

Business Connectivity

Survey Report 2022



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Introduction

The cloud networking market is seeing tremendous growth due to the advent of new technologies. Cloud-based Software-Defined Wide Area Network (SD-WAN) and cloud-based security solutions such as Secure Access Service Edge (SASE) enable more versatile network connectivity for businesses in a vast array of verticals, allowing them to accelerate their digital transformation.

This study aims to understand the relative importance of various cloud networking and security functionalities from the perspective of both solution providers* and end-users**.

This study is based on an online survey of solution providers and end-users worldwide. It was taken by respondents generally aware of SD-WAN technology. The survey was completed in November 2021.

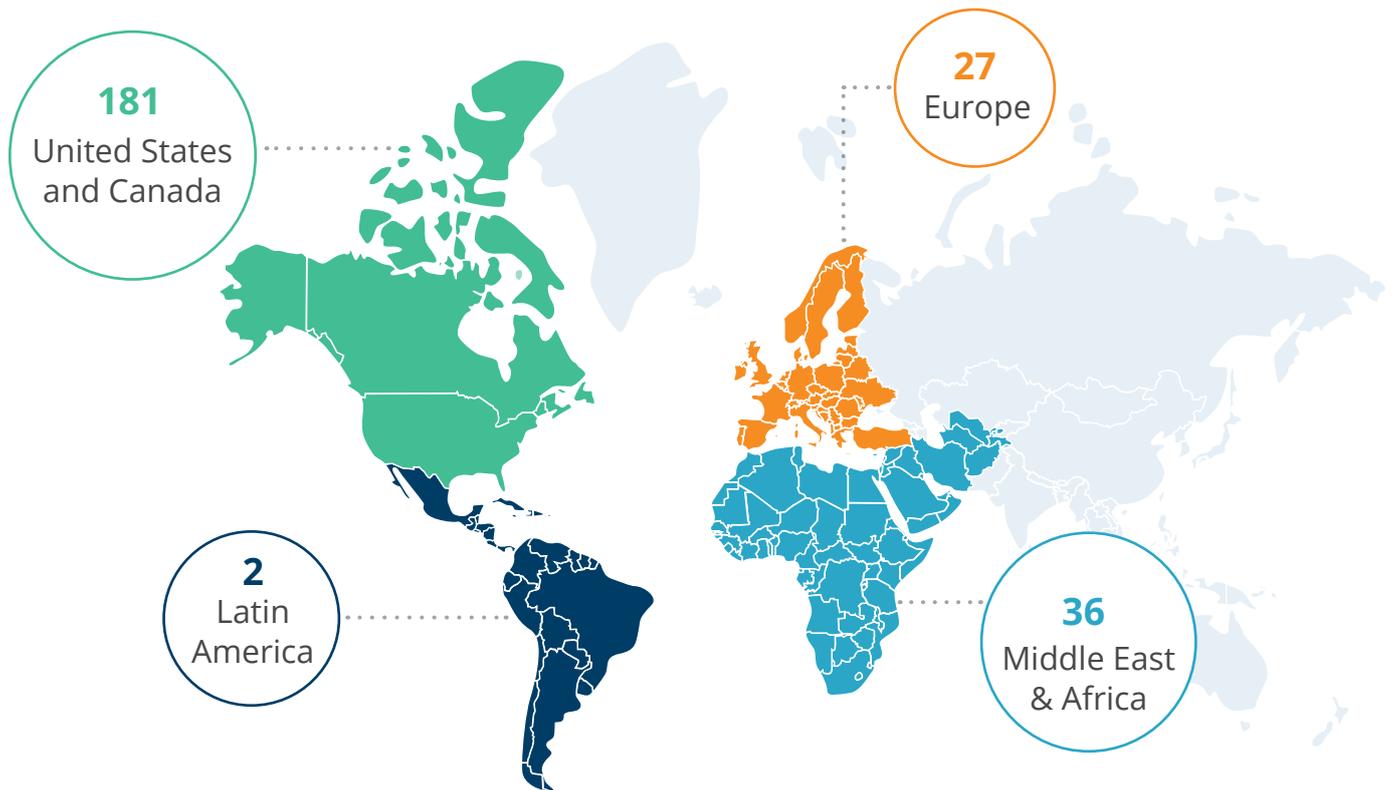
* The term “solution provider” in this report refers to service providers, distributors, master agents, VARs, consultants, system integrators, and others who provide cloud networking services.

