

# VMWARE CLOUD ON AWS

## Total Cost of Ownership

**Overall, the VMware Cloud on AWS solution provides greater economic and technical benefits over alternative solutions.**

VMware Cloud™ on AWS is a seamlessly integrated hybrid cloud that extends on-premises vSphere® environments to a VMware Software-Defined Data Center (SDDC) running on Amazon EC2 elastic, bare-metal infrastructure.

Total Cost of Ownership (TCO) is a financial estimate intended to help customers determine the direct and indirect costs of a product or service. To understand the TCO of VMware Cloud on AWS we compared the cost of running an application on the service to the cost of running the same application in three environments:

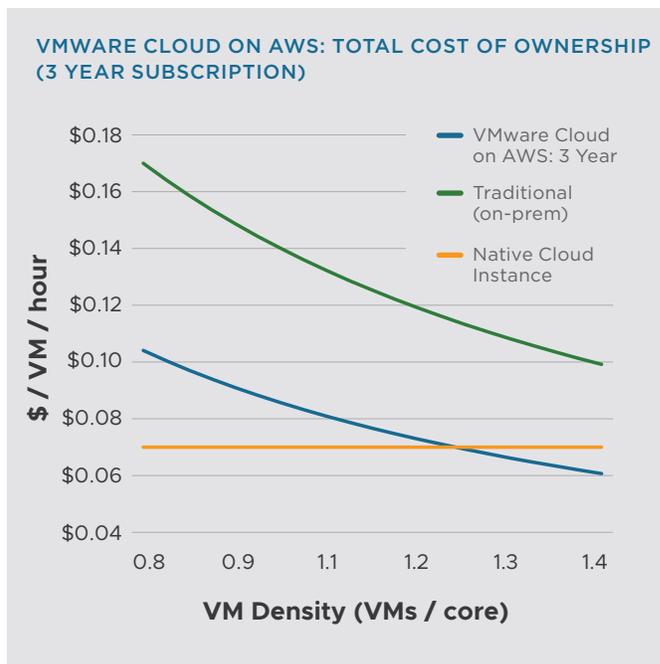
1. VMware Cloud on AWS
2. Traditional on-premises
3. Native cloud instances

We computed the 3-year cost of running a typical virtual machine (VM) per hour in each of the three environments to perform a like-for-like comparison. In addition, the per VM cost is a function of consolidation ratio, or the number of VMs that can run on each physical host. Both VMware Cloud on AWS and traditional on-premises data centers enable you to control the consolidation ratio by using vSphere features to optimize the number of VMs per physical CPU core, and must be considered when comparing costs.

### Additional Benefits

Other benefits with VMware Cloud on AWS that are not captured in the TCO chart include:

1. **There is no need to re-platform or re-architect applications** when customers migrate vSphere-based virtual machines to VMware Cloud on AWS.
2. **Customers can enjoy the benefit of consistent operation management** through vCenter servers without the need to spend significant resources to retrain IT staff.
3. **VMware Cloud on AWS is a cloud service** that takes care of the entire lifecycle management of the virtualization software stack. There is no separate support or service charges with the solution.



The blue line in the TCO chart shows the cost per VM per hour of the VMware Cloud on AWS service. The downward slope shows the benefit of VMware vSphere oversubscription features.

The green line represents the cost of running a typical VM in a traditional multi-tier on-premise environment. In general, and from a TCO perspective, the VMware Cloud on AWS solution has been attractively priced in comparison to traditional on-premises environments.

The orange line shows the cost of a comparable native public cloud instance. At the consolidation ratio of 1.2 VMs per CPU core, the VMware Cloud on AWS solution cost is at parity with a native cloud solution. And if you are willing to drive up the consolidation ratio higher, even more favorable economics can be achieved with VMware Cloud on AWS.

Try the [VMware Cloud on AWS Sizer](#) and [TCO Calculator](#) to estimate your savings.