



MARKETPULSE RESEARCH:

*2019 SD-WAN
MARKET TRENDS
SURVEY*

ON BEHALF OF MASERGY

Key Findings

WAN OBJECTIVES & CHALLENGES

- **Optimizing the network to support cutting-edge technology** stands out more prominently this year as the top WAN objective. (slide 6)
- **Improving security for branch office and remote workers is the top WAN connectivity challenge** in 2019 and is followed by increased complexity, which continued to increase over the past two years. (slide 5)
- **Confidence in WAN architecture to support future goals has grown since 2017**, with 68% in the May 2019 survey reporting they are extremely or very confident. (slide 8)

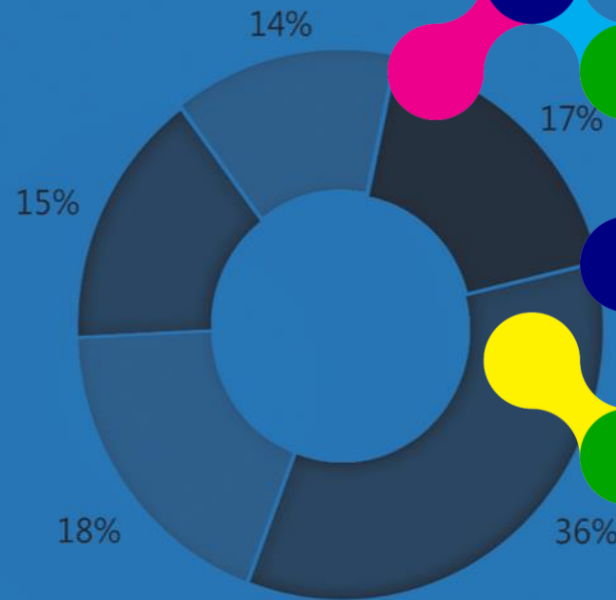
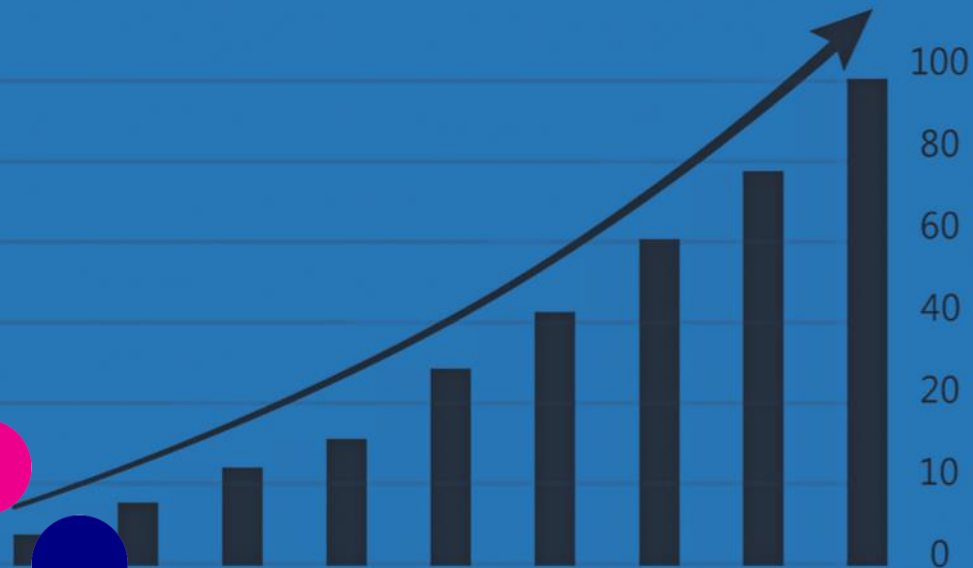
SD-WAN DRIVERS & ADOPTION

- **SD-WAN is no longer just “on the radar” - adoption rates are on the rise** with increases from 35% to 54% over the past two years and future potentials that could reach as high as 90%. (slide 7)
- When compared to the July 2017 survey, there is a slight **increase in the percent indicating SD-WAN will complement (39%) or replace (11%) existing WAN services**. Smaller organizations more frequently report they will replace existing WAN services (19% vs. 2% among larger enterprises). (slide 10)
- **Cost concerns (56%) remain the top SD-WAN adoption challenge**. While concerns regarding interoperability with existing WANs have lessened since the 2017 survey (43%, down from 51%), skills gaps (46%) remain a top barrier to adoption. (slide 11)

Key Findings (continued)

