

CUBESYS DISCUSSION SERIES



NAVIGATING VMWARE LICENSING CHANGES

TODAY'S DISCUSSION FORMAT



The discussion is being recorded.



Please use the chat window to ask your questions.



We have our experts on hand to answer your questions.



The video and content will be sent via email post event.

Navigating VMware Licensing Changes: Strategies for Cost Savings with Azure

PANEL OF SPEAKERS



Chris Hailes

Senior Cloud Consultant
cubesys



Shaun Jacob

AVS Specialist – Global Black Belt
Microsoft



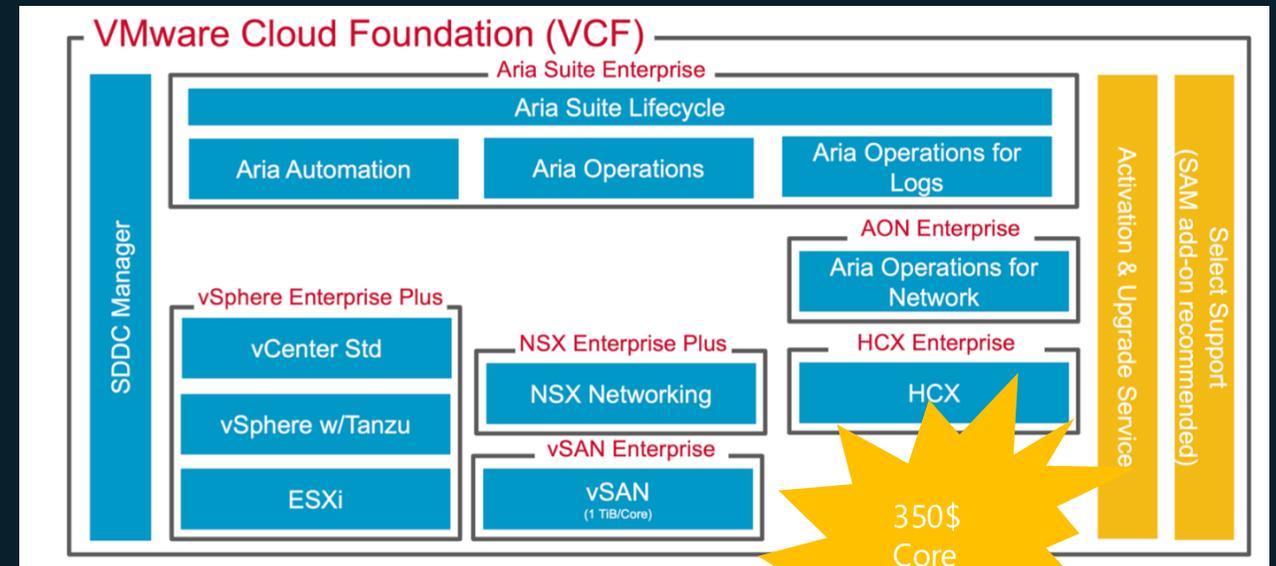
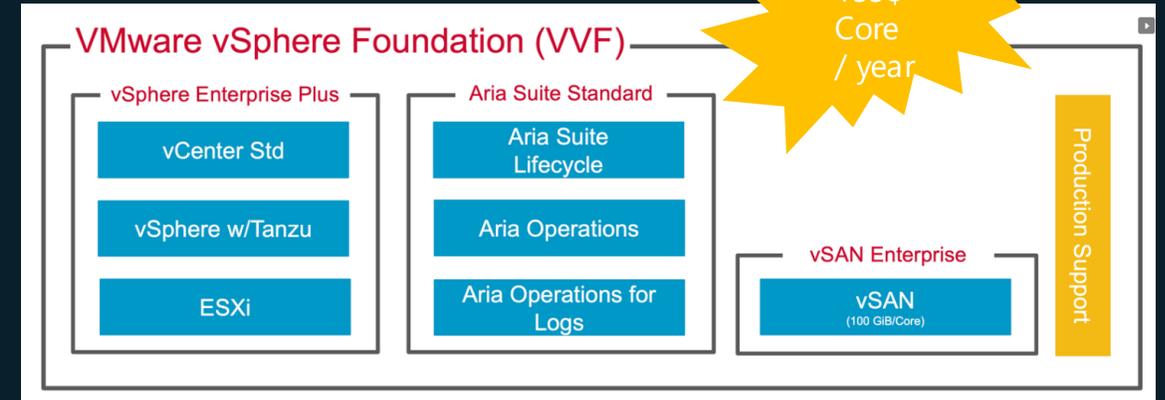
Paul Heaton

Co-Founder & CEO
cubesys

Broadcom buys VMware

Changes to licensing

- No more perpetual licensing available
- All customers must purchase subscription licensing at the next renewal
- Main 2 licensing bundles available:
 - VMware vSphere Foundation (VVF)
 - VMware Cloud Foundation (VCF)
- Note: there are others but not suited to any major customer and have more POC type restrictions
- EUC business (Horizon) sold to KKR



