The VMware transition moment

Five decisions every IT leader should make before the next platform move

Executive summary

VMware is no longer a virtualization platform decision. It's becoming a defining operating model decision, one that will shape cost structure, control, and infrastructure velocity for years.

Many organizations are realizing this in real time. Licensing and packaging have shifted. Cost assumptions no longer hold. Partner dynamics have changed. Meanwhile, the enterprise platform agenda hasn't slowed down: modern application platforms, governance, automation, Kubernetes, and AI readiness are all moving from "roadmap" to "requirements."

That combination makes this moment different. **This isn't a routine renewal. It's a decision window**, and the most expensive outcome isn't paying more. It's committing too quickly to a platform path that reduces flexibility, assumes an operating model your team isn't ready to run, or slows time-to-value when modernization and AI initiatives are accelerating.

The winners in this transition won't be the ones who move first. They'll be the ones who move with clarity, understanding the true economics of the next move, the platform direction they're building toward, and what their teams can realistically adopt without friction.

This ebook is designed to help IT leaders make that call, practically and defensibly, by addressing five decisions that determine whether your next VMware move is a tactical upgrade or a strategic platform reset:

1. **What is the real cost of our next move?**
2. **Are we simply upgrading, or building toward private cloud for AI?**
3. **How far do we really need to go on the private cloud path?**
4. **Do we still have the right partner to support the transition?**
5. **What technical realities could slow, complicate, or derail value?**

Importantly, we do not assume every organization needs the same destination. The right answer depends on your current architecture, workload mix, business priorities, cost pressures, operating model maturity, and AI ambition. The goal is not to push a platform. The goal is to help you choose the right next move, with fewer surprises and more control.

These five decisions don't exist in isolation. They are being shaped by two forces: a convergence of pressures inside the enterprise, and a clear shift in VMware's own direction.

Before answering them, it's worth understanding both.

Why this is a transition moment

Infrastructure shifts are typically driven by one dominant factor: cost, lifecycle, architecture, or a business initiative.

This one is different because the pressures are converging.

Organizations are re-evaluating VMware under new packaging and licensing models while planning around lifecycle windows, including the October 2027 end of general support planning horizon for vSphere 8.x components. At the same time, teams are being pushed to support modern application platforms, enforce tighter governance, scale automation, and prepare infrastructure for AI at production levels.

