Discover how to overcome network complexity and enable digital transformation.

Managed IT Services Emerges as the Top Option for Modernizing Networks

At most small and mid-sized companies (50-499 employees) the network is meeting the current needs of the business. But for businesses looking to up their game with cloud, mobile and other digital transformation initiatives, IT leaders need to lay a solid foundation for innovation with new networking technologies.

Nearly 90% of organizations have adopted or plan to adopt a "digital-first" strategy, and 32% have experienced revenue growth since initiating digital business initiatives months, according to IDG's 2018 Digital Business Study. With so many groundbreaking, distributed, and data-intensive technologies on the horizon—from augmented reality to artificial intelligence to the Internet of Things (IoT)—the network needs to take a quantum leap in terms of connectivity, flexibility, reliability, and security.

But in spite of plans for digital-first initiatives, unfortunately, at many businesses, networks are getting by on older technology. And networking teams are spending too much time and money maintaining existing solutions rather than investing in emerging technologies that have the potential to save money, boost productivity, and enhance security.

An IDG-Verizon Quick Pulse survey found that many companies, particularly those with limited IT staff, are not familiar with some of the newer technologies that they could be taking advantage of—and some expressed concern that adding new systems will exacerbate existing complexity issues.

Newer Technologies Deliver Results

For example, IT leaders rate their network as very good for specific features like connectivity (58%), security (56%), and productivity (48%). But the scores dip when it comes to network flexibility (40%), cost/efficiency (38%), and resource availability (34%). And pressures on the network are continuing to mount as cloud and mobility take on increased importance to the business.
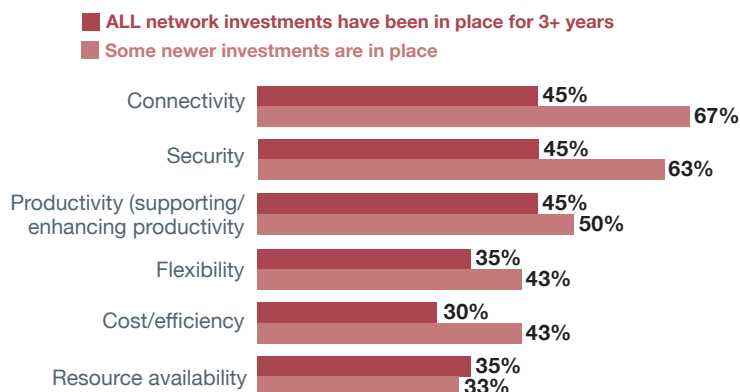
Another notable data point from the survey is that a full 40% of respondents said all of their current investments in WAN infrastructure have been in place for three years or more, indicating that they have yet to adopt newer technologies like Software-Defined WAN (SD-WAN) or WAN optimization.

Companies that have not kept up with new technology are allocating nearly three-quarters of their network solutions investments to simply keeping the lights on. That's a disheartening statistic, but the average of all respondents in our survey wasn't much better, with 58% of current network solutions investments allocated to maintaining and updating existing technologies, and 42% going to investments in new and emerging technologies.

