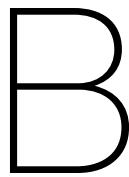




Research Report: VMware Customers Weigh Alternatives

Many VMware customers are expressing dissatisfaction about the effects of the Broadcom acquisition, with at least **56% expecting to decrease their use of VMware, according to a new survey among IT leaders.**





roadcom wrapped up its VMware purchase in November 2023. Since then there has been a noticeable drop in customer satisfaction and a rise in anxiety about sharply higher costs for VMware software licenses, according to a new Foundry MarketPulse survey.

VMware is the industry leader in the virtualization space and holds a commanding lead in capability and market share. However, customers are now, more than ever, considering alternatives.

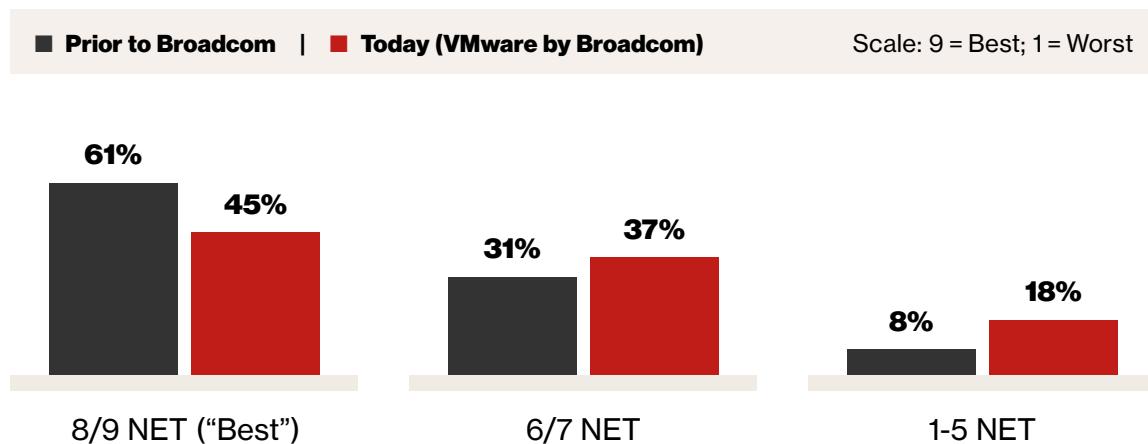
Yet any move from VMware carries its own costs as organizations reconsider where their workloads running within virtual machines (VMs) will operate. The research found that those IT leaders weighing a shift to other hypervisors are most concerned about the tools and skills needed to manage the new platforms and the server/data migration as well as finding staff and expertise to handle the changeover.

The MarketPulse survey, conducted in June and July 2024, included 561 IT leaders from enterprise organizations – those with more than 1,000 employees – in the United States and Europe (see the “About the Research” box).

Key findings

- **63%**: organizations expressing a lower rate of satisfaction with VMware now, compared to their satisfaction before the Broadcom acquisition
- **56%**: organizations expecting to decrease overall VMware usage within the next 12 months, and another 28% have not yet decided
- **62 minutes**: average estimated time, per virtual machine, to migrate to another platform
- **64%**: organizations that will need more than one full-time engineer to achieve their new strategy
- **Current VMware costs**: expected to increase by a multiplier of **1.47 on average**, assuming no change in use

Read on to discover IT leaders’ challenges and their plans to ease the pain.

Figure 1 | VMware satisfaction rates take a dive

Q: What was your satisfaction level with VMware prior to its acquisition by Broadcom, and what is it today?

SOURCE: FOUNDRY

VMware customer satisfaction is dropping

Overall customer satisfaction is down, according to the survey. It's most notable among a subset of users who formerly gave VMware the highest satisfaction rankings. For example, before the Broadcom acquisition, 61% of VMware customers ranked their satisfaction level as an 8 or 9 (i.e., high satisfaction). But after the merger, only 45% of customers gave VMware the highest rankings (see Figure 1).

The survey also reveals that customers expect steep cost increases – nearly 1.5 times what they're paying now for

VMware licensing and packaging. In other words, the 59% of organizations currently paying more than **\$500,000** per year expect to pay more than **\$735,000** per year going forward.

