



A VIRTUALISATION STRATEGY BEYOND VMWARE

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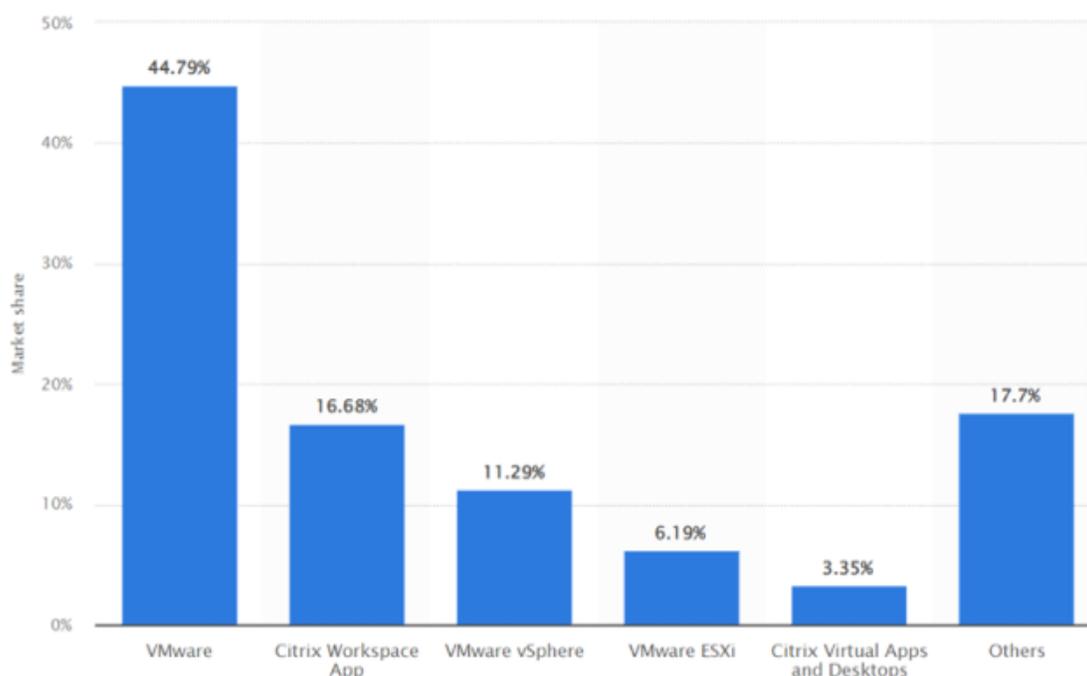
The impact of the VMware acquisition and available alternates

Background

For long, organisations have desired to adopt the strategy of deploying application anywhere, given the complexity and progressive evolution of their business. The biggest challenge in doing so is faced by traditional enterprises which are not born on the cloud. In fact, with the various private and public cloud options, this is a continuous challenge for most companies.

Across the landscape, the foundation of cloud continues to be virtualisation and ensuring the maximum utilisation of hardware underneath – irrespective of the underlying cloud service provider. Virtualisation refers to creating a virtual version of storage devices or computer network resources, among other things.

VMware pretty much leads the virtualisation market with around 63% market share – between VMware and VMware vSphere – in terms of customers.



Source: [Market share of leading virtualisation platform technologies worldwide](#)

When an industry leader is acquired, a market reaction is expected. In November 2023, Broadcom, the multinational designer, developer, and supplier of a wide range of semiconductor and infrastructure software products, announced the [acquisition of VMware](#). This led the industry stakeholders to analyse the impact of the deal and businesses to evaluate options in the market.

This paper provides a view of the impact of the acquisition and available alternates.

VMware and/or Alternates

Moving from one technology is not a straightforward exercise, and following options can be considered.

1. Reduce VMware Usage

The overall utilisation of VMware can be reduced by server consolidation and optimisation, including hardware upgrade and refresh.

The target estate can then be used to reduce the financial exposure to VMware as well as trade-in the perpetual license to a VMware subscription.

