451 Research®

EXECUTIVE OVERVIEW

GAME CHANGER

Mobility Is Driving Enterprise Cloud, Networking-as-a-Service Strategies

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Jim Duffy, Senior Analyst, Networking

Recent M&A activity in the enterprise networking infrastructure market indicates that mobility is driving vendor strategies and end-user implementation plans. Mobility and wireless have become the on-ramps to networking as a service and other cloud-based deployment models in enterprise networking. This report sizes up vendor 'mobile-first' strategies, looks at how they align with enterprise cloud directions, and determines which ones lead and which ones follow.

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NEW YORK
20 West 37th Street
3rd Floor
New York, NY 10018
P 212-505-3030
F 212-505-2630

SAN FRANCISCO
140 Geary Street
9th Floor
San Francisco, CA 94108
P 415-989-1555
F 415-989-1558

LONDON
37-41 Gower Street
London, UK WC1E 6HH
P +44 (0)20 7299 7765
F +44 (0)20 7299 7799

BOSTON
75-101 Federal Street
5th Floor
Boston, MA 02110
P 617-261-0699
F 617-261-0688

ABOUT THE AUTHOR

JIM DUFFY

SENIOR ANALYST, NETWORKING

Jim Duffy is Senior Analyst for the Networking Channel at 451 Research. He covers enterprise network infrastructure and associated software, and network performance management. Jim has been covering technology for over 30 years, including 25 at Network World. His coverage focused predominantly on enterprise networking infrastructure, including routers, switches and associated software.

Key Findings

Wireless and mobility are driving the enterprise network infrastructure market, especially as customers transition networking to the cloud as networking as a service (NaaS).

Softening the edge of the network – wireless LANs (WLANs) and access point aggregation switches – through software-defined networking, virtualization and cloud management is instilling the same dynamic and on-demand characteristics at that level as cloud at the back end.

Vendors now lead with their WLAN and bring-your-own-device (BYOD) management portfolios when bidding for enterprise network infrastructure projects.

Indeed, the wireless assets from the acquired go much broader than WLANs. In addition to security, they address analytics, the Internet of Things and network management, all key attributes in evolving enterprise infrastructures toward the cloud.

Executive Summary

INTRODUCTION

In the early and mid-2000s, the mobile enterprise was a convenient, 'nice to have' adjunct to a wired campus infrastructure. Employees worked at desktops physically wired to switch ports while guests were accorded basic internet access through Wi-Fi without physically cabling their laptops to the corporate network. For workers, Wi-Fi was found in a few pockets of the enterprise as a convenience.

That all changed as Wi-Fi became more robust and enterprise-grade and workers demanded more mobility. Enterprise mobility then took off in 2009 with the emergence of smartphones. Workers were now accessing their corporate data from smartphones and smartphone apps, creating challenges for back-end IT infrastructures and creating greater demand for enterprise mobility among workers.

Mobility is now a strategic must-have in an enterprise. It is the predominant way workers and visitors access the corporate network and the internet. And because of this – as enterprises move infrastructure to the cloud and offer IT and networking as a service (NaaS) – mobile devices are the on-ramp to that private/public/hybrid cloud infrastructure.

Cloud access via mobility is now a strategic imperative for enterprises and enterprise network infrastructure vendors. Vendors not only have to have a mobility portfolio – or at the very least access to one from partners – but have it front-and-center, driving the entire network architecture and product line strategy.

Hewlett Packard Enterprise's (HPE's) acquisition of Aruba Networks and Brocade's purchase of Ruckus Wireless are evidence of that as Aruba now assumes control of HPE's entire wired enterprise portfolio, as well as wireless. Ruckus is much more than wireless LANs (WLANs) to Brocade as the wireless company is looked upon to expand Brocade's cloud, analytics, security and Internet of Things (IoT) offerings as well.

Wireless and mobility are so important to Extreme Networks that it acquired two companies with WLAN product lines. And security pure-play Fortinet views wireless as so strategic to its security and cloud as-a-service initiatives, it acquired Meru in 2015.

In addition to satiating customer appetites for mobility, wireless assets are important for many enterprise initiatives, including IoT, analytics, security and cloud, especially NaaS. The stakes are huge as the number of wirelessly connected devices explodes, enterprise IoT initiatives bloom and cloud permeates the enterprise. The revenue and broader total addressable market opportunities prove too hard to pass up.

METHODOLOGY

This report ranks the leaders and followers in 'mobile-first' enterprise networking and synergies with NaaS strategies. It assesses their initiatives to date, quantifies their WLAN business now and five years down the road, and evaluates opportunities to meld wireless and mobility initiatives with broader cloud strategies. The players were selected based on their current or emerging presence in enterprise networking infrastructure and their ability to meet or address demands for mobile enterprise networking as on-ramps to the cloud. 451 Research conducted interviews with these vendors – among them, Cisco, HPE, Brocade, Extreme Networks, Juniper Networks, Fortinet, Alcatel-Lucent Enterprise (ALE) and Aerohive Networks. Our analysis attempts to quantify the current and projected WLAN revenue and revenue growth rate of the listed vendors but a few of them declined to disclose numbers, citing confidentiality or a policy not to separate WLAN figures from overall enterprise networking revenue.

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Table of Contents