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The Rise of the Flexible Network

Understanding the demand for Network-as-a-Service

START ⊕

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Introduction

Flexibility: No Longer Just a Competitive Advantage

Remember when enterprise flexibility was seen as a 'nice-to-have'? When flexi work options were a perk, and agile business models and operations helped drive competitive advantage?

It's safe to say that between pandemic-related lockdowns and re-openings, digital transformations and technological advancements, new hybrid workplaces, and ongoing economic and societal disruption, that era is officially over.
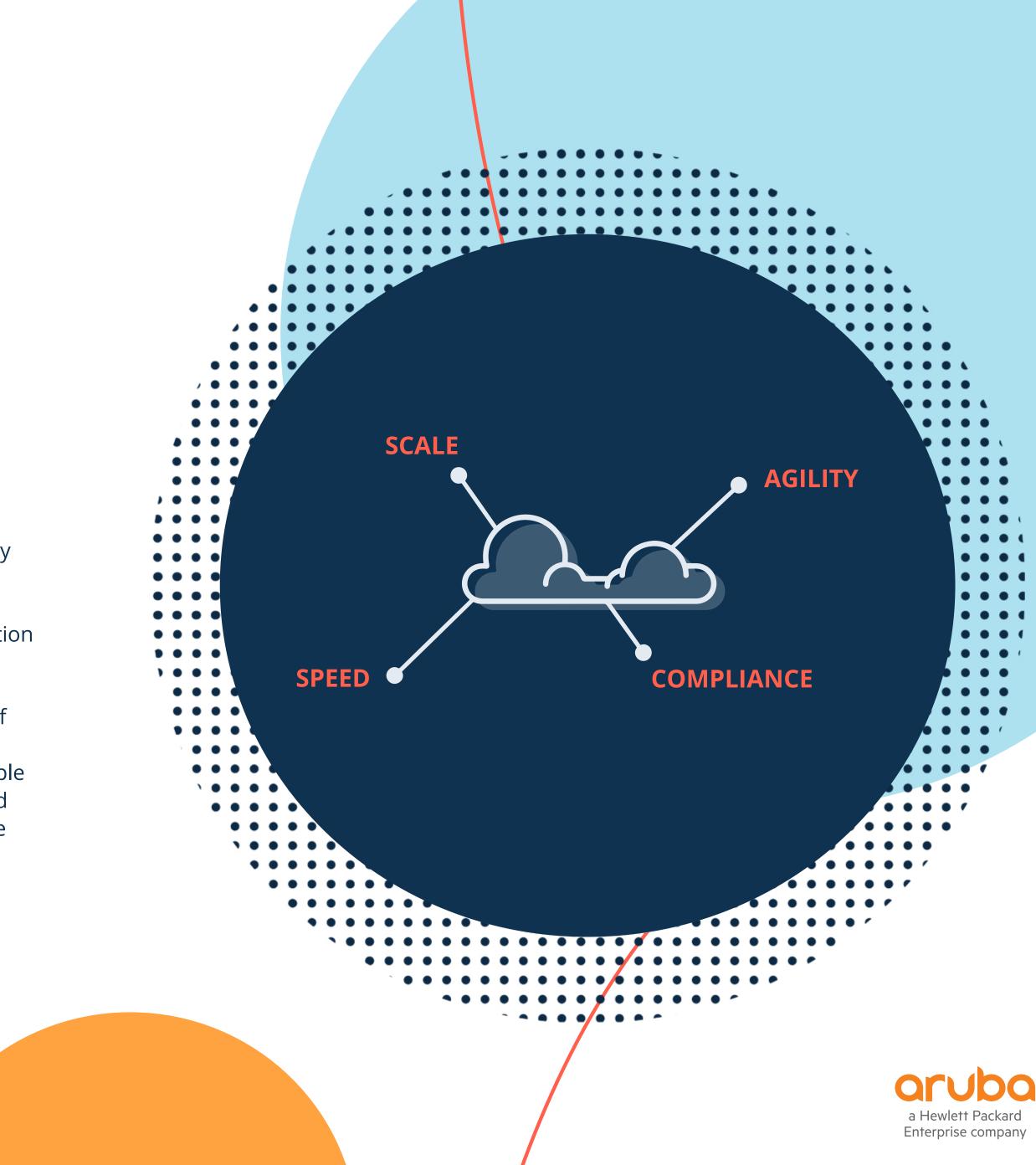
Today, flexibility is no longer about staying ahead. It's about staying alive.

