The SD-WAN solution for retailers

Essential support for a network area as widely distributed as your stores

OvertheWire

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Foreword by Simon Waller, futurist

As business leaders, we are constantly being asked to predict the future. Every decision we make *is shaped by* the future we can imagine and, indeed, every decision we make *shapes* the future we get.

However, over the last couple of years, predicting the future has become significantly harder. In the past, we could generally make a fairly solid prediction of the future by looking at the past. Budgeting was often a process of looking at last year's and adding 10 per cent. Of course, this was never actually a very good way of predicting the future, but for years, we got away with it. Things changed relatively slowly and mostly in a linear direction, so even if our predictions weren't quite right, they were also not generally that wrong.

But now, the future is far less predictable than we might like to admit and the challenge of managing this increased uncertainty is more pronounced in IT than almost any other profession. We've all seen the meme that it wasn't necessarily the CEO or even the CIO that drove our digital transformation, it was COVID. And the reason the meme is funny is because it's true.

For many IT leaders, a large chunk of what they might have hoped to achieve over the next five years was achieved in five months. It might be nice to think that would provide a little breathing space, that after achieving so much in so little time that we might then get the next four years and seven months to catch our collective breath and plan for what's next. But alas, this is clearly not the case. Instead, what it has done is brought forward the digital transformation agenda from 2025 into the present.

IT professionals are now being asked to plan and invest for a post-pandemic world when no one can tell you with any certainty what that world will look like. It's entirely possible that 18 months of working remotely will just become a blip and employees will return to the office en masse. It's also entirely possible that organisations will choose to (or be forced to) make remote work permanent if they wish to attract and retain the best talent. It could mean catering for a smaller workforce...or a larger one. It might mean a larger presence onshore or the off-shoring of more work.

The future is far less predictable than we might like to admit.

So how do we invest when we don't know what to invest in? In such times of uncertainty, there is a tendency to hold back investment altogether. But this is possibly the worst possible course of action. Withholding investment traps us in the past. It reinforces the status quo even though the operating conditions have fundamentally changed. In times of great uncertainty a much smarter investment is to invest in flexibility. To invest in optionality. To invest in the ability to make faster, more responsive and more strategic decisions in the future...because if there's one thing the past can teach us it's that the ability to adapt and change direction fast is the ultimate competitive advantage.

Visit Simon Waller's website

Moving at the speed of retail has never been more important

Retailers are moving faster than ever before. Constant disruption due to the global pandemic means retailers are constantly opening and closing new locations, or doing pop-up stores. While e-commerce forms a large part of the retail value chain, bricks-and-mortar stores remain vitally important.

Despite the COVID-19 disruptions, Australian retailers have remained cautiously optimistic. More than a quarter of Australian retailers entered new categories or launched new products in 2020. Agility and the ability to pivot quickly to meet changing customer needs will remain crucial for retailers to compete effectively as disruptions are set to continue.[1]

While major shopping centres may have emptied out at the height of lockdowns, savvy retailers turned their attention to the suburbs. And, many retailers have launched new flagship stores and retail concepts, reflecting the traditional need for retail to be a 'high touch' experience for consumers. Furthermore, while 42 per cent of retailers increased their revenue significantly from e-commerce, 22 per cent of retailers don't offer any e-commerce capabilities.[2] As retailers grapple with the inevitably permanent disruptions created by the global pandemic, the time is right to digitally transform and improve customer experiences both in store and online.

This eBook explores the importance of technology in delivering outstanding customer experiences to maintain competitiveness. We also explore how retailers can improve their performance with new networking solutions that overcome technology challenges and help them maintain a consistent and reliable customer experience.

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The customer is still king

The customer experience remains one of the most important battlegrounds for organisations. According to EY, leading businesses are customer-centric (64 per cent), deliver consistent brand experiences (72 per cent), and are agile (71 per cent).[3] Three-quarters of consumers want more human interaction, but say the technology supporting it must be seamless and unobtrusive.[4] At the same time, one in three consumers will walk away from a brand they love after just one bad experience, while helpful employees and friendly service are two of the most critical factors for consumers.

