OPERATING REVIEW

Agent Operations Review Q2 2026

A working brief for platform, product, and applied AI leads running production agents.

Applied Systems Team
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Contents

01	Executive Summary	03
02	Background & Problem Statement	04
03	Methodology & Findings	06
04	Conclusions & Recommendations	09
05	Appendix	11

01 · EXECUTIVE SUMMARY

Executive Summary

Production agent quality improved in Q2 because the team stopped treating latency, cost, and failure recovery as separate concerns. The operating model now centers on one shared scorecard, and the result is a 37% drop in user-visible failures without slowing release velocity.

Key Takeaways

- User-visible failure rate fell from 4.3% to 2.7% after introducing replay-safe tool calls and runbook-based retries.
- Cost per successful run dropped 18% once prompt caching and retrieval batching were measured as one workflow instead of separate optimizations.
- The next constraint is not model quality; it is operator throughput during multi-service incidents.

QUESTIONS THIS DOCUMENT ANSWERS

Where are agents still failing in ways users notice?
Which interventions reduced cost without cutting answer quality?
What must the platform team change before the next scale step?

02 · BACKGROUND

Background & Problem Statement

This chapter defines the baseline: what changed in traffic, what broke most often, and why the prior operating model no longer fit the workload.

Current State

By the end of Q2, the platform served 1.8M agent runs per week across support, research, and internal automation. Mean completion time held near 8.4 seconds, but high-variance tool chains created long-tail delays and most escalations clustered in three services.

The Core Problem

The core problem was not a single weak model. It was a fragmented control plane: prompts were versioned in one place, tool policies in another, and incident learning in a third, so every improvement arrived late and only partially.

> We were shipping agent behavior faster than we were shipping the operating discipline required to trust it.

Metrics of Success

Dimension	Current	Target	Gap
User-visible failure rate	4.3%	4.3%	-1.8 pts
Median cost per successful run	4.3%	4.3%	-1.8 pts

03 · METHODOLOGY

Methodology & Findings

We combined trace review, incident postmortems, and cohort analysis of tool paths to separate noise from repeatable failure modes.

Approach

Every production run was labeled by task family, tool fan-out, retry depth, and human takeover status. We then reviewed the top decile of failure clusters and mapped changes back to release windows, policy shifts, and queue behavior.

```
def analyze(data):
    return transform(data)
```

Key Findings

Finding 1 - Retry safety reduced cascading failures

Idempotent tool wrappers removed duplicate writes in 91% of previously unsafe retry paths. In the two highest-volume workflows, that change alone accounted for 0.8 percentage points of failure-rate improvement.

Finding 2 - Retry safety reduced cascading failures

The most effective latency reduction came from queue shaping and retrieval prefetching, not model swaps. Teams that cut queue contention saw the p95 completion time improve by 22% without touching model selection.

> The biggest trust gain came when the system failed fast and told us what to do next, not when it tried one more invisible recovery step.
>
> - Support operations lead, 2026-04-18

04 · CONCLUSIONS

Conclusions & Recommendations

Q2 proved that agent quality is now an operations problem as much as a model problem. The recommendations below focus on that shift.

Core Conclusions

1. Unifying traces, policies, and prompts under one review rhythm is now the highest-leverage management move.
2. Run-level cost controls work best when attached to task cohorts rather than global model limits.
3. Incident response must be optimized for cross-service diagnosis, not only per-service uptime.

Recommended Next Steps

Create one weekly operating review with product, platform, and support in the same room; ship queue-shaping defaults to all retrieval-heavy workloads; and require every new tool path to declare retry safety before launch.

CALL TO ACTION

Merge prompt, trace, and incident review into one operator dashboard before scaling the next agent workflow.

05 · APPENDIX

Appendix

A. References

- Internal trace review, North Ridge Labs, Q2 2026.
- Incident postmortem archive, March-April 2026.

B. Glossary

Replay-safe tool call - A tool invocation that can be retried without duplicating side effects.

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C. Acknowledgements

Prepared with input from product operations, support engineering, and the applied systems team.