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By Jeffrey Burt | Posted 2016-01-14 Print

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The company helps VeloCloud raise \$27 million, while SDN vendor Adara and Calient partner to offer an SD-WAN solution for network operators.

The burgeoning software defined-WAN space continues to gain steam as businesses look for more efficient and cost-effective ways to move the rapidly growing amount of Web traffic between their remote sites, their data centers and the cloud.

This week, Cisco Systems was among the investors that helped SD-WAN startup VeloCloud Networks raise \$27 million in its most recent round of funding. In total, the company has raised \$49 million, and officials said the latest round will be used to expand business operations as the company accelerates the development of new products and rollouts at customer sites.

News of Cisco's investment in VeloCloud came a day after Adara Networks and Calient Technologies unveiled an integrated SD-WAN offering that combines Adara's software-defined networking (SDN) technology and Calient's optical networking products and is aimed at network operators. The two companies also said their partnership also will include go-to-market strategies for their solutions.

"The partnership with Adara allows network operators to achieve something highly valuable and not previously attainable—the realization of full layer 0-7 multilayer optimization across wide-area networks consisting of equipment from multiple vendors and across multiple domains," Atiq Raza, chairman and CEO of Calient, said in a statement.

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The moves come at a time when SD-WAN technologies are getting more attention. Enterprises are increasingly using the cloud to deliver applications and services, and their workers are becoming more mobile, looking for better wireless Internet access. Organizations also are beginning to feel the impact of the Internet of things (IoT), which will put even more pressure on network infrastructures.

Traditional WANs are struggling to keep up with the demand, and service providers and businesses are looking to SD-WAN as a solution. Traditional WANs pass traffic between remote sites and central data centers via Multi-Protocol Label Switching (MPLS) or other routes. However, SD-WAN technologies enable remote offices to more easily connect directly to the Internet via high-speed broadband.

VeloCloud officials noted that Gartner analysts estimate that by the end of 2019, 30 percent of enterprises will use SD-WAN products in all of their branches. Today that number sits at less than 1 percent. IHS Infonetics analysts are seeing a similar trend, noting in a [report in November 2015](#) that the first half of year saw the SD-WAN space becoming more established.

"The SD-WAN market is still small, but many startups and traditional WAN optimization appliance vendors and network vendors have jumped in," Cliff Grossner, research director for data center, cloud and SDN at IHS, said in a statement at the time.

Such traditional players include Cisco, which offers its Intelligent WAN (iWAN) portfolio and in September

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2015 issued what officials call an "SD-WAN Bill of Rights" that businesses can use to guide their decision-making. There also is an array of startups moving into the space, including Talari Networks, Glue Networks, Silver Peak, Viptela and Ipanema Technologies. Aryka officials noted that in the fourth quarter, the company had more than 10 million users across more than 4,000 sites, and that revenue jumped 117 percent. The company gained 54 new customers in the quarter.

Other vendors, such as Riverbed Technology, are jumping into the space, and Verizon in September said it was using Cisco's iWAN technology to help further its SDN ambitions. At the Open Networking User Group (ONUG) event in November, Silver Peak, Viptela, VeloCloud and Glue Networks all participated in SD-WAN proof-of-concepts.

VeloCloud co-founder and CEO Sanjay Uppal said in a statement that the new round of financing "validates our unique cloud-delivered direction and success, and will accelerate growth in our core business of providing simplified branch WAN networking, improved performance and service delivery to mid to large enterprises and service providers."

Jeff Reed, vice president and general manager of Cisco's Enterprise Infrastructure and Solutions Group, said in a statement that the investment in VeloCloud is part of the vendor's commitment "to open networking, and interoperability with the VeloCloud solution will provide our joint customers with additional enhancements for application and cloud services performance."

The solution from Adara and Calient includes Calient's S-Series optical circuit switches and Adara's Axis switches that are deployed on the WAN edge and managed by Adara's CloudFabric cloud management platform and Sky Controller.

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