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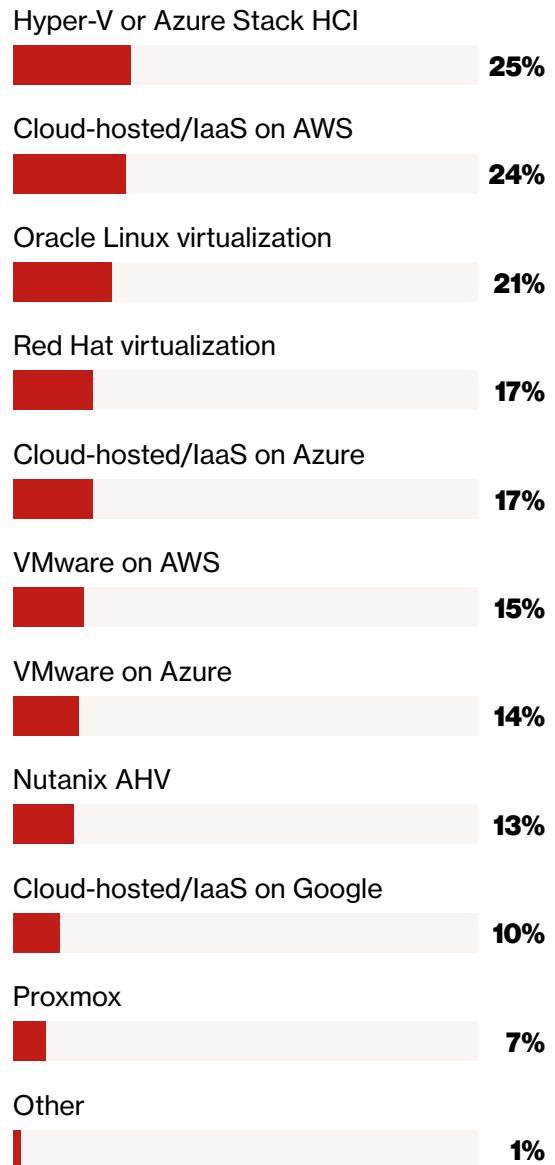
As a result, most of the respondents (86%) said they expect to make multiple changes moving forward. For example, the popular options (respondents could choose more than one) include:

- Shifting VMware product tiers, which will affect the capabilities they use (51%)
- Moving away from their enterprise licensing agreement (49%)
- Changing partners or licensing sources (37%)
- Changing support contracts (22%)

The door has opened for hypervisor change

Overall, IT leaders are rethinking their use of VMware due to changes from the Broadcom acquisition. Today they have a range of viable alternative hypervisors – for their data centers as well as their clouds (see Figure 2). Nearly three-quarters (71%) of those weighing VMware alternatives are looking at on-premises options.

Figure 2 | Organizations consider hypervisor alternatives



Q: When considering hypervisor alternatives, what are your primary considerations? (Select up to two). This question was posed only to the 316 respondents who said they were very or somewhat likely to decrease use of VMware.

SOURCE: FOUNDRY

The shift will begin soon. Many of those who said they are likely to decrease VMware use will begin migrating some VMs to other hypervisors **in their current renewal cycle** – with 36% migrating in the next six months and another 29% within 12 months. These respondents have already planned their migrations:

- 39% will migrate some VMs to other hypervisors in their data centers.
- 36% will move some VMs to cloud-based alternatives.

That said, migrating and/or introducing new hypervisors and shifting production workloads can be daunting. Moving to a new platform has its own set of specific demands. IT leaders cited concerns about requiring new management tools, having to dedicate staff time to the exercise, a lack of expertise, and managing budget allocations.

Another issue facing more than a quarter of the existing VMware customers is having to migrate or make changes without external expertise: 29% said their VMware partner is not or will not be a Broadcom partner. These organizations will have to find other solution providers to assist them or choose to make the transition a do-it-yourself project.