Companies that have been more aggressive in shifting resources to new technologies show a clear payoff: They rate their network capabilities significantly higher than counterparts with older technology. For example, 67% of companies with newer technology graded their connectivity as very good, compared to 45% of those with older gear; the disparity was equally as dramatic when it came to security (63% to 45%) and cost/efficiency (43% to 30%).
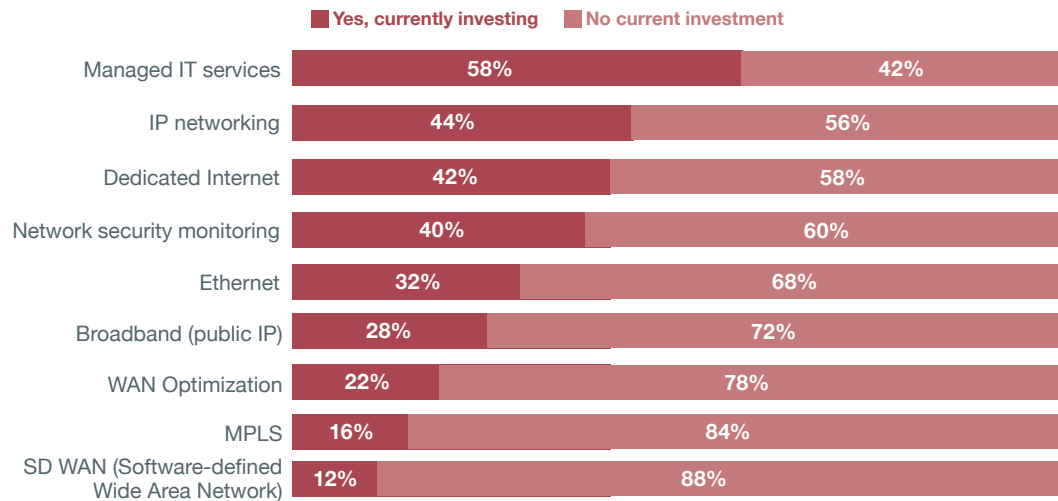
So, what's holding companies back from modernizing their networks? "There's still a lot of education that needs to be done around

Capabilities of Current Network - Summary of % Rating "Very Good"

■ ALL network investments have been in place for 3+ years
■ Some newer investments are in place

Capability		
Connectivity	45%	67%
Security	45%	63%
Productivity (supporting/enhancing productivity)	45%	50%
Flexibility	35%	43%
Cost/efficiency	30%	43%
Resource availability	35%	33%

Source: IDG, January 2019

Current Technology Investments to Support Business Objectives

■ **Yes, currently investing** ■ **No current investment**

Technology	Yes, currently investing	No current investment
Managed IT services	58%	42%
IP networking	44%	56%
Dedicated Internet	42%	58%
Network security monitoring	40%	60%
Ethernet	32%	68%
Broadband (public IP)	28%	72%
WAN Optimization	22%	78%
MPLS	16%	84%
SD WAN (Software-defined Wide Area Network)	12%	88%

Source: IDG, January 2019

SD-WAN and how to implement it," says Catherine Sugarbroad, executive director of product management at Verizon.

The survey results back up that assessment. While 70% of respondents are familiar with SD-WAN, just 12% of companies are currently investing in the technology. The results are similar for other technologies that could improve business results, such as secure, reliable MPLS links for real-time or mission-critical data.

Solving the Complexity Conundrum

One reason companies have yet to add these technologies to the mix may be their perceived impact on network complexity.

More than two-thirds of respondents at all companies rate existing network complexity as high or very high. And it gets worse as the size of the company increases, with 82% of companies in the 250-499 employee category listing complexity as high or very high.

Companies that have newer investments in place report that the perceived level of complexity in their network environment is even higher. In the group with more legacy gear, 20% said complexity was very high, compared to 37% in the group with newer investments.

For the majority of companies in the survey, managed IT services represent the best way to address these and other concerns that are inhibiting a network refresh. Nearly 60% of

companies said they were investing in managed IT services, by far the most popular investment in the survey.

Managed IT services are particularly attractive for small and mid-sized businesses that lack an extensive IT staff, according to Sugarbroad. Working with a service provider enables smaller companies to take advantage of a reliable, integrated solution that can be tailored to the specific needs of their business. And a managed service gives even the smallest company access to the same advanced technology as a large enterprise.

For example, a managed service can include network security monitoring as well as SD-WAN as a service (SDWaaS). SD-WAN can be especially strategic for companies because it's an overlay technology that manages all WAN traffic—broadband, MPLS, or managed internet— delivering security, ease of use, and cost control.

By moving to a managed service, small and mid-sized businesses can address issues of complexity, cost, reliability, security, and flexibility, while building out a WAN capable of providing the foundation for digital transformation.

For more information on how a managed service can reduce network complexity and modernize your network, visit **verizon.com/business/ solutions/strategic-networking/.**