

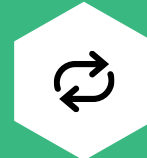
VMware Cloud On AWS Improves Employee Performance And Reduces Operational Expenses

Organizations with on-premises environments often struggle with aging infrastructure, expensive maintenance, and an inability to effectively scale their operations. Cloud computing enables organizations to eliminate hardware maintenance costs and improve organizational flexibility, but it often requires firms to reconfigure their application portfolios and train additional IT staff.

VMware Cloud on AWS is an integrated cloud offering jointly developed by AWS and VMware. VMware Cloud on AWS provides customers 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 decision-makers at organizations using VMware Cloud on AWS.

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



Projected infrastructure management time savings
33% to 66%



\$1 million per year saved in runtime costs

For this spotlight, Forrester conducted an interview with a decision-maker at an American digital media company that has been using VMware Cloud on AWS since 2019. Prior to using VMware Cloud on AWS, the company had an on-premises deployment of approximately 700 virtual machines split between two data centers.

INVESTMENT DRIVERS

The interviewee's company adopted VMware Cloud on AWS to:

- **Fulfill a companywide directive to transform into a cloud-first organization.** In late 2018, the company's executive staff instructed teams to transition their operations to a cloud-first approach. The IT engineering manager explained: "The number one reason was that from the top down came a mantra of cloud-first. And with that we had to find creative ways to become cloud-first."



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- **Eliminate time and money spent managing physical data centers.** As part of the cloud-first transformation, the IT department sought to retire costly physical data centers and migrate applications to the cloud. The organization wanted to eliminate the time and money devoted to its physical data centers and redeploy the capital and labor savings toward developing additional applications and webpages. The IT engineering manager said, “The data center was looked at as an item that we could reclaim [and] get some money back.”
- **Replace aging terminal servers.** Prior to using VMware Cloud on AWS, the company’s call-center agents connected to terminal servers using an aging server solution. The company was scheduled to replace the terminal server solution anyway and wanted to move it to a secured environment in the cloud. The organization used this inflection point to roll over agents onto VMware Horizon deployed in VMware Cloud on AWS.
- **Provide a stopgap solution as it reengineered its applications.** In the long term, the company is aiming to operate its applications natively on AWS. However, the application environment needs to be rebuilt to operate natively, which is expected to take multiple years. The company utilized VMware Cloud on AWS to bring its applications to the cloud while developers work to reengineer the environment. The IT engineering manager stated: “We want to be as native as possible to get the best bang for our buck out of Amazon’s services. We went to the developers, and they essentially said there’s no way we can do that in a year because we had to rebuild this [and] we had to reengineer them. ... So, we took the idea to utilize VMC as a stopgap.”

KEY RESULTS

VMware Cloud on AWS enabled the interviewee’s company to transform into a cloud-first organization, resulting in several key benefits:

- **Operational savings of \$1 million per year.** The organization provides its agents with VMware Horizon virtual desktops deployed on VMware Cloud on AWS. With its deployment in the cloud, the organization can quickly spin up and spin down hosts to accommodate agent needs. This means the organization can spin down unused hosts overnight and on weekends when agents are not online, saving the organization thousands of dollars a day in operational costs. The IT engineering manager explained: “We’re saving \$8 an hour for 8 hours against 26 hosts every night. And on the weekends, we don’t have enough load to even spin up hosts, so we only have the six. So, we’re not even spinning it up on the weekends. So, that’s another 48 hours. So, there’s a significant savings in the way we utilize the ESXi spin-up/spin-down from that perspective.”
- **Decreased call-center downtime.** When an outage affects the company’s call center, agents cannot take calls, which results in lost revenue and fines from the company’s partners. With VMware Cloud on AWS, the company can switch all agents to another cluster in the event of an outage, lessening the amount of overall downtime. The IT engineering manager stated: “Anytime that we’ve ever had an issue from either of the clusters, we are able to very quickly move everyone over to the other cluster and have very little if any downtime from the agents’ perspective. And that would probably be the biggest savings that we’ve gotten from being an SDDC (software-defined data center): that ability to be able to move between the two clusters on a moment’s notice and prevent even our agents from knowing that there was potentially an issue on one of the two clusters.”

- **Eliminated on-premises infrastructure and maintenance costs.** By moving its two data centers to VMware Cloud, the company was able to achieve cost savings on hardware and maintenance costs. The interviewee stated: “There’s a couple of million dollars in physical hardware. We would have maintained the electricity to run all those different things. There’s definitely a cost savings there.”
- **Redeployed labor required to manage environment.** Previously, the company employed three people to manage its environment. However, VMware Cloud on AWS allowed the company to automate patching, updates, and the spinning up and down of hosts, which led to dramatic time savings for employees. The IT engineering manager stated: “Now, we’ve been able to take those three FTEs and put them in different areas and allow them to focus on bigger projects that can bring money into the environment [and] into the company and focus on proactive type solutions instead of being reactive. So, now, we only have one FTE who really spends any time looking at this environment.”
- **Increased efficiency of hosts.** VMware Cloud on AWS ESXi hosts have more CPU and RAM than those in the organization’s legacy on-premises environment. The improved host performance allowed the company to operate roughly twice as many virtual machines on the same infrastructure as it would have in its legacy environment. The IT engineering manager stated: “VMC was able to help us provide a smaller footprint because they were bigger hosts. They were newer hosts.”
- **Improved ability for call-center agents to work remotely.** Prior to implementing VMware Cloud on AWS, the company’s call-center agents were only able to work in the office. After the company built out a cloud-enabled environment, agents have been able to securely access applications remotely, which has proved invaluable since the onset of the COVID-19 pandemic. The interviewee explained: “[It] was just like being in the office. There was absolutely no change. So from our perspective, it was a huge win because a lot of other companies that we were talking to were panicking, and they were struggling because they weren’t prepared with an environment for their work-from-home users, especially call centers.”

“We save a lot of downtime potential [and] a lot of outage potential because if those agents aren’t on the phone and they’re not taking calls, we’re not making money. ... So that was probably the biggest reason why [VMware’s] SDDC is a huge win for the company.”

IT engineering manager, digital media

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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