

AI adoption

How to modernize financial services IT operations for the AI era

A unified approach helps organizations modernize and successfully adopt AI, while overcoming data, governance, and legacy integration hurdles.



Financial services leaders are struggling to enhance the customer experience, meet compliance standards, and improve fraud detection. Increasingly they see adoption of generative and agentic AI as a means to mitigate these challenges but then face challenges around integrating these new capabilities with legacy systems they simply cannot afford to discard.

There is concrete evidence that financial services institutions (FSIs) are racing to exploit AI more rapidly. They are investing in agentic AI technology that can autonomously interpret objectives, orchestrate tasks across data and systems, and take action with limited human intervention.

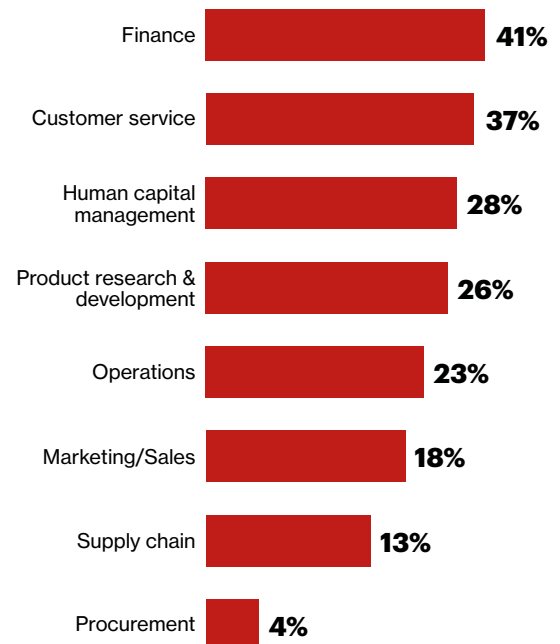
“We found that 40% of FSI organizations plan to boost spending on custom AI agents for automating business processes,” says Jerry Silver, IDC vice president of financial insights. Furthermore, IDC data shows that AI projects are the most immune to budget cuts – ahead of security, risk, and compliance initiatives, as well as data and analytics efforts.

Data quality and security concerns are clouding efforts to build and operate agentic AI solutions. IT leaders also

cite issues with system integration. These challenges stand in the way of using agentic AI to modernize customer service and human capital management.

Financial organizations can’t afford to migrate key databases from their core platforms, so they need more adept solutions and will likely rely on strategic partnerships to help solve the integration and data management obstacles that hinder modernization.

Most important functions to build agentic AI solutions in 2026



Source: Future Enterprise Resiliency & Spending Survey Wave 8, IDC, October, 2025

Overcome roadblocks

Fully exploiting agentic AI requires the ability to power FSI workflows with a unified, governable, and accessible data layer. Many AI projects fail because organizations pick the wrong use cases, lack proper data governance, and fail to manage costs.

Successful AI deployment isn't just an issue of raw compute power. Success requires access to a robust data infrastructure that securely unifies disparate information and delivers the right context for agentic action. Integration with existing systems and a lack of sufficiently skilled workers are major hurdles to overcome.

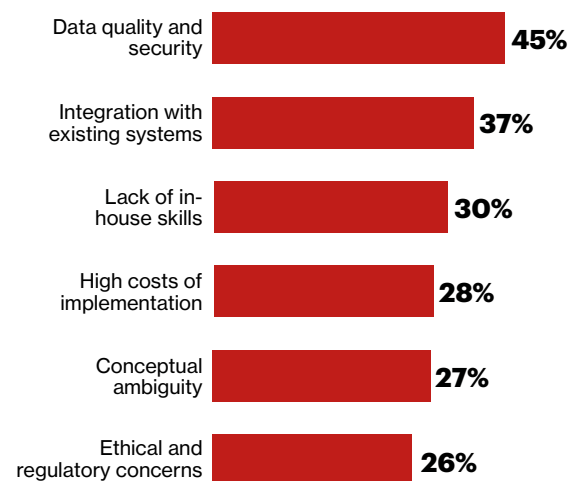
"Most organizations are failing in the AI space, not because they lack data, but because they can't adequately trust interpretation of that data, so normalizing that data is critical," says Thomas Matthew, senior director, Microsoft Financial Services Industry Cloud. "Data governance is required for trustworthy decision enablement."

Too often, AI projects are isolated projects, but true operational efficiency requires approaching AI as

an enterprise-wide capability. Data definitions must transmit across departments, and success depends on definitive ownership, accountability, and clearly defined data access.

"The AI data transformation pipeline is critical," says Tim Brophy, principal solutions architect at Elastic, which offers a data ingestion, storage, search, and analytics platform built around a distributed search engine. "It is essential to get all disparate data in a secure, unified, and accessible layer that is governable and provides the trustworthy context to power agentic workflows."

Biggest implementation concerns around bespoke agentic AI solutions



Source: Future Enterprise Resiliency & Spending Survey Wave 7, IDC, August, 2025

Build the right data foundation with partners

Few financial services organizations have the all the necessary skill sets, knowledge base, and expertise to overcome the challenges of integrating agentic AI into mission-critical workflows.

For example, a large US property and casualty insurer suffered 12 major IT outages to its claims operation in just six months. The company had been handcuffed by a backlog of more than 100,000 unanalyzed trouble tickets.

It leveraged strategic partners to develop a model for system reliability forecasting and anomaly detection that, according to subsequent analysis, could have reduced historical outages by 90%.

The solution unified data from diverse systems and databases into a single, coherent, domain-driven semantic layer, and created a foundation for meaningful context and consistency of the organization's data. Here's how it works:

- **The insurer's managed infrastructure services provider, Kyndryl, deployed Elastic's observability engine on Microsoft Azure to ingest and consolidate all logs, metrics, and trouble tickets.**
- **Elastic's search-powered platform creates a unified, real-time view of data.**
- **Microsoft Azure's OpenAI Service performs deep semantic and causality analysis on the insurer's data.**

This combination cuts through data complexity and surfaces context-rich, actionable insights that drive faster, smarter decisions.



One more critical ingredient

Success also requires IT operations and security teams to co-create the use cases on which financial modernization will rely, says Niloy Sengupta, vice president, consult and financial services modernization leader with Kyndryl.

“If one side of the house tries to do something independently, the chances of enterprise adoption are lowered,” Sengupta says. “We bring people together and bring platforms and services together to help them navigate this journey smarter, faster, and more securely.”

Agentic AI can help financial organizations improve fraud response, trade support, and client servicing within policy and control boundaries.

By leveraging partnerships between platform providers like Elastic, hyperscalers such as Microsoft, and integrators like Kyndryl, financial services institutions can confidently move past the hype to transform their data foundation for speedy deployment of governed, high-impact AI solutions.

[Learn more](#) about putting AI to work for you, or [start your seven-day free trial with Elastic](#).

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