Broadcom buys VMware

Changes to licensing

To put that into perspective: Let's take a standard physical server, 2 Sockets, 24 cores each (5-year ownership)

Previous VMware pricing:

- \$4850 per socket, SnS cost \$1164
- So, 2 sockets * \$4850 + \$1164 * X Years
- Year 1 = **\$10,864**
- Year 2 = **+\$2,028**
- Total for 5 Years (1 server) = **\$15,520**
- Total for 5 Years (100 servers) = **\$1,552,000**

New VMware pricing (VCF):

- \$350 per physical core per year
- 48 cores * \$350 * 5 Years
- Year 1 = **\$16,800**
- Year 2 = **\$16,800**
- Total for 5 Years (1 Server) = **\$84,000**
- Total for 5 Years (100 servers) = **\$8,400,000**



Why customers move VMware workloads to Azure



**Modernize Apps
with GenAI**



**Datacenters
expiry and
software
end of life**



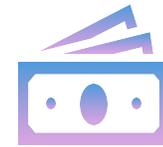
**Disaster
Recovery**



**Security
Features**



**Capacity
Challenges and
Cloud Bursting**



**Consolidate
and save on
licensing costs**

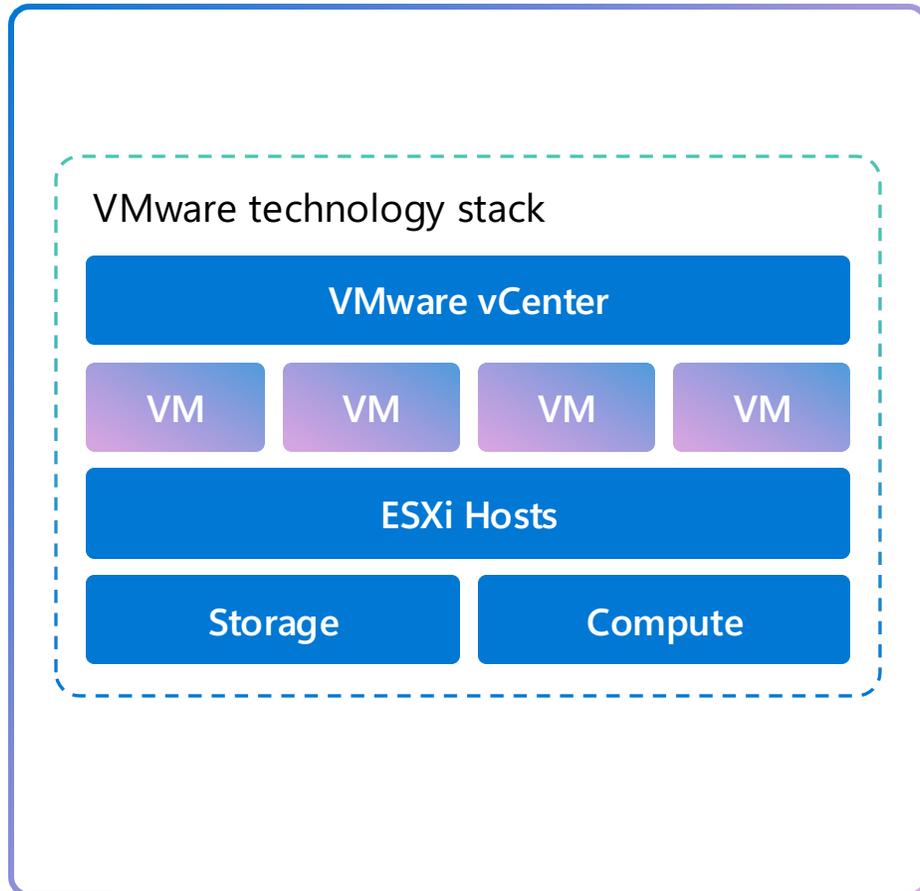


**Extend and
scale apps**

Migrate fast without refactoring

Your datacenter 

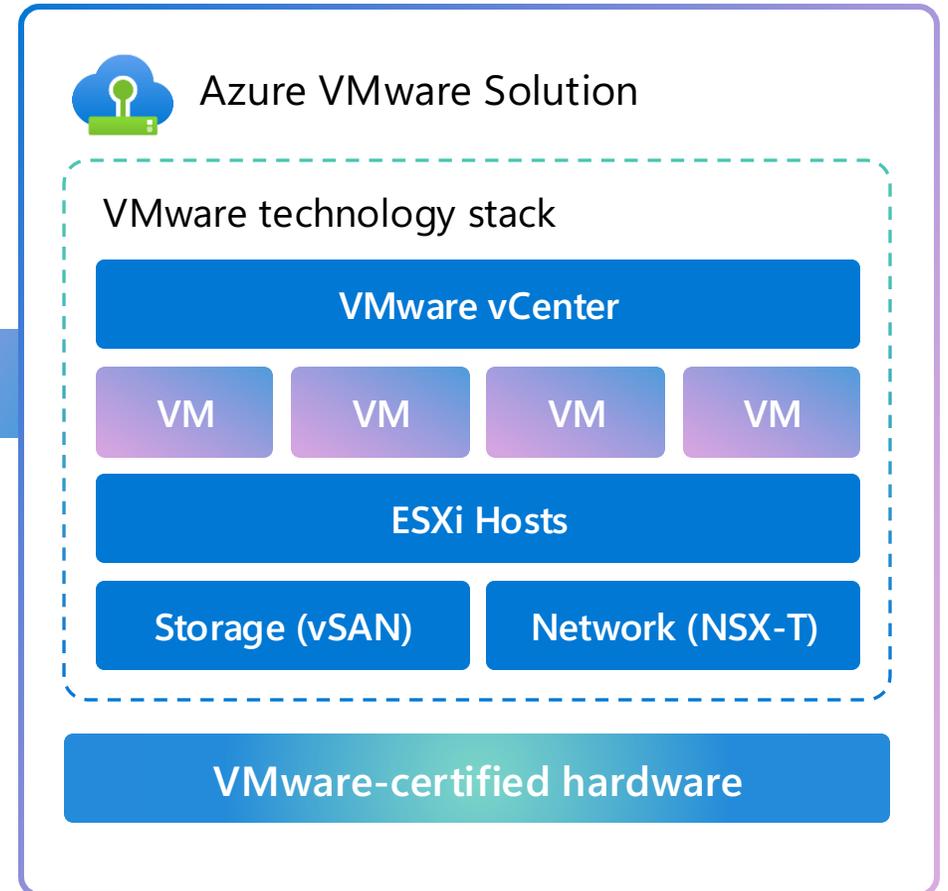
Azure 



Migrate with
VMware tools
like vMotion



Connect via
Azure
ExpressRoute
or a VPN



Symmetry with your on-premises stack

Hardware details for AVS

Type	AV36	AV36P	AV64 (Only for expansion)
CPU	36 Cores (72 vCPU)	36 Cores (72 vCPU)	64 Cores (128 vCPU)
Clock Speed	2.3 Ghz	2.6 GHz (3.90 Ghz with Turbo)	2.8 Ghz (3.5 Ghz with Turbo)
Memory	576 GB	768 GB	1 TB
Storage—Cache	3.2 TB NVMe	1.5 TB Intel Optane Cache	3.84 TB NVMe Cache
Storage	15.4 TB SATA SSD	19.2 TB NVMe	19.2 TB NVMe

- ✓ Minimum 3 nodes per vSphere cluster
- ✓ Maximum 16 nodes per vSphere cluster
- ✓ Maximum 96 nodes to an Azure Private Cloud instance

