Harnessing the network advantage for what comes next
Insights to help IT leaders deliver business outcomes
For IT leaders like you who face the constant challenge of trying to articulate the value of the network to your line of business counterparts, there is one burning question. Is today’s enterprise network simply a connectivity cost center, or is it a revenue-driving asset capable of boosting multiple areas of business?

We’ve crafted this report to help you answer this question, based on our latest research with insights from over 2,100 IT leaders across 21 markets. We wanted to examine how your counterparts across the globe are currently approaching the network, and test our hypothesis that those investing in their network approach are seeing faster, stronger business outcomes. The ultimate aim—to prove that the right network infrastructure can indeed be a business-boosting asset capable of delivering more than connectivity.

At HPE Aruba Networking, we believe that a more innovative, agile, optimized network will be both business and IT leaders’ secret weapon to staying competitively ahead of the curve. Beyond unlocking innovation, this type of network infrastructure offers the necessary flexibility and resiliency to battle through the prevailing socio-economic headwinds businesses must contend with. But unleashing its benefits relies on a deep understanding of the network’s full potential—and your ability, as an IT leader, to convey that to the broader business.

As Gartner VP Analyst Frances Karamouzis said at 2022’s IT Symposium: “CIOs need to prepare for their network to deliver more information and become a source of direct business value. It’s not just about connectivity but extending endpoints for value.”

So where are organizations on this journey? And how many endpoints are left untapped?

Responding to these questions and more, this report will help you see where and how to leverage the right network infrastructure to reach desired business outcomes, and how to better convey your vital position to the broader business leadership as a result.
Networking today: situational overview

Unpacking perceptions

Let’s consider the myriad needs businesses must meet to stay competitive this year and beyond:

• Enable more immersive omnichannel customer journeys
• Create bespoke data-led experiences
• Innovate to secure new revenue streams
• Deliver seamless flexible working for employees
• Weave sustainability into operations

And they need to do all of this—and much more—on tighter budgets and within accelerated timeframes.

With a set of digitally driven business needs like this, our first survey finding comes as no surprise...

89% of IT leaders say their organizations need a high level of digital transformation to succeed over the next 12 months.

Unfortunately, their confidence in delivering this level is not so high—in fact, 66% have concerns about their organization’s ability to keep up with the latest technology and digital demands. And their organization’s level of network investment plays a role here.

Compared to IT leaders who have invested in their network within the last two years, those who have not been able to show considerably more concern. The latter group are 28 percentage points less likely to think they’ll achieve the necessary high levels of digital transformation this year.

With network investment linked to digital confidence, it’s great news that most organizations are putting budget behind their infrastructure—89% in the last 12 months. But to what end? To innovate or simply keep them online? And is it enough?
Unlocking potential

What our survey findings show is that the network’s full potential to drive broader business transformation isn’t being tapped into.

As such, it’s unsurprising that only:

- 28% of respondents described their organization as resilient
- 27% of respondents described their organization as agile

Additionally, with almost half (48%) saying the current level of investment doesn’t match the demands being placed on the network, change is clearly needed.

We believe that organizations (their leadership and teams) must increase their awareness around how and where the right network infrastructure can strengthen their transformation to unlock the network’s true potential. Furthermore, this potential can only be realized if sufficient investment is earmarked for it, particularly considering everything that is expected of the IT team now and in the future.
Where is the network currently delivering return on investment?

Unpacking perceptions

According to 44% of surveyed IT leaders, the network is currently viewed by their business (and its leadership) primarily as a tool for digital transformation, while 23% say their organization only recognizes the network for its functional connectivity. This digital transformation positioning mirrors what the IT leaders associate the network with. When we asked our respondents how much they understood the relationship between the network and various parts of the business, the top three strongest connections were:

- Cybersecurity
- IT efficiency
- Operational efficiency

These three areas were also where respondents see the biggest impact of the network—and, perhaps more crucially, where those who’ve invested in the network within the last two years are seeing the greatest business outcomes.

Those who haven’t been able to invest in the network are likely to see 21 percentage points less positive impact on average across all business areas.

Outside of the digital transformation space, there is also a growing recognition from 33% of IT leaders of the network’s power for broader business transformation. This finding is heartening because, even for those who are investing, there is still room for improvement in both the breadth and scope of the network’s impact.
Unlocking potential

While improved IT and operational efficiency and tighter cybersecurity are great examples of the power of the network to aid digital transformation, there are additional business-boosting areas where HPE Aruba Networking sees massive untapped potential for the network to deliver.

For the purposes of this report, the two we’re going to examine are the network’s ability to deliver data insights—to drive innovation, unlock sustainability, reveal new revenue streams and more—and enhance employee experiences to increase staff retention and talent attraction.