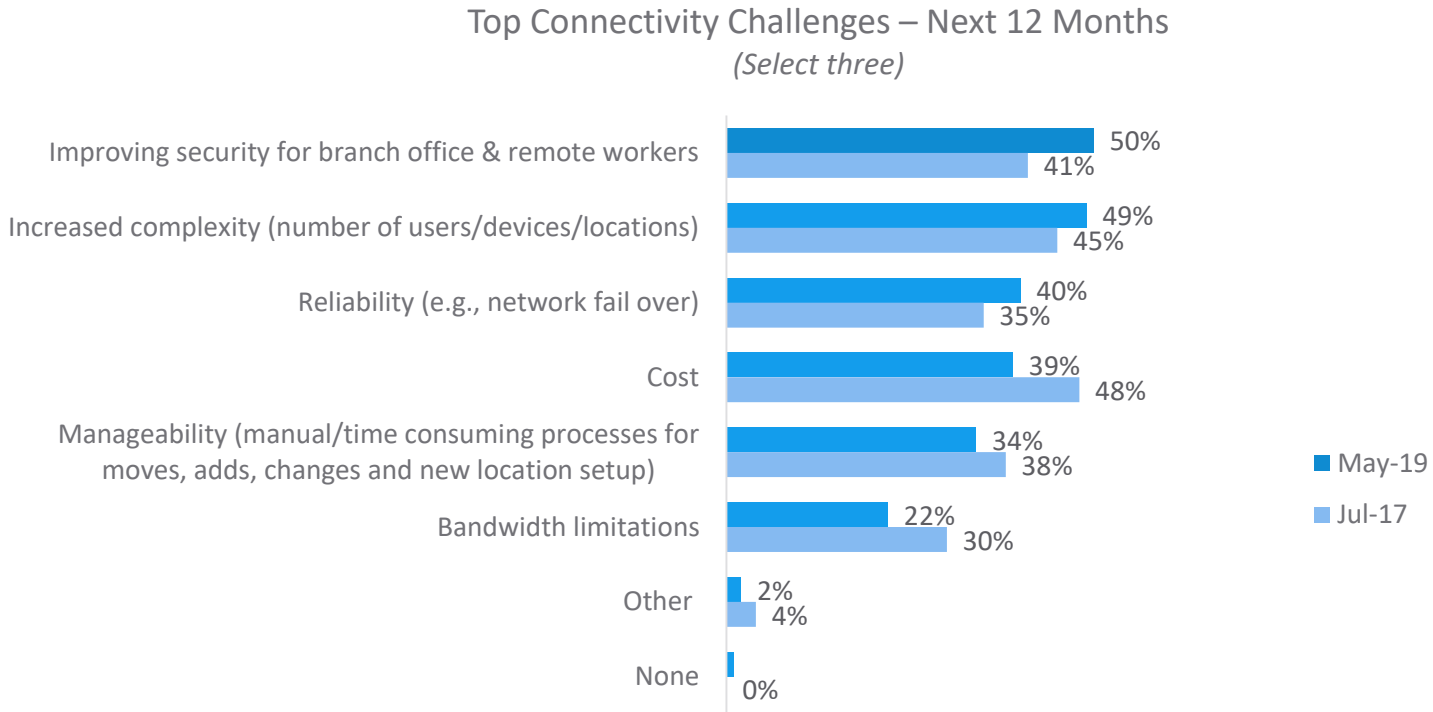
SD-WAN BENEFITS & CONSIDERATIONS

- **Simplification (46%) continues to be the top expected IT benefit of SD-WAN adoption.** The *ability to customize solutions* is more often mentioned as an IT benefit in the most recent survey (40% versus 33% in 2017). (slide 12)
- **Increased efficiency, improved security, and cost savings are more often cited as expected business benefits** of SD-WAN when compared to the 2017 survey. (slide 13)
- **Security remains the top factor when selecting SD-WAN solutions.** While solution flexibility has declined in importance, evaluating current IT staffing capabilities has become more important over time. (slide 14-15)
- Respondents place **less importance on centralized policy and configuration management** when researching SD-WAN solutions today (44%, down from 58% in 2017), **while continuing to look for solutions that offer secure local Internet connectivity (52%) and cloud connectivity (48%).** (slide 16)



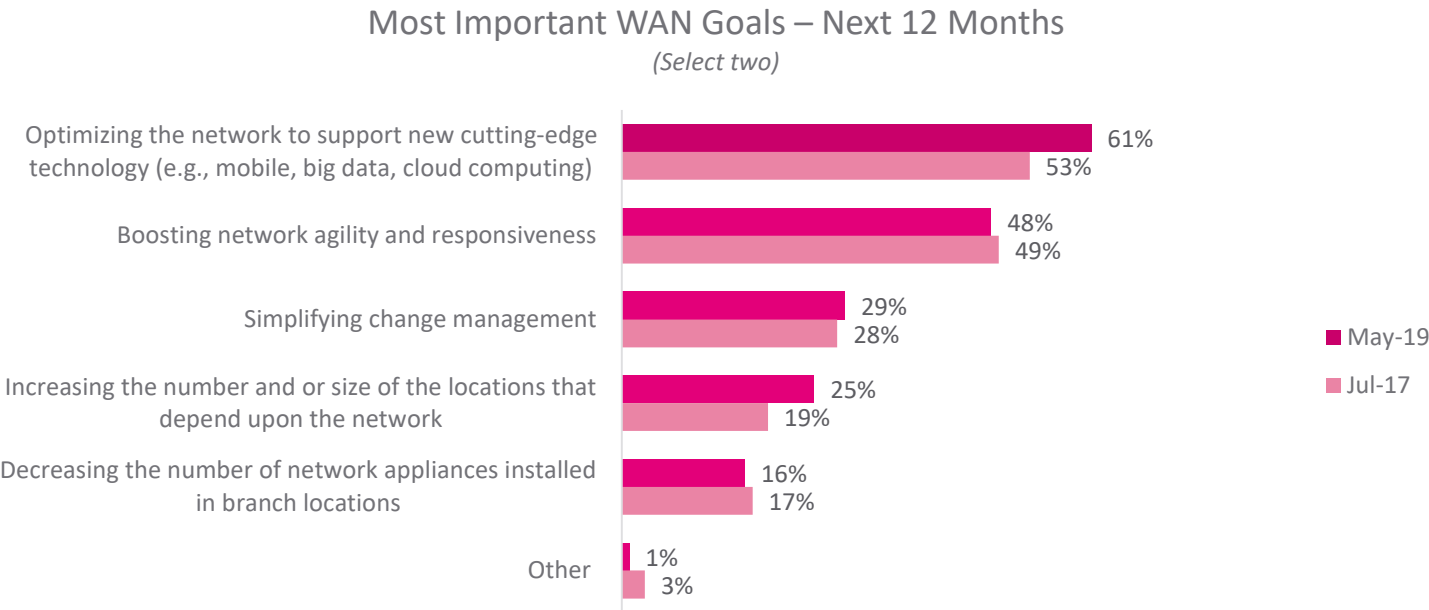
SURVEY RESULTS

Improving security for branch office and remote workers is the top WAN connectivity challenge in 2019 and is followed by increased complexity, which continued to increase over the past two years.



Q1: What are your organization's top connectivity challenges over the next 12 months? (Please select up to three.)