Manageability and staffing: big pain points

Management tools for VMware don't always support alternative hypervisors. Other platforms will likely lack at least some of the VMware management features, according to the respondents. They're also concerned about having to manage multiple hypervisors and/or clouds rather than a single VMware environment. Taken together, these issues put manageability at the top of IT leaders' migration worries.

In addition, they foresee growing complexity in their hypervisor stacks and the effect it will have on their ability to easily manage virtual environments. Two years from now, although a majority of production-system VMs will remain in on-premises data centers, according to the survey results, there will be an increase in the share of cloud-based VMs.

Another pressing migration concern is about staffing. Successfully transferring production workloads – and their data – to new hypervisor platforms requires realistically assessing the staff and time necessary for the additional tasks beyond their current responsibilities. Respondents cited two obstacles in their IT workforce: lack of existing

staff to handle the migration and lack of experience and expertise with new hypervisor platforms.

These challenges play out with higher cost implications for the migration. For example, 89% expect that it will require **at least one full-time engineer** to achieve their new VM strategy (see Figure 3).

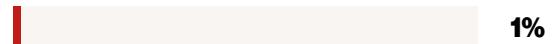
To meet this staffing requirement, IT leaders have two options. They can reassign one or more employees from their existing tasks to work on the hypervisor transition, or they can hire additional resources, either a contractor or a new employee – who will have to be reassigned once the transition is finished.

Regardless of how staff budgeting shakes out, IT teams will be quite busy. According to the respondents, the average estimated time to shift one VMware machine to another platform is **62 minutes**.

Multiply that by the number of VMs to be migrated, and the total work time needed for the transition could easily span several months, perhaps a year or more for large enterprises.

Figure 3 | New virtual machine strategy: Extra staff required

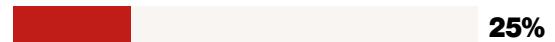
None. We will outsource to a partner for the additional efforts



Half of a full-time engineer



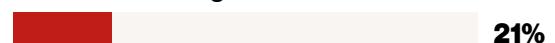
One full-time engineer



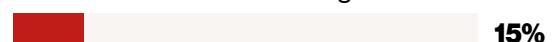
More than one full-time engineer



Two full-time engineers



More than two full-time engineers



Q: From a team perspective, how much time/staff do you anticipate will have to be dedicated for you to achieve your new strategy? Answered by the 408 respondents who indicated a plan to migrate VMs.

SOURCE: FOUNDRY

89%

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Options for migration

The 56% of the IT leaders who are migrating to a different hypervisor or cloud host **identified four potential approaches for moving production workloads and their associated data**. As with many other areas of technology and IT infrastructure, all of them have trade-offs. Asked to select two options, here are the approaches the respondents selected.

■ **Option 1: Use a migration utility from a new hypervisor.**

In practice, these utilities typically have two key characteristics. First, they enable migrations only to one vendor-specific platform. IT leaders will need to find utilities for each intended different hypervisor or cloud host. Each workload may require different adjustments and tweaks, depending on its new destination. Second, these utilities typically only work one way. Once they facilitate migration to the new platform, there's no easy way to reverse it, if problems develop.

■ **Option 2: Leverage a purpose-built, third-party migration tool.**

These tools are developed by software and/or consulting companies, presumably with expertise in IT infrastructure, hyperconvergence, and enterprise clouds. IT leaders will need to ensure that the tool they're considering can handle the specific target hypervisors and cloud hosts, the respective server operating systems within each workload, as well as the broad range of transition tasks and checks for each migrated VM.

■ **Option 3: Spin up new virtual servers and only migrate the data.**

This option can appear deceptively simple. For example, it is possible to migrate Microsoft SQL database servers to a new hypervisor infrastructure. However, a wide range of detailed tasks remain, such as dealing with user permissions and setting up database connections to other programs and services.

■ **Option 4: Utilize a backup that can be restored to the new platform.**

Backup solutions are often designed for multi-vendor and hybrid-cloud environments. Most of them can backup or recover to a different brand of physical or virtual servers. Some can perform backup from an on-premises server (e.g., vSphere VM) and recover to an alternative hypervisor, such as Hyper-V or to a cloud-host such as Azure or AWS. The same mechanisms that these backup solutions use to recover when the original metal isn't available after a disaster can also be used for migrations. That's because they are designed to identify and manage specific differences in, for example, network drivers. In fact, some backup solutions can orchestrate or automate much of the transition work.

