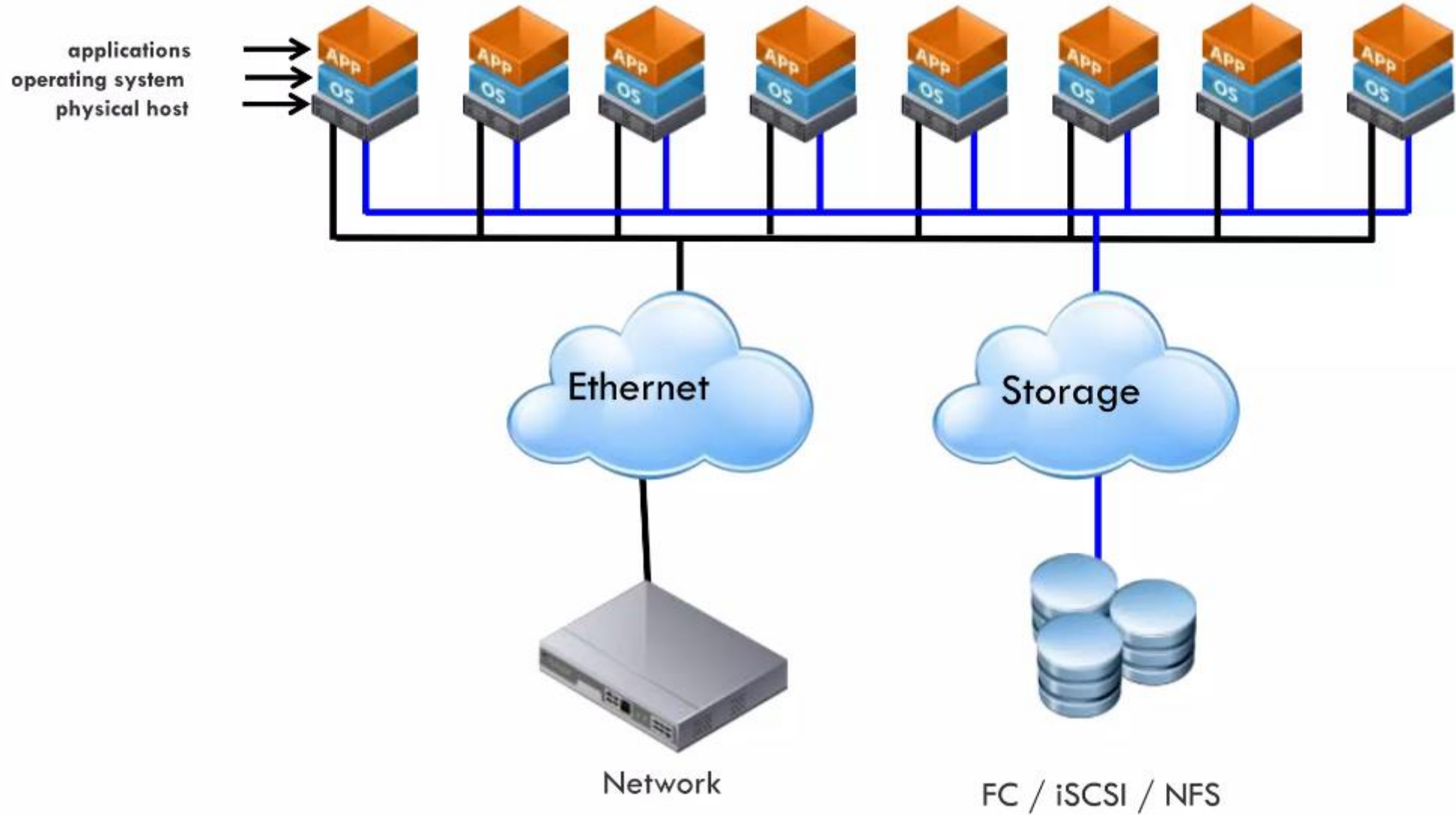


THE VMWARE PROBLEM & OPPORTUNITY

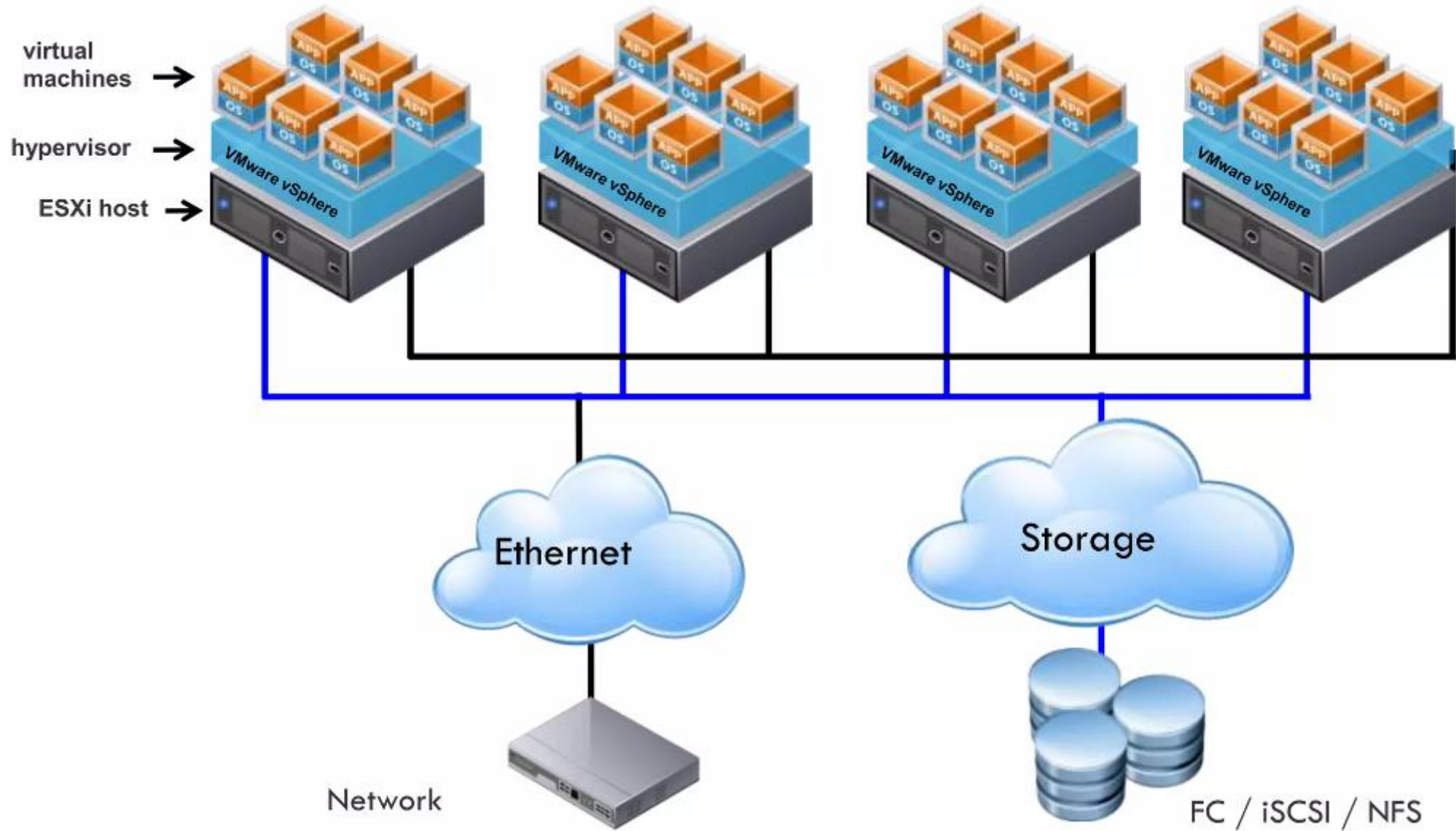
SALES BOOTCAMP 2024

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What is VMware?



What is VMware?



What is VMware?

Physical Machine

- ❑ Difficult to move or copy
- ❑ Bound to a specific set of hardware
- ❑ Often has short life cycle
- ❑ Requires personal contact to upgrade hardware
- ❑ Difficult to manage remotely



Virtual Machine

- Easy to move and copy
 - Encapsulated into files
 - Independent of physical hardware
- Easy to manage
 - Isolated from other virtual machines running on the same physical hardware
 - Insulated from physical-hardware changes



What is VMware?