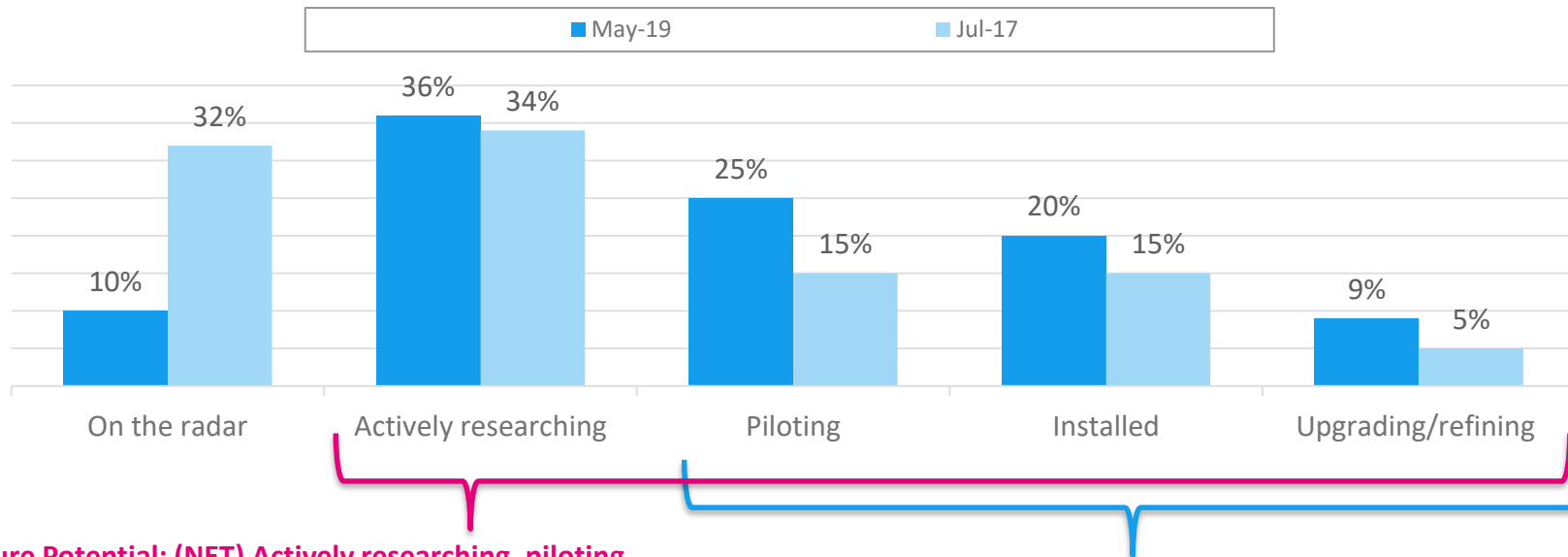
***Optimizing the network to support cutting-edge technology* stands out more prominently this year as the top WAN objective.**



Q2: What are your organizations most important goals with respect to your WAN environment over the next 12 months? (Please select up to two.)

SD-WAN is no longer just “on the radar” - adoption rates are on the rise with increases from 35% to 54% over the past two years and future potentials that could reach as high as 90%

SD-WAN Adoption



Future Potential: (NET) Actively researching, piloting, actively using or upgrading SD-WAN:

- 90% in May 2019
- 69% in July 2017

Q4: How would you describe your organization's adoption of SD-WAN?

(NET) Piloting, actively using or upgrading SD-WAN:

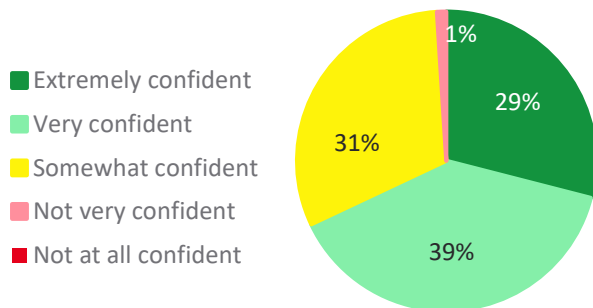
- 54% in May 2019
- 35% in July 2017

(Respondents with no SD-WAN plans did not qualify for the survey.
Three percent (3%) of all respondents asked reported no plans.)

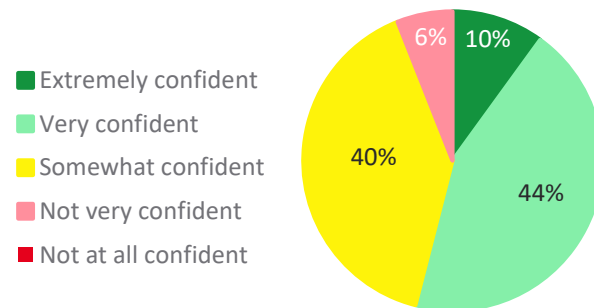
Confidence in WAN architecture to support future goals has grown since 2017, with 68% reporting they are extremely or very confident in the May 2019 survey.

