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Re-evaluate Your Virtualization Strategy

Alternatives to VMware

An Overview

Over the past two decades, the virtualization market has seen remarkable growth, driven by the increasing need for efficient IT resource management, cost reduction, and enhanced agility in IT operations. VMware, a leader in this space before its acquisition, was well-regarded for its widespread corporate adoption and innovative products. Despite facing challenges from rising competition and market saturation, VMware's focus on emerging technologies and cloud solutions positioned it to maintain its leadership in virtualization.

The transition to a subscription model brings both benefits and drawbacks for customers. On the positive side, clients no longer need to purchase additional maintenance contracts or renewals to access the latest features and security updates. This ensures that all users benefit from advancements in virtualization technology, ultimately enhancing productivity and security. However, some customers may find the subscription model challenging, particularly those who prefer one-time purchases with renewal options. Independent organizations and small businesses may find the recurring subscription fees burdensome, especially if they do not require frequent upgrades or new features.

The broader virtualization market could also be impacted by this shift. Customers who are hesitant to adopt a subscription model might be attracted to competitors offering perpetual licenses. *Gartner predicts that "Devirtualization" will increasingly gain traction soon.* By 2028, it is projected that around 30% of VMware customers will shift from the vSphere hypervisor to alternate hypervisors or container platforms, whether on-premises or in the cloud. Additionally, *20% of VMware customers are anticipated to begin moving away from the platform altogether. Furthermore, AWS has suspended VMware Cloud on AWS, adding to the uncertainty surrounding VMware's future.*

What major changes were introduced

Following Broadcom's acquisition of VMware, significant changes to the licensing structure have been introduced, marking a substantial shift for existing VMware clients.

Discontinuation of Perpetual Licenses:

VMware's shift from perpetual licensing to a subscription-based model is a major change due to its large user base, requiring customers to rethink their financial planning and licensing costs. Broadcom is providing initial incentives and discounts for subscriptions, but companies with existing perpetual licenses must transition to the subscription model upon contract expiration to maintain support and updates.

Simplifying the Offering into Macro-Bundles:

Broadcom intends to simplify VMware's product portfolio in response to partner and customer feedback about the complexity of VMware's offerings and go-to-market strategies. Consequently, VMware's 168 products will be reduced to four main offerings: VMware Cloud Foundation (VCF), VMware vSphere Foundation (VVF), VMware vSphere Standard (VVS), and VMware vSphere Essentials Plus (VVEP).

Per Core Model License:

VMware's new licensing model prices licenses per core rather than per CPU, which has significant cost implications. With a minimum requirement of sixteen cores per quote, the costs for subscription licensing can escalate quickly, especially for servers with higher core counts, such as a server with 64 cores resulting in substantial support expenses.

No More Individual SKUs:

VMware has discontinued over 56 platforms, meaning certain solutions will no longer be sold individually, which has raised significant concerns among customers and partners. Popular solutions like VMware vSphere+, VMware Aria Suite, and VMware NSX have been affected, with some being reintroduced as part of VMware Cloud Foundation (VCF) or VMware vSphere Foundation, while others, such as the free ESXi hypervisor, have been discontinued.

Key challenges faced by customers

Broadcom's acquisition of VMware marked a significant turning point in the virtualization market, introducing substantial disruptions and uncertainties. This strategic move prompted many customers to reconsider their commitment to VMware and explore alternative solutions.

Price Instability:

One of the most immediate impacts of the acquisition was price instability. Broadcom's decision to transition from perpetual licenses to subscription-based models led to substantial price increases, causing financial uncertainty for customers. Customers engaged with Dell's preferred benefits are affected by the changes introduced by Broadcom.

Aggressive Competition:

VMware began facing aggressive competition from alternatives like Nutanix. Competitors actively promoted migration away from VMware, capitalizing on the uncertainties and disruptions caused by Broadcom's acquisition. This fierce competition added another layer of complexity for customers trying to make informed decisions about their virtualization solutions.

Product Disruptions:

Broadcom's acquisition has resulted in the discontinuation of several VMware product bundles, such as Horizon View and Workspace ONE, disrupting customers' existing setups.

Increased Costs on Renewals:

Customers experienced significant uplift costs on renewals, particularly as new subscription licenses were now priced per CPU core. This pricing model led to higher expenses, especially for organizations with mid-range servers.

Skill Gap and Transformation:

As customers transition to new platforms and technologies, they would face difficulties in adapting to the new environment. The need for specialized knowledge and skills became apparent, further complicating the transition process.

