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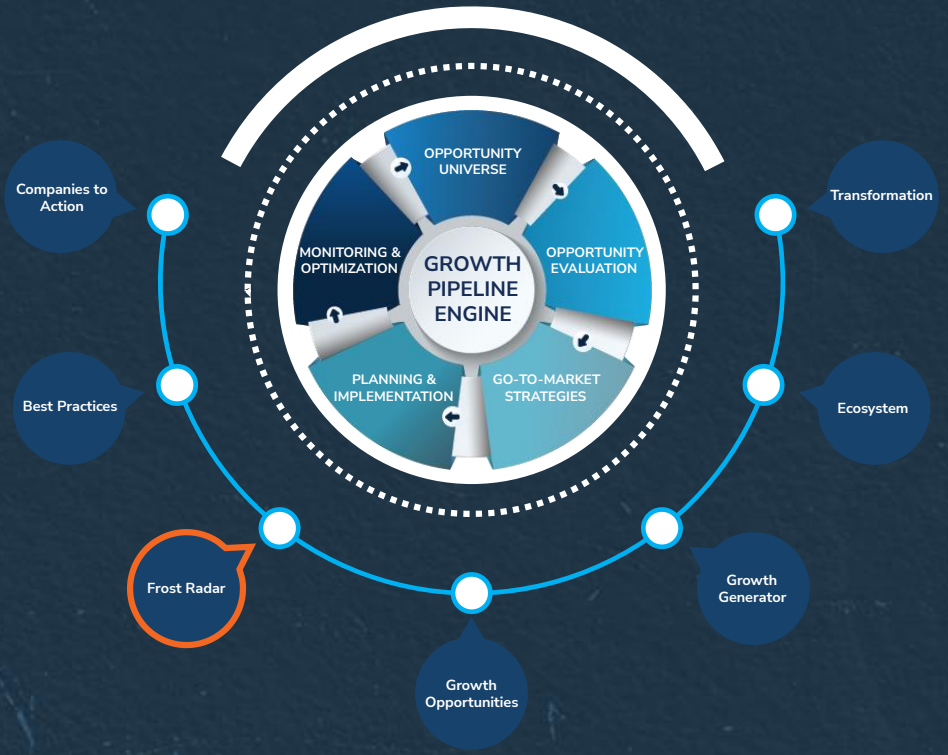
Frost Radar™: Managed SD-WAN in North America, 2025

A Benchmarking System to Spark Companies to Action - Innovation That Fuels New Deal Flow and Growth Pipelines



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Strategic Imperative and Growth Environment

Strategic Imperative

- The pace of innovation in software-defined wide area networking (SD-WAN) continues to accelerate, making it a cornerstone of digital transformation strategies. As enterprises modernize their infrastructure, SD-WAN is no longer just a networking upgrade, but a strategic enabler of secure, agile, and cloud-centric operations. Yet, as SD-WAN solutions grow more advanced, so do the challenges of deploying and managing them effectively. This complexity is fueling demand for managed SD-WAN services, which help organizations streamline implementation and maximize value.
- Frost & Sullivan's 2024 global voice of the customer network survey found that the top concern for North American enterprises is aligning network and security architectures across distributed branch sites. This concern is shaping the market, with providers integrating secure SD-WAN with security service edge (SSE) capabilities and consolidating vendor ecosystems to simplify operations. The survey also revealed that organizations are prioritizing convergence of LAN and WAN infrastructure, vendor stability with global support, and seamless cloud connectivity to platforms such as AWS, Azure, and Google Cloud.
- These preferences are directly reflected in how managed SD-WAN providers are evolving their offerings. Providers are embracing platform-centric service delivery, building unified platform approaches that integrate networking, security, observability, and lifecycle management. These platforms are designed to be role-based, API-first, and capable of orchestrating across multiple vendors.

