

# Silver Peak unifies SD-WAN, WAN Opt, and security in one platform

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## Ovum view

### Summary

Silver Peak Systems competes in the software-defined wide-area network (SD-WAN) market with a customer premises equipment (CPE) platform that unifies SD-WAN, routing, WAN optimization, and secure zone-based segmentation. For more advanced security functions such as IDS/IPS, unified threat management, and email scanning, it has announced partnerships with vendors, ranging from on-premises next-generation firewall (NGFW) developers such as Fortinet, Check Point, and Palo Alto, to cloud-based security service providers including Zscaler, Symantec, McAfee, Forcepoint, and Opaq Networks.

### Silver Peak pivots from WAN optimization to SD-WAN

Silver Peak was founded in 2004 by its CEO David Hughes, who was previously a VP and general manager at switch vendor BlueLeaf Networks. Before that he held several management roles at Cisco, including director of system architecture for the Stratacom BPX and MGX platforms, and senior director of product management for the Multi-Service Switching Business Unit. Hughes also spent a year as Entrepreneur in Residence at Benchmark Capital.

The vendor recently announced a \$90m Series F round provided by TCV in June 2018 that was specifically designed to boost the global expansion of the vendor's SD-WAN business. In announcing that round, which also saw TCV general partner Tim McAdam join the board of Silver Peak. The company said its total customer base (spanning its original flagship WAN optimization technology and its SD-WAN product) comprises more than 3,000 enterprises in 80+ countries.

In August 2018 Silver Peak announced that its Unity EdgeConnect SD-WAN platform alone had been deployed by more than 1,000 customers worldwide. The company says it primarily targets large enterprises with 100 or more branch offices, which partly explains why most of its SD-WAN customers are what might be termed do-it-yourself companies because they implement and operate their own SD-WAN rather than leveraging a managed SD-WAN service from a service provider.

However, Silver Peak is now growing its ecosystem of service provider partners, primarily because it believes the managed SD-WAN services market segment will start to outgrow the DIY segment. The company has more than a dozen service providers, including China Telecom, Masergy, TPx, NTT, and KDDI Europe, offering managed SD-WAN services based on its platform.

Clearly, there are differences between these two segments. The DIY option is almost always taken by larger companies that welcome the ability to swap providers in and out as they see fit. The managed service option, on the other hand, may be taken by small or larger enterprises, where the priority is not to having to manage the SD-WAN themselves.

## It was the first WAN Opt vendor in SD-WAN

Deploying an SD-WAN enables a company to diversify connectivity to its branch offices, mixing high-performance but expensive multiprotocol label switching (MPLS) links with more economical and often higher speed broadband connections that enable direct-to-net access to, for instance, software-as-a-service (SaaS) applications (rather than having to backhaul traffic via the corporate data center) and even, in some scenarios, LTE cellular links. Applications can be routed over different links in accordance with their requirements and characteristics. The promise of SD-WAN is therefore reduced reliance on MPLS as well as lower cost (at least in some geographies).

Of course, in reducing enterprises' reliance on MPLS in favor of broadband, SD-WAN changes the consumption model for WAN optimization. As corporate WAN usage declines with SD-WAN, mission-critical applications are being moved to direct-to-net connections, and WAN optimization can be applied on a per-application or per-site basis to accelerate latency-sensitive applications over distance.

Silver Peak can be credited with having been the first WAN optimization vendor to perceive the opportunity and the need to capitalize on the emerging SD-WAN market. The vendor began working on an SD-WAN offering in 2013 and launched Unity EdgeConnect two years later. It says SD-WAN now represents the lion's share of its revenues and it believes it is in the top three vendors in the segment, both in terms of revenue and customer base.

## Silver Peak partners for more advanced SD-WAN security

Ovum has tracked the evolution of the SD-WAN infrastructure market, with vendors from three separate segments converging on the space. There are those who came into existence to enable SD-WAN routing, some of them still independent and others having been acquired by much larger vendors (for example, Viptela by Cisco and VeloCloud by VMware).

A second group contains the WAN optimization vendors that have added SD-WAN capabilities. The third are security vendors, some of which, such as Fortinet and Barracuda, have opted to compete in this market by adding the necessary routing capabilities to their branch office boxes.

Other security vendors choose to coexist peacefully with the SD-WAN vendors, going into the branch as a second box, or delivering security services from the cloud. Companies in this category include Palo Alto and Zscaler. Silver Peak's approach to SD-WAN security makes it a natural partner to vendors that adopt this approach.

Silver Peak provides what might be termed "foundational security" out of the box with its EdgeConnect platform. With FirstPacket iQ, it can identify and classify applications on the first packet of the flow to determine if traffic is trustworthy enough to go direct to net, or if it needs to be automatically directed through a cloud security service or a next-generation firewall in the customer's data center for further inspection. In June 2018, Silver Peak further enhanced its own security capabilities with the addition of zone-based segmentation and security service chaining, enabling customers to segment users, applications, and WAN services centrally into secure zones and automate application traffic steering

across the LAN and WAN in compliance with predefined security policies, regulatory mandates, and business intent.

If, however, EdgeConnect detects something requiring further inspection, Silver Peak has partnerships with NGFW vendors Fortinet, Check Point, and Palo Alto that have devices to which it will automatically steer this traffic. It also partners with companies that provide security services from the cloud, including Zscaler, Forcepoint, McAfee, OPAQ, Palo Alto, and Symantec, all of which can receive traffic for further analysis if the customer does not want a second box in every branch office.

## Appendix

### Further reading

"Talari explains its approach to securing SD-WAN", INT003-000209 (August 2018)

"SD-WAN attracts vendors from outside networking", INT003-000200 (July 2018)

"Barracuda targets telco-agnostic MSPs with its SD-WAN offering", INT003-000201 (July 2018)

"Fortinet bundles security to compete in SD-WAN", INT003-000167 (May 2018)

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