



AT&T Recognized for

2021

Market Leadership

North American Managed
SD-WAN Services Industry
Excellence in Best Practices

Best Practices Criteria for World-Class Performance

Frost & Sullivan applies a rigorous analytical process to evaluate multiple nominees for each award category before determining the final award recipient. The process involves a detailed evaluation of best practices criteria across two dimensions for each nominated company. AT&T excels in many of the criteria in the Managed SD-WAN Services space.

AWARD CRITERIA	
Growth Strategy Excellence	Technology Leverage
Implementation Excellence	Price/Performance Value
Brand Strength	Customer Purchase Experience
Product Quality	Customer Ownership Experience
Product Differentiation	Customer Service Experience

Growth Strategy Excellence

AT&T has emerged as the market leader in the North American Managed SD-WAN Services Market. The company has the largest deployment of SD-WAN sites in North America, and leads the market in terms of revenue share for the full year 2020. Based on the growth pipeline in terms of contracted sites (not yet

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deployed) and deals closed in the first three quarters of 2021, the company is well positioned to retain its growth momentum.

AT&T offers one of the most comprehensive portfolios of managed SD-WAN solutions. While the company has long partnered with VMware, and Cisco, it recently added Palo Alto Networks, Aruba Networks (Silver Peak) and Fortinet to the mix of vendors. AT&T offers customers the choice to deploy over-the-top (OTT) SD-

WAN (using vendor-specific appliances), network-based SD-WAN (using a FlexWare device), or a hybrid of the two.

As security and networking continue to converge and make way for secure SD-WAN or SASE services, AT&T is betting big by building a robust portfolio of SASE solutions. The company currently offers SASE solutions from Palo Alto Networks and Fortinet, with future plans to add VMware and Cisco to the mix.

Implementation Excellence

Based on the learnings from the initial phase of SD-WAN deployments, according to Frost & Sullivan's discussions with businesses and service providers, it has become clear that many businesses struggle with SD-WAN solutions at their branch sites. Commonly stated challenges include trouble with LAN discovery and lack of knowledge by the staff at branch site to even connect the appliance and carry through the basic steps. Therefore, most businesses deploying SD-WAN prefer working with a managed service provider that can deploy and manage the SD-WAN solution at all the sites and ensure consistent performance.

As a long-time leader in the business network services space, AT&T understands the level of complexity involved in designing global WANs. Keeping this in mind, AT&T created the Expert Engineer role to provide customers with high-touch solution support and deep network design verification covering WAN, LAN, and applications. The high-touch service helps in quick and seamless deployment of global sites. The Integrated Service Experience (ISE) team further eliminates the complexity by acting as a single point of contact for managed services support across overlay, underlay, and security solutions. Customers get immediate response for any kind of incidents and outages.

Technology Leverage

While the market is currently flooded with purpose-built SD-WAN appliances, the network function virtualization (NFV)-based universal customer premises equipment (uCPE) approach is gaining prominence. The cost of the uCPE and the complexity of service chaining were two challenges service providers faced with the approach in the past, which resulted in businesses choosing the easier approach of installing an SD-WAN appliance. That trend is changing fast. The uCPE price has declined by more than 50% in the last two years, and service providers have invested in network management tools and orchestration platforms to enable seamless service chaining. The ability to deploy multiple key network functions in virtual formats—routing, security, WAN optimization, session border controllers—is of immense value to businesses in terms of reducing appliance sprawl, network scalability, and manageability.

The investments AT&T has made in SDN and NFV positions the company strongly as businesses speed up their digital strategies. The AT&T FlexWare Device eliminates the need for a separate CPE and allows businesses to seamlessly integrate SD-WAN functionality (and other VNFs, such as routing, WAN optimization, security, SBCs) into their WAN architectures, thus driving additional revenue growth while creating customer stickiness. The company's SDN-based network on-demand offering gives customers the ability to procure dynamic bandwidth across AT&T Switched Ethernet, AT&T MPLS VPN, and AT&T Dedicated Internet services to increase flexibility in WAN provisioning.

Customer Purchase Experience

Multiprotocol label switching (MPLS) and Ethernet WAN services are deeply embedded in business WAN networks, and SD-WAN is challenging the status quo of these technologies. While some customers have chosen to create hybrid SD-WAN networks by adding broadband links to MPLS or Ethernet WANs, others have chosen to disconnect private networks and instead utilize a combination of broadband, dedicated Internet access (DIA), and wireless links. AT&T's focus on offering hybrid networking solutions, which allow customers to grow at a pace their WAN infrastructure calls for, has been a successful strategy. Customers have a broad range of network service choices (DIA, broadband, wireless, Ethernet, MPLS, and IP VPN) with SD-WAN, creating customer stickiness.

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Furthermore, businesses are evaluating security in a holistic manner as cloud deployments continue to grow, and the users accessing these cloud-based deployments are increasingly distributed due to the rise in remote working. While Secure Access Service Edge (SASE) is still in the early stages of evolution, it offers a framework with some components that are more relevant than ever now, Zero Trust Network Access (ZTNA) being key among them. AT&T's early focus on building and supporting managed SASE services offers a simplified and future-proofed

approach to security and SD-WAN services for businesses.

Brand Strength

AT&T is the leading communication service provider in the U.S. markets with a broad range of solution offerings and deep expertise in the network services space. The company has received recognition for its excellence by several industry publications. The most recent recognition includes winning J.D. Powers 2021 Business Wireline Satisfaction Study (five years in a row), and being named the World's Most Admired Telecommunications Company by Fortune Magazine for the fourth year in a row.

Conclusion

AT&T has excelled among all the criteria described above to capture the highest market share in 2020. In recognition of the company's efforts, Frost & Sullivan is proud to bestow the 2020 Market Leadership Award in the North American Managed SD-WAN services market to AT&T.

What You Need to Know about the Market Leadership Recognition

Frost & Sullivan's Market Leadership Award recognizes the company that achieved the greatest market share resulting from outstanding performance, products, and services.

Best Practices Award Analysis

For the Market Leadership Award, Frost & Sullivan analysts independently evaluated the criteria listed below.

Growth Strategy Excellence: Company demonstrates an ability to consistently identify, prioritize, and pursue emerging growth opportunities

Implementation Excellence: Company processes support efficient and consistent implementation of tactics designed to support the strategy

Brand Strength: Company is respected, recognized, and remembered

Product Quality: Products or services receive high marks for performance, functionality, and reliability at every stage of the life cycle

Product Differentiation: Products or services carve out a market niche based on price, quality, or uniqueness (or some combination of the three) that other companies cannot easily replicate

Technology Leverage: Company is committed to incorporating leading-edge technologies into product offerings to enhance product performance and value

Price/Performance Value: Products or services provide the best value for the price compared to similar market offerings

Customer Purchase Experience: Quality of the purchase experience assures customers that they are buying the optimal solution for addressing their unique needs and constraints

Customer Ownership Experience: Customers are proud to own the company's product or service, and have a positive experience throughout the life of the product or service

Customer Service Experience: Customer service is accessible, fast, stress-free, and of high quality