Confidence in WAN to Support Future Goals

May 2019



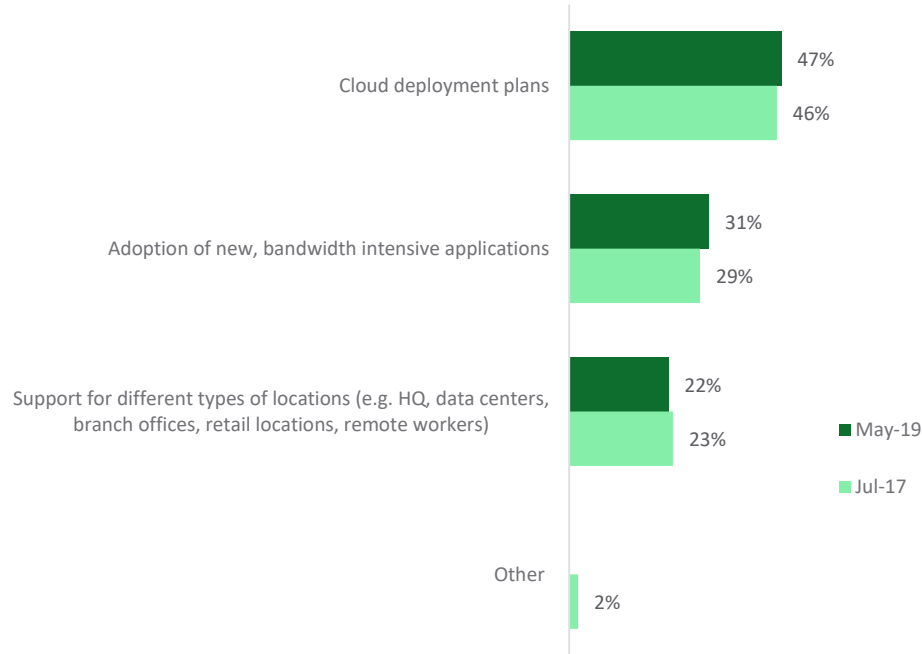
July 2017



Q3: How confident are you that your WAN architecture can support your future goals?

Cloud migration remains the most important driver of interest in SD-WAN.

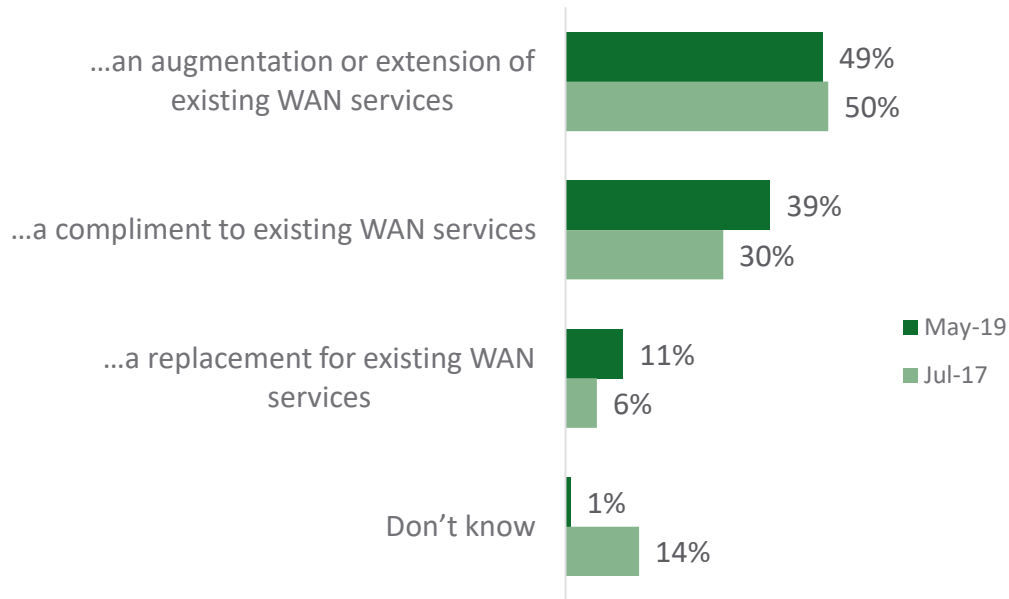
Most Important SD-WAN Driver 2019 v. 2017



Q5: Please rank the following potential drivers of your organization's interest in SD-WAN from most to least important.

When compared to the July 2017 survey, there is a slight increase in the percent indicating SD-WAN will complement or replace existing WAN services, and less uncertainty regarding adoption plans overall.

We have adopted/will adopt SD-WAN as...



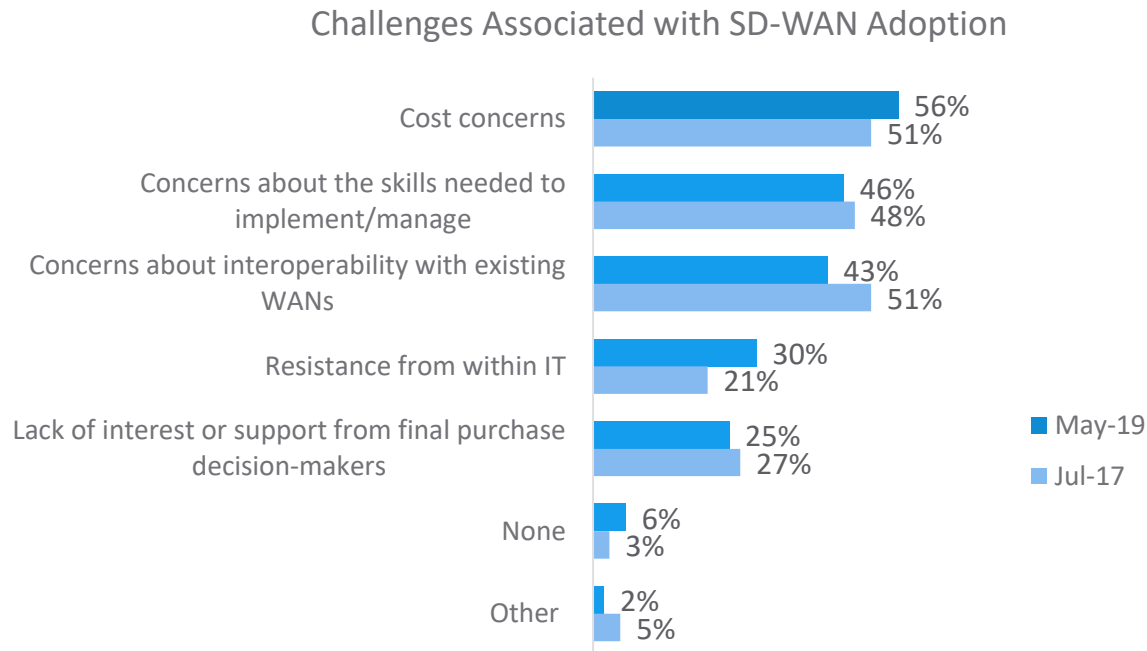
In the 2019 survey, **larger enterprises** (5,000+ employees) are more likely to adopt SD-WAN as **an augmentation of their existing WAN services** (60% versus 40% among smaller organizations).

