



## VMware Licensing Changes

# Understanding Your Options

Broadcom's acquisition of VMware and subsequent license restructuring have created widespread uncertainty for enterprise IT teams. Unlike typical vendor changes, customers report unpredictable monthly policy shifts that impact infrastructure budget planning.

The compliance and cost challenges are real, and they're hitting organizations of all sizes. This brief examines the current situation and presents four distinct response approaches organizations can pursue.

## Broadcom's Recent VMware Changes

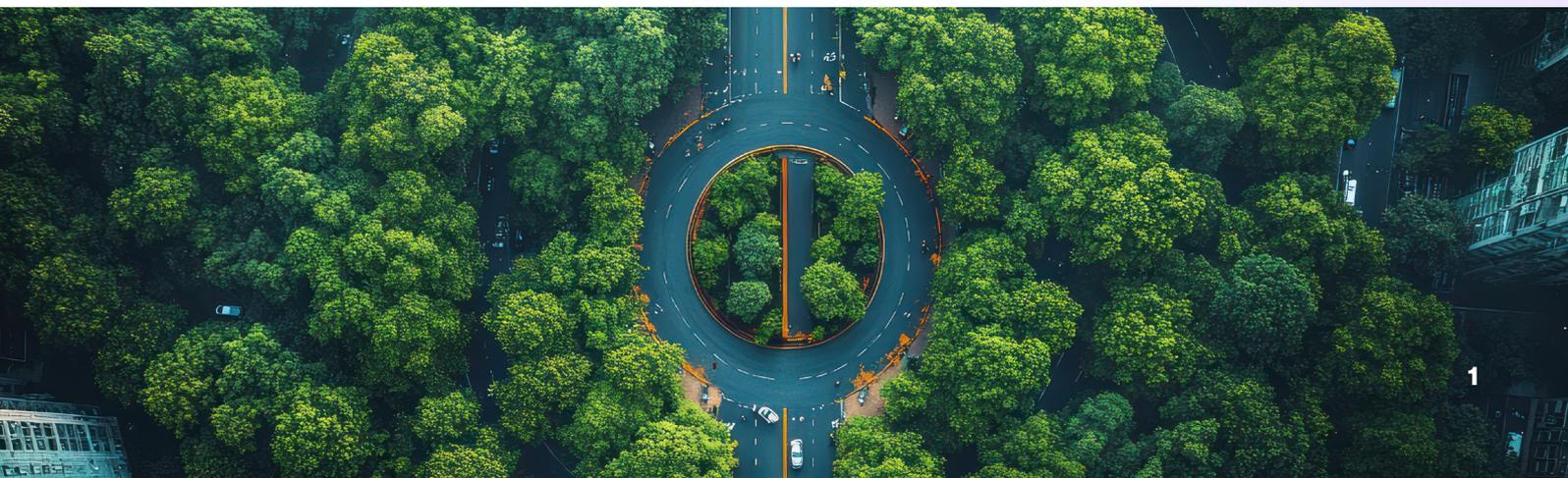
Since the acquisition, several disruptive changes have hit VMware customers:

**Backend system migration issues:** Customer entitlement records have revealed significant inconsistencies during data transfer. Organizations now face audit exposure due to inaccurate licensing records that may not reflect actual deployments or historical agreements.

**Legal and contractual changes:** Organizations report receiving cease and desist letters targeting expired support contracts, even when they hold perpetual license rights. Broadcom has discontinued many perpetual license options and may not honor terms negotiated with VMware before the acquisition.

**Product restructuring impacts:** Standalone products have disappeared, requiring customers to purchase expensive bundled packages. The shift from CPU-to-core licensing includes mandatory minimums that increase costs substantially. Geographic policy differences between EMEA and US markets add complexity for multinational organizations.

**Market disruption factors:** Broadcom has substantially reduced the partner and reseller network, limiting customer options for procurement and support. As an organization directly impacted by these changes, SoftwareOne has seen firsthand how this affects customer choice. Quote timing often misaligns with organizational budget cycles, creating procurement challenges.



## Four Response Options

### VCF Subscription Migration

This approach aligns with Broadcom's direction and provides access to future functionality improvements. Organizations with budget flexibility and long-term VMware commitments may find this option most suitable. Discount availability continues to decline as Broadcom phases out promotional pricing, but multi-year contracts provide pricing protection against future increases. Technical staff can continue using familiar tools and processes.

### Perpetual License Retention

This strategy works for stable environments that don't require frequent upgrades or new features. Organizations can maintain current deployments while evaluating third-party support alternatives. This works as a transition strategy while evaluating other options, though you're limited to current functionality without access to new features.

### Hypervisor Platform Migration

Alternative virtualization platforms can remove VMware dependency completely. Implementation timelines typically range from 6-18 months depending on environment complexity. Benefits include complete cost removal and freedom from vendor-specific constraints, though this requires planning for technical requirements and stakeholder coordination.

### Cloud Infrastructure Migration

Public cloud adoption can be coordinated with hardware refresh cycles to maximize investment efficiency. This approach requires careful workload assessment to determine cloud readiness, but provides application modernization opportunities during migration.

## Critical Success Factors

Complete software inventory and deployment analysis provides the foundation for any decision. Organizations must understand their current compliance status using pre-migration VMware records, as post-acquisition data may contain errors. Future infrastructure planning and budget impact evaluation should account for both immediate and long-term costs.

Professional assessment provides several benefits. Independent advisors can gather intelligence about current market practices during quote processes and identify compliance gaps resulting from data migration errors. Existing contract terms often provide more protection than organizations realize, and professional review can identify these advantages.

Implementation timing matters for all approaches. VCF pricing discounts follow predictable decline patterns that affect decision timing. Third-party support arrangements require advance planning to provide seamless transitions. Platform migration projects need appropriate implementation windows that minimize business disruption, and cloud transitions should align with hardware refresh cycles.

## Implementation Considerations

Organizations should begin with internal audits using independent methodologies to verify actual deployments against licensing records. Current deployment mapping against new licensing requirements reveals potential compliance gaps. Evaluation of VMware's importance to business operations helps prioritize response options.

Complex licensing agreements require expert interpretation, particularly as policies continue changing. Professional negotiation support becomes valuable when dealing with shifting policies and aggressive sales tactics. Migration planning for alternative platforms or cloud environments benefits from experienced guidance, and organizations facing cease and desist letters or audit requests need specialized response strategies.

## Conclusion

Organizations have four distinct response options for VMware licensing changes. The choice depends on budget constraints, technical requirements, and long-term infrastructure goals. Each approach addresses different organizational priorities while providing protection against continued policy uncertainty.

The current situation requires careful assessment of existing deployments, contract terms, and future requirements. Independent evaluation helps organizations understand their specific situation and select the most appropriate response approach.

As an organization impacted by Broadcom's partner network reduction, we have firsthand insight into these market changes. [Our independent VMware environment assessment](#) can help you understand your options and make more informed decisions about your virtualization infrastructure.



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