

# The SD-WAN market is expected to reach **\$8B by 2021.**

- IDC

The '2019 SD-WAN Market Trends' survey put out by Masergy and conducted by IDG Research shows slower adoption than initially predicted due to cost concerns, skills to implement and interoperability concerns with existing WANs.

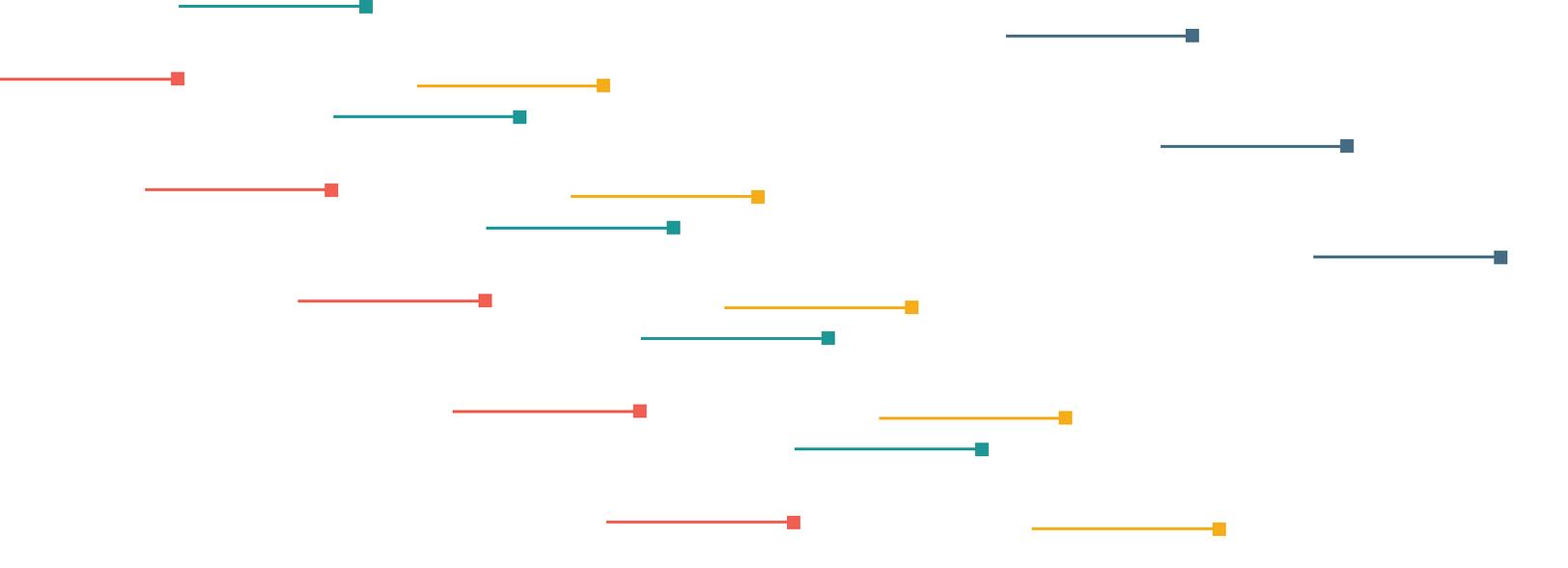
## Trends Driving SD-WAN Adoption

However, SD-WAN sales and implementations are growing. The report indicates that adoption rates increased from 35% to 54% over the past two years, with 90% of their respondents saying they are actively researching, piloting or about to upgrade to SD-WAN. And the reason for growth is to solve for a few business challenges, mainly: optimizing networks to support cloud technologies, simplifying network management and improving application performance which all, in turn, help deliver on a better customer experience.

In predictions for 2019, Gartner wrote that improving the customer experience will be a top business priority for companies as 2018 revealed little movement in the Customer Experience Index. They attribute CX Quality being flat due to poor CX management. As customer expectations increase, there is a lot of pressure for companies to improve operations and communications. From a technology standpoint, businesses are focusing on hybrid cloud services, network and application security and SD-WAN to drive improvement.

Underperforming networks, with not enough bandwidth, latency issues, throughput, error rate and jitter can cost businesses in the form of lost productivity and negative customer experiences, all of which can negatively impact the bottom line. As MPLS contracts come up for renewals, analysts predict a decline in the number of new installations or price erosion on MPLS links as the number of SD-WAN implementations continue to grow. This is particularly true due to SD-WAN's ability to route traffic with application priority and the additional benefits of augmenting the network with secondary and tertiary best effort connections.

Other driving forces of SD-WAN adoption: >>



## Other driving forces of SD-WAN adoption:

- ■ **Digital transformation initiatives**, implementing cloud-based applications, doing more with big data, the increase in the mobile workforce, etc. Traditional WANs were not designed for cloud-based applications (the security requirements associated) and connectivity to cloud environments. MPLS networks, can't deliver on bandwidth-intensive applications on-demand.
- ■ **Reductions:** Companies want to reduce the number of physical devices built to support applications.
- ■ **Options:** Service provider options and managed SD-WAN offerings as well as various deployment options are plentiful and now based on how the business is structured and internal talent.
- ■ **Edge Computing** (the main element needed to enable IoT devices) Traffic can be automatically and intelligently managed from a central console with SD-WAN.
- ■ Speaking of **IoT**, connected devices produce a lot of data and require a lot more bandwidth, more than traditional MPLS can handle. SD-WAN allows for intelligent routing and prioritization of traffic so applications can run smoothly.
- ■ You can't bring up IoT without **5G**. And 5G, which will power IoT devices, requires SD-WAN as a complementary service, to intelligently direct traffic, distribute bandwidth and provide security at the edge of the network.
- ■ **Enhanced security.** Vendors including SD-WAN capabilities inside security appliances and vice versa like with Cisco unifying their security and SD-WAN products, make SD-WAN more attractive.
- ■ According to Network Computing, another trend driving SD-WAN adoption is the growing adoption of **network monitoring or Network Performance Management and Diagnostics (NPMD)** which provides visibility into performance and conditions of the underlying network-- validating telco SLAs, accessing quality of paths and VPNs, providing visuals into connections, status as well as displaying SD-WAN views, site-to-site maps, public and private clouds, and applications.
- ■ **Enhanced network routing.** A concept still in infancy, but the idea is cloud-based controls/automation combined with intelligence derived from machine learning creates intent-based networking and policies that route application data and traffic on the fly.