Smaller organizations more frequently report they will replace existing WAN services (19% vs. 2% among larger enterprises).

Q6 (2019): Which of the following best describes how your organization is using or plans to use SD-WAN?

Q6 (2017): Which of the following best describes your organization's preferences with respect to the adoption of SD-WAN?

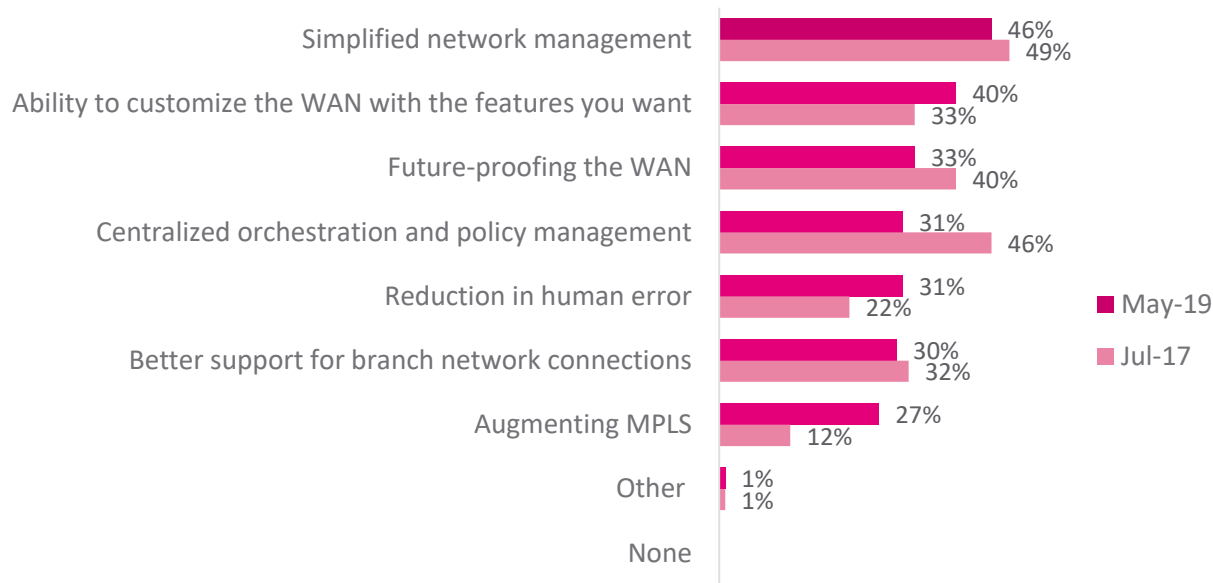
Cost concerns remain the top SD-WAN adoption challenge. While concerns regarding interoperability with existing WANs have lessened, skills gaps remain a top barrier to adoption.



Q7: What barriers or challenges do you associate with adoption of SD-WAN? (Please select all that apply.)

Simplification continues to be the top expected IT benefit of SD-WAN adoption. The ability to customize solutions is more often mentioned in the most recent survey, while the percent citing centralized orchestration as a top benefit has dropped.

Most Important Potential IT Benefits of SD-WAN
(Select three)

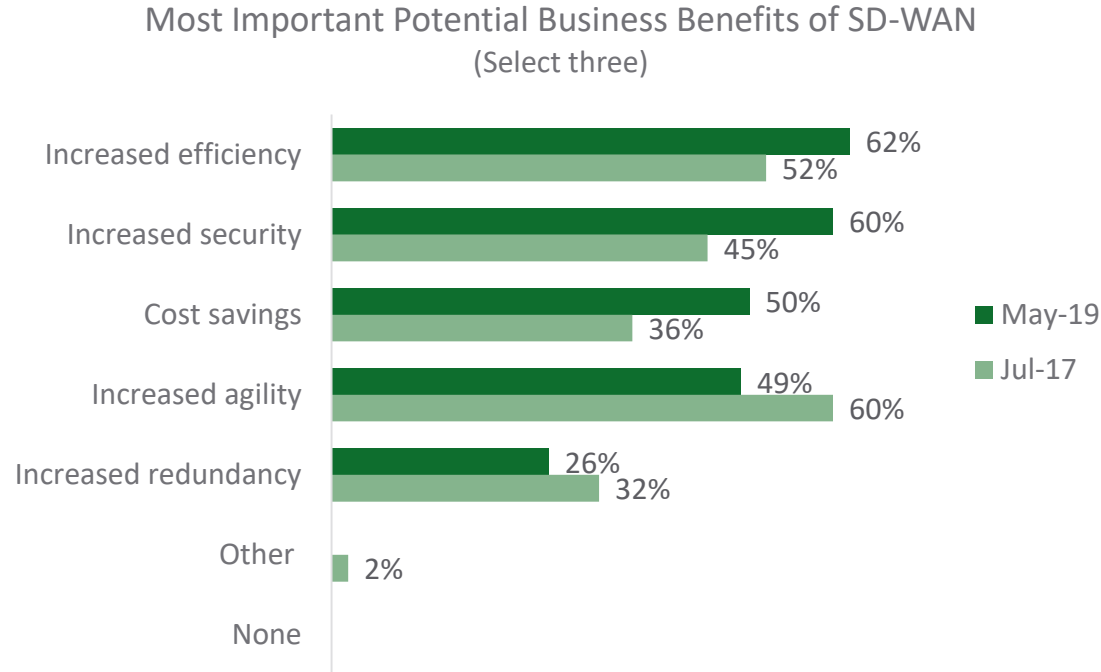


Simplified network management stands out in the 2019 survey as an attractive IT benefit among those who are employed at the **Director/ Manager** level (60% versus 31% among others).