And the modern business is only as flexible as its network infrastructure.

But as device numbers grow, endpoints diversify and connectivity demands increase, keeping up with rapid change can be overwhelming for IT departments. IT teams

must ensure that enterprise networks deliver reliability, security, scale, and compliance – while dealing with constantly moving goalposts. Beyond managing the network, teams are also under mounting pressure from leadership to drive innovation and business outcomes.

The following report, based on a survey of 5,400 IT leaders across EMEA, provides a snapshot of how companies across multiple sectors are navigating this challenge – and why Network-as-a-Service may well be the consumption model of choice.

SCALE
AGILITY
SPEED
COMPLIANCE

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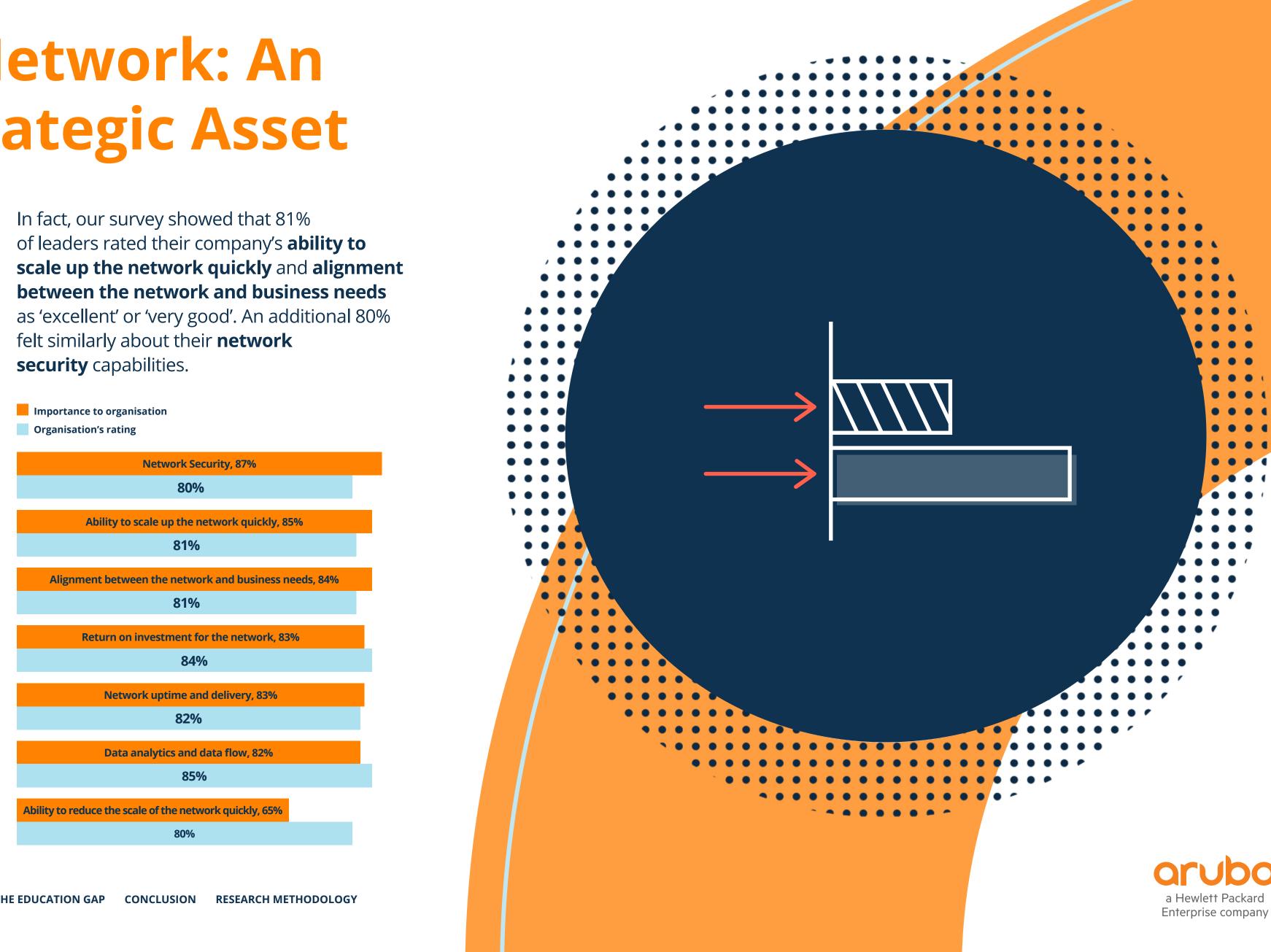# The Modern Network: An Invaluable Strategic Asset