VMware software ecosystem on AVS

Software included

ESXi 7.0 U3o Enterprise Plus

vCenter 7.0 U3o Standard

vSAN 7.0 U3 Enterprise

NSX-T 4.1.1 Advanced

HCX 4.7.0 Enterprise



Azure VMware Solution | Shared responsibilities matrix

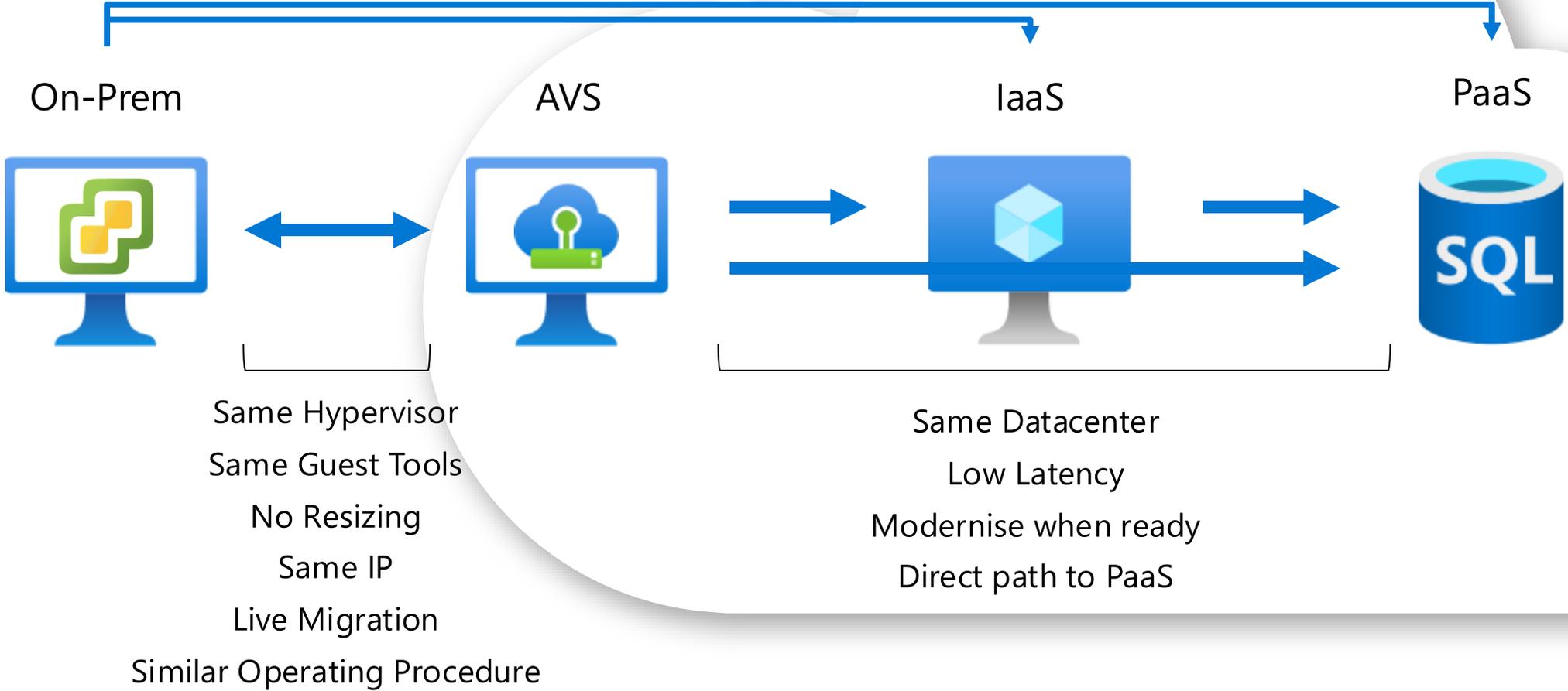
Control boundaries

- Microsoft responsibility
- Customer responsibility

	Physical infrastructure	Physical security	Azure/AVS Portal	Hardware failures	ESXi host	Host patching	NSX-T	Identity management	vCenter	vSAN	Guest OS	Applications	Virtual machines
Deployment	Microsoft responsibility	Microsoft responsibility	Microsoft responsibility	Microsoft responsibility	Microsoft responsibility	Microsoft responsibility	Microsoft responsibility	Microsoft responsibility	Microsoft responsibility	Microsoft responsibility	Customer responsibility	Customer responsibility	Customer responsibility
Life cycle	Microsoft responsibility	Microsoft responsibility	Microsoft responsibility	Microsoft responsibility	Microsoft responsibility	Microsoft responsibility	Microsoft responsibility	Microsoft responsibility	Microsoft responsibility	Microsoft responsibility	Customer responsibility	Customer responsibility	Customer responsibility
Configuration	Microsoft responsibility	Microsoft responsibility	Microsoft responsibility	Microsoft responsibility	Microsoft responsibility	Customer responsibility	Customer responsibility	Customer responsibility	Customer responsibility	Customer responsibility	Customer responsibility	Customer responsibility	Customer responsibility