2. Adopt Hyperscalers

Microsoft Azure has Hyper-V, AWS offers Nitro System, and Google offers Kernel-based Virtual Machine (KVM). These and other cloud service providers have their own version of virtualisation and management layer to replace VMware and associated vSphere et al.

These options can expedite the journey towards a cloud-only platform. However, this implies that the business will be again tied to a single vendor and technology maturity can vary.

3. Dual Vendor Strategy

Businesses can migrate to a technology that seamlessly integrates with VMware and yet provides the advantage of less dependency on VMware. This strategy offers the benefits of costs, availability, and leveraging diverse technologies with the option of future adoption of complete/partial migration.

Nutanix and OpenShift (Red Hat) are some of the leading options available to fulfil this strategy.

4. Accelerate Serverless Adoption

Like COVID-19 pandemic accelerated remote working, figuratively, the IT infrastructure skills and conversation can be reduced by enabling software developers to build applications faster using serverless computing.

This needs to be evaluated in depth as legacy applications might not be a straightforward fit. This could also be an expensive approach based on application utilisation.

5. Do Nothing

If the priorities of the organisation are different and there are limited resources, doing nothing is the only option.

In that case, it would imply paying the higher price for license renewal and support.

Challenges

Some of the key challenges that business faces in adoption of and/or migration to other technologies are listed below, along with associated mitigation plans.

Risk	Mitigation
Overall budget and costs in adopting/migrating to new platform	Develop a 3–5-year total cost of ownership plan and calculate return of investment from a long-term benefit rather than short term gains.
Skill gap to support migration and ongoing support	Bundle skill update plan – negotiate with service providers to include training programme for own resources or utilise external professional services.
Business downtime while migration from legacy environment	Plan a parallel environment for business-critical applications and explore options of reusing code or re-platforming in a phased manner.
Security and compliance risks for new environment	Engage security team at the start, identify potential risks upfront, and address them in the target architecture and rollout.
Performance and reliability issues in new environment	Perform various level of testing in the new environment, including user and load testing. Plan for burst capacity until rollout is stabilised.
Software licensing issues	Identify current licensing model and basis target environment and usage, evaluate options, such as re-platforming if it gives long term benefits.
Interoperability and compatibility issues	Identify the interoperating components upfront and perform testing and simulations before cutover.
Migration methodology	Adopt a combination of migration methodologies comprised of people, tools, and processes to migrate – with rollback plans for each stage.

Path Ahead

Often, multiple options can be confusing and counterproductive.

The challenge of adopting any new technology comes with direct and hidden costs... purchasing new hardware and software, training, reskilling, and hiring new staff for these technologies, and ancillary aspects like customer and business disruption.

Over the years, Simplex has gained several insights based on myriad industry trends and disruptions. These have helped develop apposite models that enable organisations evaluate and adopt newer technologies or consolidate and minimise current spend.

For example, we have assisted a UK-based leading foreign exchange firm adopt Microsoft Azure and move away from VMware. The company wanted to modernise its IT infrastructure, consolidate its server footprint, and optimise the VMware spend. Our experts performed assessment, captured the requirements, and provided the guidance on the roadmap and migration path.

In this instance, the Azure cloud adoption led to over 30% operational expenses savings for the firm.

Simplex has recently signed a partner contract with [Nutanix](#), a company that offers a unified platform for hybrid multi-cloud deployments to run apps and data anywhere, to resell its software and services, ensuring that our customers continue to benefit from vendor agnostic choices.

Speak To Us

Simplex Services offers businesses a complimentary, no-obligation advisory with our experts to review and analyse your organisation's existing IT infrastructure.

Based on these insights, our experts will assist you on the approach to choose your options. And if Microsoft Azure is the apposite choice, we can offer our customers certain additional benefits.

- ✓ Free migration assessment, up to £40K (~\$50K)
- ✓ Free migration services, up to £120K (~\$150k)
- ✓ Free Azure credits for PoC, up to £950 (~\$1200)

Book a free Simplex Advisory [here](#), and we'll set you on a path of cloud migration.