** End-users refer to enterprises that use networking technologies such as SD-WAN as part of their daily business operations. These survey respondents came from a wide variety of verticals, such as education, hospitality, manufacturing, utilities, non-profits, and non-banking financial services companies. In the report, they are referred as enterprises or enterprise users.

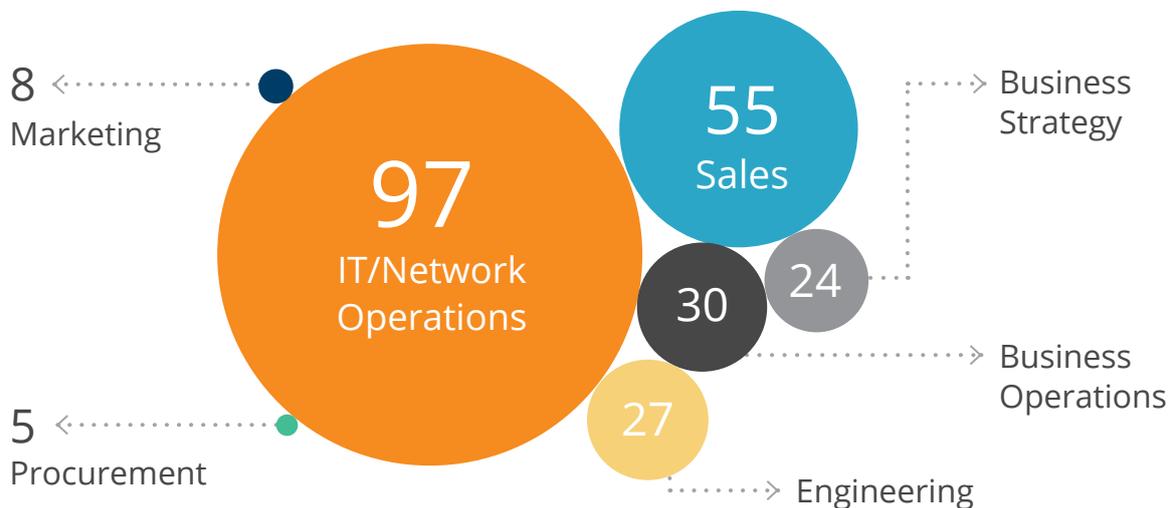


Survey Demographics

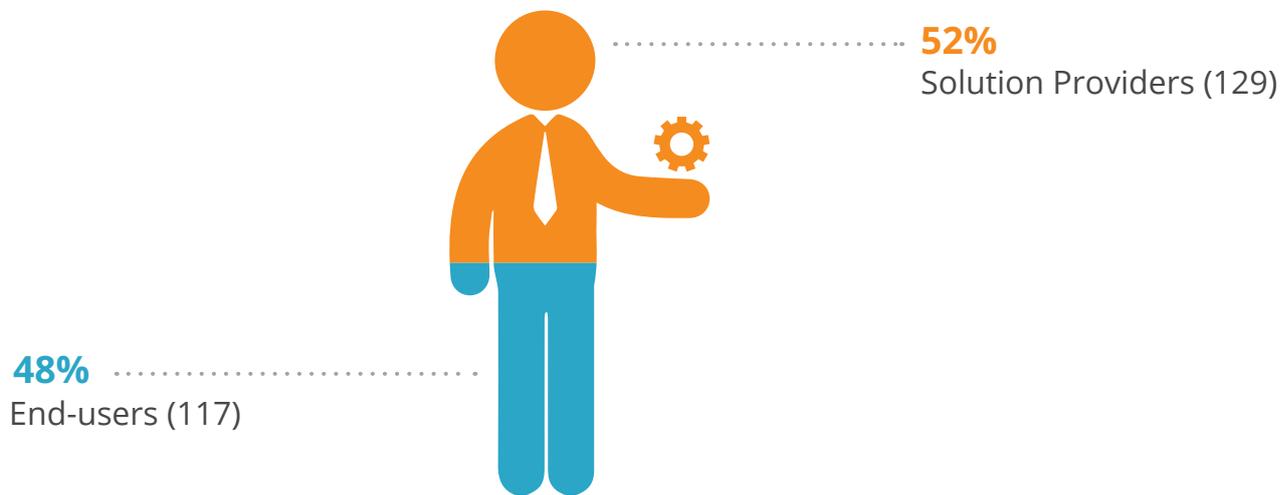
There were 246 respondents to the survey, with roughly three-quarters from the United States and Canada.