Understanding how to use technology to help team members deliver excellent customer experiences can set a retailer apart from its competitors, leading to increasing returns on investment.

And, it's not just the customer experience that matters. Employees also need to continue having a positive experience. Gallup found that employee engagement delivered tangible results, with companies that scored in the top 20 per cent for engagement also reporting 41 per cent less absenteeism, 59 per cent less turnover, and 21 per cent greater profitability. Perhaps most importantly, highly engaged businesses achieved a 10 per cent increase in customer ratings.[5]

It's clear that organisations need to focus on creating an excellent work environment for employees, while empowering them to deliver outstanding customer experiences. This can seem like an overwhelming task but, as with most business challenges, there are technologies that can help.

One in three consumers will walk away from a brand they love after just one bad experience.

The role of technology in the customer experience

Whether shopping online or in-store, customers expect a frictionless experience. They want to complete their transaction successfully, receive accurate and up-to-date information on when products will be delivered (if not taken home immediately), and contact the retailer after the sale for support if needed.

According to IDC, retail leaders are doubling down on digital transformation, which can help deliver better customer experiences regardless of the channel the customer uses. The current pandemic has demonstrated the need for retailers to underpin customer experiences with operational efficiency to get customers back into their stores.[6]

Retailers are increasingly relying on cloud technologies to drive operations. This includes providing anytime, anywhere access to critical systems such as customer relationship management (CRM) and enterprise retail planning (ERP), as well as point of sale (POS) systems that draw on these systems. Additionally, retailers are leveraging technology such as the Internet of Things (IoT) for things like sensors, cameras, in-store traffic monitoring, and more. All of these technologies play a crucial role in delivering a better customer experience and improving the retailer's own operational efficiency and bottom line.

To support all of this technology, many retailers have added complex networking technologies across their environments. Meanwhile, they are still relying on legacy infrastructure and systems that include information silos, preventing them from maximising the value of customer data and connectivity.

It's clear that retailers need a modern networking infrastructure to support their emerging and future needs.

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There are four key ways that a lack of appropriate networking technology can negatively impact the customer (and employee) experience

1. Lack of access to data and systems

Customer-facing teams need immediate access to the latest customer and company data to provide fast, seamless service via face-to-face, phone, chat, or email. They also need to answer their customers' questions quickly and accurately, and understand when they can offer their customers upgrades or discounts. When customers can't get this information in the first interaction and within a reasonable amount of time, they can chalk it up as a bad experience and start exploring other companies.

This can be a highly stressful experience for staff members who are scrambling to get the correct information only to be hampered by network delays, outages, or slow-performing applications and systems.

2. Poor call quality

Customer-facing staff who are working from home as part of the pandemic's new normal tend to depend on consumer-grade devices and networks for communications. This can mean that phone calls suffer from bad sound quality or lag, making the conversation difficult for both parties to follow. This can have a detrimental impact on the customer experience and make them highly likely to take their business elsewhere.

For the employee, this can also cause significant stress as they attempt to make themselves understood or have to apologise for a bad connection. This disrupts their ability to deliver a positive customer experience and can impact their capacity to meet key performance indicators (KPIs) and other targets.

Customer-facing teams need immediate access to the latest customer and company data to provide fast, seamless service via face-to-face, phone, chat, or email.

3. Call dropouts

The only thing worse than poor call quality is when the call drops out just as the customer gets to speak with an employee. This can leave the customer with no choice but to re-join the queue from the back. If wait times are significant, this can leave them furious and they're likely to take this anger out on the person who ultimately answers their call. Unfortunately, there's nothing the employee can do at this point, leaving the customer even more frustrated and the worker potentially rattled and upset.
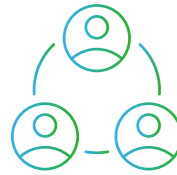
4. Inability to collaborate with colleagues

When organisations provision people to work from home, the most significant thing they lose is the ability for customer-facing staff to ask questions of supervisors and team members instantly. In a face-to-face scenario, sales associates can quickly get help from their colleagues, but they are forced to rely on technology to connect them when they're working from home.

