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ESG WHITE PAPER

Benefits of a Cloud-first Platform

Accelerating Digital Transformation with Cisco Meraki

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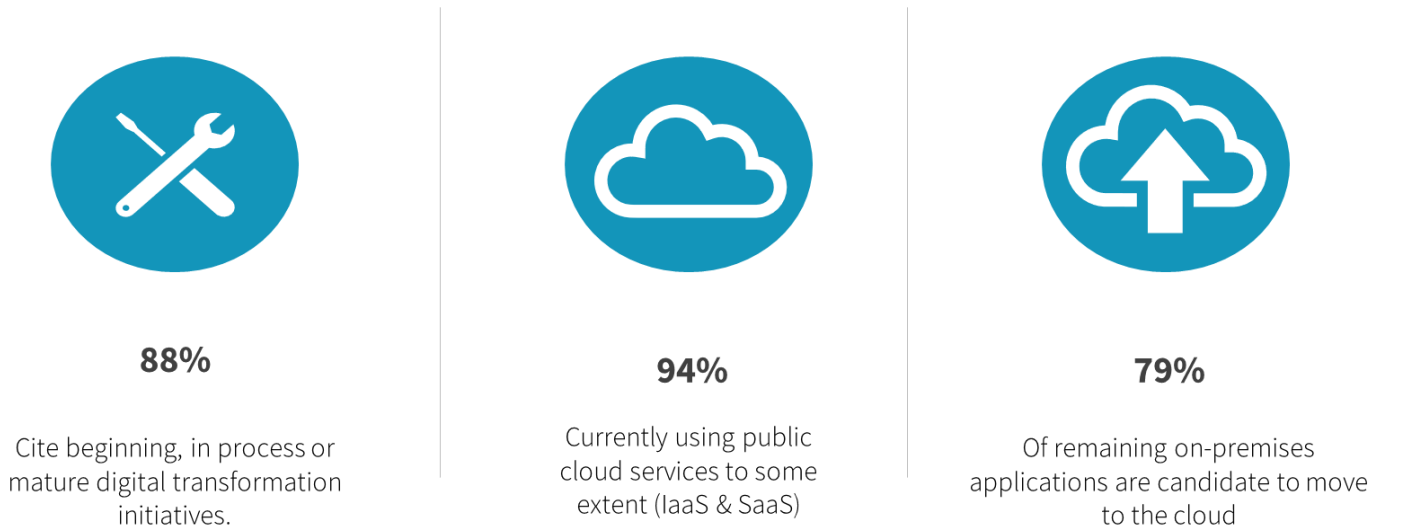
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The Current IT Environment

Organizations across every industry are undergoing significant change and accelerating their digital transformation initiatives. ESG research validates that trend, highlighting that a majority (88%) of organizations are currently beginning the process of implementing, in the process of implementing, or have already implemented mature digital transformation initiatives.[1]

Additionally, adoption of public cloud services is also pervasive, with 94% of organizations using public cloud services (IaaS and SaaS) and organizations reporting that 79% of current on-premises applications are candidates to move to public cloud services over the next five years (see Figure 1).

As a result, organizations are challenged with managing these highly distributed application and employee environments. According to ESG research, as many as three quarters (76%) of knowledge workers in the North American organizations surveyed shifted to remote work at the height of the pandemic,[2] and more recently, 56% of these knowledge workers were still working from home.[3] So while more workers are beginning to return to the office, the path forward will be hybrid work environments, with IT having to support both office as well as home locations. These notable changes will impact network and security solutions supporting campus, branch, and even home (or pop-up) locations.

Figure 1. Current IT Environment

88%	94%	79%
Cite beginning, in process or mature digital transformation initiatives.	Currently using public cloud services to some extent (IaaS & SaaS)	Of remaining on-premises applications are candidate to move to the cloud

Source: Enterprise Strategy Group

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[1] Source: ESG Research Report, *2021 Technology Spending Intentions Survey*, January 2021. All ESG research references in this paper have been taken from this master survey results set unless otherwise noted.
[2] Source: ESG Research Report, *The Impact of the COVID-19 Pandemic on Remote Work, 2020 IT Spending, and Future Tech Strategies*, June 2020.
[3] Source: ESG Master Survey Results, *2021 Technology Spending Intentions Survey*, December 2020.