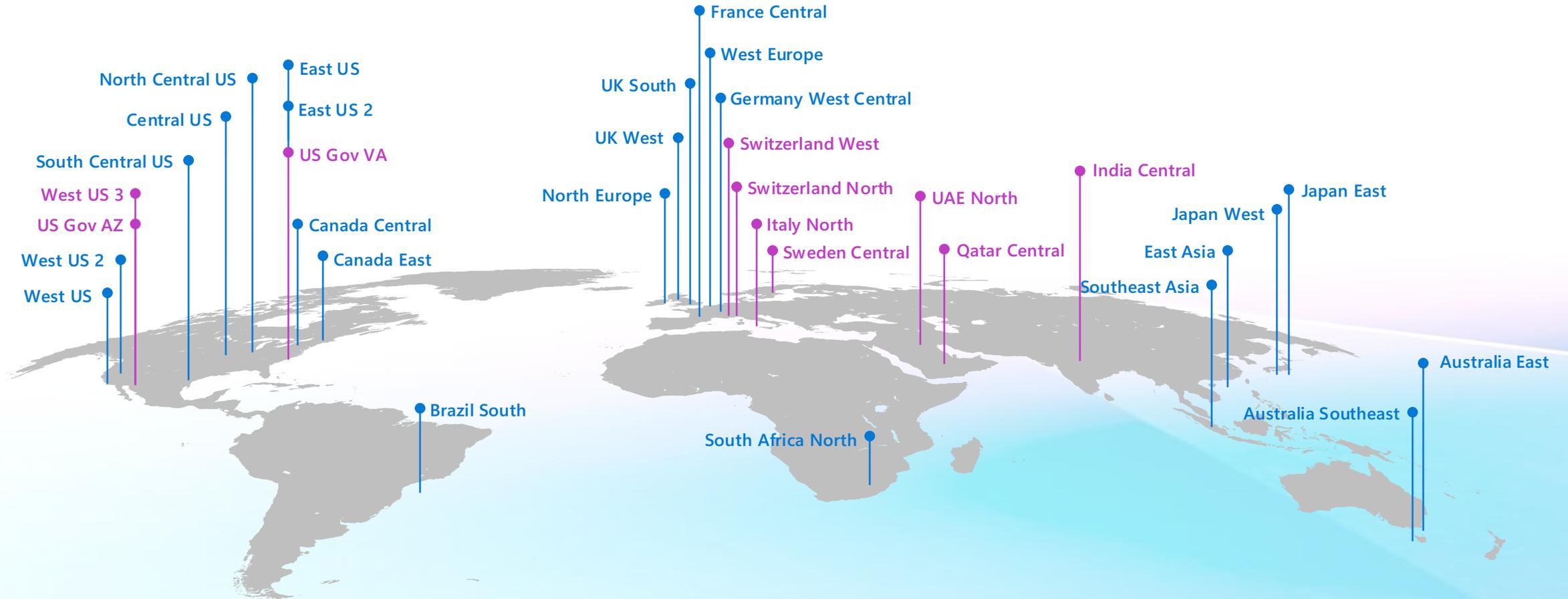
Migration Path on Azure



Azure VMware Solution global availability

Azure VMware Solution
Now available in 33 regions

Azure IaaS
Now available in more than 60+ regions



Generally available

New in the last year

VMware Rapid Migration Plan

Offers and licensing benefits for Azure VMware Solution

Get price protection



Save with existing licenses



Get migration assistance



Get Azure credits to modernize

Lock in pricing and discounts for 1, 3 or 5* years

- Reserved Instances for Azure VMware Solution that can convert to IaaS
- **Flexible reservations to exchange AVS > IaaS**
- Additional **20% off** the 1-yr reserved instance for a limited time (Dec. 31)