The survey respondents were from various roles, with many in IT/Network Operations or Sales.

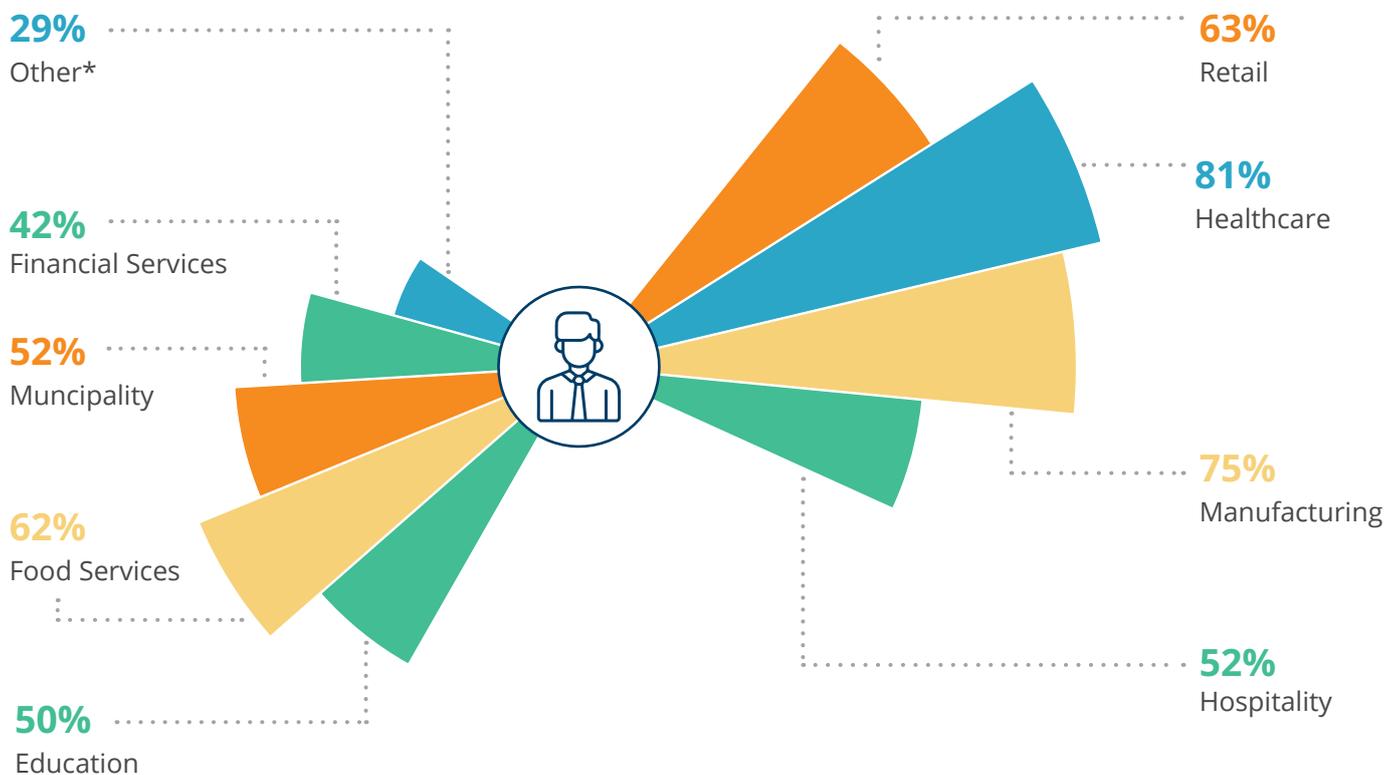


Slightly more than half of the respondents (52%) were solution providers, with end-users comprising 48% of the survey population.

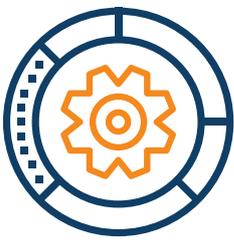


The types of customers that solution providers cater to represent various vertical markets.

(n=129)



*Other includes various company types, including those in fields such as logistics, legal, and insurance.



Survey Methodology

The central part of the survey consisted of seven questions, each asking about the importance of a specific networking capability.