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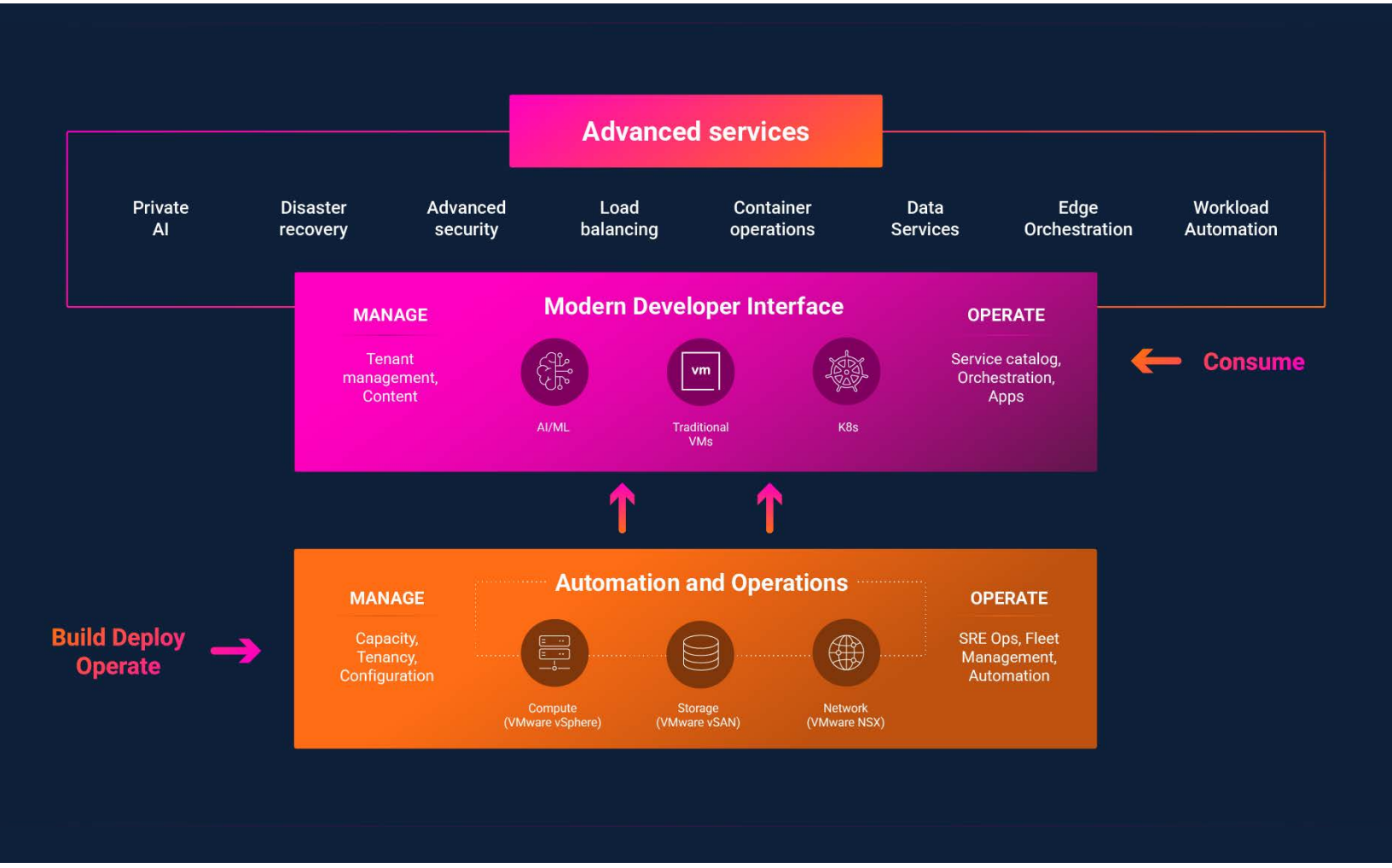
At VMware Explore 2025, Broadcom said that nine of the top 10 Fortune 500 companies have committed to VCF and that customers have licensed **more than 100 million cores of VCF**.

Just as important, the decision is no longer only about hypervisor functionality. Broadcom's direction is clearly toward a modern private cloud model built around VMware Cloud Foundation (VCF), positioned as a platform path that can unify infrastructure and support enterprise AI over time.

VMware's direction of travel

VMware's strategic direction is now much clearer than it was a few years ago. The message is not simply "stay on VMware." The message is "move toward a modern private cloud operating model," with VMware Cloud Foundation as the main strategic platform. Broadcom describes that platform as a unified way to support traditional applications, modern applications, and AI-related workloads with more consistent operations across data center, edge, and cloud environments.

That matters because VMware is no longer presenting private cloud as a loose collection of separate tools. The move is toward an integrated stack spanning compute, storage, networking, operations, automation, Kubernetes, governance, and increasingly AI-related capabilities.



Five big decisions to determine your next VMware move

Decision 1: What is the real cost of our next move?

This is usually where organizations start, and for good reason. But the most common mistake is to treat cost as a pricing conversation only. Under the current model, the better question is what the next move will really cost across licensing, infrastructure, operations, transition effort, and future flexibility. The subscription line item matters. It is just not the whole story.

Many estates were designed for an older socket-based world. In that context, high core counts often carried limited financial penalty. That is no longer true in the same way. Some organizations may find that they are carrying more licensed core exposure than they need. Others may discover that newer CPU generations, consolidation opportunities, or more efficient infrastructure design change the economics materially before they make any larger platform decision. The smartest next move may not be a broad transition at all. It may be an optimization exercise first.

This is where infrastructure economics become more important. Compute sizing, memory strategy, storage design, and operational efficiency can all influence total cost. Recent VMware messaging around memory tiering, storage efficiency, and automated operations reinforces that the platform conversation is increasingly tied to utilization and infrastructure control, not just software entitlements. Even if a customer ultimately stays on a VMware path, the cost model should reflect the environment they need next, not the one they inherited.