Meanwhile, the **ability to customize the WAN** is a more popular potential benefit among **VP and above titles** (52% versus 29% among others).

Q8: What are the most important potential IT benefits of SD-WAN for your organization? (Please select up to three.)

Increased efficiency, improved security, and cost savings are more often cited as expected business benefits of SD-WAN when compared to the 2017 survey.



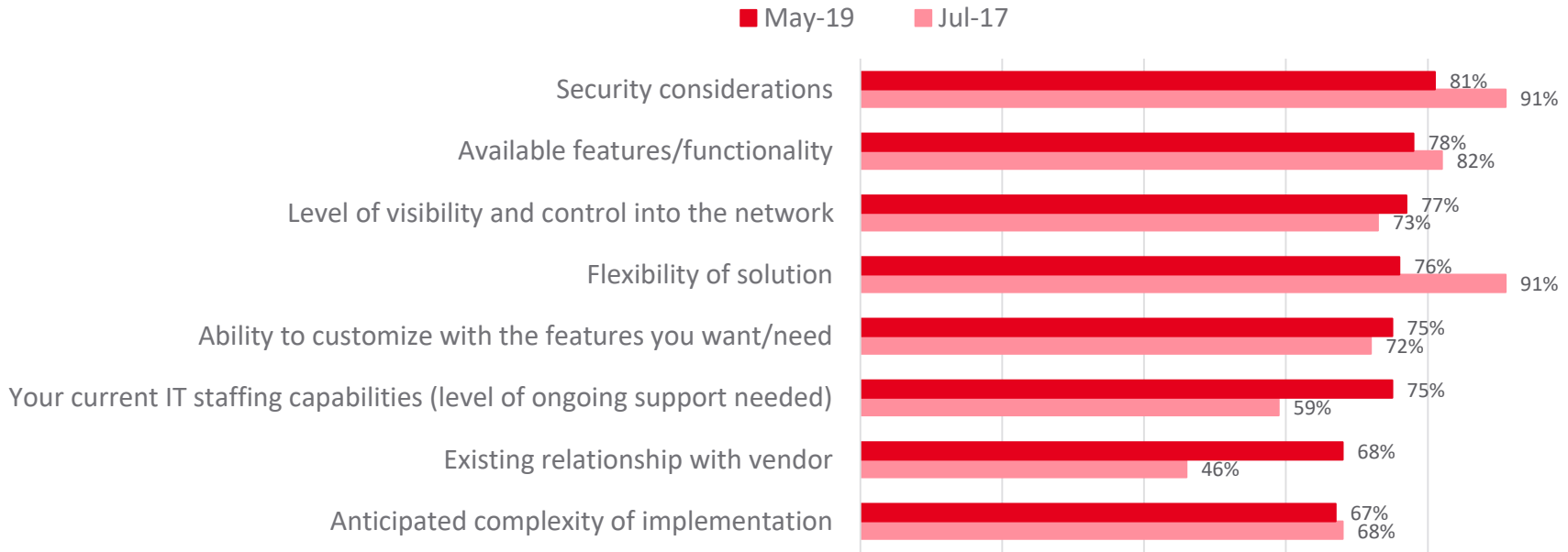
In the 2019 survey, **larger enterprises** (5,000+ employees) more often cite **increased agility** as a potential business benefit (60% versus 40% among smaller organizations).

Smaller organizations more frequently cite **increased security** (74% vs. 45% among larger enterprises).

Q9: What are the most important potential business benefits of SD-WAN for your organization? (Please select up to three.)

Security remains the top factor when selecting SD-WAN solutions. While solution flexibility has declined in importance, evaluating current IT staffing capabilities has become more important over time.

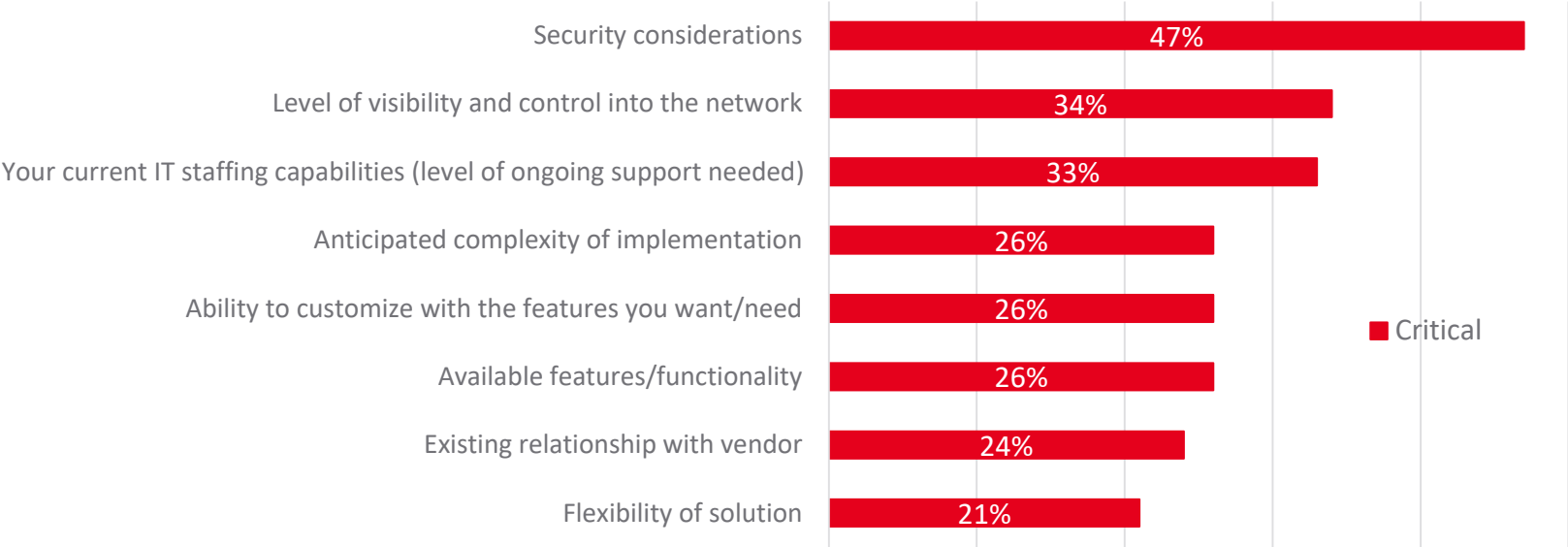
Critical/Very Important Factors when Selecting SD-WAN Solutions



Q11: How important are the following factors in making the decision whether to purchase SD-WAN from a vendor, VAR, or service provider?