Most organisations have attempted to solve this with instant messaging and other collaboration tools such as Microsoft Teams. However, the reality is that a poor internet connection can sever the conversation and leave team members feeling siloed.

The company's reputation is on the line every time a customer tries to make contact. If any of these four issues occur, the company won't service customers smoothly and is likely to lose customers altogether.

These challenges must have seemed unavoidable and insurmountable for retailers rapidly provisioning new stores, pop-up locations, and work-from-home staff members. After all, it's not possible to control the quality, speed, or reliability of employees' home internet, for example. As a result, many organisations may have turned to band-aid fixes that will no longer suffice more than 18 months into the global health crisis.

An emerging and increasingly popular technology is eliminating these challenges for organisations.

How SD-WAN solves the challenge of operating at the speed of retail

Software-defined wide area network (SD-WAN) revolutionises how retailers connect to clouds and apps across distributed locations. SD-WAN uses software to virtualise WAN connections, improving network traffic performance and reliability, especially between branch locations (i.e. stores or work-from-home locations), to data centres and the cloud.

With SD-WAN, retailers can provide exceptional user experiences with service guarantees so their team is always online. This means they can access the systems and information they need to deliver a strong customer experience, including POS, CRM, ERP, and other business-critical applications.

SD-WAN manages traffic between applications in the data centre and cloud and the user's location. This means sales associates can connect to the applications they need from the store or their home, and expect the same level of performance they would receive if they were connecting from head office.

SD-WAN optimises traffic using various available connections so that the most critical applications and data are given priority, reducing the risk of network latency and lag. It dynamically steers traffic to the best available link. If that link stops performing optimally, it automatically remediates the issue so employees don't notice a difference in the performance of their high-priority applications. This makes it less likely that in-store sales would be disrupted due to slow connections for POS or payment systems, for example.

At its core, SD-WAN can deliver enterprise-grade performance and continuous uptime while letting users quickly access every other location in the network, data centre-located applications and data, and all cloud applications over the internet.

1. Network agility

SD-WAN is a software solution that's based in the cloud, making it inherently agile. This allows businesses to adapt to changing needs very quickly, including provisioning new stores and responding to business needs by dynamically steering all traffic based on clearly identified priorities.

2. Ease of deployment

SD-WAN can be deployed as dedicated hardware, a virtualised appliance, or a mixture of cloud software and hardware. Installation is simple and doesn't require a specialised technician, which means that each store can be provisioned with SD-WAN without incurring high setup costs or requiring the disruptive inconvenience of having a technician visit the store. This saves time and money, getting stores up and running sooner.

3. Central management and control

While the retailer's stores may be geographically dispersed, SD-WAN is managed by a centralised orchestrator, which monitors the network activity and provides alerts if there are any issues. The orchestrator also remediates any problems remotely. This means network administrators can push updated configurations and policies to each store or user quickly and efficiently. It also provides real-time analytics and reporting that can be used to make sure the network is performing as anticipated.

4. Data segmentation

Data security is a crucial concern for retailers. With store systems and users connected via the internet, the risk of a cyberattack or data breach is higher. An SD-WAN controller can create network segmentation that protects data. For example, it can be used to separate card payment information from customer names, so that a cybercriminal can't access both pieces of information. This helps to reduce the risk of threat actors stealing and monetising that data.

5. Simplifying complexity

SD-WAN can help retailers simplify the complexity across several fronts by:

· reducing the workload on the IT and network management team by centralising the control and management of network activity, letting IT staff invest more time and resources in other priorities

· avoiding high upfront investment costs with subscription plans that let companies pay as they go

· speeding up provisioning for stores and avoiding the need for a technician to install SD-WAN physically

· providing a flexible deployment model that can either work with an existing branch office router or replace it entirely.