As IT leaders transition from a VMware-only or -predominant deployment, they create an inherently more complex hypervisor infrastructure. Managing that complexity becomes a priority. Modern backup solutions can be a vital capability in backing up, restoring, and replicating data in complex hypervisor deployments, on-premises and in the cloud. Done properly, backup solutions have the intelligence to figure out the differences between servers and the expertise to handle them during a hypervisor transition.

There are additional benefits of backup solutions for virtual environments, including the following:

- Virtualization-savvy solutions back up the entire VM from the hypervisor view – instead of requiring agents within each VM – enabling portability between hypervisors and clouds.
- Support for offsite or cloud backups creates data redundancy and improves disaster recovery.
- Automation and scheduling capabilities simplify backup operations and boost efficiency.

■ Many backup solutions also work with virtual storage, so data can be streamed from hypervisor to data warehouse without eating up network bandwidth.

■ These solutions can scale with the growth of the virtual infrastructure.

Even with a well-designed backup solution, IT organizations will still have work to do in a hypervisor transition. However, it will be less formidable than if they take a do-it-yourself approach.

Next steps to take charge of the hypervisor future

Is your organization willing – and able – to accept the anticipated VMware changes to price and capabilities? Raising this question now between senior IT and business leaders is the place to start.

Treat the Broadcom VMware changes as an opportunity to reassess your strategies and optimize your organization's hypervisor and cloud stacks by explicitly evaluating alternatives, including the appropriate mix of production workloads for on-premises hypervisors and cloud hosts.

Confirm what's involved in a platform transition in terms of time to migrate



45%

of customers gave VMware the highest satisfaction rankings post-Broadcom merger, **compared with 61% prior to the acquisition**

each VM and the number of dedicated staff members needed to accomplish the migration. Ask yourself and your executive team: Where will the needed staff resources come from?

Finally, determine whether your organization has a hypervisor backup solution that is also capable of protecting your cloud hosts. If yes, then investigate how the solution can facilitate migrations to other hypervisors or cloud hosts. Examine how the solution performs disaster recovery, which often includes not only platform transitions but also orchestrations to automate handling several workloads' being rehosted at once.

If your organization doesn't have a hypervisor backup solution that can protect cloud hosts, then evaluate data

protection solutions that can handle these migrations *and* protect VMs on the new platforms to which you are transitioning.

The bottom line

VMware's acquisition by Broadcom is causing many customers to weigh their options for using alternative hypervisors. Although the costs may be increasing, this doesn't mean that all customers are feeling the same impact or that VMware is necessarily more costly than alternatives. Organizations are encouraged to evaluate their specific situation carefully when considering changing platforms for their production workloads. Features, price, hardware implementation, cloud, and applications are all critical in weighing the decision.

Some IT leaders are actively engaged in determining a cost-effective transition path, allocating the needed staff and budget, and redefining their operational strategies. They can choose from a variety of VMware rivals as they move their production workloads and their data to new platforms. And tools such as modern backup solutions can speed up the transition.

No matter which solution you choose, make sure to have a hypervisor backup solution that fits your needs. Veeam gives your organization clear choices and flexibility – no matter whether you stay with VMware or migrate to another hypervisor, cloud, or Kubernetes platform.

Visit [Veeam](#) for more information.

About the research

In the research sponsored by Veeam, Foundry surveyed 561 senior decision-makers employed in IT operations and IT security roles. These respondents are based in France, Germany, the United Kingdom, and the United States. Each of the organizations has more than 1,000 employees, with the average company size being 8,470 employees.

The online survey covered topics such as current infrastructure environments, the impact of changes in VMware licensing/pricing, concerns about working with VMware moving forward, future infrastructure strategy and plans, and expected challenges associated with migrating away from VMware.

The survey was conducted in June and July 2024.

About Veeam Software

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