Expert Insight

VMware Advisory Services

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Cut costs.
Control risk.
Kick start innovation.

Broadcom's acquisition of VMware has created a turning point for enterprise technology leaders. But while many organizations are scrambling to keep up with subscription mandates and cost escalations, forward-thinking executives are taking a step back and seeing something different: a catalyst for comprehensive IT portfolio review and optimization.

Understanding VMware by Broadcom's "new normal"

VMware by Broadcom hasn't simply changed its licensing policies—it's rewritten the enterprise virtualization playbook. The implications for finance, compliance, operations, and strategic planning demand immediate attention.

Two critical changes have created unprecedented pressure—and unparalleled opportunity:

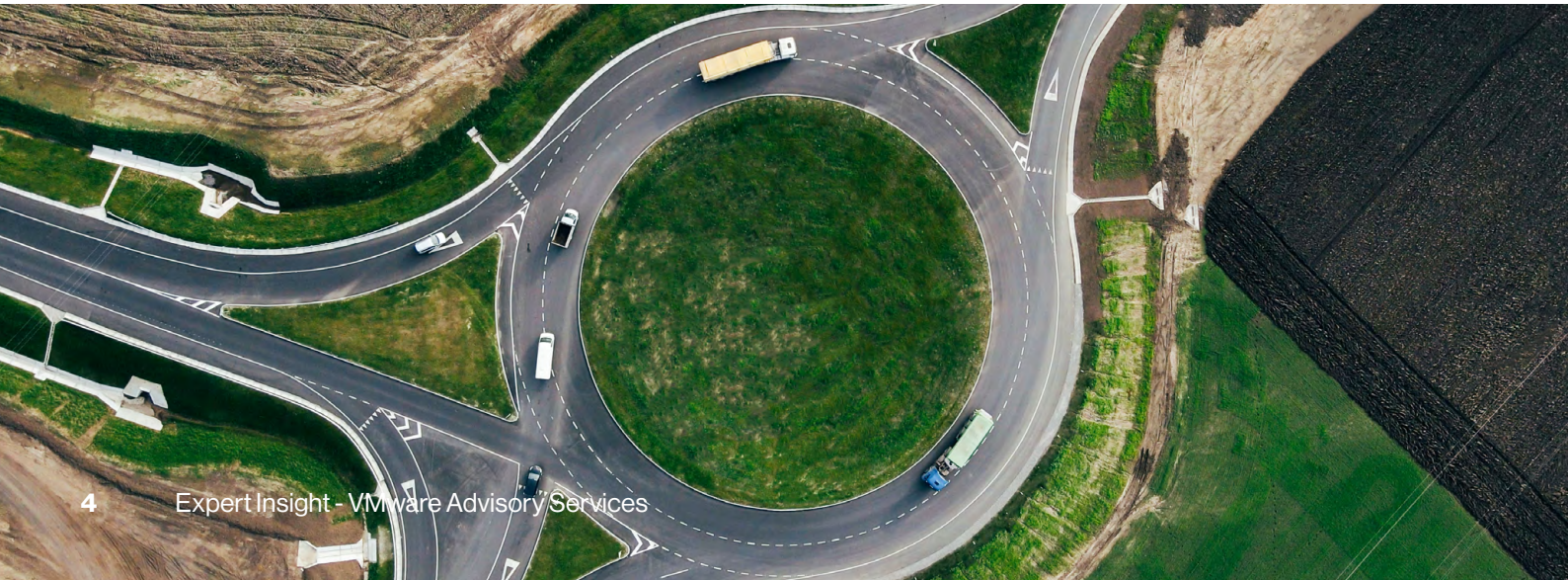
1. Subscription model licensing

Broadcom's February 2024 elimination of perpetual licensing fundamentally transformed the commercial landscape for VMware customers. The company consolidated 168 disparate products, bundles, and editions into just four subscription offerings and a few add-ons, forcing organizations to transition to broad bundled packages regardless of actual requirements. VMware Cloud Foundation and vSphere Foundation now dominate the portfolio, with customers required to purchase comprehensive suites that include networking, storage, and management capabilities they may never use.

As a result, renewal costs have increased between 5-25 times original pricing, with documented cases including a British university facing cost escalation from $40,000 to $500,000 annually—a staggering 1,250% increase. The bundling strategy eliminates selective purchasing. Organizations who choose to remain on a VMware environment will be forced to choose from a limited set of comprehensive subscriptions. The British university that experienced the 1,250% increase isn't alone – many other clients report substantial price increases as a result.

