

# SD-WAN 3.0: Ready for Prime Time

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How managed SD-WAN service has evolved to address enterprise needs today

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## Summary

### In brief

Managed SD-WAN services have been around for years, but Ovum is now seeing solutions evolve and go beyond the early adopter phase. With the integration of new features and additional value-added services, enterprises today see simplified SD-WAN solutions. This white paper will share how these solutions have evolved and matured, explore the major benefits from the new SD-WAN solutions, and examine why enterprises should feel more confident about adopting SD-WAN now.

### Ovum view

Over the past three years, there have been many different early trials, proofs of concept, and early deployments of SD-WAN services, giving enterprises real-life experience with the technology. Many of these deployments focused on installation only and included basic routing as its primary feature. During the last year, however, SD-WAN services have evolved. They have been enhanced with many new features and reached a higher level of maturation that is starting to encourage more enterprise customers to consider larger deployment in production environments. Customer needs have come into focus as the early SD-WAN deployments have crystalized their requirements, validated features, and provided accurate documentation for enterprises serious about making the investment now. Enterprises are now much more confident about the promise of SD-WANs meeting their expectations with full managed-service options. SD-WAN service has moved beyond the early adopter phase and is in its growth phase, ready for prime-time consideration.

### Key messages

- SD-WAN service has evolved, and today's solutions deliver more integrated features with the customer benefits of application performance, simplification, flexibility, and agility in mind.
- This evolution has benefited the enterprise by meeting the current business needs of multicloud and hybrid cloud environments.
- As SD-WAN deployment scales beyond trials, enterprises are seeing the value and importance of a managed service.
- With this evolution and solution refinement, buyer confidence and the rate of adoption increases, which fuels a growth phase and signals that the time is right for making the investment.

## SD-WAN 3.0 evolution: services and enterprises

### SD-WAN 1.0: DIY deployments and early experimentation

During the past three years, SD-WAN has been tested and trialed with many small pilots. Enterprise customers have been experimenting with SD-WAN technology. Many of these trials were the early, first version of SD-WAN (1.0), and the technology and proposed benefits were both under review.

Companies vetted and tested the technology with pilots, without much focus on ordering, service delivery, and scalable deployment. Early adoption was also heavy on do-it-yourself (DIY) deployments, and many SD-WAN edge-device manufacturers sold directly to enterprise customers. Early adopters became more knowledgeable about the platforms, their own requirements, and what aspects of SD-WAN were most important to their business.

### **SD-WAN 2.0: responding to enterprise needs with the birth of managed services**

Once the SD-WAN technology became more mature, features were enhanced and providers started to standardize their offers in response to the feedback from early adopters, broadening portfolios beyond just routing. As a result, enterprises started to deploy a larger number of locations, and the benefits started to become clear. Having deployment experience always provides expected and unexpected results that fuel ideas for further improvement. Early adopters were demanding simpler offerings, better visibility, and control. This was the SD-WAN 2.0 environment, with many different providers and vendors responding by making product improvements in many dimensions.

SD-WAN 2.0 brought the first off-the-shelf commercial versions of managed SD-WAN services with some basic plans and features. By comparison, earlier generations of SD-WAN service were more complex, costly, and harder to scale. Many early DIY customers shifted from in-house trials and pilots to look at the early managed-service options.

### **SD-WAN 3.0: fully managed solutions deliver confidence alongside service**

During the last year, SD-WAN services have evolved even further with the integration of multiple features and focus on service delivery with scalable deployment. This evolution has provided the more mature SD-WAN version 3.0, which now has resulted in fully managed SD-WAN solutions with overall service simplification, well-known benefits, and fully integrated features. These new integrated features include security, improved application performance visibility through portals, co-managed options, and a set of SD-WAN options with transport-agnostic network-access alternatives.

The transition from SD-WAN 2.0 to 3.0 has demonstrated that enterprise customers want network, service, and provider diversity, not just a one-size-fits-all SD-WAN platform or service plan. Ovum sees many providers now working to simplify managed SD-WAN plans while providing more feature and service options. They are adding a few new SD-WAN platforms and refining their provisioning processes to take more burden off the internal IT team with end-to-end services for logistics, provisioning, network acquisition, vendor/provider management, monitoring, and coverage along with lifecycle management requirements.

Today, enterprises have had more experience with SD-WAN services and have specific knowledge of their benefits and more confidence in them. These benefits include improved application performance, flexibility, agility, and reliability for multicloud environments. Managed SD-WAN provides these benefits while allowing enterprises visibility and control. Early SD-WAN adopters were driven by lower network costs or the opportunity to replace multiprotocol label switching (MPLS), but these aspects alone were not good long-term motivators for deploying SD-WAN service. Enterprises now

understand that application performance, service flexibility, overall reliability, and visibility are the critical benefits of SD-WAN service. Enterprises should not just focus on cost savings or replacing a private network service (e.g., MPLS) with internet virtual private network (VPN) for its own sake.