The need for a network that can adapt in this rapidly changing and increasingly digital environment came across loud and clear in our research.

When asked to rate what was most important to their companies in terms of their network, the **ability to scale up quickly** and **alignment between network and business needs** were two of the top three priorities, only marginally beaten by **network security**.

Given the global nature of the situation, it's perhaps unsurprising that we saw relatively little variance by region on this question.

But we also found a fairly good alignment between current business priorities and strengths.

Although leaders believed their companies' top three network strengths were **data analytics and flow, return on investment for the network**, and **network uptime and delivery**, the priority areas were only marginally behind.

In fact, our survey showed that 81% of leaders rated their company's **ability to scale up the network quickly** and **alignment between the network and business needs** as 'excellent' or 'very good'. An additional 80% felt similarly about their **network security** capabilities.

■ Importance to organisation
■ Organisation's rating

| Network Security, 87% |
| 80% |

| Ability to scale up the network quickly, 85% |
| 81% |

| Alignment between the network and business needs, 84% |
| 81% |

| Return on investment for the network, 83% |
| 84% |

| Network uptime and delivery, 83% |
| 82% |

| Data analytics and data flow, 82% |
| 85% |

| Ability to reduce the scale of the network quickly, 65% |
| 80% |

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The Modern Network: An Invaluable Strategic Asset

Great as this alignment currently is, organizations must not allow themselves to be lulled into a false sense of security.