What are the Strategic Options for VMware Exit

The acquisition serves as a significant motivator for organizations to reassess their IT infrastructure. This change in ownership can lead to shifts in pricing models, product offerings, and support structures, making it an opportune time to explore alternative solutions. Recognize that transitioning away from VMware will not happen overnight. It requires careful planning and a phased approach to ensure minimal disruption to business operations. This involves setting realistic timelines and milestones for the migration process.

Abstracting the Hypervisor:

This strategy enables organizations to select the best platform for each specific need, rather than being confined to a single vendor. For example, a web application with fluctuating traffic can be hosted on a cloud platform like AWS for scalability, a data analytics application requiring high performance might be better suited for Nutanix's hyper-converged infrastructure, containerized microservices can be managed using Kubernetes (K8s), and stable legacy applications can run on Kernel-based Virtual Machine (KVM) for cost-effective virtualization.

End-User Computing Solutions:

Platforms like Hyperscale or Citrix can provide a seamless transition for end-users, ensuring continuity in their computing experience while migrating away from VMware. Hyperscale data centers like AWS, Azure, and GCP offer on-demand resources that allow businesses to migrate workloads to the cloud with minimal downtime and scale resources as needed. Citrix's cloud-agnostic approach provides superior user experience, greater deployment flexibility across on-premises datacenters and public clouds with ability to easily scale and expand IT environments as per business requirements.

Workload-Based Pilots:

Conducting workload-based pilots to evaluate is an alternate solution that helps understand potential impacts, total cost of ownership (TCO), and transformation costs. It helps in migrating away from VMware by providing valuable insights into the entire migration process, allowing organizations to assess risks, optimize migration strategies, and learn from the experience before deploying a full-scale migration minimizing downtime and disruptions to business operations.

Enhance virtual machine density:

To address the rising costs of new subscription licenses priced per CPU core, organizations should focus on enhancing the density and utilization of virtual machines within their existing VMware clusters. This strategy involves increasing the number of virtual machines per cluster and maximizing the efficiency of the existing infrastructure. By optimizing the use of current resources, significant cost savings can be achieved through better resource utilization and reduced infrastructure expenses.

Collaboration with Broadcom:

Approaching collaboration with Broadcom without biases is essential. Engaging with Broadcom can provide valuable insights and support during the transition. Maintaining an open & unbiased perspective and negotiating in favorable terms allows organizations to leverage the best practices and resources available.

Business Benefits of moving away from VMware:

Enhanced Agility and Innovation:

Migrating from VMware to a modern infrastructure, whether it's public, private, or hybrid cloud, enhances agility by allowing rapid resource provisioning, scaling, and easy adoption of new technologies. This flexibility leads to faster product and service launches, helping businesses stay competitive and drive innovation.

Cost Optimization and Efficiency:

Though migration may incur initial expenses, the long-term financial benefits are substantial. Transitioning from legacy VMware infrastructure cuts capital and operational costs, allowing savings to be reinvested in growth initiatives.

Improved Performance and Reliability:

Modern infrastructure platforms significantly outperform legacy VMware environments with faster processors, more memory, and high-speed storage, enhancing application performance and user experience. Additionally, cloud platforms offer built-in redundancy and disaster recovery, ensuring higher availability and business continuity.

Enhanced Security and Compliance:

Modern infrastructure platforms offer strong security features like encryption, access controls, and threat detection, and are built to meet strict compliance standards. Migrating to these platforms enhances security, protects sensitive data, and ensures regulatory compliance.

Scalability and Flexibility:

A key long-term benefit of migrating from VMware is the ability to scale resources as needed. Modern infrastructure platforms can seamlessly adjust to traffic spikes or business growth, ensuring applications stay responsive and perform well under demanding conditions.

Insights and Data backed Decision-making:

Modern infrastructure platforms often include data analytics and monitoring tools, allowing organizations to gain insights into IT operations, identify bottlenecks, and optimize resource use. This data-driven approach improves efficiency, reduces costs, and enhances business outcomes.

How Birlasoft can help

Birlasoft's approach to transitioning from VMware provides a strategic edge, ensuring that organizations can optimize their IT infrastructure and reduce costs effectively. Their comprehensive methodology is designed to facilitate a smooth migration process, addressing various aspects of the transition. Below are the capabilities that Birlasoft provides

VMware Environment Review:

Birlasoft begins with a thorough analysis of the existing VMware environment. This detailed review helps identify areas for improvement and optimization, ensuring that the transition is based on a solid understanding of the current infrastructure. By pinpointing specific areas that need enhancement, Birlasoft lays the groundwork for a successful migration.