Increased IT Complexity

As a result of these changes, IT complexity is increasing. In fact, ESG research shows that three-quarters (75%) of organizations cite that IT has become more or significantly more complex than just two years ago. Given the rapid transition to working from home, the acceleration of cloud-based applications, and need to spin up new pop-up locations, such as in the healthcare industry, it is easy to see how IT became more complex. Now, as workers begin to return to brick and mortar offices, organizations will need to adhere to new requirements to keep employees safe, requiring many organizations to deploy and rely on IoT devices, such as cameras or sensors, to ensure and enforce safety.

However, it is important to note that that these highly distributed application, worker, and IoT environments also create a bigger attack surface for organizations. Organizations need to provide connectivity and protection for these highly distributed environments, which require network solutions with tightly integrated security. In fact, strengthening cybersecurity is a top priority among organizations of all sizes.

"ESG research shows that 50% of midmarket organizations and 46% of enterprises believe that strengthening cybersecurity will drive technology spending in their organizations over the next 12 months."

According to ESG research, 50% of midmarket organizations (100-999 employees), and nearly half (46%) of enterprises (1,000+ employees) believe that strengthening cybersecurity will drive technology spending in their organizations over the next 12 months.

This distinction is important because, in many cases, smaller firms often lack dedicated security resources and will rely more on vendor solutions.

Given the highly distributed environments and increased complexity, it should come as no surprise that more than half (56%) of organizations cited that one of the top goals of their digital transformation initiatives is to drive operational efficiency; however, certain industries also have direct business-related goals, including:

- **Healthcare:** More than half (56%) of healthcare organizations stated that they need to adopt tools and processes to allow users to interact and collaborate in new ways. This would include enabling telemedicine and telehealth solutions.

- **Retail**: Facing a rapid shift to online-only business during the pandemic, 50% of retail organizations cited the need to provide a better and more differentiated customer experience as their primary goal.

- **Manufacturing:** Nearly half of manufacturing organizations (48%) also cited their need to adopt tools and processes to allow users to interact and collaborate in new ways.

- **Financial services:** Just over 4 in 10 firms (41%) want to take advantage of available data to develop new data-centric products and services for their customers.

As a result of the challenging nature of managing highly distributed network environments, along with a hybrid workforce, it is imperative for organizations to ensure that they have a simple-to-use, secure network solution capable of responding to the swiftly changing needs of the business.

Creating a Foundation for What Comes Next

Organizations need to invest in long-term technology solutions that can provide agility and business resiliency to help them be better prepared for the next major business disruption. Given the importance of wireless connectivity, increased IoT adoption, and the need to connect to cloud-based applications from virtually anywhere, secure Wi-Fi and WAN environments will play a significant role moving forward.

To gain control over increasing network complexity and a burgeoning attack surface, organizations are taking the following steps:

- **Streamlining network operations by adopting cloud-based network management solutions**. ESG research shows that 47% of organizations believe leveraging a cloud-based platform will ensure greater operational efficiencies in their networks,[4] especially at a time when most employees are still working

"47% of organizations believe leveraging a cloud-based platform will ensure greater operational efficiencies."

remotely. In addition, a cloud-based platform can offer a centralized platform for provisioning, policy creation, and troubleshooting, which will also save time and create efficiencies. Furthermore, adding functionality like zero-touch provisioning (ZTP) ensures organizations can accelerate the adoption of new sites. Another key factor is ensuring that the cloud-based network management solutions are simple to use. This is important for both very large and complex environments as well as smaller organizations with limited resources. An intuitive interface will reduce the amount of training required and can ensure best practices are followed.

- **Leveraging network data to obtain greater insights into the network environment**. Collecting relevant network data to feed intelligence engines and drive automation will be critical to ensuring business resiliency, as it enables organizations to rapidly identify and mitigate network issues, thereby minimizing downtime and productivity loss. By leveraging network data, inclusive of location-based services, organizations should also be able to optimize performance and deliver better customer and employee experiences.