2. Core-based licensing

Broadcom's transition from socket-based to core-based licensing represents the most technically disruptive change for infrastructure teams. The new model enforces a 16-core minimum per physical processor, regardless of actual core count, with immediate cost implications for organizations operating datacenters or remote locations with lower core count servers.



Choosing a way forward

There are three main options in response to this level of disruption, and each is likely to deliver different outcomes.

Options	Approach	Costs & Savings	Timeline
Internal Management	IT teams handle transition directly with Broadcom without specialized support	Cost escalations approaching maximum increases; no optimization benefits	**Immediate pressure without strategic planning**
Platform Migration	Transition to alternatives (Nutanix, Hyper-V, open source) with potential hybrid approaches	Clients typically see cost savings between 30-50% over multi-year periods, but substantial upfront investment required	**6-18 months for complex environments with business disruption risks**
Expert Partnership	Strategic advisory partnership implementing cost-optimized innovation methodologies	Systematic cost optimization generates continuous funding mechanisms for strategic initiatives	**Rapid compliance with sustained competitive advantage development**

As this table shows, while the option of internal management may initially appear cost-effective, it typically results in maximum cost absorption without additional strategic benefit. Platform migration offers independence but demands significant resources and risk tolerance. The third option—building expert-guided partnerships—offers an effective response to the immediate cost and compliance challenges plus the opportunity to realize longer term advantage though cost optimized innovation.

The question isn't simply which option costs less: it's which approach transforms today's licensing pressure into tomorrow's competitive differentiation.

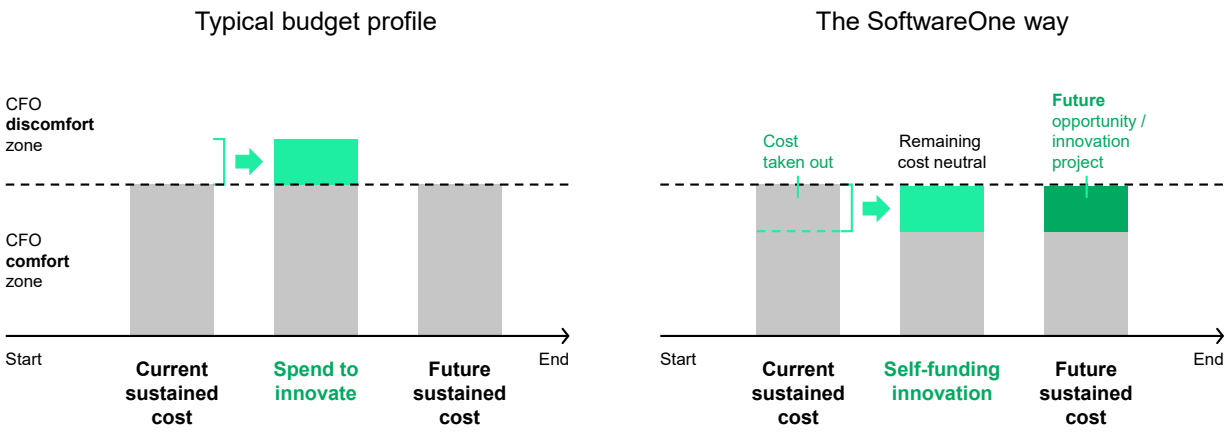
SoftwareOne's VMware Advisory Services, for example, provide comprehensive support including contract analysis, audit defense, strategic negotiation, and innovation funding development. The results we achieve are tangible and significant.