According to IDC, the benefits of SD-WAN for retailers include:

· greater ability, better use and allocation of bandwidth, and better hands-off network management

· the ability to quickly scale operations up and down to realise customer traffic and store revenue sooner

· the ability to very quickly provision new locations without delays in getting up and running

· the ability to rapidly provision work-from-home users to have secure access to essential systems

· optimised traffic flows that prioritise mission-critical traffic such as POS transactions.[7]

These benefits are making SD-WAN an increasingly popular choice for organisations looking to improve the way they connect end users to applications. According to Gartner, 60 per cent of enterprises will have implemented SD-WAN by 2024 (compared with 30 per cent in 2020).[8]

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What to look for in an SD-WAN investment

Not all SD-WAN offerings are built the same. When an organisation's workforce is distributed among stores or home offices, it needs to rely on the cloud to access data, information, and systems for the team. A born-in-the-cloud SD-WAN offering supported by a trusted partner will ensure the business's network is available and performs to its requirements. This, supplemented by comprehensive voice capabilities and other services to better support customer-facing employees, can help businesses operate more effectively and impactfully even when the whole team is working from home or other remote locations.

While it is possible for organisations to take a do-it-yourself approach, Gartner has reported a trend towards managed services to help support implementations, especially for mid-sized organisations.[9] Working with a managed service provider to deploy and manage SD-WAN offers valuable benefits to businesses.

It can simplify the organisation's journey to the cloud and augment its existing resources and skillset. Organisations can usually choose how to work with a managed services provider from a fully managed solution to a co-managed approach, among others.

Importantly, working with a managed services provider can make it easier for organisations to cut through the confusing and sometimes conflicting information on SD-WAN from various vendors to choose the right solution for the organisation's needs. A managed services provider can take on the burden of ensuring the SD-WAN solution delivers value, freeing up the business's IT team to focus on other strategic priorities. For many companies, engaging with a managed services provider also empowers the business to achieve a more holistic view of the deployment, and understand how to better support and enhance it as needed.

Working with a managed service provider to deploy and manage SD-WAN offers valuable benefits.

1. A proven track record of delivering SD-WAN for retailers

There are numerous SD-WAN vendors in the marketplace so it's crucial to ensure that your organisation works with one that knows how to get results in your industry sector. This can be challenging for organisations that are new to the world of SD-WAN, so it's essential to engage with an experienced managed services provider with proven expertise in the retail industry to help point you in the right direction of an appropriate vendor.

2. Planned investments

Identifying and deploying SD-WAN for your business may not be a one-size-fits-all solution. To better identify if a partner will meet your needs, your business needs to understand how SD-WAN will enhance security capabilities, multi-cloud, edge computing, and artificial intelligence (AI) specific to your organisation. This will help determine whether the SD-WAN solution aligns with your business goals and objectives.

3. A large global channel

SD-WAN vendors with a large global channel are more likely to have encountered (and solved) the same challenges the organisation is facing. This makes it more likely that the organisation will gain a strong return on its investment in SD-WAN. It's important to work with a partner that will recommend the right vendor based on their experience and expertise.

4. Strong resources

Strong financial resources, among other elements, indicate future market viability. While large global vendors dominate the SD-WAN market, it's important to know that the chosen provider will still be able to support its customers over the long term. Understanding a vendor's market position can help organisations and executives to assess if their selected vendor will be the most suitable long-term partner for them.

5. A clear roadmap

Before choosing an SD-WAN partner, it's worth checking that its development roadmap aligns with the business's needs both now and into the future. It's essential to choose a partner that will look strategically at the business and develop a truly integrated solution based on that strategy. This will prevent the need to find a new partner down the track. Working with your managed services provider can help you to identify if your roadmaps align, and if this is the most suitable vendor for you to partner with. Your SD-WAN solution provider shouldn't be locked into one vendor, and should recommend the right vendor based on your requirements.