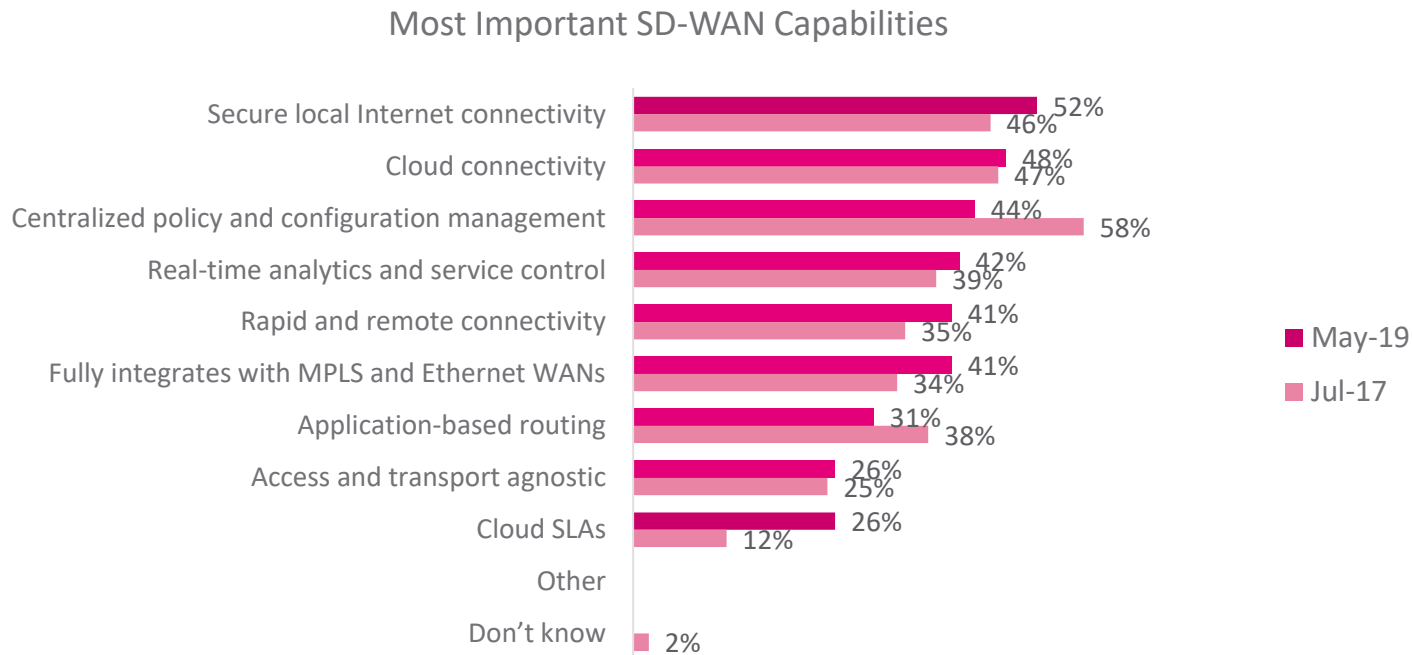
Looking at the factors most often rated “critical”, network visibility and current IT staffing capabilities place higher on the list of considerations.

Critical Factors when Selecting SD-WAN Solutions

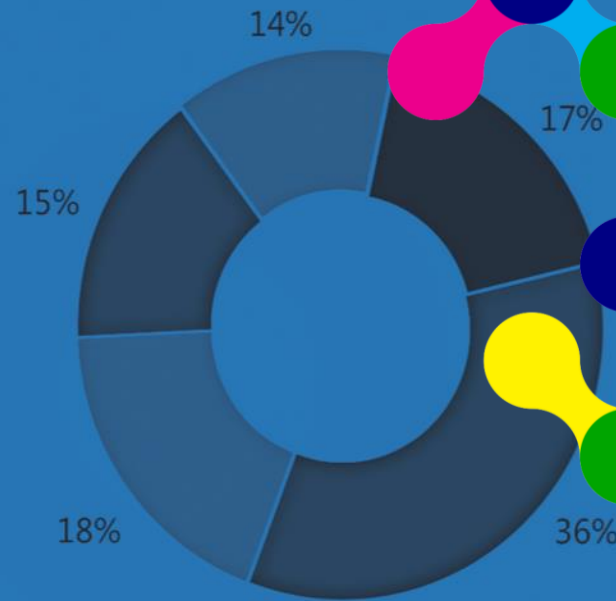
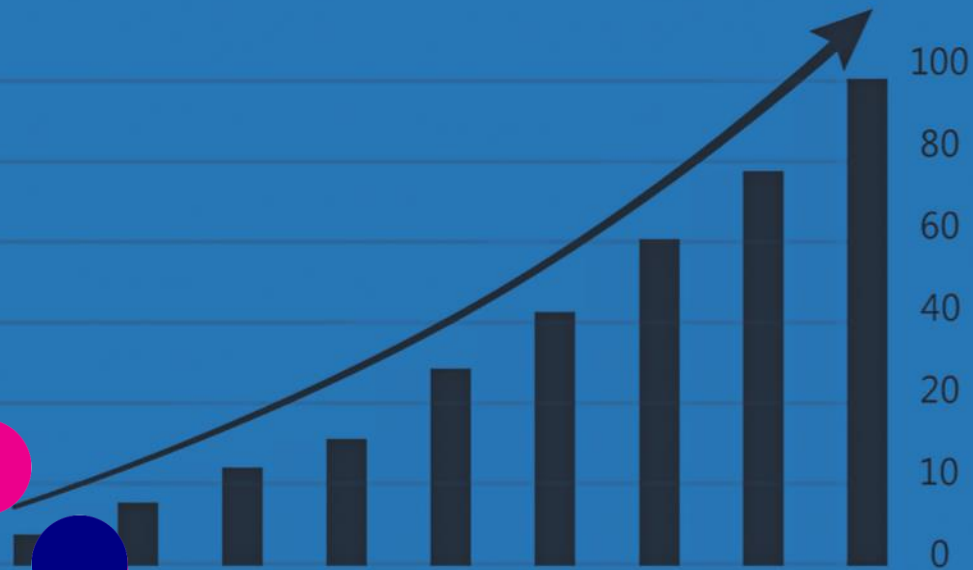