*Special offer: 5-yr RI for AVS ends on December 31, 2024

Azure Hybrid Benefit

- Use Windows Server and SQL Server on-premises licenses with Software Assurance to save on Azure

Free extended security updates

- Get up to 3 years free security updates on Azure for Windows Server, SQL Server 2012 and 2014

*Most competitive WS/SQL Server pricing on Azure

Use the **Azure Migrate and Modernize** program for migration funding and comprehensive resources

Streamline migration with Cloud Migration Factory

Up to a one-time **\$120k incentive to modernize with Azure**

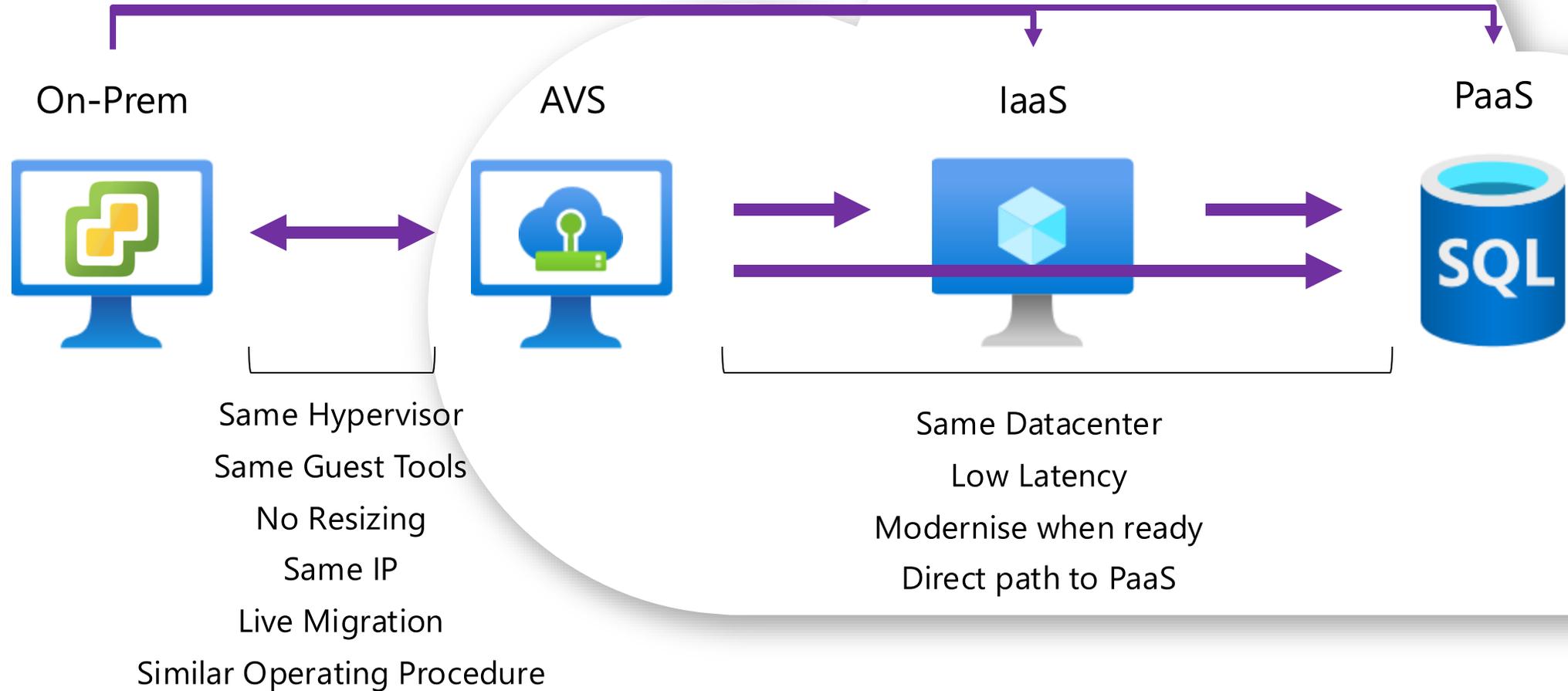
Available for 1-yr, 3-yr, or 5-yr RI's on new migrations

