



## IDC Innovators

### IDC Innovators: SD-WAN, 2017

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#### THIS IDC INNOVATORS EXCERPT FEATURES: CLOUDGENIX

#### IN THIS EXCERPT

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### Why CloudGenix Was Chosen as an IDC Innovator

CloudGenix has sought to address customer challenges such as implementing a hybrid WAN, improving cloud-based application performance, creating a dynamic security perimeter, and rolling out an SDN for operational efficiencies and cost savings. To that end, it has developed an SD-WAN offering that eliminates the need for complex routers and routing protocols, instead featuring an application-defined fabric that allows policies to control and govern application delivery across a hybrid WAN.

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| <p><b>FOUNDED</b></p>  <p><b>2013</b></p> | <p><b>FOUNDERS</b></p> <p>Kumar Ramachandran,<br/>Mani Ramasamy,<br/>Venkatraman Anand,<br/>Navneet Yadav</p>  | <p><b>HEADQUARTERED</b></p> <p>San Jose, CA</p>    | <p><b>NUMBER OF EMPLOYEES</b></p> <p> + 100</p> | <p><b>NUMBER OF CUSTOMERS</b></p> <p><br/><b>175</b></p>                       |
| <p><b>PRODUCT NAME</b></p> <p>CloudGenix Instant-On Network (ION)</p>  | <p><b>PROFILED PRODUCT/SERVICE</b></p>  <p>SD-WAN</p>  | <p><b>FUNDING</b></p> <p>\$50 million; notable investors include Bain Capital Ventures, Charles River Ventures, and Mayfield Fund</p>  |   | <p><b>GEOGRAPHIC MIX</b><br/>(% of revenue by major region)</p>  <b>NA 75%</b> |

### IDC Innovator Assessment

- CloudGenix has predicated its Instant-On Network (ION) SD-WAN solution on facilitating, managing, and delivering application sessions across a hybrid WAN rather than on managing routers and routing protocols.
- The CloudGenix ION architecture comprises – from the top down – an application layer, the ION Fabric, and the physical network. The application layer is where the administrator defines application-specific policies on the CloudGenix controller, assigning business priority, security rules, and permissible paths. The ION Fabric functions as an overlay and provides secure connectivity between

datacenters, clouds, and ION endpoints at remote sites. The fabric abstracts the physical network, providing both carrier independence and protocol isolation.

- As an integrated solution, ION has been able to provide customers with benefits such as improved price performance, increased WAN throughput, faster provisioning of branches and applications, simpler WAN management, and greater operational efficiencies.

### Key Differentiator

CloudGenix posits three key differentiators: its focus on providing an application-defined fabric that allows customers to set and establish policies (which it calls App SLAs) that govern performance, security, and compliance for application delivery; its ability to deliver pervasive visibility (through machine learning) into application and network performance for all cloud, SaaS, and datacenter-hosted applications; and its ability to provide, through its ION devices at the branch, intelligent traffic engineering for cloud and SaaS applications without the need for additional devices to be deployed in the cloud or in point-of-presence locations.

### Challenges

Like other venture-funded SD-WAN start-ups, CloudGenix faces intense competition from large, established vendors with significant installed bases of enterprise customers and extensive networks of channel partners. As such, CloudGenix must continually articulate its competitive differentiation and value proposition. To its credit, CloudGenix is well aware of these challenges, aggressively positioning itself against incumbents such as Cisco.

## IDC INNOVATORS IN SD-WAN

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Cloud computing is driving significant changes to how WANs are architected, built, and managed to support increasingly critical cloud-based application workloads. Client/server era WAN technologies do not support today's branch-to-cloud application traffic and thus are inadequate for many distributed organizations' mission-critical applications. Moreover, traditional WANs are complex to manage and do not support DX-level business agility as legacy WANs often are characterized by backhaul inefficiencies that compromise application performance, business agility, and employee productivity. Thus enterprises are embracing software-defined WAN (SD-WAN) technologies that allow for greater access method flexibility, faster provisioning, better management visibility, and improved cost efficiencies. SD-WAN has emerged as the solution for enterprises increasingly dependent on the cloud and on requiring "anytime, anywhere" application access. IDC research indicates that the need for SD-WAN is acute for a growing number of enterprises, especially as they migrate to public cloud services. Enterprises and communication service providers (CSPs) are considering and evaluating the technology, with the latter building ecosystems to ensure they protect their MPLS business while providing secure, optimized cloud access options to their enterprise customers.

IDC Innovators are emerging vendors with revenue <\$100 million that have demonstrated either a groundbreaking business model or an innovative new technology or both.

## TECHNOLOGY DEFINITION

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SD-WAN leverages hybrid WAN and a centralized, application-based policy controller; analytics for application and network visibility; a secure software overlay that abstracts the underlying networks; and an optional SD-WAN forwarder (routing capability) to provide intelligent path selection across

WAN links, based on the application policies defined on the controller. This means that specification and prioritization of network connectivity (MPLS, broadband internet, 4G/LTE, etc.) can be assigned on a per-application basis.

## IDC INNOVATORS INCLUSION CRITERIA

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An "IDC Innovators" document recognizes emerging vendors chosen by an IDC analyst because they offer an innovative new technology or a groundbreaking business model, or both, and were approved by the IDC Innovators Review Panel. It is not an exhaustive evaluation of all companies in a segment or a comparative ranking of the companies.

An IDC Innovators document highlights vendors that meet the following criteria:

- In IDC's opinion, the company exhibits innovative technology or a new business model.
- The company has annual revenue <\$100 million at the time of selection.
- Customers are currently using the company's products and services (i.e., the products and services are not conceptual or in the process of being released).
- The product, service, or business model must solve or help alleviate an IT buyer challenge.

In addition, vendors in the process of being acquired by a larger company may be included provided the acquisition is not finalized at the time of publication of the document. Vendors funded by venture capital firms may also be included even if the venture capital firm has a financial stake in the vendor's company.

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### Related Research

- *Riverbed Acquires Xirrus in Push to Build Converged Cloud-Managed Branch* (IDC #lcUS42516317, May 2017)
- *SD-WAN and vCPE: Transforming CSPs' Managed Services Business* (IDC #US42377417, March 2017)
- *IDC Innovators: Cloud-Managed Network Monitoring, 2016* (IDC #US41902216, November 2016)
- *SD-WAN: Guidance on WAN Transformation* (IDC #US41484016, June 2016)
- *Cloud and Drive for WAN Efficiencies Power Move to SD-WAN* (IDC #US41101416, March 2016)

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