – which data matters, which workflows improve, and which platforms can help customers reduce waste without giving up reliability or insight.
- **We came away viewing this conversation as another signal that the observability landscape is becoming more open, more experimental, and potentially more fluid than it has been in some time.** Management was clear that this remains a fragmented market shaped by complex enterprise estates, varied deployment models, and different operating constraints, and we would agree there is no obvious reason to assume one architecture or one vendor suddenly resolves that complexity. At the same time, the discussion did sharpen several of the debates increasingly shaping the space: whether OpenTelemetry meaningfully changes the default architecture of newer workloads, how quickly AI SRE evolves from an emerging workflow into a more consequential part of production operations, whether incumbents can continue to adapt as the stack becomes more standardized, and whether pricing models shift over time as customers push harder on efficiency and proof of value. None of those dynamics feels fully settled, but neither do they feel theoretical at this point. Taken together, the conversation reinforces our view that observability is in the middle of a meaningful architectural transition, and that the most important signals from here may come less from broad market share moves all at once than from where new workloads land, how AI is operationalized inside production environments, and which platforms prove most useful as software systems become harder to monitor by hand.