Strategic Imperative (continued)

- Providers are embedding AI and machine learning into threat detection, network observability, and predictive maintenance, transforming portals into single-pane-of-glass experiences that offer deeper insights and faster issue resolution. This aligns with the survey's finding that in North America, 92% of organizations prefer managed or co-managed SD-WAN, citing benefits such as service-level agreements (SLAs), simplified vendor management, and faster service restoration. Service providers are adapting support models as well by providing fully managed, co-managed, and even notify-only options.
- Seamless, cloud-native and multicloud integration is now a baseline expectation, with ecosystems built to support hybrid environments and rapid provisioning. Their platforms underscore the importance of speed to service, transparent pricing, and contract agility.
- The convergence of networking and security is no longer optional, but foundational. SD-WAN is integrated with SSE frameworks, with vendors partnering with leading security providers, such as Palo Alto Networks, Zscaler, and Netskope, to deliver holistic, secure connectivity. Top providers are even embedding their own threat intelligence into the mix to make them more of a value-added service.

Growth Environment

- In a managed SD-WAN model, the service provider becomes the single point of accountability for delivering a complete solution, covering the SD-WAN appliance, software licensing, WAN connectivity, and ongoing support. This approach simplifies deployment and operations for enterprises, especially as SD-WAN architecture decouples control and management from data flows. This abstraction allows for flexible placement of controllers and management systems, whether on universal customer premises equipment (uCPE), at the providers edge, in the public cloud, or in a data center.
- Key responsibilities of managed SD-WAN providers include:
  - procuring, installing, configuring, and managing the SD-WAN edge device (physical or virtual) and associated software;
  - provisioning and managing underlay WAN links, such as direct internet access (DIA), Ethernet, broadband, or wireless—either on their own infrastructure or through telecom partners;
  - handling all moves, adds, and changes across the SD-WAN environment;
  - providing 24x7 monitoring, troubleshooting, and restoration services (day-two support);
  - delivering performance guarantees through SLAs that cover the full solution;
  - offering optional value-added services such as WAN aggregation, continuity configurations, third-party access management, enhanced security features, and WAN optimization;
  - empowering IT teams with self-service portals and APIs for granular visibility and control; and
  - billing through a subscription-based model, typically as a monthly recurring charge (MRC). Some providers bundle the edge device, bandwidth, and management into a single MRC, while others separate bandwidth charges.

Growth Environment (continued)

- There are three types of service providers in this space:
  - Network service providers (NSPs), such as AT&T Business, Comcast Business, Lumen, and Verizon Business, combine their own infrastructure with vendor solutions. This integration supports strong SLAs, better visibility, and positions them as digital infrastructure integrators.
  - Managed service providers (MSPs), such as TPx, Windstream, GTT, and Fusion Connect, offer managed services across network, security, unified communications, and cloud. They typically partner with vendors and source access from different tiers of carriers, providing scalable and customizable solutions.
  - Value-added resellers/technology service distributors, such as Ingram Micro, Avant, Telarus, and CDW, act as procurement channels, coordinating installation and ongoing service with NSPs or MSPs. Revenue typically flows through the primary provider.
- This Frost Radar™ focuses only on NSPs and MSPs with integrated backbone networks.
- Managed SD-WAN site growth in North America was 20.3% in 2024, signaling strong momentum in the region. This growth is underpinned by network investment trends captured in Frost & Sullivan's 2024 network survey. In North America, 69% of respondents reported increased network budgets, and of those, 88% boosted spending by 11% or more (above the global average). These figures reflect a clear commitment to modernizing network infrastructure and are encouraging for SD-WAN growth: while 50% of respondents globally are still in the learning or planning phase, the investment climate in North America provides a foundation for accelerated adoption.