The destabilizing impact of the pandemic is likely to cast a long shadow, and there is a significant chance that the existing agreement between priorities and strengths will soon be tested.
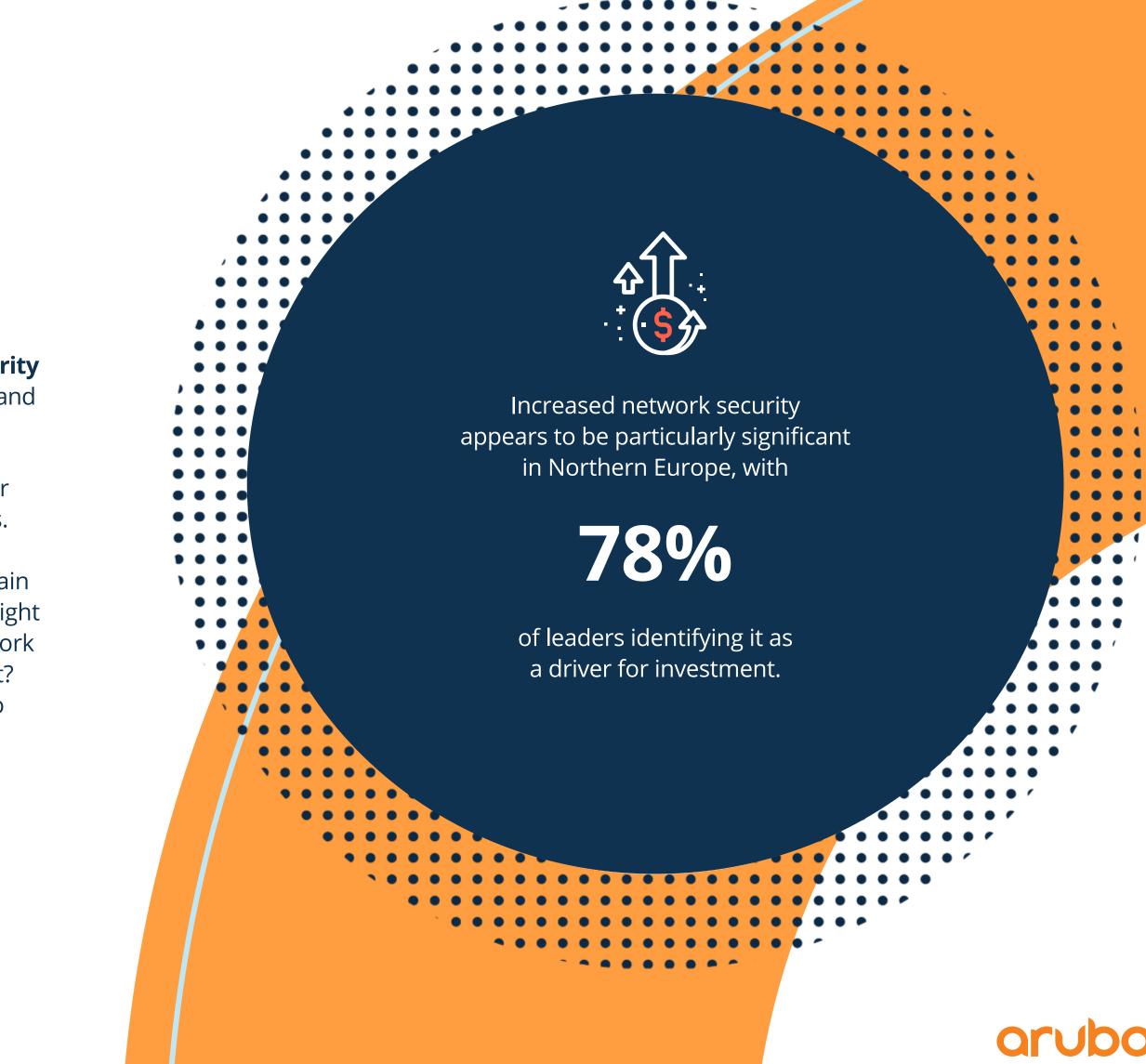
Just as rapid digital transformation was key to weathering the pandemic, sustained digital transformation will be the answer to managing this ongoing wave of change. But this requires both an IT team capable of driving transformation and a network that's ready to enable it.

Technology leaders across every sector and geographical region are reconsidering their current infrastructure and network set up in order to provide this.

Our research shows that **access to new technology** was named by **72%** of IT leaders as one of the top four drivers for network investment.

This was closely followed by **network security (70%)**, then **updating the network (60%)** and **meeting business growth goals (57%)**.

So businesses are already investing in their networks, and for largely the right reasons. But with so much at stake and the rules constantly changing, how can they be certain they're investing in the right areas, at the right times? How can they ensure that the network delivers its full promise as a strategic asset? And how can they free up their IT teams to focus on these weighty issues?

Increased network security appears to be particularly significant in Northern Europe, with

78%

of leaders identifying it as a driver for investment.

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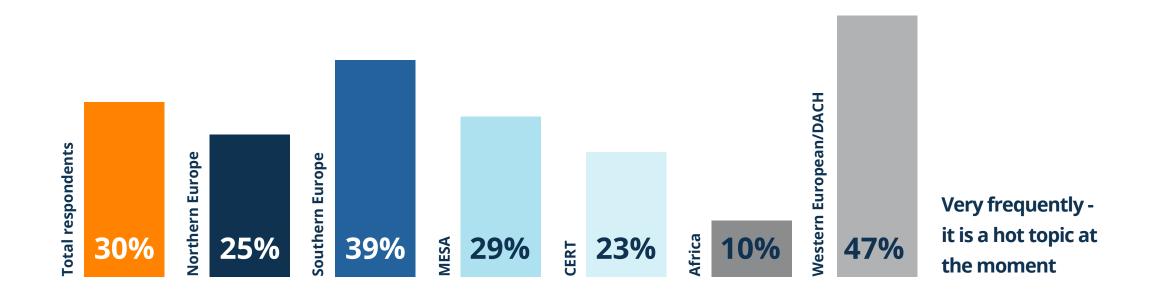# Network-as-a-Service: The Hot Topic That's Here to Stay

The concept of Network-as-a-Service (NaaS) is emerging as the potential answer to all these questions.

