

SD-WAN is creating growth opportunities for operators in an otherwise flat business connectivity market

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Matt Small

SD-WAN is a rare growth opportunity for operators in the business connectivity market. Analysys Mason forecasts that [more than a third of all business fixed connectivity revenue will be associated with SD-WAN by 2030.](#)

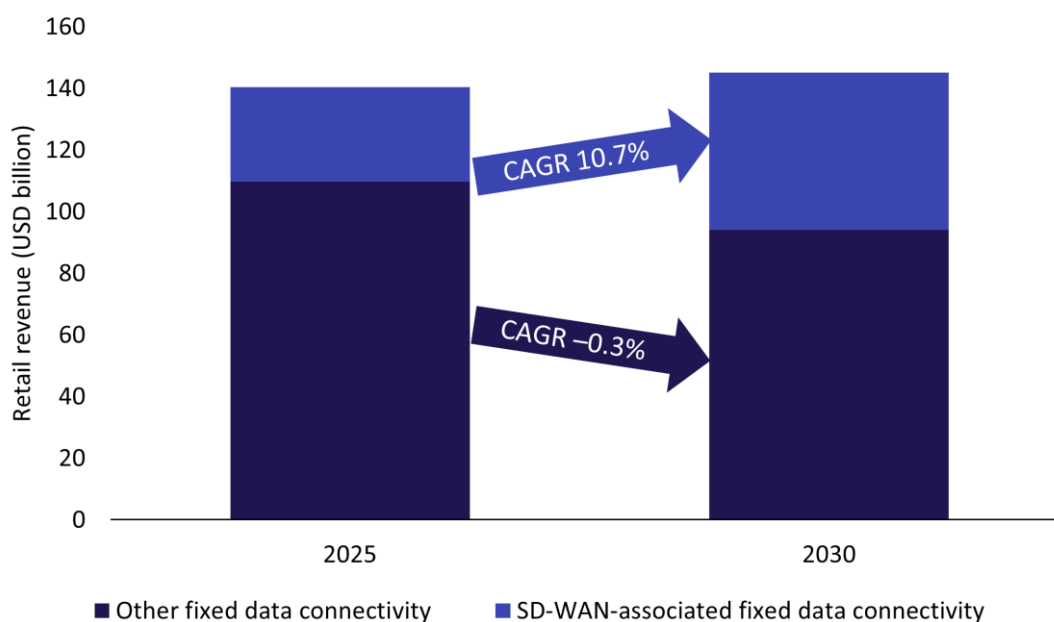
SD-WAN offers more to operators than an opportunity to capture connectivity market share. It can act as a platform for operators to upsell more services. Selling adjacent managed networking and security services such as SASE and SD-LAN solutions to existing SD-WAN customers is a natural extension of the trusted relationships that operators have created with businesses.

SD-WAN represents a pocket of growth in the business connectivity market

Business demand for high-capacity, resilient connectivity continues to grow, supported by the increasing adoption of cloud services. The deployment of AI inferencing and the use of AI agents could further increase the demand for these connectivity services in the future. However, steady downward pressure on unit prices, combined with a shift towards fibre broadband services instead of more expensive dedicated connections, will keep business fixed connectivity revenue broadly flat between 2025 and 2030.

[SD-WAN represents a growth opportunity within this flat market.](#) SD-WAN adoption is increasing because it is able to meet business demand for more flexible networking solutions that improve performance when accessing cloud-based services. The share of business fixed connectivity revenue associated with SD-WAN is expected to increase from 20% in 2025 to over a third by 2030 (Figure 1).

Figure 1: Retail revenue from SD-WAN-associated fixed data connectivity and all other fixed data connectivity retail revenue, worldwide



Source: Analysys Mason

Telecoms operators are well placed to capture SD-WAN revenue growth because they can supply both the underlying connectivity and the overlay service in one package. This can be particularly appealing for SMEs, which often want a single managed connectivity solution rather than separate connectivity and networking products. In addition, operators' [established SD-WAN portfolios](#) with multiple vendors give them flexibility in meeting the demands of enterprises with more complex needs.

This model is already delivering growth for operators. Vodafone Business reported 35% year-on-year growth in software-defined networking revenue in 4Q FY2026.¹ AT&T and Comcast have reported deploying SD-WAN at a large number of sites, with AT&T managing 140 000 sites at the end of 2024 and Comcast managing 125 000 sites in June 2025.

Operators can use SD-WAN as a platform to upsell SASE and SD-LAN services

SD-WAN offers operators more than a standalone growth opportunity in the business connectivity market. It serves as a platform that enables them to sell adjacent managed networking and security services. Operators are well placed to sell these additional services to existing SD-WAN customers that have already identified the need for more flexible and secure networking.

¹ The three months ending March 2026.

SASE is the closest adjacency, given that it builds directly on SD-WAN deployments. An increasing share of business traffic is moving towards cloud-based applications, which creates a growing need for cloud security services. SASE brings SD-WAN and cloud security services together. Demand for these solutions is growing rapidly. Zscaler, a leading secure web gateway (SWG) provider, reported a 22% increase in annual recurring revenue (ARR) in 2025, while Palo Alto Networks reported 35% growth in its SASE ARR in the same year.

Operators are a key channel for vendors' go-to-market strategies, especially in Europe. Palo Alto Networks reports that [telecoms operators account for half of its top 10 channel partners in Europe](#). Customer demand also supports operators in the SASE market: 40% of large businesses said they would prefer to buy cyber security and network services together, according to our [2025 business survey](#). An established route to market and increasing customer demand for integrated services gives operators a strong right to play in the rapidly growing SASE market.

SD-LAN is another natural service extension that operators can upsell. The SD-WAN customer-premises equipment (CPE) that operators manage on behalf of customers will often also support a range of LAN services, including Wi-Fi management and the dynamic allocation of bandwidth across connected devices. This allows operators to take on the management of a customer's LAN through a single managed contract.

Selling these adjacent services increases revenue per customer and makes the relationship stickier. To make the most of this, operators need to be proactive in building comprehensive SASE and SD-LAN portfolios. They should also be working towards positioning security as a default component of SD-WAN, rather than as an optional add-on.

SD-WAN can help operators expand into the broader IT services market

Operators that manage a business SD-WAN solution can use this as the basis to sell higher-value IT services. Managing a customer's network can provide operators with insights into how applications are used and where problems occur. This puts them in a strong position to advise businesses on adopting further IT services from them. For SMEs, taking multiple services from a single provider can be more appealing and efficient than procuring them from separate specialist providers.

Analysys Mason forecasts that [growth in the B2B core telecoms market will be limited in the next 5 years](#). Operators need to take proactive steps in the IT services market now to secure future revenue growth. SD-WAN should not be positioned as a standalone product, but as the foundation to upsell more networking, security and other IT services. Operators that do not do this risk revenue stagnation and the churning of connectivity customers to providers that offer more solutions to them in a single package.

Analysys Mason's [Enterprise Services](#) and [SME Services](#) programmes look at the opportunities for telecoms operators in the business market and identify growth opportunities in areas such as cloud services, cyber security, enterprise AI services and SD-WAN/SASE.