Flipping the narrative

Turning publisher pressure into cost-optimized innovation

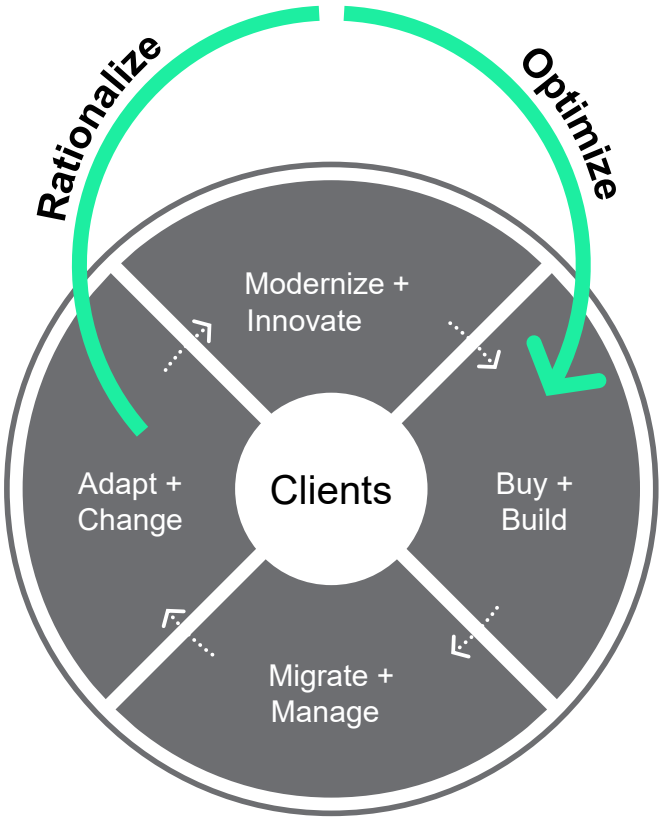
The financial benefit across engagements like these is tens of millions in released capital.

That's budget previously trapped in licensing inefficiencies, audit threats, and escalating support costs now released for clients to use for more productive purposes based on their own individual organizational priorities. Those priorities could be cloud migrations, AI initiatives, cybersecurity improvements, or simpler wins like better cash flow, debt reduction, and operational efficiency. SoftwareOne helps clients find the innovation funds they need from resources they already have without the need for additional budget allocation. This creates a self-funding innovation flywheel, making it easier for businesses today to keep up with market trends as well as their competitors—without requesting new budgets.



This innovation flywheel isn't theoretical. Our clients transform licensing liabilities into innovation assets, creating competitive advantages from compliance challenges. They turn licensing complexity into strategic simplicity, audit threats into transformation opportunities, and publisher pressure into an innovation accelerator.

The flywheel spins—and transformation funds itself.



Success stories

Client	VMware by Broadcom Challenge	SoftwareOne approach	Outcomes
Global software provider	Broadcom invalidated existing 3-year contract with "Out Year Renewal" clause; required transition to third-party support to control escalating VMware software and support costs during cloud migration	Comprehensive license compliance assessment and Origina third-party support evaluation; strategic negotiation with VMware and technical workshops for seamless transition	**Millions saved over 2 years through third-party support transition, full technical and compliance validation achieved in record time**
Global Manufacturing Corporation	Multiyear Enterprise License Agreement expiration with Broadcom offering only one renewal option; 80% datacenter re-platforming across 8 datacenters and 170+ countries	Non-compliance risk identification and remediation; global license consolidation assessment and datacenter roadmap strategy with third-party support for decommissioning environments	**Almost $300k compliance exposure eliminated, 15% additional discount secured on Broadcom offer, 70% cost savings through strategic third-party support**
Global Oil & Gas Corporation	Non-compliance risk exceeding $1.6m from incorrect configurations; 2-3x cost increase expectations from Broadcom's new pricing model across 5 datacenters and 5,000+ servers	Comprehensive compliance assessment with remediation guidance; strategic renewal cost analysis and alternative cloud migration scenarios with third-party support solutions	**Over $1.6m compliance risk eliminated, 10x cost increase avoided for specific division through strategic positioning and third-party alternatives**

Your next steps

VMware by Broadcom's licensing changes demand decisive action ahead of your next renewal. Forward-thinking executives are transforming this challenge into an opportunity. Here's how you too can begin to cut costs, control risk and kick start innovation—in partnership with SoftwareOne.

1. **Request compliance assessment—** Understand your true VMware by Broadcom position, including hidden risks and optimization opportunities.
2. **Engage expert advisors—** Whether defending audits or planning strategic negotiations, expertise determines outcomes.
3. **Connect savings to innovation—** Take the opportunity for VMware by Broadcom optimization savings to fund your transformation agenda, not general budgets.

Ready to transform VMware by Broadcom complexity into strategic opportunity? Contact SoftwareOne today for a VMware compliance assessment that identifies immediate risk mitigation and long-term optimization opportunities across your entire software estate.

CONTACT US TODAY

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