Answers provided were chosen from:

- Extremely important
- Very important
- Somewhat important
- Not so important
- Not at all important

The questions asked how vital are these capabilities to their business (if an end-user) or to their customers (if a solution provider):

- 1 ... for remote users to have **always-on connectivity** with no dropped calls or video freezes?
- 2 ...to have sufficient bandwidth at business sites and remote offices to **guarantee a high-quality experience** when using business applications?
- 3 ...that there is **visibility into the network** and application performance of their business sites and home office **to monitor and fix any issues remotely**
- 4 ...is it that **business-critical cloud applications be prioritized** and continuously monitored for assured quality and reliability when they are securely accessed over an Internet connection?
- 5 ... for the business to have a networking solution that addresses the **unique connectivity needs of hybrid workers**?
- 6 ...that their **network security is centrally managed** in the cloud and integrated with their SD-WAN solution?
- 7 ...to **retain the MPLS links** in their network?



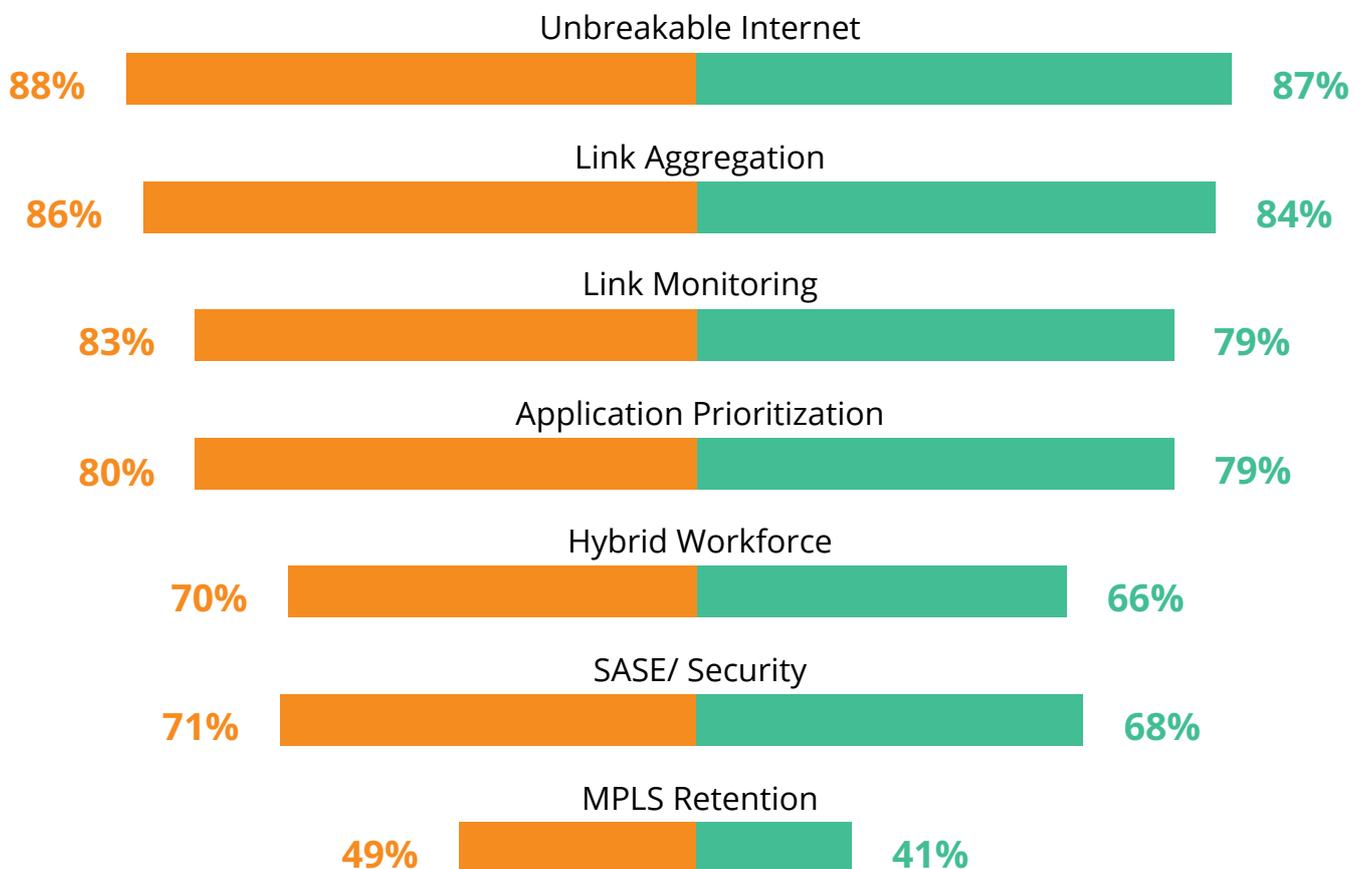
Key Finding 1

24/7/365 Internet access is the most important criterion for enterprises in evaluating SD-WAN vendors.