As more enterprises start to scale their deployments of SD-WAN, many customers have realized their need for help and the expanded benefits of a comprehensive 3.0 service. Turning up a few locations for a pilot is very different from resourcing full-scale SD-WAN deployment for hundreds or thousands of sites, and there are very few enterprises that can provide enough IT resources for a successful large-scale deployment globally. Network service acquisition, installation, and application performance have been major pain points for organizations adopting SD-WAN, and larger deployments may require knowledge of local providers and a large variety of network alternatives. Global service providers have deep managed-services skills that are transferable to provide SD-WAN and other network services at scale across many different countries and diverse locations. This benefit helps explain why customers that first trialed or deployed SD-WAN on a DIY basis tend to look for full or partial managed services to help scale the deployment. It also explains why investor confidence has increased with more mature, fully managed services.

Even at SD-WAN 3.0, service adoption is still in its early stages. According to Ovum's research, about one-third of enterprises have trialed or deployed SD-WAN services. But the industry has hit a certain maturation level that supports more widespread commercial adoption and scaling, which will hasten adoption in the coming years. Not all businesses will want to leverage managed services around SD-WAN, but over time the majority will see the value of managed services for large-scale deployments, geographic coverage, and lifecycle management. As the technology continues to mature, enterprises will realize the value of having managed-services providers or network providers take over some SD-WAN logistics around installation, change management, and lifecycle management.

## What the leading SD-WAN 3.0 providers offer

SD-WAN solution providers now offer feature variety and network diversity but also offer simplification and integrated features from many different vendors and providers. The technology is not as important as the service wrap to guarantee application performance and customer service for large network deployments. By offering a wider swath of services and options, these SD-WAN 3.0 providers are more likely to meet the larger set of enterprise requirements and use cases. Providers that have long-term experience working with different network providers have an advantage over many providers that are just now adding this option for their SD-WAN offer. Additionally, these SD-WAN 3.0 providers also enable unified visibility and control for customers to monitor application and network performance on a real-time basis. Another key differentiator for SD-WAN 3.0 providers is the ability to provide enhanced cybersecurity services, enabled by the integration of next-generation firewalls and other security features directly into the network or WAN edge device. So along with simplified solutions and support for scalable deployment, leading SD-WAN 3.0 providers will need to continuously innovate to stay ahead of the service development required by SD-WAN customers.

Ovum sees many enterprises that want jointly or co-managed SD-WAN services, and the most mature solutions are delivering on meeting this demand. In some cases, the investing enterprise may

have the staff or the network in place but would like help with the high-volume deployment. In other cases, the enterprise feels comfortable with the initial turn-up of services but needs help with the break-fix and lifecycle management of SD-WAN. Ovum sees many IT executives who are willing to give up some responsibilities to make sure they have the implementation and monitoring that they require. Even if they are not yet willing to go with a fully managed service, they are willing to pay for the tasks they require. Leading solution providers offer a jointly or co-managed service.

## Recommendations for enterprises ready to invest

In the US market, enterprises have been bombarded with SD-WAN offerings from vendors, network providers, telecoms aggregators, and many other managed-service providers. Identifying a simplified 3.0 service requires an assessment of the service definition, features, packaging, and service delivery quality. Ovum has basic recommendations for enterprises that are ready to invest in 3.0 SD-WAN solutions:

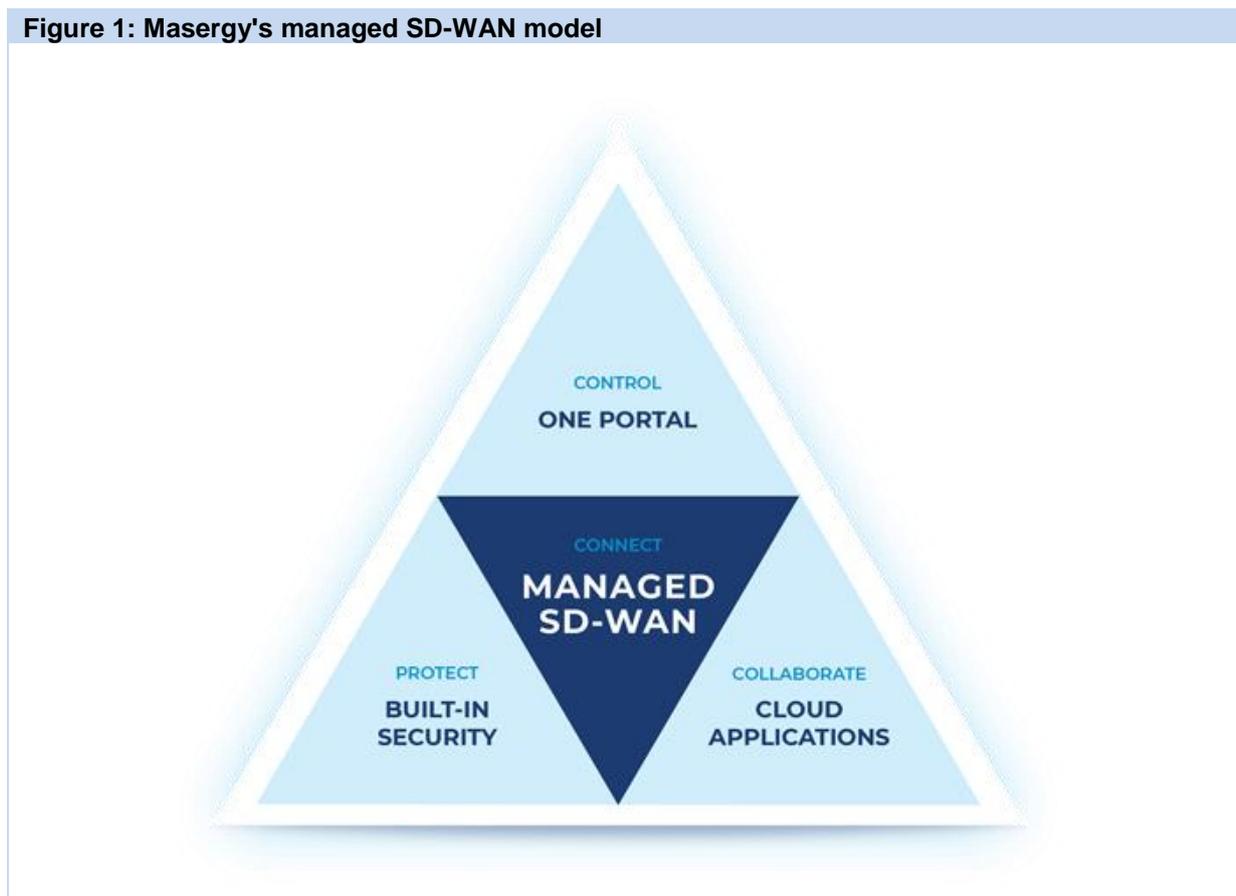
- Identify the pain point and business problem that you are trying to solve. Keep these key benefits in mind: application performance, service flexibility and visibility, network reliability, and IT staff support.
- Vet service providers with a focus on provisioning, application performance, and customer service for your number of locations, global capabilities, and service complexity.
- Consider your cloud service needs with your branch service needs.
- Never consider cybersecurity as an afterthought when evaluating your network service needs.
- Consider a fully managed or co-managed SD-WAN service offering to realize your maximum cost/benefit results and reduce your internal staffing requirements.

## Masergy's history and current SD-WAN 3.0 offer

Masergy's SD-WAN solution has evolved and leads the industry as an excellent example of a new SD-WAN 3.0 solution. Masergy has been a pioneer in software-defined networking, providing managed WAN, hybrid WAN, and managed SD-WAN globally. Masergy has historically been known for providing network visibility, many network choices, and superior customer service across its portfolio of managed WAN services, managed security services, and cloud communication services. Masergy has also been recognized as one of the most innovative providers addressing the enterprise market. Masergy has been a global provider of managed WAN services for 20 years and now has a base of over 1,600 customers in more than 102 countries.

Investing in innovation and introducing new features beyond connectivity are part of Masergy's proven skills and culture. Unified communications, cloud contact-center services, voice support, managed security with threat monitoring and response, and end-to-end visibility through its customer portal have all been continuous investments for Masergy, and all these are now part of its managed SD-WAN 3.0 offer.

**Figure 1: Masergy's managed SD-WAN model**



Source: Masergy

## Conclusion

- SD-WAN service is now into its growth phase and ready for production deployment consideration.
- Now is a great time to make the investment with many enterprises starting to make the transition.
- Masergy is a leader of managed SD-WAN services as demonstrated by its SD-WAN 3.0 solution and further backed up by its long history of providing superior customer service, global coverage, service delivery, managed security services, and customer visibility. Masergy should be on your short list of providers for managed or co-managed SD-WAN services.

## Appendix

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