- **Integrating network and security functions to protect the business**. As the security perimeter has dissolved in these highly distributed environments, a new security and networking framework or architecture is required. Currently, the initiative gaining the most traction is the secure access service edge (SASE). This framework is driving the need for integrated solutions. While SD-WAN is a commonly cited network function that focuses on enabling WAN connectivity between users (located in corporate or home offices) and applications (located in DC, public clouds, or edge locations), this could also extend to the wired and wireless LAN environment to drive additional efficiencies. SASE would also require the integration of cloud-based or on-premises security functions such as firewalls, secure web gateway (SWG), cloud access security brokers (CASB), and zero trust network access (ZTNA). This will not only be beneficial for connecting employees and applications, but as OT environments continue to merge with IT, it will also ensure connectivity and security for IoT devices.

Consequently, organizations across the board require a strong foundation on which to build and digitally transform. Network platform solutions, such as Cisco Meraki, offer a viable means to accelerate this transformation.

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[4] Source: ESG Brief, *Network Spending Trends for 2021*, April 2021.

Cisco Meraki Platform, a Strong Foundation for the Future

Cisco Meraki pioneered cloud-based management solutions for Wi-Fi, commonly referred to as being born in the cloud, and has continued to innovate its cloud-first platform, expanding its portfolio to enable digital workplaces. Its stated goal is to create a secure, agile, and resilient foundation for your business to thrive.

Supporting more than 575,000 customers, ten million network devices, and 150 million end-user devices running daily in over 190 countries, Cisco Meraki maintains a 99.99% reliability cloud service level agreement (SLA).

While those deployment numbers and SLAs are impressive, Cisco Meraki continues to innovate, creating a platform capable of delivering additional value to its customers and ensuring a foundation for future success. The Cisco Meraki platform includes:

- **A cloud-first operating model**. Cisco Meraki is well known for the simplicity of its cloud-based operating model and its ease of use. Leveraging modern application architectures and CI/CD methodology ensure that updates and patches can be applied as and when needed and that rolling out new functionality can be accomplished at an accelerated rate. Meraki has a single dashboard to manage all its devices and leverages orchestration software to support centralized provisioning and policy enforcement. Being cloud native also enables Cisco Meraki to operate in a hybrid cloud environment.

- **Open APIs and partner ecosystem**. To overcome the inherent complexity in today's modern environments, solutions are often required that span not only multiple products, but many times, multiple different suppliers as well. To ease integration concerns, Cisco Meraki provides open APIs and created a robust partner ecosystem consisting of over 140 partners to ensure customers can find solutions to fit their environment or industry. To allow organizations easy access to these solutions, Cisco Meraki created an online marketplace.

- **Data-powered products**. The Cisco Meraki platform includes the following components:

  o SD-Access (wired and wireless access). Organizations can leverage Cisco Meraki to deploy unified wired and wireless LAN access. Simple to deploy and manage, Cisco Meraki has a wide range of switches and access points to accommodate the requirements for any industry or type of location.

  o SD-WAN and SASE. Cisco SD-WAN Powered by Meraki enables organizations to eliminate hub-and-spoke architectures and provide direct internet access that leverages multiple network connections (MPLS, Broadband, Cellular) to increase bandwidth, drive innovation, and reduce costs.

    Cisco Meraki now integrates between Cisco Umbrella and Cisco SD-WAN powered by Meraki and extends the SD-WAN fabric to the cloud with the click of a button. It also includes intelligent path selection to enable customers with secure access and the best user experiences when connecting to cloud applications.

  o Internet of things (IoT). This includes sensors and cameras to support the convergence of operational technology (OT) and information technology (IT). Used in conjunction with the Cisco Meraki smart camera,

    ▪ Cisco Meraki MV Sense combines computer vision and machine learning to provide organizations with functionality like motion search, heatmaps, and object detection options.