Questions to ask:

- **Are we evaluating total cost or just subscription cost?**
- **Is our environment overbuilt for the licensing model we are moving into?**
- **What optimization opportunities should we validate before making a bigger platform decision?**
- **How will compute, storage, memory, and operations affect the economics over the next three years?**
- **What is the cost of delaying a decision until renewal pressure removes our options?**

Decision 2: Are we simply upgrading, or building toward private cloud for AI?

Not every organization needs to make AI the center of this decision. But many should at least understand whether AI changes the direction of travel. The reason is simple: AI infrastructure planning tends to expose broader questions about workload placement, governance, data control,

predictability, and cost. Once those questions appear, the conversation stops being a routine upgrade discussion.

A useful way to think about this is workload-first rather than cloud-first. Cloud may remain the right place for experimentation, burst capacity, and some managed AI services. On-premises infrastructure may make more sense for steady-state inference, sensitive data, predictable performance, or environments where governance and architectural control matter more. For many organizations, the answer will be hybrid by design rather than cloud-only or on-prem-only.

This is also one reason VMware is tying its private cloud story more closely to AI, Kubernetes, automation, and security. Recent VMware Cloud Foundation messaging has positioned VCF as an AI-native private cloud platform, but McKinsey notes that two thirds of organizations have not yet begun scaling AI across the enterprise. Put together, that creates a useful reality check: infrastructure teams should prepare for AI without assuming every organization is ready for a full private AI buildout today.

Questions to ask:

- **Is AI likely to become a meaningful infrastructure driver for us in the next 12 to 24 months?**
- **Which workloads belong in public cloud, private cloud, or a hybrid operating model?**
- **How do governance, security, or data control requirements shape where those workloads should run?**
- **Are we making a tactical refresh decision, or an operating model decision with longer implications?**

Three archetypes: which path are you really on?

The cost-pressured optimizer

This organization is primarily trying to regain control of spend, reduce exposure, and avoid being forced into a larger platform commitment too early. It may have a stable virtualization estate, limited appetite for operational change, and only early signals of Kubernetes or AI demand. The priority here is usually rightsizing, lifecycle planning, and preserving optionality.

The cautious modernizer

This organization sees that the old model is no longer enough, but it does not want to overbuy or outrun its own maturity. It needs stronger automation, better governance, and a more credible path to Kubernetes support, while still keeping a close eye on complexity and adoption risk. The priority here is building a stronger foundation and moving forward in deliberate steps.

The strategic private cloud builder

This organization is intentionally building toward a broader platform model. It expects automation, Kubernetes, policy-driven operations, and tighter governance to become core requirements. It may also see private AI as a plausible future need because of data sensitivity, performance requirements, or economic predictability. The priority here is not just product choice. It is building an operating model the organization can run well.

Decision 3: How far do we really need to go on the private cloud path?

This is where many organizations get stuck. They know they need to do something, but they are not sure whether that means strengthening core virtualization, adopting a more integrated private cloud platform, or preparing for a broader shift in how infrastructure is consumed and operated. That uncertainty often gets reduced to a product comparison. In practice, it is a fit question.

For some organizations, a foundation path will be enough. They may need to stabilize the estate, improve efficiency, reduce cost surprises, and preserve optionality without taking on a broader operating model shift yet. For others, the case for a strategic private cloud path will be stronger. Those organizations may want tighter integration across infrastructure domains, more automation, stronger governance, native Kubernetes support, or a clearer runway for future AI-related workloads. Broadcom's own partner messaging increasingly describes this as a journey that can start with the right foundation and expand over time as customer needs evolve.

A useful test is whether you are solving for today's pressure or intentionally building for tomorrow's model. If the near-term need is cost control and stability, a narrower path may be right. If the organization is serious about automation, platform engineering, Kubernetes at scale, and tighter governance, a broader private cloud path may be justified. The right answer depends on business ambition, application direction, team readiness, and how much operational change the organization is prepared to absorb.