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Frost Radar™: Managed SD-WAN in North America

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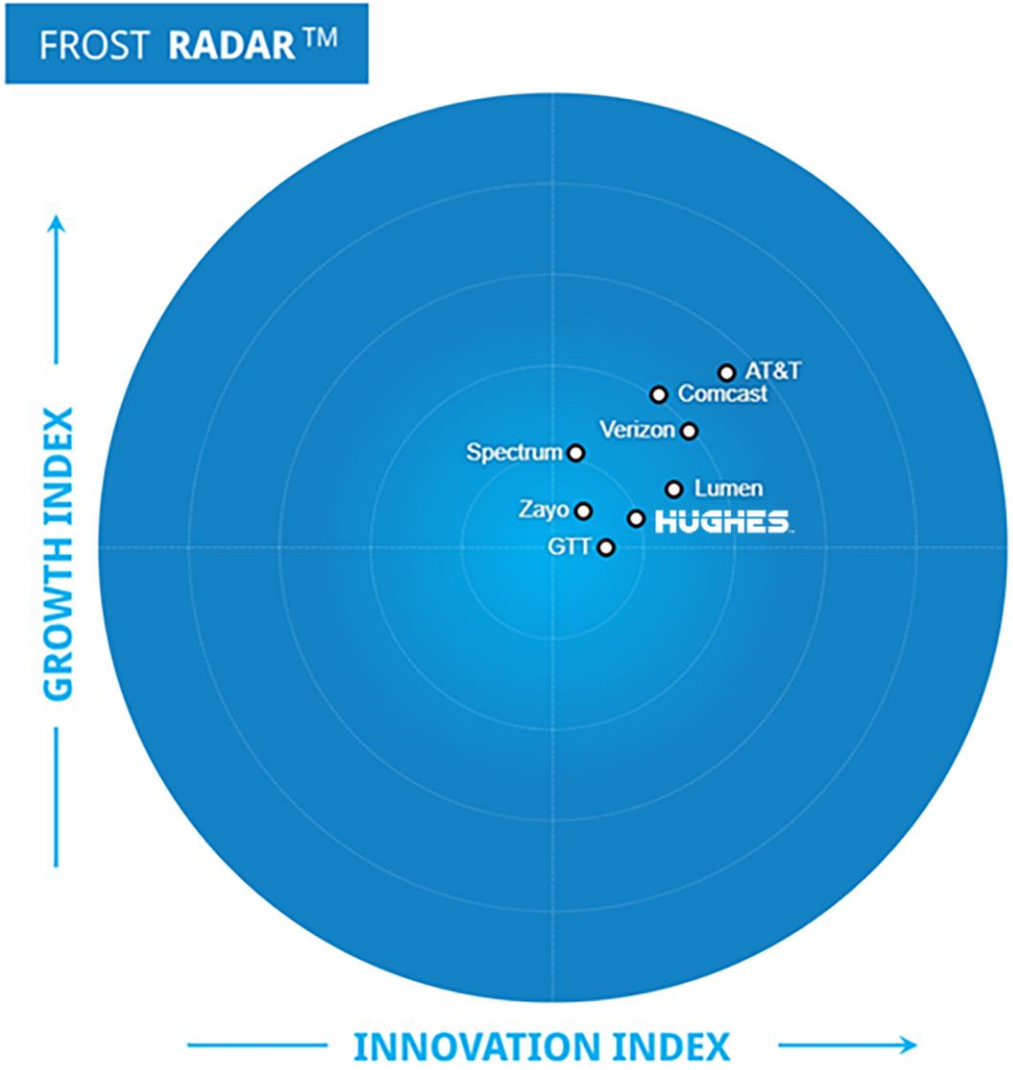

Frost Radar™ Competitive Environment

- The managed SD-WAN market continues to evolve rapidly, driven by innovation in connectivity, cloud integration, security, and edge computing. A diverse mix of providers, ranging from telecom giants to infrastructure specialists, are shaping how enterprises deploy and manage their networks.
- Hughes Network Systems specializes in serving distributed and remote networks, particularly in retail, healthcare, and government. Its impact is amplified by combining terrestrial and satellite technologies to bring hybrid networking to client locations. Hughes brings unique strengths in hybrid integration, vertical expertise, and innovation in satellite systems and network devices.

