

VMware Cloud On AWS Improves Organization Agility And Optimizes Operational Costs

Cloud computing is an attractive strategy for many organizations maintaining legacy on-premises environments. They can eliminate costs associated with maintenance and management of hardware, improve organizational flexibility and responsiveness, and support new business initiatives. However, for many, the underlying construction and dependencies of legacy application portfolios makes moving to the cloud a costly and time-consuming affair.

VMware Cloud on AWS is an integrated cloud offering jointly developed by AWS and VMware. VMware Cloud on AWS provides organizations with a scalable solution to migrate and extend their on-premises vSphere-based environments to the public cloud.

Forrester Consulting previously conducted a Total Economic Impact™ (TEI) study to provide readers with a framework to evaluate the potential financial impact of VMware Cloud on AWS on their organizations.¹ To better understand the benefits, costs, and risks associated with the investment, Forrester interviewed five representatives at organizations using VMware Cloud on AWS.

In addition to the original interviews, Forrester conducted more interviews to highlight the experiences of additional organizations. The following highlights the experiences and benefits for an organization that was not included in the original study.

For this spotlight, Forrester conducted interviews with decision-makers at Health Care Leaders Group (HLG), a technology firm in the United States that provides electronic health records (EHR) and practice



Projected infrastructure management savings
83%



Accelerated revenue recognition

management systems. The organization maintains an environment of several clusters with over a dozen ESXi hosts and hundreds of virtual machines (VMs). The organization has nine applications that it supports and, as of October 2022, has fully migrated six to VMware Cloud on AWS.

INVESTMENT DRIVERS

HLG faced several challenges that prompted its investment in VMware Cloud on AWS, including:

- **Wanting to focus on services and solutions, not maintaining hardware.** Prior to moving to VMware Cloud on AWS, HLG supported workloads with on-premises hardware. The organization wanted to move to the cloud and focus efforts on the delivery and development of its software products, not on managing the underlying infrastructure. The CEO explained: “We want to focus on provisioning products that help our providers deliver care the best they can, rather than being in the business of dealing with [hardware]. That’s exactly what we delegate to VMware ... Our job is to become the best product providers we can for our customers.”

- **Difficulty scaling on-premises deployment with growing business needs.** HLG was a growing business and, with more customers deploying their software-as-a-service (SaaS) solutions, the organization needed to provision additional on-premises infrastructure and support. The organization had already virtualized its environment with VMware to improve efficiencies in maintenance and management and looked to the cloud for further savings. The CIO explained: “That essentially became kind of the guiding force to be able to manage the environment — virtualize it to be able to make sure that maintenance was easier on the staff, because we weren’t adding bodies, we were adding assets.”
- **Accommodating acquisition model.** The organization had a strategy of growing through acquisition, which presented issues when integrating technology stacks. The organization wanted to eliminate technical debt and accelerate its ability to incorporate older applications supported by on-premises infrastructure into its environment. The CIO explained: “[We have] organic growth with the current platforms and businesses that are there, but there’s going to be new businesses and we’ve got to be able to assimilate them quickly. That means get them out of their physical data structures as well, assimilate them into our domain, make sure that we have our controls in place. That gives us time to really study the environment architecturally. Anything you go through from an acquisition perspective is not likely going to be 100% overlap with what you currently have. So, this gives us a bit of a stutter step to make those changes accordingly.”
- **Improving security.** HLG was constantly searching for ways to reduce its risk profile and enhance its ability to deal with security issues. The organization sought ways to centralize and accelerate its risk mitigation procedures across



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its entire enterprise. The CISO explained: “Another compelling case for moving [to VMware Cloud on AWS] was the enhanced security. First is that once we move there, it becomes a shared service model where the VMware portion is managed by them from the security perspective. So, for example, if you recall, there was a critical vulnerability which was released a couple of weeks ago, but they had already patched it. If we had to do that, it would have probably taken us much longer, a lot more monitoring and things of that nature. So, that whole hypervisor layer provided by VMware is managed by them. The second is that in VMware Cloud on AWS, you also get the benefits of NSX, which would have been a completely additional licensing for us in on-prem. NSX gives you the granularity of firewall controls from literally right at each server level if need be. And that is a big benefit when you’re looking at security overall, especially considering the nature of data in our applications.”

“Because we will be 100% virtual, we are shedding a wide range of costs. We’re shedding the data center costs, recouping the manpower associated with being able to manage those environments, even shedding travel and expense to physically get to those locations if necessary.”