Top tip: Is your organization one of those where the C-Suite only recognizes the network for its functional connectivity? To find out how to have targeted conversations with different members of the C-Suite about the business impact of the network on their function, read our C-Suite Connections series.
Untapped connections: the network & data insights

Unpacking perceptions

In his post for the World Economic Forum, Antonio Neri, CEO and President of Hewlett Packard Enterprise, explains that "we are in the midst of the transition from a centralized to a decentralized age of digitization, where intelligent and networked devices, machines, buildings, and infrastructures generate unprecedented amounts of decentralized data rather than in a central data center. This data holds an enormous potential to advance how we live and work— but we must unlock its value."

He goes on to say, "When we talk about digital transformation and being a data-first organization, it starts with being connected. If you’re not connected, you’re not digitizing."

And yet our results indicate that the network’s relevance for data-insight delivery is still an area that needs greater business-wide awareness—particularly if organizations want to close the current disconnect between data needs versus capabilities.

According to 95% of IT leaders, access to data is either fundamental to or important for unlocking new revenue streams and services in the coming 12 months. Additionally, nearly all IT leaders—99%—said their organization is looking to IT to deliver these data-driven insights.

Despite this huge demand, only 67% of IT leaders who have invested in the network over the past two years expressed high confidence in their company’s ability to leverage the power of data insights. And that’s still a third higher than those who have not been able to invest over the same period—again showing the link between investment and strengthened business ability.

Investment also correlates to operational cost-saving and profit-generating benefits of data analysis. Unfortunately, those who have not been able to invest are 16 percentage points less likely to have used data to unlock cost savings and 33 percentage points less likely to have used data to help the business diversify with new revenue streams.
Unlocking potential

While investment is clearly critical for deepening the network’s data returns, this budgeting should be channeled into the right infrastructure—one that modernizes all aspects of network operations, from what data you connect to, how you do so, and how you then protect it.

First and foremost, data delivery relies on the right type of connectivity. And today that means connecting more than just static PCs—it means connecting everything, from people, to places, and things.

Because organizations are adopting hybrid cloud architectures, the right type of network also now stretches that connectivity from the edge to the cloud, which means those people, devices, and things can connect to the network wherever the organization needs them. Combined with intelligent routing and traffic management capabilities, this ability to access data in real-time (versus traditional networking set-ups where the only option is to funnel it through a central data center) enables a business to keep its finger truly on the pulse of demand.

Of course, collecting all this data could offer as much risk as reward, unless you are able to properly secure it. Again, this requires a more modern network approach—moving beyond the use of a single firewall to having the ability to secure traffic in the cloud.
Untapped connections: the network & employee experiences

Unpacking perceptions

IT leaders we surveyed agreed that good digital employee experiences are increasingly important. In fact, three quarters believe digitization is fundamental both for talent attraction and to employees being able to do their jobs. However, only 55% of IT leaders clearly see the network’s potential to enhance employee attraction and retention—the lowest score for all the business areas we listed.

Unfortunately, with recognition of the network’s relevance low, so too is the estimated positive impact. In contrast, the negative impact of the network on the employee experience becomes rapidly apparent when you consider what networks seem capable of delivering:

- Only 43% of IT leaders say their company’s network enables staff to work from anywhere.
- Only 29% note that their network enables them to offer employees a Bring-Your-Own-Device (BYOD) service.
- Only 34% agree that staff are benefiting from seamless connectivity.
Unlocking potential

The simple fact is that no one can do their job nowadays without the network. But in today’s flexible working environments, this requirement goes way beyond simply offering more intelligent connectivity (i.e., with differentiated access levels). Done properly, a seamless, efficient, and securely connected work experience (no matter where the employee is located) is an appealing perk for attracting new talent and strengthening job satisfaction for existing employees.

But the adoption of flexible work also demands a more technologically advanced workplace than ever before. And, through this lens, the requirement becomes as much about the services you can build onto the network—to make it smarter, faster, and more intuitive (i.e., location services for easier navigation or building automation for greater employee comfort)—as it is about the employee’s experience of using the network itself.

Having a network that is open to third-party integrations is part of the solution, but to spend time on these more innovative digital implementations, IT staff must also have edge-to-cloud visibility and be freed-up from tasks that can be easily automated or expertly outsourced.

Support from AI-powered network automation could dramatically reduce the time a company’s IT team spends reactively finding and fixing issues, which is an area of concern flagged by 58% of IT leaders. When application downtime is decreased, staff will be less frustrated and more productive. They will also be less reliant on the IT team to troubleshoot, which is good news as 55% of IT leaders reported that their teams are already stretched to capacity when it comes to managing the network.

