

## The Branch is Becoming the Hub: How to Manage SaaS Application Performance

Recorded July 27, 2012  
*Discussion Transcript\**

To download or listen to the audio podcast version of this discussion, visit:  
[Ipanema: Managing SaaS Application Performance](#)



***Dave White, Senior Vice President for  
Business Development at Ipanema  
Technologies***



***Jim Metzler, Distinguished Research Fellow and  
co-founder of Webtorials' Analyst Division***

Steven Taylor: Greetings, and thank you for joining us for this webcast on the Branch is Becoming the Hub and How to Manage SaaS Application Performance. My name is Steve Taylor, and I'm the Publisher and Editor-In-Chief at Webtorials.

I'm very pleased today to introduce another of our podcast series for you. In this case, we're going to be joined by Jim Metzler, Webtorials Distinguished Research Fellow and co-founder of our Analyst Division. And today he's going to be chatting with Dave White. Dave is the Senior Vice President for Business Development at Ipanema Technologies.

We all know that the networks are rapidly evolving, and we need to make sure that we continue to have excellent application performance in a more distributed and thus less easily controlled network environment.

So, Jim, at this point let me hand things over to you.

Jim Metzler: Steve, thanks so much. I'm really excited to be here today because if you look at our title here in terms of SaaS-based applications, having no doubt of the great interest today and the growing interest in that, but there's also no doubt in the fact that this presents some real challenges. Now, David, I want to start the conversation with just that kind of theme, and I think about

Software as a Service (SaaS). Do you see that SaaS-based applications present any unique performance challenges to, you know, organizations; and, if so, what are those challenges?

David White: Oh, thanks, Jim. It's a pleasure to have this conversation with you. Absolutely SaaS applications present some performance challenges. And one of the main reasons is that SaaS applications aren't in control of IT and the typical data center. So it's important to recognize that you can't manage applications that are on the internet in the same way that you manage your core business applications. Does that make sense?

Jim Metzler: Well, it does make sense, David. In my mind that's a double-edged sword. And what I mean by that's the following: I work with IT groups that say, "Hey, Jim, you know, it's a SaaS-based application, I don't control the infrastructure, you know, nothing I can do about it." And regrettably if you follow that argument out, the IT organization is less and less relevant going forward. They're saying, "We don't really have that much value." So while I certainly understand the difficulty associated with managing, in this case, SaaS-based applications, in my mind it's an absolute imperative for the IT organization to show their value to be able to do that kind of function. So the kind of "Oh, woe is me, I don't control it," that's a path to IT becoming obsolete in my mind. Would you agree with that Dave?

David White: I absolutely agree with that. In fact I've been at a couple of CIO conferences where that subject has come up, and most of the CIOs there agree that they have to do something to manage what they call "shadow IT." "Shadow IT" meaning SaaS applications that are purchased by a group within the company that magically show up on the network one day and then there are problems in performance and, of course, IT is expected to resolve it. And if they don't get involved, then you're correct. If they don't try and manage the application's performance and manage what the users need, then they do become obsolete.

Jim Metzler: Right, and actually, if you don't mind, Dave, I'll expand on that. Certainly we've had a [shadow] IT [organization] as long as I've been around. I won't discuss how long that's been. We've always had – you have a shadow IT organization and now there's no doubt in my mind that, you know, SaaS providers are a shadow IT or can be a shadow IT organization. So I thoroughly buy into the example you gave. But there's also the case in which it's not happening in kind of a shadow sense and, you know, the IT organization working with the business units are going out and acquiring SaaS-based applications. And in that environment still the burden is on the IT organization to be able to just manage, secure, and insure some degree of performance of those applications. So I see this as a very broad issue for IT organizations. So we certainly agree on that.

Do you see any other challenges, Dave? I mean, one thing that comes to my mind is that, in my mind, it's the exception in which people are accessing a SaaS-based application over say MPLS or frame or ATM, the kind of typical

enterprise WAN services. It's almost always, if not always, over the internet. Have you seen that and, you know, what challenges does that present?

David White: I think the fact that SaaS applications are primarily – and it's probably even more than the 80/20 rule – primarily over the internet has a lot of challenges because they're single-sided, meaning that you've only got control at one end, and you can't use a classic WAN optimization device that does compression and caching to help manage the performance. And you can take a look at what's happening, and there are tools that customers can buy that say "Oh, this is what's happening, and that's what's happening to my wide area network, and that's what's happening to performance." But unfortunately tools that give you some visibility don't help you manage and resolve any performance issues you might have. And certainly part of it is related to the fact that you are now in a meshed environment and we went through in the last, oh, geez, five to seven years talking about data center consolidation. And I think, Jim, you probably agree that this is really more a data center deconsolidation because we're looking at it from an application standpoint.