It should not come as a surprise that the most important attribute a cloud communications system can have is availability. Being able to get online reliably and securely at all times keeps productivity going for remote workers, increases sales for in-store businesses, maintains virtual classrooms for students, keeps connected factories churning, and makes engaged customers happy with no dropped voice or video calls.

Percentage of respondents who consider SD-WAN features to be **Very or Extremely Important**

■ Solution Providers (n = 126)
■ Enterprises (n = 109)



Unbreakable Internet topped the list of features for most sectors per their solution providers. Similarly, enterprises declared it the most needed feature. Solution providers must ensure that their customers know that online availability is of paramount importance and make sure that their customers understand how they can achieve that goal.

Percentage of respondents who rank 24/7/365 Internet Access feature as Very or Extremely Important

(n = 126 Solution Providers)



87% of solution providers and 88% of enterprises surveyed think always-on access is important, with financial services, healthcare, and others each over 90%.



Key Finding 2

MPLS retention is less important for most end-users

Multiprotocol label switching (MPLS) is a method developed in the 1990s to ensure the flow of data in corporate networks. It is a reliable but expensive method when compared to current broadband connections. Many organizations that use MPLS and are looking into broadband have to decide whether to keep the two working in parallel or replace MPLS altogether.

Keeping existing MPLS links is of lesser concern for most end-users. Likewise, the solution providers ranked the relative importance of MPLS retention much lower than other networking needs. Solution providers should proactively educate their customers on the business value of SD-WAN and cloud-based managed services.



Only **49%** of surveyed end-users ranked MPLS Retention **very or extremely important**.



On average, only **41%** of surveyed solution providers ranked MPLS Retention **very or extremely important**.

Percentage of respondents who rank MPLS Retention feature as **Very or Extremely Important**

(n = 126 Solution Providers)



Though MPLS retention ranked the lowest of all enterprise needs, it is still essential to some verticals such as healthcare and financial services. Enterprises currently using it are reluctant to get rid of its reliability. Solution providers should help enterprise CIOs understand that SD-WAN can co-exist with the MPLS network and migrate to software-defined cloud connectivity at their pace.

SD-WAN is a growing opportunity for solution providers as many businesses are yet to implement it. As per the survey response:

(n = 117 End-users)

For companies with only one site (n = 25), only **28%** are currently using SD-WAN.



For those with 2-10 sites (n = 48), it's only **15%**.



For those over 100 sites (n = 12), only **42%** are using SD-WAN.





