



SD-WAN to simplify business IT, unlock new opportunities

2017-01-26

With much being done in 2016 to raise awareness and demystify Software-Defined Wide Area Networking (SD-WAN), larger enterprises in South Africa are starting to come to grips with the full range of benefits, and new business opportunities that are opening up by turning to this relatively new technology. The IDC estimates that worldwide [SD-WAN revenues will exceed \\$6-billion](#) in 2020 with a compound annual growth rate of more than 90% between 2015 and 2020. Locally, the technology is gaining traction particularly in the retail sector. Despite several challenges, including companies being locked into long-term [MPLS](#) contracts, few understand that the benefits extend beyond a cost conversation, and many confuse the solution with Software-Defined Networking (SDN). Early adopters are seeing value, with SD-WAN providing increased bandwidth at a lower cost, while also enabling them to reduce overall operational expenditure. In retail, this increased bandwidth availability enables new business strategies, including the delivery of High Definition video and rich multimedia to stores, and provision of guest Wi-Fi for customers, while at the same time allowing for transactional data to traverse over a PCI 3.0 compliant network. In a digital era, businesses need to ask themselves whether MPLS is helping or hindering their future growth. Companies that continue to resist change may not only end up spending more than necessary on legacy networks, but also face being leapfrogged by competitors using SD-WAN to enable new digital strategies and provide better customer experiences. **Simplifying business ICT** According to the IDC, benefits of SD-WAN include cost-effective delivery of business applications, meeting the evolving operational requirements of modern branch sites, optimising software-as-a-service (SaaS) and cloud-based services such as UC&C, and improving branch-IT efficiency through automation. As the technology matures, it is starting to compete with more of the ICT stack in businesses. Vendors now integrate advanced software-based protection against cyber threats, bringing them into competition with next-generation firewall providers - and this is only the beginning. There is a big shift toward simplifying enterprise networks by doing away with the multitude of devices currently needed at a branch level, such as

routers and firewalls. The goal is to have a centralised orchestration panel that provides complete control, and a simple device on the edge - SD-WAN brings us a step closer to achieving that. Businesses currently rely on an incumbent MPLS provider who can take days (even weeks) to process requested changes. Enterprises turning to SD-WAN, however, stand to benefit greatly from being able to quickly change policies and provide new services without having to get a provider involved. The technology gives enterprises full control, flexibility, and insight into their network. **SD-WAN in Africa and beyond** We're starting to see a growing interest in SD-WAN from companies operating across Africa, where several large incumbents have monopolised the telecoms space, and have kept the per-megabit price of MPLS services extremely high in their respective markets. By switching to SD-WAN, businesses can plug into any connectivity available - fibre, ADSL, LTE or satellite - and have an MPLS replacement at a fraction of the cost. Further abroad, large carriers are actively exploring how they can use SD-WAN to complement existing MPLS strategies and provide customers with a complete networking offering. For example, in the US, Sprint and AT&T have partnered with VeloCloud, while globally, Tata Communications has turned to Versa for SD-WAN provision, giving the technology added credibility. The technology is proving itself locally and internationally, and as long-term MPLS contracts come to an end, SD-WAN becomes a reality for more businesses. It is here to stay, and is becoming a major disruptor to MPLS VPNs. *Post written by Greg de Chasteauneuf Chief Technology Officer (CTO) Saicom Voice Services*