Options for Targets:

Next, we provide a balanced view of the available options that support the organization's business needs, applications, and infrastructure. This includes evaluating various cloud providers and alternative platforms to find the best fit for the organization. By considering multiple options, Birlasoft ensures that the chosen solution aligns perfectly with the organization's requirements.

Optimize Total Cost of Ownership:

Birlasoft focuses on optimizing the total cost of ownership (TCO), potentially saving up to 25% on current costs. This involves assessing the potential cost savings from transforming and modernizing VMware workloads on various cloud providers. Additionally, Birlasoft leverages benefits from sponsorship programs designed for VMware exit, further enhancing cost efficiency.

Comprehensive Licensing Assessment:

A detailed licensing assessment is another critical component of Birlasoft's approach. This assessment aims to optimize licenses and bring savings while transitioning from VMware to alternative platforms. By managing licensing costs effectively during migration, organizations can achieve significant financial benefits.

Clear VMware Exit Roadmap:

Birlasoft provides a customized roadmap for transforming the environment to alternative platforms. This roadmap is tailored to the specific needs of the organization and includes detailed steps for a successful migration. The clear and structured plan ensures that the transition is smooth and well-coordinated.

Beyond *Cookie Cutter Assessment,* Birlasoft goes beyond standard assessments by offering a view of your application and network dependency mapping. This includes options to consolidate, right-size, and optimize the target environment. Birlasoft also dives deep into wave groups for quick moves, ensuring a smooth and efficient transition.

Xstart Assessment

1

Partner Ecosystem

Leverage partnership with Cloud Providers to introduce NO COST assessments

Access to Hyperscaler Practice to simplify assessment and make migrations predictable.

2

IPs , Accelerators & Frameworks

Our industry PROVEN FRAMEWORK with right mix of cloud native and third-party tools that fits right for your environment

The Xstart solution spans ~4weeks to help you jumpstart.

3

Business driven approach

We understand BUSINESS MOVES to cloud and not IT and assets

Application and data driven approach help us cover people, process and technology

Be-spoke workshops tailored for each stakeholder proving the right info that each stakeholder needs.

4

Meaningful insights

Analysis and recommendations to help you chose RIGHT CLOUD PARTNER

INSIGHTS into your estate along with gaps and roadmap to adopt and or expand on cloud

Right mix of partner ecosystem , tool & accelerators with proven industry experience

The Xstart assessment is a comprehensive solution designed to help businesses initiate their VMware exit strategy effectively. The assessment includes tool-based discovery and detailed interview sessions with various stakeholders to gather insights on applications and cloud architecture. The final deliverables include an executive summary, detailed reports on infrastructure and application views, TCO analysis, and a CXO business case with recommendations and migration planning. This methodical approach ensures that businesses receive tailored insights and actionable recommendations to choose the right cloud partner and optimize their exit strategy.

If your organization is facing VMware renewals in the next 12 months and has a cloud-first strategy, Birlasoft can provide the expertise needed to navigate these challenges. With a focus on optimizing your IT infrastructure footprint in the short to medium term, Birlasoft aims to improve ROI by approximately 25% on IT infrastructure. Additionally, if adopting modern services like AI and ML is proving to be a major challenge, Birlasoft's comprehensive approach can help streamline the transition and ensure a smooth integration of these advanced technologies.

Contact Birlasoft to leverage our strategic solutions and achieve significant cost savings and operational efficiencies.

Author

Pushkar Raj Sharma

Associate Vice President
Leader for Solutioning
& Practice, ICTS

Pushkar Raj Sharma is a seasoned solutioning and cloud practice leader with over two decades of expertise in building high-performing cloud practice. Passionate about technology and business alignment, he excels in crafting robust cloud solutions tailored to enterprise needs. His leadership has enabled organizations to innovate in their cloud capabilities for enhanced efficiency and scalability. His visionary approach continues to shape the future of cloud adoption and digital transformation across various industries

Empowered by Innnovation

Birlasoft combines the power of domain, enterprise, and digital technologies to reimagine business processes for customers and their ecosystem. Its consultative and design thinking approach makes societies more productive by helping customers run businesses. As part of the multibillion-dollar diversified CKA Birla Group, Birlasoft with its 12,000+ professionals, is committed to continuing the Group's 170 year heritage of building sustainable communities.

contact@birlasoft.com | birlasoft.com

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