Key Finding 3

Support for the hybrid workforce is vertical-dependent

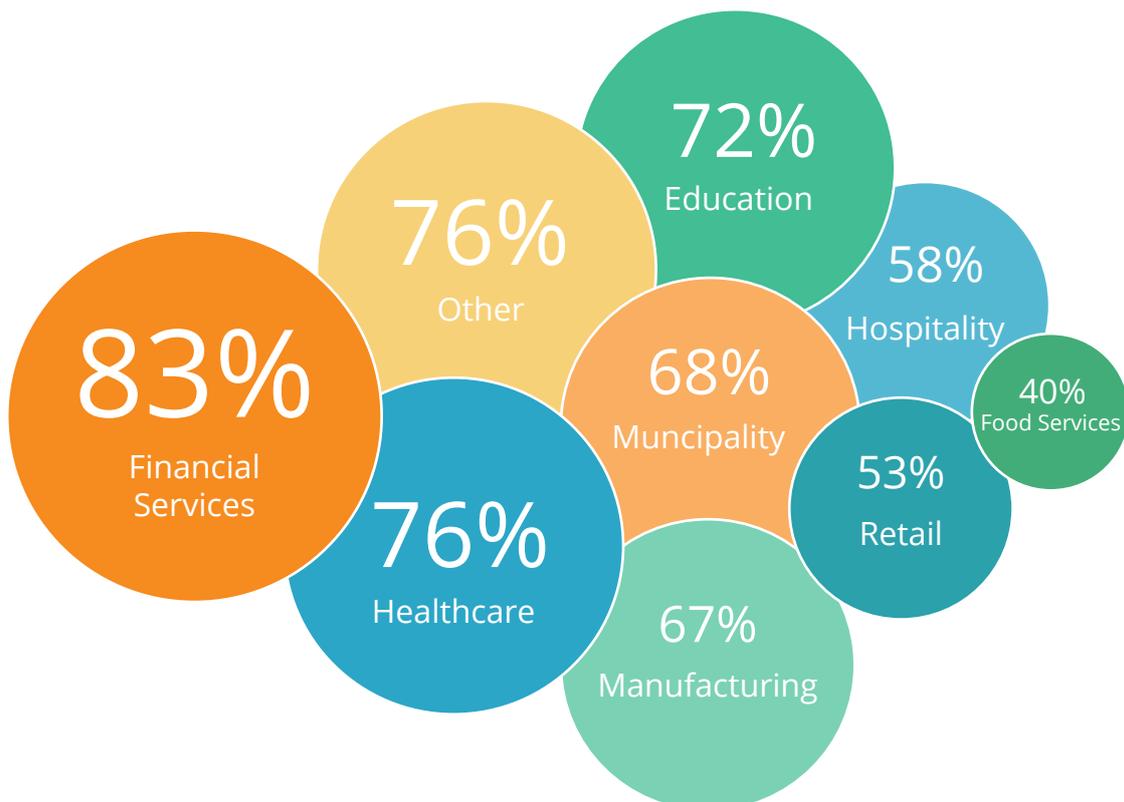
Making provisions for a hybrid workforce, allowing workers to split their time between a traditional office and home office, is of significant concern only in some industries. The hybrid workforce is seen as unimportant to retail as brick-and-mortar stores rely on in-person salespeople instead of online retail, which is mainly automated. It is somewhat important to the food services and hospitality industries, which depend on in-person staff to cater to their clientele.

Hybrid workforce support was ranked very or extremely important for financial services education, healthcare, and a diverse set of verticals categorized as others - not crucial, yet relatively essential to manufacturing and municipalities.

Solution providers should focus their efforts on providing a hybrid workforce connectivity solution to specific verticals, safely minimizing it to others, e.g., education has seen a shift in teacher resources, with many now teaching in virtual classrooms.

Percentage of respondents who rank Hybrid Workforce feature as **Very or Extremely Important**

(n = 126 Solution Providers)





Key Finding 4

High-speed, monitored links are vital

Being able to combine several broadband links into one high-speed, monitored network is crucial to users. The aggregation of distinct links allows for higher throughput than any one link can offer, while remote monitoring of the network provides actionable insights on network usage and performance of individual applications.