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Frost Radar™: Companies to Action

Hughes Network Systems

INNOVATION

- Hughes Network Systems has strong partnerships with Fortinet, Cradlepoint (now Ericsson), Cisco Meraki, and VeloCloud by Arista in addition to supporting underlay technologies, such as satellite, cellular, broadband, and internet. Its preferred partner for secure edge is Netskope, which rounds out the SD-WAN and security portfolio. It added a uCPE offering for more flexibility in its portfolio and fully managed solutions designed around SASE to meet the evolving needs of hybrid enterprises.
- Hughes is focused on secure hybrid networking through solid SD-WAN platform partnerships and its own technology innovations. One of the key innovations is the Active Power Edge, a smart power distribution unit that enables remote device reboots for ad hoc, scheduled, and AI-driven prescriptive scenarios, with more than 5,700 units deployed. The company reports 45% fewer trouble tickets for clients via Active Power Edge.
- Hughes's Onsite Accelerated Service Installation System (OASIS) enables paperless service orders, has a mobile provisioning application, and has a workflow engine providing clients a view of a technician's arrival time and the ability to reschedule if needed. This completeness of vision is a standout for service providers.
- Its observability portal, built on its Pulse Platform, offers a centralized, API-first monitoring solution that seamlessly integrates with a wide range of enterprise systems, cloud services, and network providers. It equips IT leaders with real-time visibility, control, and actionable intelligence across their digital operations. Through the Pulse API and Okta-enabled identity management, the platform connects to data and analytics tools, such as Google BigQuery, Informatica, Elastic, Splunk, and Kafka, as well as monitoring and automation platforms, such as Zabbix, ScienceLogic, Apache Airflow, and Nautobot. All these capabilities are available through a monitoring-as-a-service model.

Hughes Network Systems (continued)

GROWTH

- Hughes has more than 40,000 managed SD-WAN sites, with many installations exceeding 350 sites. Managed SD-WAN services are spread across distributed enterprises in retail, healthcare, banking, petroleum, restaurants, and government verticals. It has expanded into the airline community, offering inflight services using a mix of low Earth orbit and other SD-WAN technologies.
- As a hardware manufacturer of electronically steerable antennas for the OneWeb (Eutelsat) low Earth orbit satellite constellation, it will reap the benefits of that growing industry while increasing its strength in managing SD-WAN and SASE. Hughes also has technology to manage multi-orbit satellite services as part of its expanding portfolio.
- As a hybrid system integrator, it has more than 800 partners to choose from across both terrestrial and non-terrestrial technologies.
- Hughes Network Systems holds a strong NPS of 57, reflecting its commitment to customer excellence.
- A natural extension of SD-WAN and SASE portfolios is a managed detection and response platform, supported by a 24/7 SOC, that strengthens secure hybrid networking with both endpoint and network detection capabilities, including zero-day and ransomware prevention.
- Hughes introduced a managed private wireless service, a 4G/5G solution designed to be simple and effective for businesses. It features fast, secure network equipment that integrates easily with existing systems. The service includes professional installation, ongoing support, and regular updates to ensure that everything runs reliably. Additionally, cloud-based tools handle SIM cards, monitor network performance, and send alerts when actions are needed.

Hughes Network Systems (continued)

FROST PERSPECTIVE

- The Hughes team remains a trusted and preferred partner for retailers, quick-serve restaurants, and other distributed franchise-based businesses.
- Hughes Network Systems has expanded its technology portfolio with innovations including its uCPE, multi-orbit managed services, and ongoing improvements to its monitoring and observability platforms. Hughes Network Systems also benefits from a strong field presence, supported by more than 2,500 network installers and technicians.
- To continue its growth, Hughes Network Systems could consider acquiring an MSP or a managed security company to broaden its customer base and increase market share.
- Hughes Network Systems has a strong legacy in system development, exemplified by its Jupiter System for satellite management. Building on this foundation, Hughes has developed industry-leading installation, management, and monitoring platforms to support its own services. These mature, scalable systems present a compelling opportunity to expand its reach by white-labeling its technology for channel partners. This strategy could enable growth of its monitoring-as-a-service offering, positioning it as a key driver in the evolving managed services market.

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Best Practices & Growth Opportunities

Best Practices

1. Industry leaders are adopting converged, cloud-centric architectures by integrating SD-WAN with SSE and enabling seamless connectivity across hybrid and multicloud environments.