CIO, HLG

KEY RESULTS

Benefits for HLG include:

- **Accelerated cloud journey.** Interviewees at HLG highlighted the speed at which VMware Cloud on AWS helped them actualize their cloud strategy. While the organization spent time researching cloud migration options, getting applications into production required little time. In two months, the organization migrated six of its nine applications. The CIO explained: “I have peers in the IT realm that have gone through this process, some with fewer number of servers — a similar organization built around a VMware environment would take eighteen months or longer to do what we’ve been doing.”
- **Eliminated on-premises infrastructure costs and redeploy labor.** HLG is on the path to eliminating their on-premises infrastructure by moving workloads to VMware Cloud on AWS. While not yet completed, the organization projects discontinuing on-premises operations costs, such as power, cooling, and labor. The organization also intends to redeploy resources towards pressing modernization initiatives. The CIO explained: “Presently we’ve got a dozen people that are [managing infrastructure], and that’s really in multiple geographies. We expect that after we get this completed, we’re going to have that management group down to two and we’ll redeploy those resources, repatriate their activity to really the forward progress issues that we’re trying to address. Because in many respects, what we’re doing today is maintaining that legacy environment. And this is going to free up that time for us to be able to do the modernization of some of those applications.”
- **Improved monitoring and optimized operational costs.** Prior to its migration to VMware Cloud on AWS, the organization lacked a detailed inventory of its on-premises environments. With VMware Cloud on AWS, the

organization improved visibility into its environment and decommissioned unnecessary resources to optimize operational costs. The CIO stated: “We spin up a lot of environments and then we may not necessarily shut it down, which consumes energy cost, and potentially we’re backing up things that don’t need to be backed up. So, along the way, we’ve learned that there’s a couple of hundred VMs that we’re able to decommission, power them off, took a snapshot and said, if it ever comes back, yeah, we’ll go ahead and turn it back on.”

- **Reduced risk profile with diminished effort.** With VMware Cloud on AWS, HLG gained additional protection with access to NSX, which is VMware’s network virtualization and security platform. Additionally, the organization stayed current on patching with less effort by focusing on its own applications and deferring other patching to VMware. The CISO explained: “The ESX portion was always a challenge because of all the host systems that are on top. So earlier, leaving the time aside, it was always difficult to patch because you didn’t know what exactly the impact would be. Testing it out took a significant amount of effort. But now it’s only the guest systems — which are our workloads — that we have to manage, and we have very simple method of automating that patching. While we are still responsible for the guest operating systems which hold our application workloads, the whole underlying ESX which is always a challenge to patch because of the impact is completely gone.”

The CISO expanded on this, explaining that with new tools and the time savings recognized from VMware Cloud on AWS, their security team responded faster to other issues within the organization. They detailed: “We are also moving towards a standard where if there’s a zero-day threat or something of that sort, if there’s a patch release, we patch that within 48 hours or we put a mitigating control in place fairly quickly so that

till a patch is released, we are covered. And all those kinds of controls become much easier because of the NSX that's there now, which we didn't have earlier. That allows us to do a lot of things that we couldn't."

- **Improved organizational agility and accelerated revenue recognition.** HLG's infrastructure supported its EHR and practice management software products. The ability to provision this infrastructure faster meant the organization could respond to its customers faster, improving customer experience and accelerating revenue recognition. The CIO explained: "In our prior model, it really was an effort to be able to schedule resources to go build an environment, and now this becomes infrastructure as code. So, we get there weeks faster because we can essentially execute our script to be able to setup that environment, hand it off to implementation for them to do configuration, go through the training process with the clinics, the doctors, the clinicians, and then get them up and running."

"We have to be fast at provisioning and [VMware Cloud on AWS] is going to allow us to be able to do that to accelerate the provisioning process."

CIO, HLG

TOTAL ECONOMIC IMPACT ANALYSIS

For more information, download the full study: “The Total Economic Impact™ Of VMware Cloud On AWS,” a commissioned study conducted by Forrester Consulting on behalf of VMware, October 2022.

STUDY FINDINGS

Forrester interviewed five representatives at organizations with experience using VMware Cloud on AWS and combined the results into a three-year composite organization financial analysis. Risk-adjusted present value (PV) quantified benefits for the composite organization include:

- Avoided application redesign, saving \$1 million.
- Reduced labor hours for infrastructure operations by 50%.
- Saved time and money with 50% less downtime.



Return on investment (ROI)
99%



Net present value (NPV)
\$4.04M

Appendix A: Endnotes

¹ Total Economic Impact is a methodology developed by Forrester Research that enhances a company's technology decision-making processes and assists vendors in communicating the value proposition of their products and services to clients. The TEI methodology helps companies demonstrate, justify, and realize the tangible value of IT initiatives to both senior management and other key business stakeholders.

DISCLOSURES

The reader should be aware of the following:

- The study is commissioned by VMware and delivered by Forrester Consulting. It is not meant to be a competitive analysis.
- Forrester makes no assumptions as to the potential ROI that other organizations will receive. Forrester strongly advises that readers use their own estimates within the framework provided in the report to determine the appropriateness of an investment in VMware Cloud on AWS.
- VMware reviewed and provided feedback to Forrester. Forrester maintains editorial control over the study and its findings and does not accept changes to the study that contradict Forrester's findings or obscure the meaning.
- VMware provided the customer names for the interview(s) but did not participate in the interviews.

ABOUT TEI

Total Economic Impact™ (TEI) is a methodology developed by Forrester Research that enhances a company's technology decision-making processes and assists vendors in communicating the value proposition of their products and services to clients. The TEI methodology helps companies demonstrate, justify, and realize the tangible value of IT initiatives to both senior management and other key business stakeholders. The TEI methodology consists of four components to evaluate investment value: benefits, costs, risks, and flexibility.

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