Jim Metzler: Well, Dave, that's interesting. Let's drill down on that a bit more. I mean, you and I have chatted about the fact that the branch is becoming the hub on a going forward basis. Can you elaborate a bit on what you mean by that?

David White: Sure, I think the first thing to do is kind of define what a hub means. And what a hub means is really that it's the center that applications and business-critical applications. The performance of those applications is now at the hub – at the branch, as opposed to data center consolidation where, over the last five to seven years, we've been taking intelligence out of the branch. The reality is we're now in an environment where the intelligence and the center of applications is now at the branch, and it's really a lot different than what we were looking at before.

Because with the advent of SaaS applications, those applications, whether they be just business applications or whether they're actually internet media applications, social media, which is now of course, as we know, business-critical to most customers, all of those applications are centered in the branch. And many branch offices have three or four different access points on a global basis, part of it done because of price, but also partly due to performance. And when you've got a lot of different access points coming in to a single location that presents a lot of performance challenges.

Jim Metzler: Okay, well, David I certainly buy into the challenges, and let's, you know, kind of migrate away from that. And I have to ask you what options are available for managing the performance of SaaS-based applications?

David White: You know, I think there are a lot of options that customers are looking at, and one of them of course is they try and increase the bandwidth. The obvious solution is, 'I just need more bandwidth.' And that's very difficult to continue

increasing your bandwidth when your requirements are doubling every 12 months, and in some cases even sooner than that.

Some customers try and put in internet as a backup to their MPLS and assume that the internet applications are only going to be used occasionally. And the reality is that they're probably used – using more bandwidth than the MPLS link.

And there are also vendors who say that they can solve the problem and you don't need MPLS anymore, and you should just move your network to their solution, which is totally internet-based.

And then, of course, there are a lot of products that people can buy to take a look at what's going on and then try and manage the performance with other applications.

So you can get appliances or you can actually get two or three different applications that are doing nothing other than looking at your problems, telling you what you might want to do, and then you can use some recommendations that require that now as an IT manager, you have to go out and find another solution and evaluate it. I think it's a very complex and difficult challenge.

Jim Metzler:

Well, I certainly have to agree, and I'll get back to your opening comment there about, you know, adding more WAN bandwidth, and I'm certainly not going to say that never makes sense; of course, sometimes it does. But Dave, as you and I certainly realize, the wide area network is perhaps the one component of information technology that does not follow Moore's Law. So in the LAN we've gone from 10 to 100 to gig to 10G, now to 40 and 100G—blazing speeds. And we get this kind of doubling of price performance every 18, 24 months. That is just not the case in the wide area network, so adding bandwidth is technically easy, it's just financially very challenging. I thoroughly, thoroughly agree with you on that.

Now I want to come back again to this, you know, the fact that SaaS-based applications are accessed over the internet. And, Dave, you certainly have realized the fact that a lot of companies historically have backhauled their internet traffic to their data center and then hand it off to the internet. Now they're doing a little bit less of that over time, but that's still a pretty common approach. And so they've got this say MPLS network and they've got maybe direct internet access. You know, what functionality do you provide—and by you, I mean Ipanema—to manage both of those options and to kind of maximize the dollars or Euros people are spending here?

David White:

Thanks, Jim, I knew we'd get to this point of talking about us just a little bit, but – and I'll tell you that it's very difficult when you talk to a customer and what they're used to doing is backhauling, and what they're used to doing is trying to manage performance by adding bandwidth. And they realize that

both of those get very expensive across time, and they're trying to save money.

So the first thing that you need to do is provide a product, which we do, that can help customers right size and understand their bandwidth needs. It seems like it's just a tool, like another software tool, but the difference is at Ipanema, that's just the first step of an integrated system that then can look at what's going on on the network and manage it, regardless of whether the network is an MPLS network or whether it's an MPLS and internet-based network, or as is commonly called today a hybrid network. And we actually do manage the performance of applications in both environments so that we can guarantee for customers that they can get SLAs for their critical business applications.

And one of the key things that allows us to do that very cost effectively is a very low-cost device that we happen to call the nano; and for under \$600 US, you can provide – and that's list price by the way – you can provide a device in your branch that will completely manage the performance of the applications because you have to have something physical there when you have more than one connection going out to the wide area.

Jim Metzler: Okay, you know, Dave, we're coming close to running out of time. Do you have any final thoughts, maybe any final piece of advice for our audience today?