2. Industry leaders are using intelligent, unified platforms with AI-driven insights, an API-first design, and global vendor stability to enable secure and agile operations.

3. Industry leaders are leveraging AI- and ML-powered platforms to enhance visibility, detect threats, and deliver predictive insights with unified observability across their vendors and platforms.

Growth Opportunities

1. Providers must embrace a “simplicity-first” strategy to effectively capture enterprise demand, particularly among organizations grappling with multivendor sprawl and fragmented IT environments. By streamlining service delivery and reducing integration overhead, providers can position themselves as trusted partners in digital transformation, which will unlock significant growth.

2. Leading providers are investing in AI-powered threat detection, zero trust architectures, and digital experience platforms. Their growth will increasingly come from offering differentiated service layers, not limited to basic connectivity but focused on intelligent, user-centric platforms that enhance visibility, control, and overall user experience.

3. As quantum computing advances, the urgency to secure data against future decryption threats is accelerating. NSPs are uniquely positioned to lead the transition to quantum-resilient infrastructure, particularly through offerings such as VPNs, SD-WANs, and secure edge services fortified with post-quantum cryptography.

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Frost Radar™ Analytics

Frost Radar™: Benchmarking Future Growth Potential 2 Major Indices, 10 Analytical Ingredients, 1 Platform

Growth Index

Growth Index (GI) is a measure of a company's growth performance and track record, along with its ability to develop and execute a fully aligned growth strategy and vision; a robust growth pipeline system; and effective market, competitor, and end-user focused sales and marketing strategies.

GI1

MARKET SHARE (PREVIOUS 3 YEARS)
This is a comparison of a company's market share relative to its competitors in a given market space for the previous 3 years.

GI2

REVENUE GROWTH (PREVIOUS 3 YEARS)
This is a look at a company's revenue growth rate for the previous 3 years in the market/industry/category that forms the context for the given Frost Radar™.

GI3

GROWTH PIPELINE™
This is an evaluation of the strength and leverage of a company's growth pipeline system to continuously capture, analyze, and prioritize its universe of growth opportunities.

GI4

VISION AND STRATEGY
This is an assessment of how well a company's growth strategy is aligned with its vision. Are the investments that a company is making in new products and markets consistent with the stated vision?

GI5

SALES AND MARKETING
This is a measure of the effectiveness of a company's sales and marketing efforts in helping it drive demand and achieve its growth objectives.

Frost Radar™: Benchmarking Future Growth Potential 2 Major Indices, 10 Analytical Ingredients, 1 Platform (continued)

Innovation Index

Innovation Index (II) is a measure of a company's ability to develop products/ services/ solutions (with a clear understanding of disruptive megatrends) that are globally applicable, are able to evolve and expand to serve multiple markets and are aligned to customers' changing needs.

II1

INNOVATION SCALABILITY
This determines whether an organization's innovations are globally scalable and applicable in both developing and mature markets, and also in adjacent and non-adjacent industry verticals.

II2

RESEARCH AND DEVELOPMENT
This is a measure of the efficacy of a company's R&D strategy, as determined by the size of its R&D investment and how it feeds the innovation pipeline.

II3

PRODUCT PORTFOLIO
This is a measure of a company's product portfolio, focusing on the relative contribution of new products to its annual revenue.

II4

MEGATRENDS LEVERAGE
This is an assessment of a company's proactive leverage of evolving, long-term opportunities and new business models, as the foundation of its innovation pipeline. An explanation of megatrends can be found here.

II5

CUSTOMER ALIGNMENT
This evaluates the applicability of a company's products/services/solutions to current and potential customers, as well as how its innovation strategy is influenced by evolving customer needs.

Source: Frost & Sullivan

Next Steps

JOIN:
Growth Council

APPLY:
Companies to Action

ENGAGE:
Growth Dialog

PARTICIPATE:
Growth Council Think Tank

Does your current system support rapid adaptation to emerging opportunities?

Source: Frost & Sullivan

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