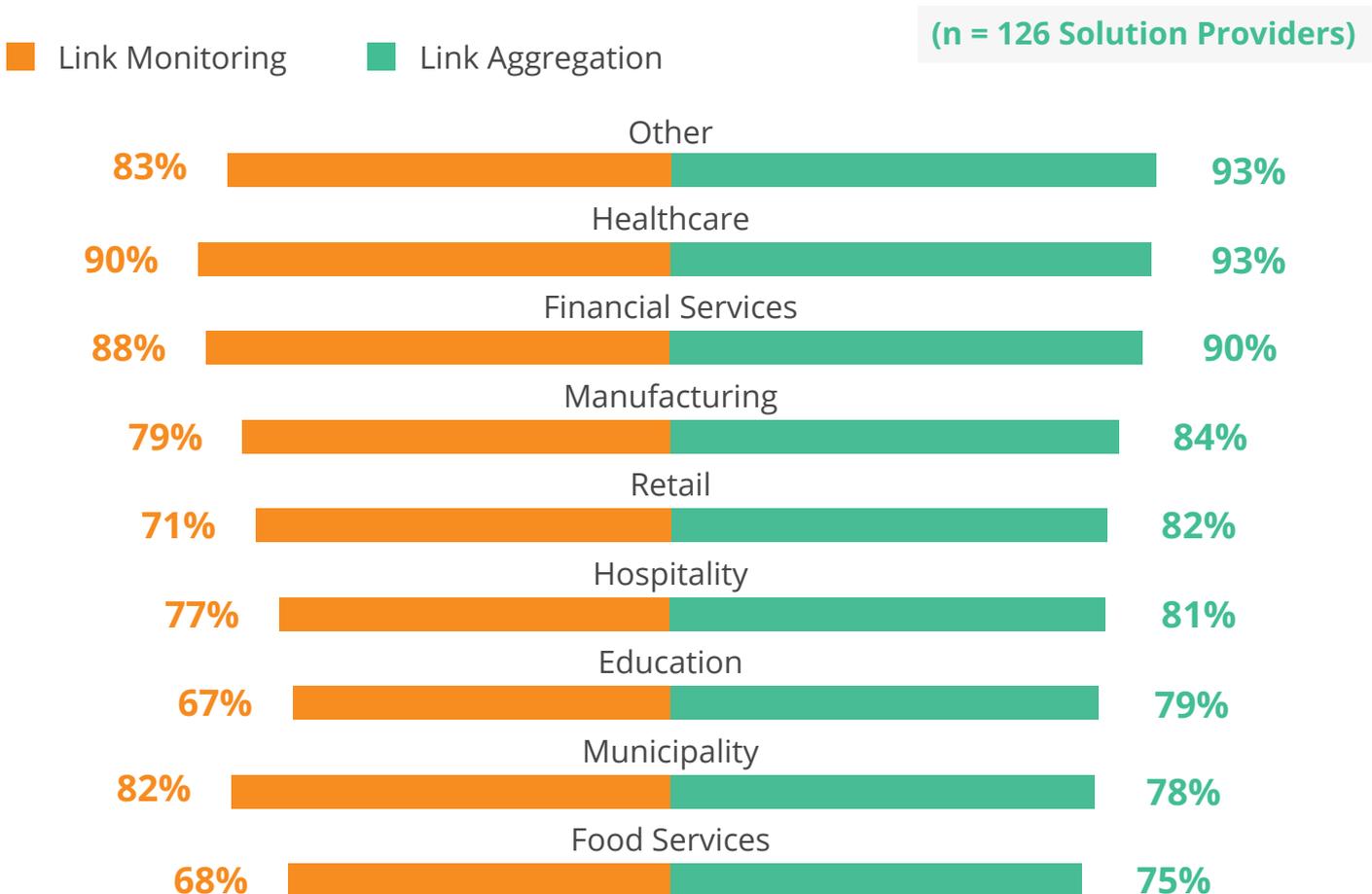
The ability to aggregate multiple broadband links was the second-highest ranked feature for solution providers and enterprises, with solution providers ranking it highest

for healthcare, financial services, manufacturing, and others.

Link Monitoring was the fourth-highest ranked feature for solution providers and third highest for enterprises, with the former considering it of highest importance for healthcare, financial services, and municipalities.

Aggregating links and remote network monitoring are significant features to customers, and their inclusion in any SD-WAN offering is essential.

Percentage of respondents who rank Link Aggregation and Link Monitoring features as Very or Extremely Important





Key Finding 5

Application prioritization is a distinguishing feature

Application prioritization elevates an enterprise's business-critical operations, continuously monitoring them for quality and reliability, and separates business-related traffic from leisure traffic. It reduces corporate server load by lowering the volume of data that must be processed, e.g., a YouTube video, which can go directly to the Internet. VPNs do not support this functionality, blindly sending all traffic to corporate servers. Application prioritization ranked third overall by solution providers for needed functionality, with very high interest from their healthcare and hospitality clients.

Customer experience is significant for digital care and hospitality, a likely reason for application prioritization to be crucial for these verticals.

The ability to distinguish between business and non-business traffic is of significant importance to enterprises and a key means of distinguishing an SD-WAN from a VPN.

Percentage of respondents who rank Application Prioritization feature as Very or Extremely Important

(n = 126 Solution Providers)



91%
Healthcare



88%
Financial Services



83%
Hospitality



81%
Manufacturing



78%
Municipality



76%
Retail



70%
Food Services



69%
Education



Key Finding 6

SASE is still at an early stage

The inclusion of centrally managed network security is of relatively less concern of our poll takers, who perhaps think that their existing on-premises firewalls and malware detection suffice to keep their data secure. Secure Access Service Edge (SASE) ranked near the bottom in desired functionality from our enterprise and solution provider respondents.

While the relative importance of SASE, amongst other networking capabilities, was lower for the respondents, the demand for a simplified cloud-based approach to network security management is rising.

