REPORT REPRINT

Versa broadens SD-WAN opportunity to entire branch-office network

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The startup has added WLAN, malware protection and denser Ethernet switching to virtualization software.

SD-WAN startup Versa Networks has broadened its focus from solely software-defining the WAN to the entire branch-office network – wired and wireless LANs, firewalls, intrusion detection and prevention systems, malware protection and other networking appliances and services.

Versa's Cloud IP Platform will now support the software-defined branch (SD-Branch), enabling large enterprises and service providers to virtualize and orchestrate the whole branch network to increase IT agility, reduce sprawl and complexity, extend security and perhaps lower cost.

THE 451 TAKE

Versa's SD-Branch strategy is consistent with a trend we see emerging in the industry: consolidation of the entire branch network into a uniform and singularly orchestrated, cloud-enabled whole. It's an attempt by pure-play SD-WAN and WLAN vendors to offer a more holistic policy-based networking product portfolio and management capability, and demonstrates that the automation and orchestration benefits of SD-WAN are applicable to the broader branch network.

CONTEXT

SD-WAN is among the hotter applications of software-defined networking. WANs connecting branch offices to regional and headquarter sites have been around for decades, and are static, rigid and architecturally inflexible. They are ill-suited to the nimble, dynamic and on-demand characteristics of cloud computing, expensive to provision with traditional MPLS-only circuits, and difficult to manage.

In our technology and business insight report, we estimate that the SD-WAN equipment market is growing by more than 19% annually. Growth is fueled by several drivers: ease of management, greater network flexibility and agility, automation and lower cost of operation using broadband and LTE VPNs, along with (and sometimes in place of) existing MPLS circuits.

The management, flexibility and automation attributes of SD-WAN can also be mapped to the broader branch-office network infrastructure, especially in the age of the cloud. Unified wired/wireless connectivity, automation and orchestration are critical as IT undergoes a digital transformation, and networks and applications become more hybrid in nature – on-premises, off-premises, private clouds, public clouds. This new hybrid, dynamic branch infrastructure requires consistent management and operation through uniform policies and orchestration.

Versa was founded in 2012 by Kumar and Apurva Mehta, brothers and ex-Juniper engineers who helped build one of that vendor's most successful products, the MX Edge Router. The Mehta brothers argue that the traditional WAN and managed services sectors have not seen significant technology or operational changes in 20 years. Versa has raised more than $43m in funding from Sequoia Capital, Mayfield Fund and Verizon Ventures, and is addressing a total available market that exceeds $40bn. Versa employs 100, and 451 Research estimates 2016 revenue of $10m.

PRODUCTS

Versa's Cloud IP Platform software runs on an x86 appliances, virtual machines and containers, and in public (Amazon, Azure) and private clouds. Instead of running several separate virtual instances of branch-networking gear – routers, switches, firewalls, secure web gateways, etc. – Versa has designed the Cloud IP Platform to integrate them all as services in a single software platform.

At the same time, the Cloud IP Platform can host third-party virtual network functions (VNFs) for extending its base functionality and maintaining existing branch capabilities. Currently, the platform supports VNFs from Fortinet (security), Avaya (unified communications) and Riverbed (WAN optimization) that can be service chained into the WAN. Cloud IP Platform includes integrated Wi-Fi and Ethernet switching software support.

Versa's white-box partner appliances now feature up to 16GigE ports; for Wi-Fi, it can function as a local IEEE 802.11 a/b/g/n access point, and can host an optional third-party WLAN controller. The Cloud IP Platform software also includes embedded LTE for backup connectivity over 4G cellular services, and features multi-vector malware security to protect against both known and zero-day threats.

The appliance performs an on-premises scan initially, and then a cloud lookup if the reference isn't already captured on the local Versa platform. Enterprises have a choice of deploying the FlexVNF/Cloud IP package themselves, or procuring as a service from managed service providers.

Managed service providers can use the Cloud IP Platform to offer managed services that combine MPLS, broadband internet and mobile (3G/4G) network services with options for SD-WAN, SD-Branch, software-defined security or software-defined router. The average price of a subscription for a 500-site network is about $1,100 per site per year.

COMPETITION

In pure-play SD-WAN, Versa competes with Viptela (which is being acquired by Cisco), Aryaka, VeloCloud, CloudGenix, Citrix, Talari, Riverbed, Silver Peak and FatPipe. Riverbed last month acquired WLAN company Xirrus in an effort to offer its SD-WAN and WAN optimization products as part of a more complete, fully managed branch-office network.

IT giants like Hewlett Packard Enterprise and VMware are also targeting the branch-office-network disruption market. HPE's Aruba Networks wireless LAN division announced plans in February to attack the Cisco branch-office router franchise with a routerless branch-network offering that includes SD-WAN (and security) as a feature.

Through SD-WAN partnerships (Versa was an early one), VMware is increasingly pursuing remote-office and branch-office opportunities for its NSX network virtualization platform as a micro-segmentation and policy orchestrator for the branch.

SWOT ANALYSIS

STRENGTHS

Versa has solid funding, a strong pedigree and leadership in service provider routing, and good customer traction that includes wins with Tier 1 service providers. Its FlexVNF platform is tailor-made for cloud deployments and managed services.

WEAKNESSES

Versa is still a small startup in a market being addressed by larger, more established IT mainstays. These incumbents, with broader and deeper product lines and service and support infrastructures, offer a familiar, comfortable and compelling alternative for enterprises.

OPPORTUNITIES

The branch-office network is a multibillion-dollar opportunity for updating with a software-defined schema that allows administrators to more easily and rapidly configure, operate and orchestrate the various infrastructure elements.

THREATS

Many other startups and incumbents have recognized this same need in the branch office, and are also addressing it with acquisitions (Cisco/Viptela, Riverbed/Xirrus), partners, existing customer relationships and broad product portfolios.