And it is becoming an increasing topic of conversation among technology leaders as a result. Our research revealed that **100% of technology leaders are familiar with the term**, and that it is **being discussed** in some capacity within **86%** of companies.

In fact, it is a hot topic in almost **1 in 3 companies (30%)**, where it is being **discussed by the business very frequently**.

This is particularly true in Western Europe, where this number rose to almost

1 in 2 (47%)

For the purposes of this research, we gave respondents the following definition:

NaaS refers to when over 50% of a company's network rollout, operations and life cycle management is delivered by a third party on a subscription basis for hardware, software and services.

NaaS discussions

Total respondents **30%**	Northern Europe **25%**	Southern Europe **39%**	MESA **29%**	CERT **23%**	Africa **10%**	Western European/DACH **47%**

Very frequently - it is a hot topic at the moment

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Network-as-a-Service: The Hot Topic That's Here to Stay

Given that technology leaders are beginning to see the many benefits of NaaS, the frequency of discussions can almost certainly be expected to rise, especially as the need for flexibility becomes more and more urgent.
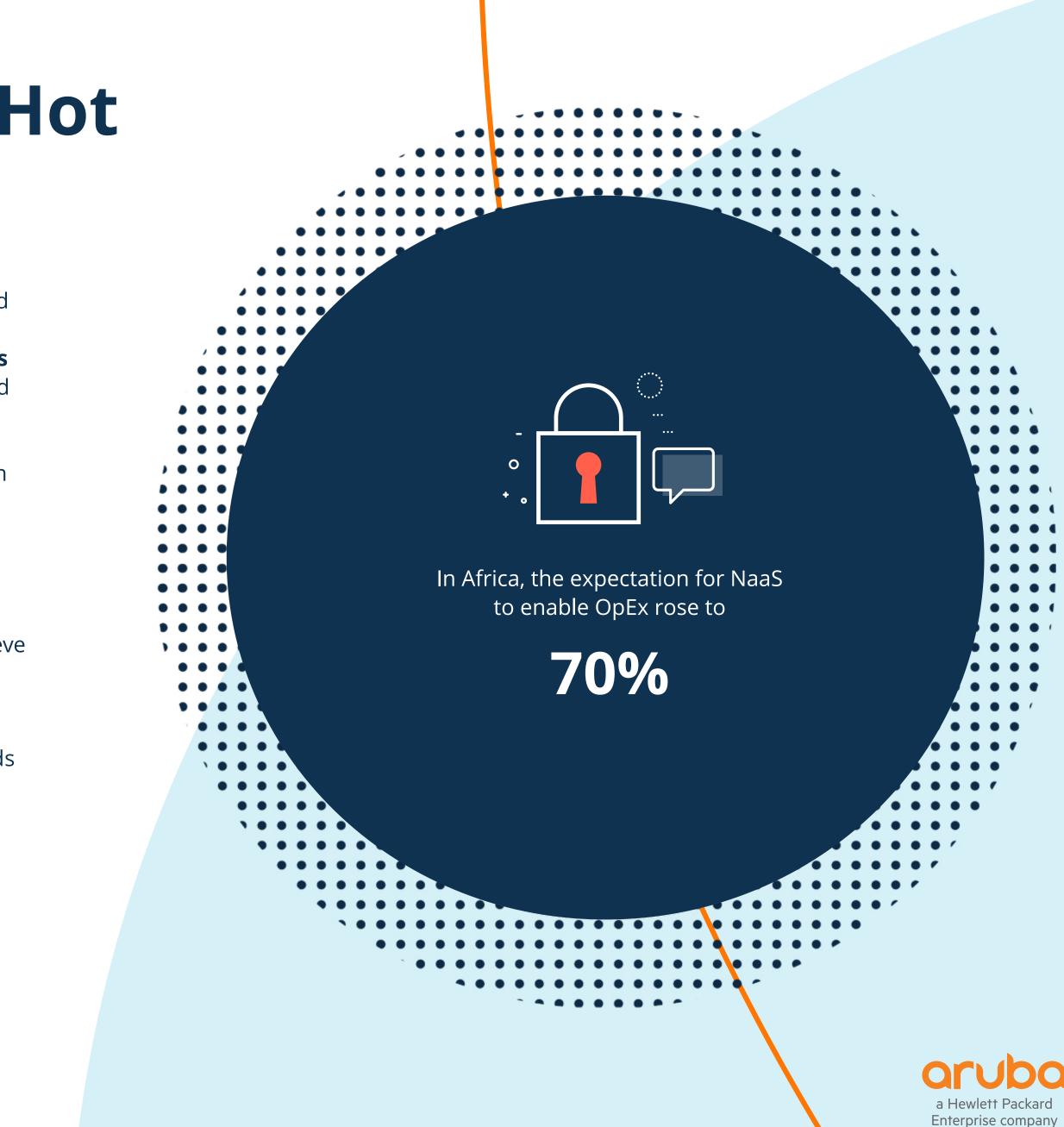
Three quarters (75%) of companies agree that having the **flexibility to scale their network based on business needs is key to their interest in NaaS**. Additionally, **64%** see NaaS as a **potential game changer in how they are able to manage activities**, and **57%** believe it will **free up time for innovation and strategic initiatives**.