SASE is still in a nascent stage and is expected to grow in importance in the coming years. Solution providers should take a thought leadership role in educating their customers about the security risks associated with digitalization and the benefits of cloud-based zero-trust network policy management for all devices and users.



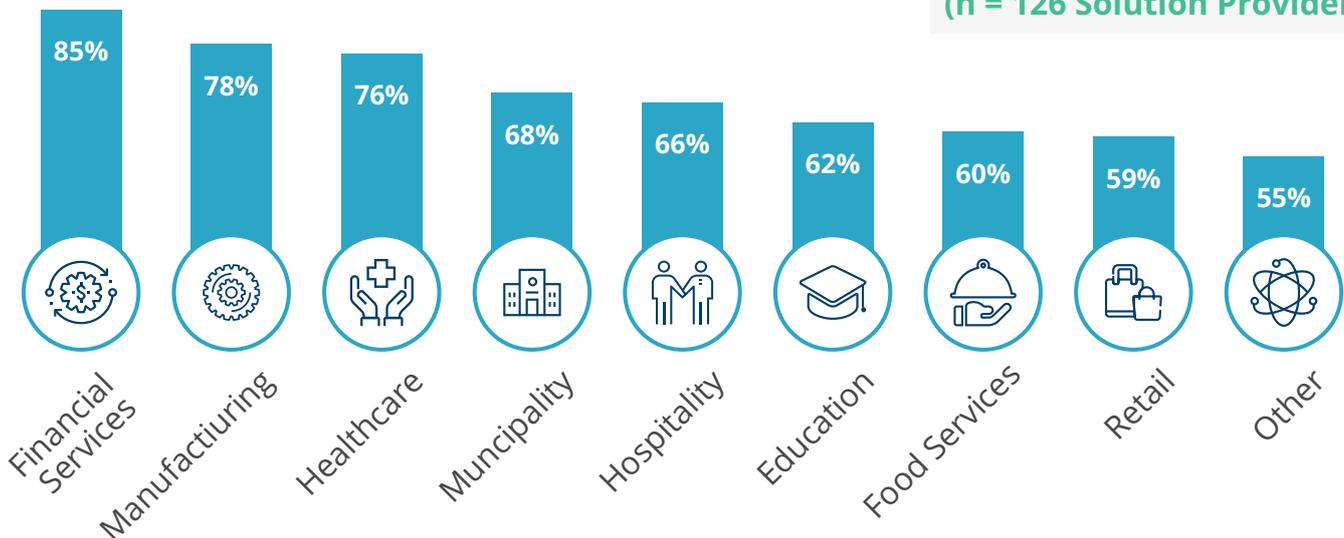
Over **68%** of solution providers ranked SASE **Very or extremely important** for the financial services, manufacturing, and healthcare sectors.

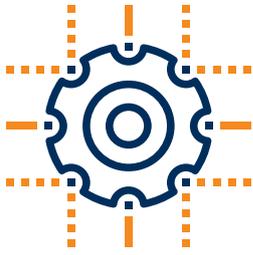


71% of enterprises consider SASE crucial.

Percentage of respondents who rank SASE/Security feature as **Very or Extremely Important**

(n = 126 Solution Providers)





Conclusion

With the business world now online 24/7 and many enterprises inter-connected with multiple locations, downtime means lower productivity, unhappy customers, and reduced revenues. The survey confirms that the most essential ability for a network communications system is availability, with always-on access ranked highest overall by both solution providers and end-users.

Although ranked low in our survey by most respondents, we believe SASE and network security will rise in importance in the coming years. Enterprises need to be aware of the risks to their businesses when not considering security to be an essential feature.

Solution providers should focus their efforts primarily on those features in the highest demand by their target customers. Manufacturers have different priorities than education, and both differ from retailers. It is essential for solution providers to be aware of the relative importance of SD-WAN functionality to their customers.

About Adaptiv Networks

[Adaptiv Networks](#) is the creator of powerful, software-defined wide-area networks (SD-WANs) for the most challenging locations requiring high availability for business-critical application traffic. Businesses rely on Adaptiv Networks' cloud-managed SD-WAN to provide secure, high-performance, and highly reliable networking for their voice, data, and video communications needs. Adaptiv Networks serves more than 500 customers, with more than 8,000 sites deployed through an ecosystem of more than 100 Partners globally. The company has a large portfolio of SD-WAN-focused patents.

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