Q11: How important are the following factors in making the decision whether to purchase SD-WAN from a vendor, VAR, or service provider?

Respondents place less importance on centralized policy and configuration management when researching SD-WAN solutions today, while continuing to look for solutions that offer secure local Internet connectivity and cloud connectivity.



Q12: What are the most important SD-WAN solution capabilities for your organization? (Please select all that apply.)



SURVEY METHODOLOGY

Methodology and Objectives

Sample

Field Work

This survey was fielded in the U.S. from May 1, 2019 through May 8, 2019.

A previous wave of the survey fielded from June 27, 2017 through July 13, 2017.

Total Respondents

May 2019 - 100 qualified completes
July 2017 - 103 qualified completes

Method

Collection

Online Questionnaire

Number of Questions

12 (excluding screeners and demographics)

Audience

To qualify for this survey, respondents were required to work in an IT related function at Manager level or above for a private sector organization with 500 or more employees.

Survey Goals

In this survey we seek to understand adoption of SD-WAN including drivers, adoption challenges, expected benefits and purchase considerations. We also query respondents regarding their broad connectivity challenges and goals with respect to the WAN. The results of this survey are compared with a previous wave conducted in July 2017.

Definitions Used

Software Defined Wide Area Networking (SD-WAN) is a software approach to managing wide area networks.

Respondent Profile

Company Size

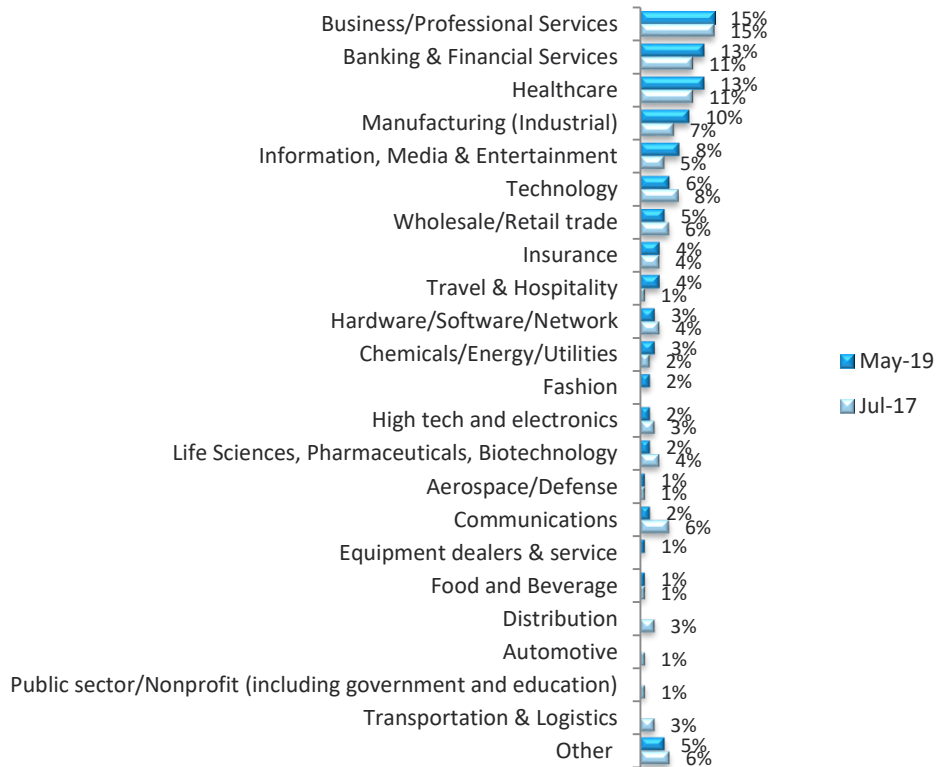
	2019	2017
100,000 or more	5%	13%
50,000 - 99,999	4%	12%
30,000 - 49,999	8%	9%
20,000 - 29,999	4%	7%
10,000 - 19,999	11%	10%
5,000 - 9,999	15%	10%
2,500 - 4,999	20%	9%
1,000 - 2,499	19%	18%
500 - 999	14%	13%

Job Title

	2019	2017
CIO (Chief Information Officer) or top IT executive	18%	9%
CSO, CISO	4%	4%
Chief Digital Officer (or equivalent)	5%	2%
IT/Network Architect/Engineer	17%	27%
Chief Technology Officer (CTO) or equivalent	6%	2%
Executive VP, Senior VP	4%	2%
VP	4%	10%
Director	20%	17%
Manager	22%	28%

Respondent Profile (continued)

Represented Industries



Research Performed by:
IDG Research Services

Research Sponsored by:
Masergy

Masergy enables global enterprises to innovate, disrupt and dominate their industries with transformative solutions in Managed SD-WAN, Cloud Communications and Managed Security.
www.Masergy.com