Linked to this time saving, **an overwhelming majority (83%)** agreed that **access to a 24/7 operations centre** to help them manage their network is highly attractive. At the same time, it's interesting to note that **less than half (48%)** are looking at NaaS to help them **reduce IT staff levels**, further highlighting the value companies see in freeing up their staff and redeploying them to more strategic IT activities.

Companies also recognize what NaaS could mean for key business areas. Financial benefits, for one. **Just over three quarters (76%)** of companies expect that NaaS could help **reduce operations costs**, while **60%** think it could **enable a shift from CapEx to OpEx**, allowing for more flexibility within constrained budgets.

Network security, identified as the top business priority and one of the leading drivers of network investment, is also an expected benefit – **65%** of companies believe NaaS can help them to **enhance security**.

The appetite for NaaS is evident. So is the need. Unfortunately, the road towards implementation looks less clear.

In Africa, the expectation for NaaS to enable OpEx rose to

70%

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The Education Gap: The Biggest Barrier to NaaS

So what's stopping businesses from immediately implementing NaaS and reaping the benefits?

Well, one thing that isn't standing in the way is security. In fact, when asked what they consider the main barriers to NaaS implementation, only **33%** of technology leaders cited **security**.

Instead, on the surface at least, it appears that internal processes may be the issue. Among the top concerns identified by technology leaders were **budget rules and investment cycles (59%), finding the budget (55%)** and **compliance with internal procurement (51%)**.

However, a deeper dive into the data reveals a much more fundamental barrier: a lack of overall understanding of NaaS and belief in its viability.

While it's true that 100% of technology leaders are familiar with the term, only **2 in 5** respondents claim to **fully understand** what it means.

Even among the companies discussing NaaS on frequent basis, only 46% claim full understanding.

Leaders in Western Europe appear to have the highest level of understanding.

Here, **66%** of all respondents say that they fully understand NaaS.

Unfortunately, this education gap is sure to have implications on the perception of NaaS viability. Only **11%** of technology leaders currently see NaaS as an **established and viable solution**. The remainder either consider it to be a concept looking for a market (45%) or in its early beginnings (44%).

Budget rules and investment cycles were a particular issue for companies in the MESA region, with

80%

identifying this as a barrier.

Skepticism is strong among Central Europe, Russia and Turkey leaders, with only **5%** of leaders recognizing NaaS's viability.

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Conclusion

It's clear that those of us in the industry have our work cut out for us.

We know that NaaS can enable the critical flexibility needed by companies, solve a range of issues from security and scalability to cost efficiencies, and help deliver the next-generation workplace.

But we must focus on bridging the gap between awareness and knowledge, for the believers and non-believers alike, if NaaS is to live up its full potential.

As a start, Aruba has developed a new **video** which outlines our definition of NaaS and how the concept might be evolving.

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Research Methodology

Coleman Parkes surveyed 5,400 senior decision makers in EMEA, with responsibility for IT and cloud strategy for their organisation. The research was conducted via an online methodology and fieldwork was conducted between May and August, 2021. The sample comprised organisations of 500+ employees, ranging to 5,000+.

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