David White: Oh, absolutely, Jim, and just a couple of thoughts. When you're looking at SaaS applications and you're looking at the issues that you face, you know that you're managing not just classic TCP apps. I think you all know you're managing things that have video, that are real time, you're trying to manage applications that are VoIP-based unified communications, you have a mix of apps. And the SaaS apps and the media, business-critical pieces of the internet are all very important to you, and you need to find a way not just to take a look at what's going on, but to manage the performance. My suggestion is to look at all the solutions, certainly talk to your provider about bandwidth, but then make sure that you find a solution that doesn't just look at them. Find a solution that actually provides for those performance guarantees because that's what you need.

You need to be able to guarantee performance for your users, and Ipanema certainly can provide that to you, and we look forward to having that opportunity if some of you would contact us after listening to this podcast.

Jim Metzler: Well, Dave, I certainly trust they will, and I say that because no one can deny that SaaS is here today in a major way and is becoming more of an impact over every passing quarter. There also can be no doubt that the cost of the WAN is a huge issue, both today and going forward as you discussed and doubling every two or three years. And there's also no question that performance becomes an impediment. If you can't get the performance, you can't use the applications, and that has very significant business impact.

And one last comment that we didn't discuss, there is no fundamental successor to the MPLS coming down the line, so they can't just wait for the next technology, you know, revolution. I think, you know, solutions like the type that Ipanema turns out are very critical for our audience to go to look at to try to come to grips with the kind of problems we've been discussing today.

Dave, I really want to thank you so much for your insight. This is a very important topic. Thank you so much.

David White: Jim, thank you. I've really enjoyed the opportunity.

Steven Taylor: And I'd like to add my thanks to both of you for this most insightful discussion that you shared with us. I think we're going to get a lot of good use out of it, and I personally find it very exciting that the branch is growing up, if you will, so that there's a way to leverage both the MPLS networks that are necessary in some cases while still being able to take advantage of the internet directly from the branch with appropriate controls. Thanks to both of you.

THE END

*\* The discussion has been edited slightly for clarity and length.*

Webtorials® is the premier Internet site for IT-related education and resource-sharing. We provide an interactive communications platform that unites all members of the broadband networking and IT ecosystem: enterprise and small/medium-size business (SMB) IT professionals, solutions companies, service providers, analysts, consultants and press. Here, they all share their favorite documents, exchange problem-solving tips and participate in community discussions.

For over 15 years, Webtorials has provided its worldwide community of networking and IT professionals with a wide range of resources, including [White Papers](#), [TechNotes™](#), [Thought Leadership](#), and [Research Reports](#).

For editorial questions and concerns, please contact [Steven Taylor](#).

For questions concerning marketing and highlighting your products on Webtorials, please contact [Sales@Webtorials.com](mailto:Sales@Webtorials.com).

### About the Webtorials® Editorial/Analyst Division

The Webtorials® Editorial/Analyst Division, a joint venture of industry veterans Steven Taylor and Jim Metzler, is devoted to performing in-depth analysis and research in focused areas such as Metro Ethernet and MPLS, as well as in areas that cross the traditional functional boundaries of IT, such as Unified Communications and Application Delivery. The Editorial/Analyst Division's focus is on providing actionable insight through custom research with a forward-looking viewpoint. Through reports that examine industry dynamics from both a demand and a supply perspective, the firm educates the marketplace both on emerging trends and the role that IT products, services and processes play in responding to those trends.

For more information and for additional Webtorials® Editorial/Analyst Division products, please contact Jim Metzler at [jim@webtorials.com](mailto:jim@webtorials.com) or Steven Taylor at [taylor@webtorials.com](mailto:taylor@webtorials.com).

**Published by**  
**Webtorials**  
**Editorial/Analyst**  
**Division**  
[www.webtorials.com](http://www.webtorials.com)

**Division Cofounders:**  
Jim Metzler  
[jim@webtorials.com](mailto:jim@webtorials.com)  
Steven Taylor  
[taylor@webtorials.com](mailto:taylor@webtorials.com)

#### **Professional Opinions Disclaimer**

All information presented and opinions expressed in this publication represent the current opinions of the author(s) based on professional judgment and best available information at the time of the presentation. Consequently, the information is subject to change, and no liability for advice presented is assumed. Ultimate responsibility for choice of appropriate solutions remains with the reader.

#### **Copyright © 2012, Webtorials**

For editorial and sponsorship information, contact Jim Metzler or Steven Taylor. The Webtorials Editorial/Analyst Division is an analyst and consulting joint venture of Steven Taylor and Jim Metzler.