Meanwhile, if IT has more time to focus on the issues that matter, security concerns can also be tackled proactively instead of reactively, which could mean less reputational damage and financial loss for the company in the event of a cybersecurity breach. With the organization feeling more confident in its security coverage from remote offices to branches, campuses, data centers and the cloud, it can also extend more freedom to employees in terms of from where and with what they connect.
**Subscribing to the future**

Our research shows that there is a lost opportunity for IT leaders to really underscore the importance of a modern network for business outcomes that go beyond digital transformation. This kind of network can unlock data-driven innovation that cuts costs or reveals new revenue streams. It can also strengthen the employee experience, attracting the right talent pool to move the business forward, while retaining staff for vital stability.

To release this broader transformation potential within your organization, you should begin by reframing networking discussions. Start talking in terms of business outcomes versus technical specs to highlight that the network is something every C-suite member should care about, understand better—and, crucially, invest in. As this report demonstrates, investment correlates to positive network impact that drives business value. But it must be the right investment: both in level and where it is directed.

Tapping into this broader potential (and being able to afford to do so) might also require a different approach to networking entirely—you may need to consider modern, agile network-as-a-service (NaaS) options.

As a network-consumption model, NaaS:

- Eliminates the costly CapEx requirement while injecting much-needed flexibility into the networking set-up
- Removes the burden from in-house IT teams, while maintaining efficiency with better traffic routing
- Provides greater computing-power scalability, up or down, to deliver a more business-outcome-focused approach

NaaS implementation is fast gaining ground, with a staggering 93% of surveyed IT leaders indicating their organizations are either currently deploying or plan to deploy this network approach in the next two years. But its success isn’t altogether guaranteed at this point.

The challenge with NaaS is that there are many definitions and approaches, leading to confusion and a reluctance to move forward—which risks a considerable portion of this 93% stalling in their deployments. NaaS typically implies paying for a bundle of hardware, software, and services for a single monthly fee. But while it can indeed offer these features, true NaaS goes beyond this formulaic definition—it is a strategy to flexibly acquire, deploy, and manage a network to deliver better business outcomes. As an IT leader, you should partner with your business to map out how and in what form your organization can best use NaaS so you can move forward with an agile solution that fits your exact needs.
NaaS is an on-ramp to a modernized network, one that is cloud-native, scalable, secure, and powered by AI analytics—a network that delivers business results based on the budget and the organization’s staff and IT priorities.

For those of you who are still battling with outdated networking or just looking for your next challenge, we hope that reading this report has given you some key points that will help you articulate the network value to your line of business counterparts, and an understanding that the right network infrastructure can, indeed, be a business-boosting asset capable of delivering more than connectivity.

Curious about the increase of NaaS adoption in the market? Find out more in this overview arubanetworks.com/resource/idc-2023-naas-executive-summary

To learn how you can develop a future-proof NaaS strategy, read the from HPE Aruba Networking arubanetworks.com/solutions/naas
Survey methodology
In February and March 2023, HPE Aruba Networking commissioned Sapio Research to conduct a survey of over 2,100 IT decision makers (IT leaders) across 21 markets [Australia, Brazil, Canada, China, France, Germany, India, Indonesia, Italy, Japan, Mexico, Netherlands, Saudi Arabia/UAE, Singapore, South Korea, Spain, Sweden, Switzerland, Taiwan, UK/Ireland and USA]. These ITLs work at companies of 500+ employees, with operations in three or more markets, and spanning industries from healthcare to education, manufacturing, and hospitality.

About Sapio Research
Sapio Research is an award-winning, international full-service market research consultancy. We are passionate about providing high quality, precise, cost-effective and efficient solutions for your research needs. We know you need to develop storylines and decisions with confidence.

Sapio can help you in all areas of quantitative and qualitative research, and welcome complex, challenging briefs. We can help to formulate the approach, to create the scope and design the process. We will propose whatever approach works best, and you can rely on us to tell you what we really believe, rather than what we think you might want to hear. We do this through ABC: Audience understanding, Brand research and Content research. Whether agency, brand, charity or consultancy, you will find us friendly, forthright, flexible and fast.

About Hewlett Packard Enterprise
Hewlett Packard Enterprise (NYSE: HPE) is the global edge-to-cloud company that helps organizations accelerate outcomes by unlocking value from all of their data, everywhere. Built on decades of reimagining the future and innovating to advance the way people live and work, HPE delivers unique, open, and intelligent technology solutions as a service. With offerings spanning Cloud Services, Compute, High Performance Computing & AI, Intelligent Edge, Software, and Storage, HPE provides a consistent experience across all clouds and edges, helping customers develop new business models, engage in new ways, and increase operational performance. For more information, visit: www.hpe.com.

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