6. Strong positioning by analysts

Industry analysts such as Gartner develop reports that rate providers' positions in the market and their ability to execute. Businesses should choose a provider that Gartner has identified as a leader in its Magic Quadrant to minimise risk and maximise return on investment.
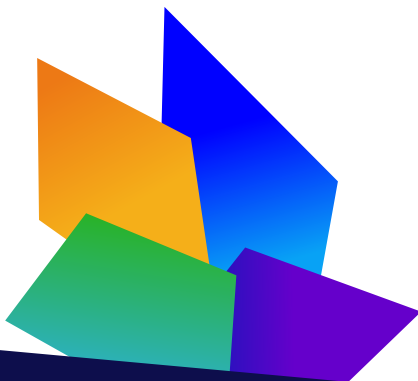
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SD-WAN in action

National Storage

National Storage, a leading self-storage provider in Australia and New Zealand, has implemented SD-WAN to rapidly deploy new sites and boost network performance in areas where connectivity options are limited. National Storage chose Over the Wire to deploy and manage its SD-WAN solution, which has delivered significant benefits including:

· real-time visibility and control across applications and their performance

· rapid, low-touch deployment for new sites, getting them up and running in just hours

· improved network quality and resilience

· latency-sensitive traffic such as video is steered across the fastest link while browsing takes any available path

· carrier redundancy through Over the Wire for maximum availability.

Marcus Barron, GM technology, National Storage, said, "We can get connectivity to a newly acquired site by sending out a VeloCloud box with a 4G SIM and automatically have it on our network using internet access on day one instead of waiting for a wired service to be delivered."

To learn about how National Storage achieved these benefits, read more.

FoodWorks

FoodWorks is Australia's second-largest leading independent supermarket retailing group. It chose Over the Wire to provide a solution that would deliver improved uptime and connectivity across the independent stores in the FoodWords network.

Every minute of offline time results in a financial loss for the stores. Over the Wire works with FoodWorks to deliver a failover network that provides the ultimate failsafe.

Brad Slater, head of technology, FoodWorks, said, "I constantly hear about line dropouts, poor service, and slow internet connections from stores with different internet service providers (ISPs). Our stores need a reliable data connection to access services such as Eftpos, phone recharge, and stock inventory systems. This means the shops cannot afford any downtime within our broadband service.

"The Over the Wire FoodWorks solution mitigates the risk of a network dropout with a backup 4G service. The fact that the Over the Wire staff understand the uniqueness of each of our stores and our overarching IT architecture is key. Rather than get bumped to an overseas call centre, who don't know our network, the Australian-based team at Over the Wire's network operation centre understand how we function and the individual infrastructure of each store, which is a great help for us."

Where to from here?

Over the Wire is an ASX-listed, independent managed services partner and provider of SD-WAN solutions in Australia. A team of expert professionals is available to support customers 24/7 through fully managed, co-managed, or over the top SD-WAN services.

Over the Wire offers market-leading service level agreements (SLAs) to provide organisations with

complete peace of mind that their SD-WAN solution will deliver value and performance as required.

For organisations looking to connect customer-facing staff members more reliably via voice and other channels, it's essential to work with a managed services provider that can also provide Tier One voice services. Over the Wire combines SD-WAN solutions and Tier One voice services to deliver a solid, end-to-end guarantee around quality. Beyond partnering with organisations to deploy SD-WAN, Over the Wire helps organisations to gain a more holistic view of their network and SD-WAN needs, to help businesses see a clearer picture with their managed services solutions.

Over the Wire combines SD-WAN solutions and Tier One voice services to deliver a solid, end-to-end guarantee around quality.

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Over the Wire can help your business ensure every staff member has reliable and high-performing network connectivity to support their productivity no matter where they are working.

To find out how we can help your business support a distributed workforce, **contact the team today.**

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