Limited time – ends December 31, 2024



AVS Demo

Accelerate migration with AVS



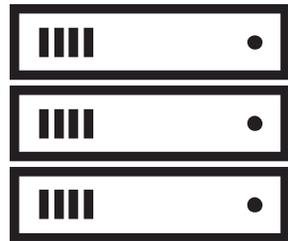


AVS TCO

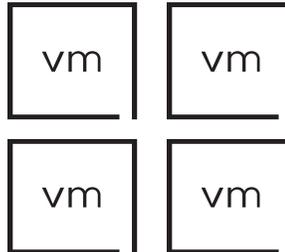
Example Customer



On-premises Hosts



Virtual Machines



AVS Hosts



200 physical hosts on-premises of different sizes

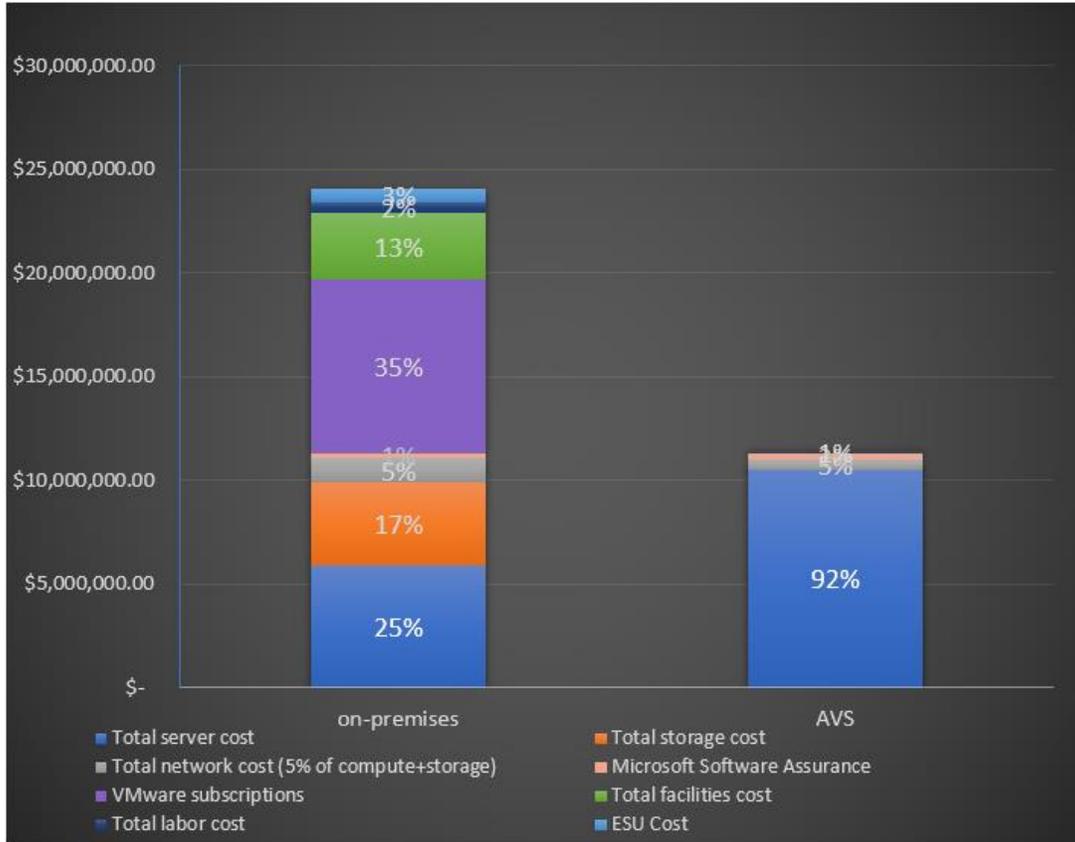
- pCore Total = 5824
- pMemory Total = 54 TB