BEFORE VMware

Servers

- 1000

Storage

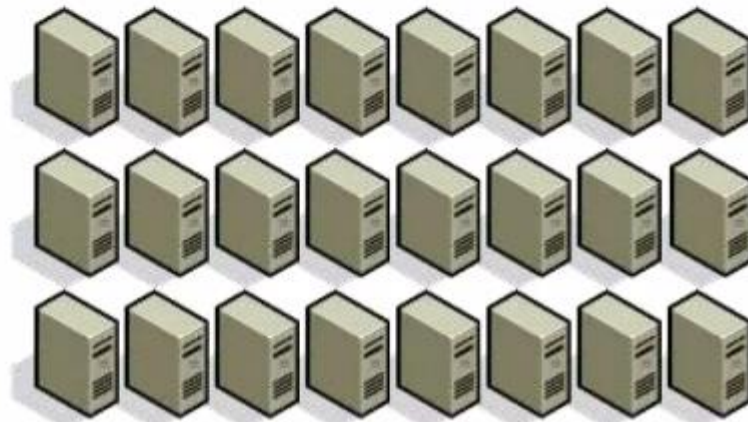
- Direct Attach

Network

- 3000 cables/ports

Facilities

- 200 racks
- 400 power whips



AFTER VMware

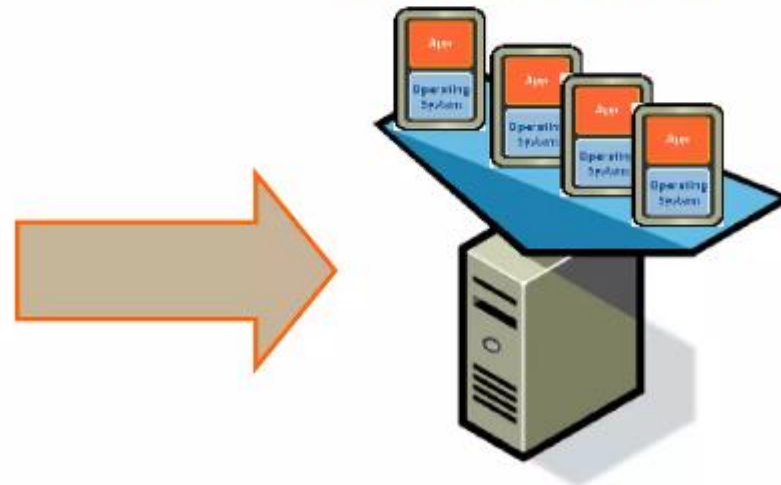
- 50

- Tiered SAN and NAS

- 300 cables/ports

- 10 racks

- 20 power whips



Broadcom takeover

- In November 2023, Broadcom completed its \$69bn acquisition of VMware (P/E > 42)
- Broadcom's intentions:
 - Focus only on profitable business (big customers / VMware Cloud Foundation) and cost reduction (lay offs)
 - Use dominant position to increase revenue
 - No more perpetual licenses => subscription fee
 - Discontinued SKU's, push to VMWare Cloud Foundation



Customer impact

It looks a lot like VMware just lost a 24,000-VM customer

Computershare CTO says he got a bill 15 times his previous quote

 Simon Sharwood

Wed 22 May 2024 // 20:51 UTC

- Most customers use vSphere
- Per core:
 - vSphere Enterprise: 23,-€ => 177,-€
 - 2000 cores (+/- 75 servers): +308K additional annual cost

Old Licensing	vSphere Essentials	vSphere Essentials Plus	vSphere Standard	vSphere Enterprise	vSphere Enterprise PLUS
Current Price License	€ 507,00	€ 4.125,00	€ 1.090,00	N/A	€ 3.930,00
Current Price 1 Year SNS Production or Essentials Subscription	€ 66,63	€ 1.031,27	€ 353,23	€ 737,30	€ 983,06
Current Price 3 Year SNS Production or Essentials Subscription	€ 199,89	€ 3.093,81	€ 1.059,69	€ 2.211,90	€ 2.949,18
Current Price 5 Year SNS Production or Essentials Subscription	€ 333,15	€ 5.156,35	€ 1.766,15	€ 3.686,50	€ 4.915,30
New VMware by Broadcom licensing	vSphere Essentials PLUS 96 Cores Subscription	vSphere Standard (16 Cores)	vSphere Foundation (16 Cores)	VMware Cloud Foundation (16 cores)	
Price Including 1 year Production SnS	€ 4.505,00	€ 1.051,20	€ 2.832,00	€ 7.360,00	
Price Including 3 year Production SnS	€ 9.460,00	€ 2.256,00	€ 6.080,00	€ 15.776,00	
Price Including 5 year Production SnS	€ 15.750,00	€ 3.760,00	€ 10.144,00	€ 26.320,00	
SKU	VSP-ESPL-TD-TL-1P-C	VS8-STD-SK-TLSS-1Y-C	VSP-PL-TD-TL-1P-C	VCF-TD-TL-1P-C	

The situation: uncertainty about the future is present

97%

VMware market share
in virtualization market
in 2022*

50%

Will explore
replacement
virtualization
technologies by 2026*

20%

VMware enterprise
clients will begin to exit
VMware stack in 2024**

*Gartner Insights, 2023.