- Cisco Meraki MT (cloud-managed environmental sensors) provides additional real-time visibility into environments, providing detailed information on the status of a specific room or location's temperature, humidity, or presence of water, and even the status of IT cabinet doors (open/closed) all through a single dashboard.

Benefits of the Cisco Meraki Platform

As growing numbers of organizations shift to hybrid work models, they must embrace a more holistic approach and deploy platforms that empower change and can scale to help maintain a competitive edge, swiftly pivoting to meet the needs of the business—without incurring exorbitant costs, compromising security, or overwhelming IT staff.

Organizations across industries are now able to effectively accelerate their digital first approach without creating additional work for network teams. With its deep experience and simple-to-use interface, Cisco Meraki allows organizations to drive greater levels of operational efficiency, enabling staff to configure, change, or update network environments in minutes, and provides full network visibility from a central dashboard that can be easily accessed from the office, home, or when travelling.

Cisco Meraki Platform offers the following benefits:

- **Drives operational efficiency**. Plug and play technology saves time and resources when deploying new equipment. The centralized console means organizations can spin up new networks at remote sites, like at a pop up testing site for healthcare or at a financial services contact center employee's home, in just minutes.

- **Enhances user productivity and experiences**. As the hybrid work model progresses, organizations have to ensure their employees and IT staff are able to be productive while in the office or working remotely. The Cisco Meraki platform can deliver secure, reliable connectivity to applications in the cloud or data center, ensuring productivity and enhancing user satisfaction.

- **Increases customer loyalty and retention**. Data is a valuable business resource. Every industry—especially those in the retail and hospitality space—can take advantage of Cisco Meraki's Wi-Fi analytics and third-party ecosystem partners' solutions to help drive increased customer loyalty and retention.

- **Ensures optimized performance**. Because it is a cloud-based solution, Cisco Meraki is able to leverage the anonymized data from over three million networks and ten million devices to improve algorithms and deliver optimized performances and experiences.

- **Improves employee safety**. As organizations look to support return-to-office initiatives, they can make their workspaces smarter by incorporating MV Sense to utilize video analytics to deliver actionable information, such as the use of masks indoors, or detect lack of physical distancing. This can be further augmented by integrating with Cisco DNA spaces to provide location-based services for security and compliance.

Industry-specific Benefits

Every industry is different, possessing its own unique requirements, which is why Cisco Meraki has open APIs and an ecosystem with over 140 partners that deliver a wide range of industry solutions and are readily available on the company's Marketplace. For example, leveraging the Cisco Meraki platform, financial services organizations can take advantage of the data generated from Wi-Fi analytics to more fully engage with customers using new data-centric services, while retail businesses can increase sales and generate customer loyalty by engaging with customers utilizing location-based services

and real-time offer management solutions. Healthcare can leverage secure SD-WAN (wired and wireless) and Wi-Fi to enable telemedicine and telehealth, quickly turn up pop-up clinics and testing/vaccine sites, and use Cisco Meraki smart cameras to ensure everyone is wearing a mask. Manufacturing is able to improve asset management, reduce loss and shrinkage, and increase efficiency.

The Bigger Truth

Organizations are facing rapid, significant change—even more so with a global pandemic compelling employees to work from home and remote locations, along with burgeoning numbers of applications distributed across public clouds, corporate data centers, and the edge.

With highly distributed and complex environments rapidly becoming the norm, organizations must look to a comprehensive network platform that offers agility and flexibility and that can drive operational efficiencies (simple), provide secure access and connectivity (secure), and leverage artificial intelligence to deliver valuable insights (intelligent). What's more, organizations need a network platform that offers an ecosystem of solutions and services that can support a wide range of industries.

Cisco Meraki's comprehensive, cloud-first platform is well suited to enable digital transformation, providing a simple, secure, and intelligent network foundation for business growth and future innovation. Organizations would do well to look at how a cloud-based platform approach may enhance efficiency, agility, and the bottom line.

Enterprise Strategy Group is an IT analyst, research, validation, and strategy firm that provides market intelligence and actionable insight to the global IT community.

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