A recent study comparing approaches to cloud infrastructure shows that businesses see hybrid clouds as a better long-term architectural choice. The TCO comparison of these models reveals that no matter which path a business chooses, deploying VMware Cloud Foundation saves money.

**Why IT Needs Hybrid Cloud**

The Hidden Cost of Moving to Public Cloud

Factoring in the number of VMs migrated, the estimated costs of migration, and the estimated man-hours needed, the cost per VM of migration to the cloud is eye-opening.*

**TCO* Comparison of Hybrid Cloud Options**

No matter which path you choose, VMware Cloud Foundation saves you money.

**The Traditional Path to Hybrid Cloud**

- VMware Cloud Foundation delivers a 28% cost savings over traditional 3-tier systems.*

**VMware Cloud Foundation**

Delivers the most comprehensive, lowest cost hybrid cloud offering.

Who's Doing What

What IT decision-makers and influencers would like to see their company adopt in the next 3-5 years:

- Already "all in" on hybrid cloud: 45%
- See colocation as a stepping stone to hybrid cloud: 20%
- Remaining mostly on-premises: 16%
- Moving fully to public cloud: 7%

**App development and test**

- 54%
- 50%
- 46%
- 42%
- 40%
- 27%

**Ability to scale as needed**

- 50%
- 48%
- 45%
- 43%
- 41%

**Lower TCO through consistent infrastructure and consistent operations for Private Cloud, Public Cloud and Edge deployments**

VMware Cloud Foundation delivers the most comprehensive, lowest cost hybrid cloud offering.

VMware Cloud Foundation is a cloud operating system, born in the cloud, that enables businesses to deploy a cloud infrastructure on-premises or at the edge.

- Can be deployed on top of any qualified vSAN ReadyNode or integrated systems from numerous hardware vendors.
- Comprehensive automation and lifecycle management to simplify expansion and streamline operations.

**VMware Cloud Foundation**

Delivers the most comprehensive, lowest cost hybrid cloud offering.

**INTEGRITY SECURITY & LIFECYCLE AUTOMATION**

**CLOUD AUTOMATION AND OPERATIONS**

**Compute**

- vSphere Cloud on Premises
- vSphere Hybrid Cloud

**Storage**

- vSAN
- FlashArray

**Network**

- NSX
- SD-WAN

**VDI VM CONTAINERS**

- vSphere View
- vRealize Orchestrator

**Private Cloud Public Cloud Edge**

**HW CapEx**

- VMware Cloud Foundation
- Traditional

**SW CapEx**

- VMware Cloud Foundation
- Traditional

**HW Maintenance (3 Years)**

- VMware Cloud Foundation
- Traditional

**SW Maintenance (3 Years)**

- VMware Cloud Foundation
- Traditional

Incremental On-premises Labor

- VMware Cloud Foundation
- Traditional

Total Costs over Three Years

<table>
<thead>
<tr>
<th></th>
<th>VMware Cloud Foundation</th>
<th>Traditional 3-Tier</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>$5,027,547</td>
<td>$3,609,048</td>
</tr>
<tr>
<td>VMware Cloud Foundation</td>
<td>$1,021 (802k)</td>
<td>$1,021 (802k)</td>
</tr>
<tr>
<td>Traditional 3-Tier</td>
<td>$1,021 (802k)</td>
<td>$1,021 (802k)</td>
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<tr>
<td>Workload Refactoring</td>
<td>$334,140</td>
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<tr>
<td>VMware Cloud Foundation</td>
<td>$1,021 (802k)</td>
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<tr>
<td>Traditional 3-Tier</td>
<td>$1,021 (802k)</td>
<td>$1,021 (802k)</td>
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<tr>
<td>Cloud Subscription Costs</td>
<td>$2,668,202</td>
<td>$1,586,615</td>
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<td>On-premises Up Front Costs</td>
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<td>On-premises Ongoing Costs</td>
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<td>$334,140</td>
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<tr>
<td>Incremental On-premises Labor</td>
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<td>$639,983</td>
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<tr>
<td>Total</td>
<td>$3,609,048</td>
<td>$2,668,202</td>
</tr>
</tbody>
</table>

* Using public prices for hardware, software and support in a 1008 VM deployment scenario.

**Average Number of VMs migrated to Cloud**

- Migrate Packaged Apps – “Replatforming”
  - Average Number of VMs migrated to Cloud: 802
  - Total Project Cost per VM: $1,021

- Migrate Custom Apps – “Refactoring”
  - Average Number of VMs migrated to Cloud: 749
  - Total Project Cost per VM: $958

**Average Cost**

- Total Project Cost per VM: $990

**Normalized average costs.**

Man-hour costs estimated using $120K/yr.

* Factored over three years for a 1008 VMs deployment scenario running similar types of workloads.