1608 Virtual Machines

- vCPU = 6433
- Memory Assigned = 34 GB
- Used Storage = 573 TB

- Only **46 AVS Nodes** required to meet VM CPU, Memory and Storage requirements
- With AVS, only deploy what is needed at the time
- Add more nodes anytime when required

AVS vs On-premise TCO



TCO comparison for 5 years		on-premises	AVS
Total server cost	\$	5,900,748.00	\$ 10,463,313.33
Total storage cost	\$	4,003,840.00	included in hosts
Total network cost (5% of compute+storage)	\$	1,132,848.23	\$ 523,165.67
Microsoft Software Assurance	\$	273,000.00	\$ 273,000.00
VMware subscriptions	\$	8,358,955.20	included in hosts
Total facilities cost	\$	3,230,297.47	included in hosts
Total labor cost	\$	490,971.89	\$ 127,089.52
ESU Cost	\$	672,152.00	included in hosts
Overall TCO	\$	24,062,812.78	\$ 11,386,568.52

Prices are estimates only and are not intended as actual price quotes. Actual pricing may vary depending on the type of agreement entered with Microsoft, date of purchase, and the currency exchange rate. TCO data is based on industry averages.

What you get with Azure VMware Solution

Fastest migration option

- ✓ Migrate VMware workloads “as-is”
- ✓ No refactoring or application modifications required
- ✓ Support from expert migration partners

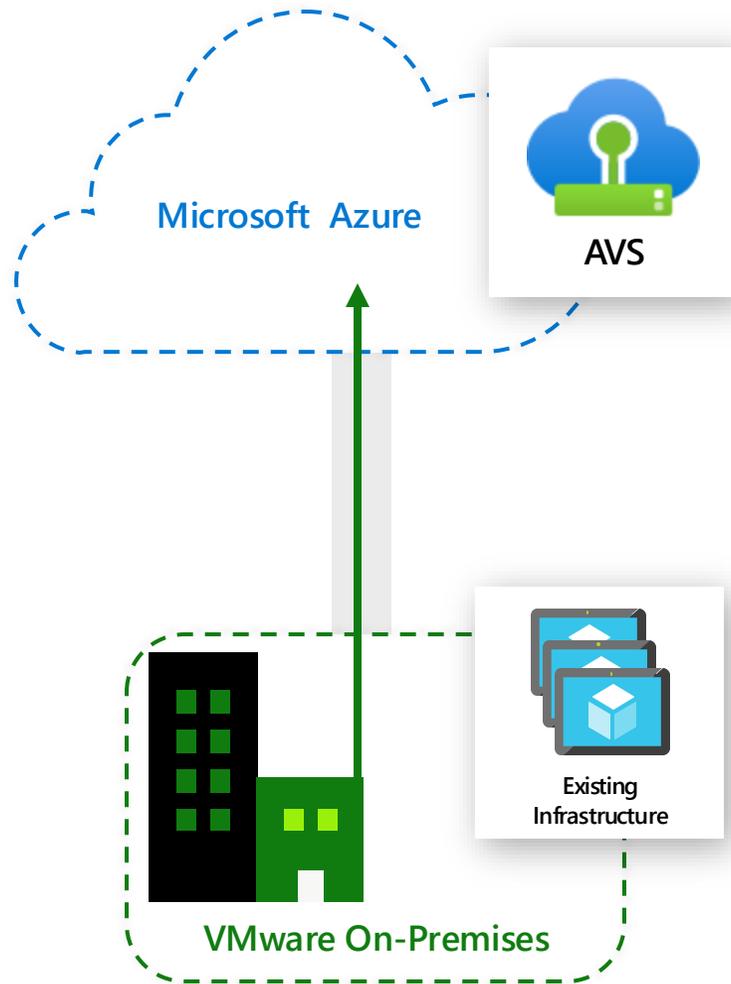
Familiar, consistent VMware technology

- ✓ Use VMware tech stack on Azure infrastructure
- ✓ Included licenses: vSphere, vSAN, NSX-T, and HCX
- ✓ Continue to leverage existing VMware expertise

Fully-managed, first-party Azure service

- ✓ Azure provides support, licensing (or BYOL), and billing
- ✓ Manage VMware resources through the Azure portal
- ✓ Add capacity in minutes “VMware as a Service”

