Many organizations have adopted cloud-first strategies as they look to decommission aging infrastructure, reduce maintenance costs, and improve scalability. However, organizations may find that core legacy applications are not easily migrated, and the cost of refactoring can quickly eat into operational savings.

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 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. 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. This spotlight highlights the experiences and benefits for an interviewee whose organization was not included in the original study.

For this spotlight, Forrester conducted an interview with a cloud security architect at a semiconductor manufacturer. The firm is currently migrating a specific legacy IT environment to VMware Cloud on AWS.

**INVESTMENT DRIVERS**

The interviewees’ organizations adopted VMware Cloud on AWS to:

- **Adhere to a cloud-first mandate.** The organization mandated a cloud-first strategy in an effort to discontinue use of on-premises infrastructure and colocation. While many applications had transitioned software as-a-service (SaaS) or platform as-a-service (PaaS) alternatives, some teams had not met the mandate due to the complexity of their workloads, priorities, and depreciation of existing investments.

  The cloud security architect explained that their organization had approached low-hanging fruit, which gave them an opportunity to learn about running applications in cloud solutions: “We as a company have had a cloud-first strategy for several years now. First, we transitioned apps to...”
SaaS and then adopted PaaS. We are now in a phase where we are migrating more and more services from on-premises to the cloud.”

- **Maintain support for legacy applications and products.** A key factor in cloud selection was the need to support legacy products and applications. As a semiconductor provider, the organization provides support and service for products that can have a lifecycle of more than 20 years. The interviewee detailed: “We have a responsibility towards the products we create. Once we engineer and create them, we have to provide support services as long as these products are in use. That means we need to be able to run simulations 10, 15, or 20 years after we have created a product. To do this, we have to use legacy applications and operating systems, and that was a real challenge for us.”

- **Avoid refactoring.** The organization wanted to meet its cloud-first mandate for older applications while avoiding refactoring. Not only would refactoring be time-consuming, but it could also introduce issues to legacy products. The interviewee explained: “We looked into converting [legacy workloads], but that had a few challenges. The moment you start to convert them, you are basically modifying and changing the operating systems and the applications. We need to stick as close as possible to the status [that] the application and operating system had the moment the chipset was created so that we can accurately troubleshoot any customer issues.”

  “We have a cloud-first strategy, which means we will do our very best to figure out how we can achieve this goal before we consider other options. Our roadmap is to reduce our data center footprint by over 90% in the coming years. VMware Cloud on AWS enables us to include VMs that are hard to refactor in our cloud migration.”

  *Cloud security architect, semiconductor manufacturer*

**KEY RESULTS**

VMware Cloud on AWS will allow the organization to recognize a number of benefits:

- **Reduce migration time by 80%**. The organization is still migrating workloads to VMware Cloud on AWS and has found that the relatively simple lift and shift will save significant time when compared to refactoring for a cloud-native deployment. The interviewee explained: “For most applications, we can do a lift and shift and then modify some parameters in the machines, saving at least 80% [of the time]. It will save us a lot of troubleshooting and testing, because we don’t redo, don’t rebuild the images. Some of these vendors don’t exist anymore, which makes it very difficult to rebuild a component.”

**Cloud security architect, semiconductor manufacturer**
Streamline infrastructure operations. The interviewee’s organization currently manages a global hybrid deployment. By moving to the cloud, the organization expects to reduce its on-premises and colocated footprint by 90%. The interviewee detailed: “We will have IT infrastructure distributed in multiple global cloud locations. We will consolidate and centralize the specific IT environment that is the scope of the project for which we selected VMware Cloud on AWS. In the end, I expect we will build more VMC SDDCs [VMware Cloud software-defined data centers] in other regions as well to run our IT workloads on cloud infrastructure.”
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.