

REPORT REPRINT

Network security is wide Awake with Arista acquisition

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By Eric Hanselman, Mike Fratto

Awake Security's AI skills have driven Arista Networks to rise and shine and acquire the startup. Bringing cognitive capabilities and security depth, Arista will look to leverage Awake's technology in the increasingly complex NetOps world.

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Introduction

Network-based security approaches are gaining prominence and Arista Networks' acquisition of Awake Security illustrates the importance of cognitive processing in making them effective. Awake's analytics could give Arista security capabilities that can scale in ways that address new classes of threats and more sophisticated attack techniques.

Snapshot

Acquirer	Arista Networks
Target	Awake Security
Subsector	Network security
Deal value	Undisclosed
Date announced	28-Sep-20
Closing date, expected	Dec-20
Advisers	None

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Arista has been at the forefront of high-performance networking and the increasing importance of networking in effective security protections looks to have motivated it to increase its security smarts in ways that could extend its network operations skills as well. The demands of scale that have pushed the adoption of cognitive techniques into security are in an earlier stage in the networking world and are just as critical. Awake's push to automate the response to network threats can be mapped to moves to automate network operations in general. Both are areas where chronic skills gaps are requiring that automation make operations in each of these areas more autonomous.

Deal details

While the details of the deal haven't been disclosed, Arista has said that it doesn't expect them to be material to its 2020 results. There could be extensive benefits in bringing the cognitive capabilities of Awake more directly into the Arista operations and management areas, although the buyer hasn't said how it plans to integrate the purchase.

Deal rationale

Greater network-based visibility has become more important in securing enterprise environments because infrastructure and end users have become more dispersed. The pandemic has only accelerated a trend that was already underway with greater use of hybrid cloud environments and more complex application ecosystems. In the just-released 451 Research Voice of the Enterprise: Information Security, Workloads & Key Projects study, respondents cited network visibility detection and response (NVDR) as the second most important short-term implementation plan, behind only cloud-native security and tied with zero trust efforts. That's an indication of the renewed importance that enterprises are placing on the security context that networking can provide.

Target profile

Analytics have become a requirement for modern security tools and Awake has leveraged cognitive processing to provide security operations teams and threat hunters with a tool that can correlate and contextualize the reams of data that modern infrastructure throws off. The Sunnyvale, California-based company has raised over \$88m in three rounds since its founding in 2014. Its last round was \$30m in April. It counts Bain Capital, Greylock Partners, Liberty Global Ventures, Energize Ventures and Evolution Equity Partners as investors.

Acquirer profile

While it hasn't been an active acquirer, this is the second acquisition this year for Santa Clara, California-based Arista Networks. Its purchase of Big Switch Networks in February gave Arista additional SDN capabilities and packet-brokering functionality that could be used to feed Awake's analytics. Arista is well established in high-performance networking markets but hasn't had the same presence in security.

Arista has noted in SEC filings that it has a slowing of revenue growth because there has been an overall flattening in the hyperscale cloud segment, and because a few key customers like Microsoft have been moving to off-the-shelf servers for switching. Arista has had to expand to new markets, previously via campus networking called Cognitive Campus. Arista continues to emphasize its Cognitive Campus in order to remain competitive by bringing machine learning and AI to all facets of enterprise networking from the branch to the datacenter. Arista's CloudVision as a service will help it acquire sufficient data to increase its capabilities. In addition to its own product development, leading to its entry in campus networking in 2018, Arista has been filling gaps in its portfolio, such as the acquisition of wireless vendor Mojo Networks. Awake seems to fit this expansion strategy in an area where there is more growth.

The acquisition of Metamako, also in 2018, allowed Arista to better integrate and develop its FPGA portfolio for low-latency networking. Arista pursues two key enterprise segments: the cloud-scale providers requiring fast, dense networking support by deep automation, and the datacenter and campus large enterprise deployments needing streamlined operations and monitoring.

Competition

Arista has been successful in core networking, building a history of successes in high-performance applications. Its main competitor has been Cisco; Juniper Networks has also competed in some areas, including relationships with hyperscalers and large financials. In March 2019, Juniper acquired Mist Systems and has extended its analytics for optimizing Wi-Fi environments into datacenter operations. Awake will give Arista much greater security analytics strength and should improve its position against Cisco's recently announced SecureX initiative.

Awake has been competing in the security analytics world with the likes of Darktrace, ExtraHop, Gigamon and Vectra. Network analytics vendors such as Corelight and Reservoir Labs have been increasing the cognitive capabilities of their products and compete in this area as well.