Questions to ask:

- **Do we need a stronger virtualization foundation, or a broader private cloud operating model?**
- **How important are automation, Kubernetes, governance, and unified operations to our next phase?**
- **Are we solving for today's pressure only, or building toward a more strategic infrastructure model?**
- **What path gives us the right balance of capability, complexity, and optionality?**

Decision 4: Do we still have the right partner to support the transition?

This question has become more important than many buyers expected. In a more selective VMware ecosystem, partner capability is no longer a nice-to-have. It can influence how well customers understand their options, how realistically they plan the transition, and whether they achieve value after the commercial decision is made.

Broadcom has been clear that it wants partners who can do more than transact licenses. Its partner direction emphasizes stronger services capability, architecture depth, and implementation expertise. This is also reflected in changes to the VMware partner ecosystem, where Broadcom has reduced the number of authorized partners and focused on a smaller set with deeper technical and services capability.

The expansion of the Broadcom Knights program for VMware Cloud Foundation reflects that emphasis. For customers, the implication is straightforward: this is the moment to ask whether the partner on the account can support licensing clarity, architecture choices, deployment planning, adoption, optimization, and lifecycle management rather than just one piece of the journey.
That does not mean every organization needs a different partner. It does mean they should test the one they have. The right partner now should be able to connect commercial and technical realities, explain the practical implications of platform choices, help evaluate readiness, and support adoption after the purchase decision is made. In a period of change, continuity and capability matter more than familiarity alone.

Questions to ask:

- **Can our partner guide both the commercial and technical sides of this decision?**
- **Do they have the architecture and services depth to support what comes after purchase?**
- **Can they help us think through optimization, readiness, adoption, and lifecycle governance?**
- **If our previous VMware relationship changed, do we have the partner continuity we need now?**

Decision 5: What technical realities could slow, complicate, or derail value?

Even the right strategic choice can underperform if the environment is not ready for it. This is why technical readiness deserves to be treated as a business issue, not a downstream implementation detail. In many organizations, the biggest delays do not come from platform selection. They come from hidden dependencies, estate complexity, sequencing problems, operational immaturity, or unrealistic expectations about how quickly new capabilities can be absorbed.

That is especially true when the cost and modernization story depends on infrastructure efficiency. Compute efficiency and core sizing matter. Storage and memory architecture matter. Security architecture matters. If the future state assumes more automation, broader Kubernetes use, stronger governance, or support for AI-related workloads, then operating model maturity matters too. The FinOps-oriented view is useful here because it shifts the conversation from “can we upgrade?” to “are we structured to get the value we expect?”

Questions to ask:

- **How complex is our current estate, and what dependencies could affect timing?**
- **Are our compute, storage, and memory choices aligned to the economics of the next phase?**
- **Do we have the operational maturity for more automation, governance, or Kubernetes support?**
- **What migration sequencing, supportability, or readiness issues could reduce time to value?**

What good looks like

Organizations do not need perfect certainty before they act. But they do need enough clarity to move with confidence. In practice, the strongest transition plans usually share a few characteristics.

Visibility
A current view of estate complexity, licensing exposure, and lifecycle timing.

Planning
A realistic understanding of decision points, sequencing, and business priorities.

Platform fit
A clear view between optimizing the current foundation path or advancing to a broader private cloud path.

Readiness
An honest assessment of technical prerequisites, operating model maturity, and adoption capacity.

Roadmap
A next-step plan that protects optionality while moving the organization forward.

Partner capability
Confidence that the partner involved can support architecture, implementation, enablement, and lifecycle outcomes, not just the transaction.

SHI point of view

Organizations need clarity before commitment. They need fit before expansion. They need adoption planning before shelfware. And they need a partner that can connect cost, architecture, readiness, and lifecycle planning instead of treating them as separate conversations.

SHI's point of view is simple:

Not every customer needs the biggest platform decision immediately. Every customer does need a clear-eyed view of tradeoffs, prerequisites, and the next best move.

Next steps

If this transition moment is already raising questions in your organization, the next step is not a rushed product decision. It is a structured assessment that helps you validate platform fit, understand the real cost of the next move, assess private cloud and AI readiness, identify technical blockers, and determine what kind of support you need for the path ahead.

Get clarity on your next VMware decision before time pressure narrows your options.

Book a VMware Strategic Assessment