**Predictions 2024: Technology Infrastructure, Forrester, October 29, 2023.

Dell Technologies – Internal Use – Confidential



VMware customer sentiment

Unsure about future license costs upon renewal

Uncertain about future changes to product offers

Anticipation of more license audits

Frustrated by reduced flexibility and forced
licensing changes

Being asked to investigate options by leadership

3 options for the customer



Keep VMware and wait for possible policy changes by Broadcom

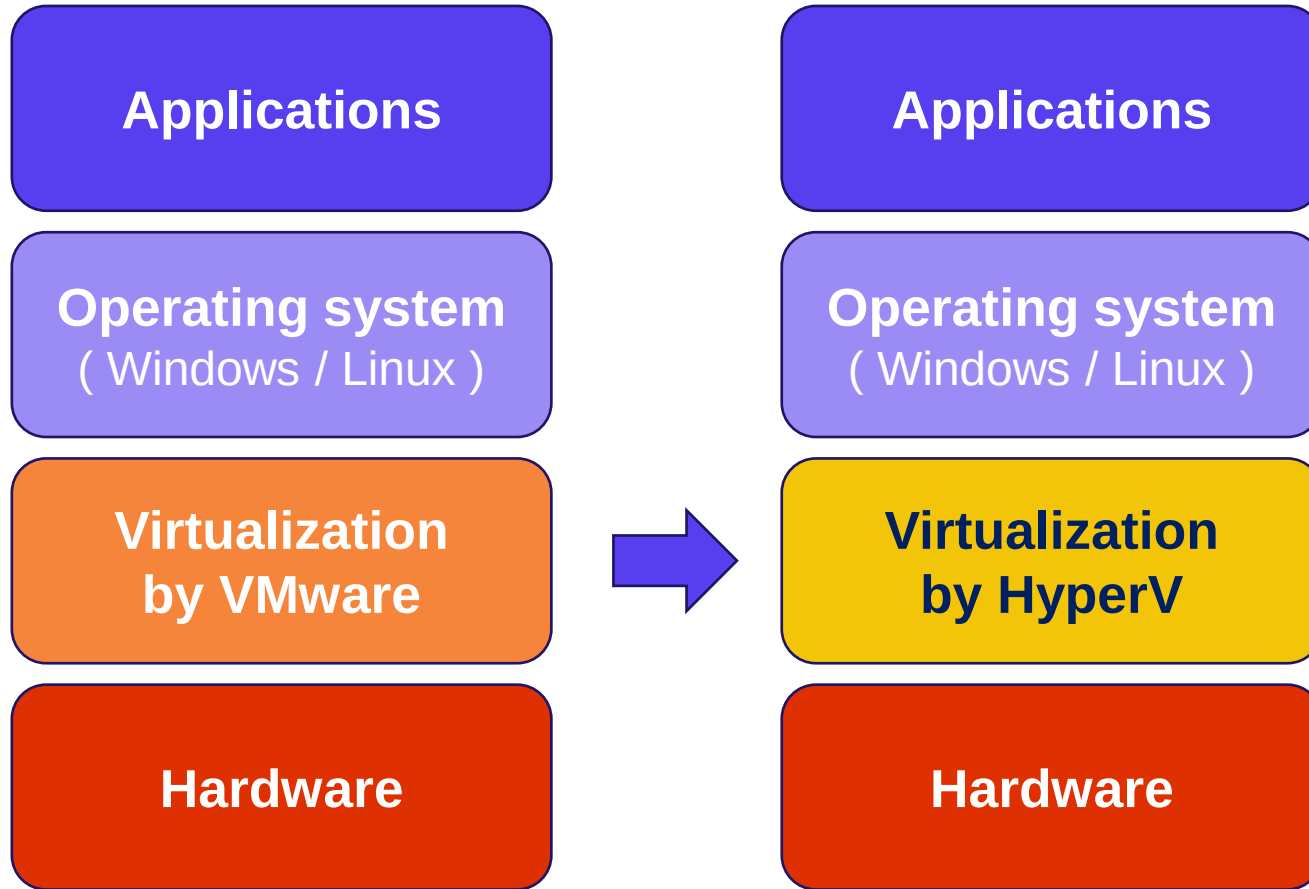


Replace like for like with immediate cost advantages



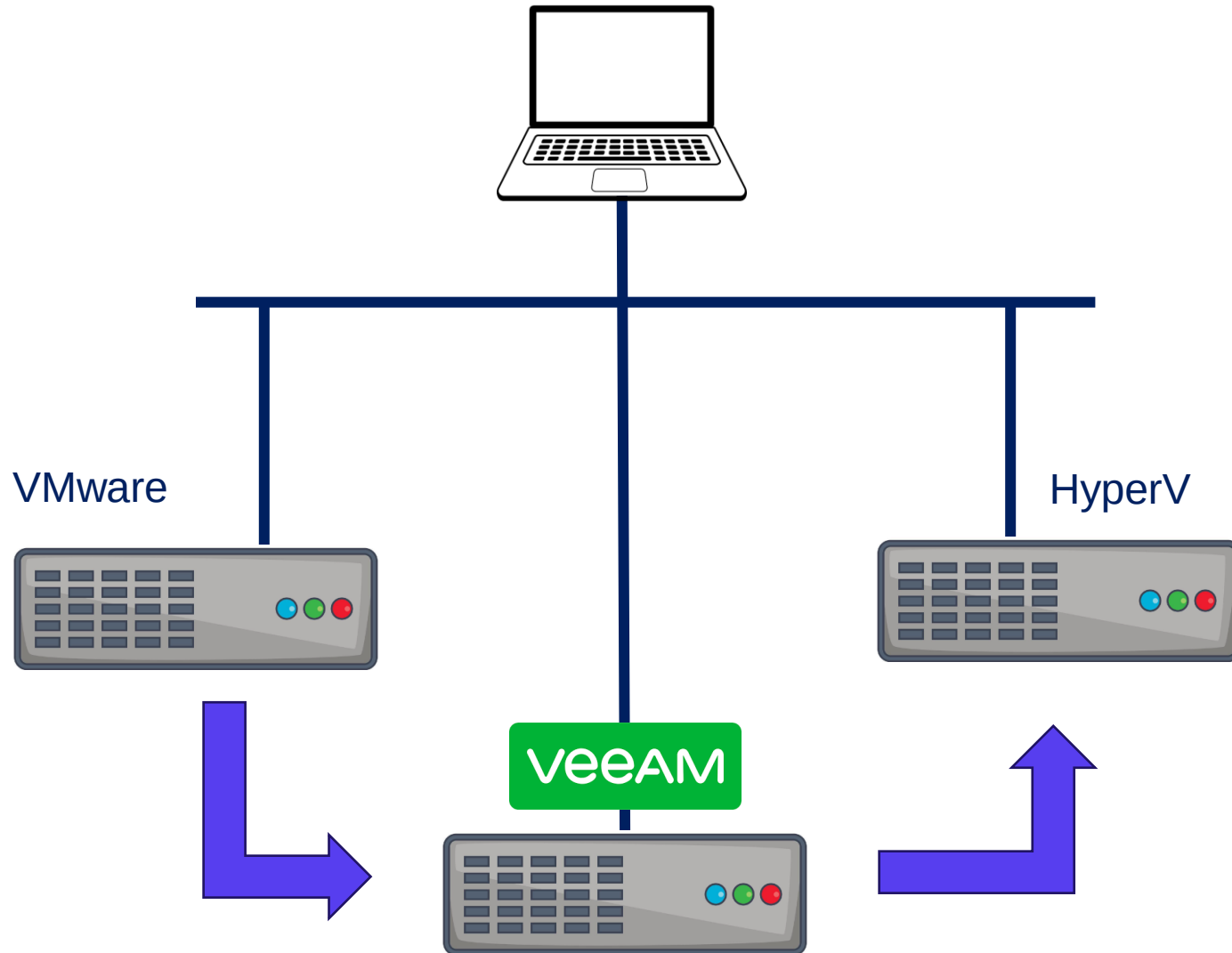
Renew architecture, move to a hybrid architecture and/or a container-based architecture and/or hyperconverged

What will we do?



- Also open for Redhat, Nutanix, Proxmox, ...
- HyperV is free (included in Windows server)
- Integration with Ecosystem
 - Backup
 - Replication / DRP
 - Monitoring

What will we do?



- Preinstalled Veeam box
- Limited downtime
- Waves
- Limited number of new servers
- Project:
 - Assess : 6 days
 - Design & Plan: 7,5 days
 - Migration: 30 days

ROI



ANNUALLY

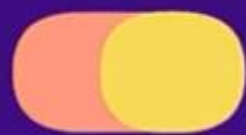
- No cost increase: 300K€
- HyperV free: 40K€

x3

ONE TIME

- Project costs: 50K€
- Adoption pain for IT admins
- Ecosystem adaptation
- Project risks

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One digital company
equipment | services | financing