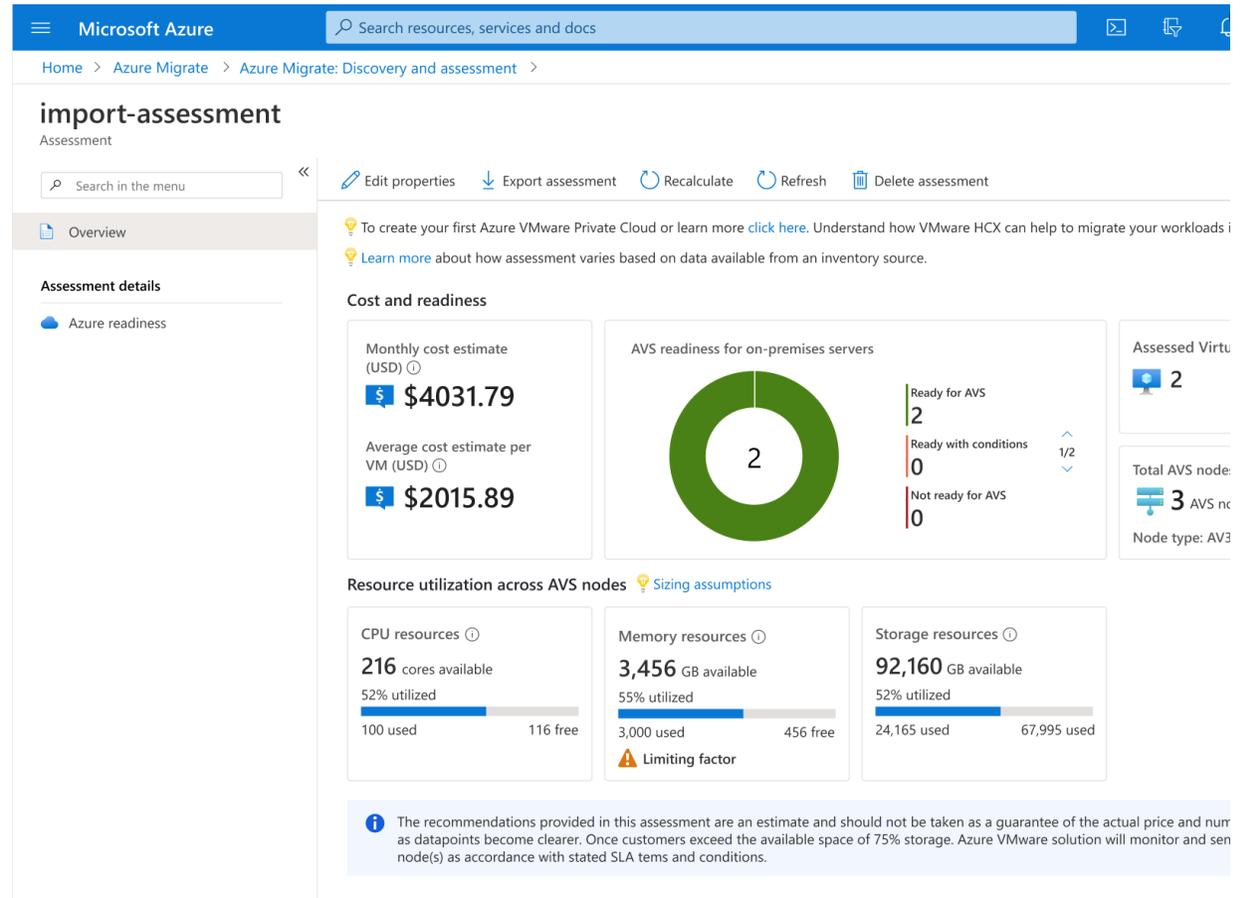
Azure VMware Solution Pilot



- Deploy a full-featured **3-Node AVS Cluster** running AV36P nodes **at no cost for 30 days***
- Request & deploy on-demand for **EA & CSP customers**
- Accelerate your AVS deployment & migration with **guided documentation & sample use-cases**
- Includes HCX allowing you to integrate with on-premises environments in a **production ready manner**
- At the end of 30 days billing is enabled with **no impact to running workloads**

AVS Assessment

- **Analyze readiness as well as node requirements** for migrating to Azure VMware Solution based on on-premises workload hardware footprint.
- **Appliance-based or manual CSV import-based** assessment along with OS-based readiness.
- **Output can be used to model a single application or an entire datacenter** footprint to provide AVS sizing requirements.
- **Assessment provides all enhanced features** like stretched cluster, external datastore, limiting factors, RAID, overcommit, dedupe reservation types, etc.



The recommendations provided in this assessment are an estimate and should not be taken as a guarantee of the actual price and number of nodes.



cubesys, your trusted partner



Infrastructure
Azure

Specialist
Azure Virtual Desktop
Infra and Database Migration

Microsoft Specialisation partner program helps you identify expert partners who have demonstrated deep knowledge, extensive experience, and proven success in deploying, optimising, and securing infrastructure on Azure.

Ready to Assess?

cubesys is here and ready to help you on the next steps

FREE Microsoft Assessment

To kick off the process you can book a meeting with Paul & Chris

[Meet with Paul & Chris](#)

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Thank you