Evolve, Compete and Win With VMware’s Advanced Bundle

The Essential Guide to 5 Point Bundle EOL
VMware Cloud Provider 5 Point Standard Bundle Migration Guide

Are you a VMware Cloud Provider Program partner who’s opted for the most affordable VMware vSphere license bundle because it’s been the ideal fit for your managed hosting or IaaS offers?

Are you looking for opportunities to:

- Deliver high-growth, high-margin multi-tenant or private cloud services?
- Differentiate your business by offering relevant and profitable new managed services?
- Transform operational efficiency and reduce costs to drive up margin?

With the VMware 5 Point Bundle reaching End of Life (EOL) in March 2020, now’s the time to discover how upgrading from your current agreement to the 7 Point Advanced Bundle or the VMware 7 Point Core Flex Bundle can help you achieve these goals. In fact, many of your competitors have already made this move and are using the capabilities in 7 Point and above bundles to reduce operating costs, drive new differentiated services, and sharpen their competitive position. So by delaying your bundle upgrade, you could be losing ground to these competitors.

So learn how upgrading now gives you access to new cloud orchestration, automation and security capabilities that help you readily open up new service offerings aligned to current market needs.

Click through the guide using the navigation bar below to find out more information.

See it in action
You can explore the great reasons to upgrade to a 7 Point Bundle or higher in our VLZ training Portal. Click here to get access to the VLZ platform.
Business at a Crossroads? Take the Path to Profitable Growth

Traditional hosting: the situation today
If your business is focused on traditional IaaS and hosting, now’s the time to evolve and embrace profitable new opportunities. Firstly, because there is a huge and fast-growing addressable market you need to take advantage of. Secondly, if you choose to maintain your current focus, you could find the market has shifted and your offers no longer resonate with customers like they used to. This market shift is seeing Cloud Providers focus less on traditional hosting, and towards managed services and multi-cloud infrastructure solutions running hybrid cloud solutions, which require new offerings and capabilities.

What the market means for you
Many customers who simply want IaaS are migrating away from independent hosting companies and towards hyperscale and public cloud providers. Hyperscalers are perceived to offer the lowest prices in the market: infrastructure alone is no longer a differentiator.

For independent providers, it’s impossible to compete on price alone. In February 2019, Synergy Research found that “Global spending on cloud infrastructure services remarkably accelerated in 2018.” But they identified that the only beneficiaries of this market growth were at the top of the market, especially hyperscale providers like AWS, Azure and Google.

Gartner forecasts that the top 10 hyperscalers’ market share will continue to grow:
- From 50% in 2016
- To over 70% by 2021

Momentum away from hyperscale
Yet although the macro market trend is towards hyperscale, a significant volume of workloads are moving in the opposite direction, most often for reasons of cost and performance. A 2018 study by 451 Research found that 29% of businesses moving workloads away from public clouds were doing so either because their performance expectations weren’t being met, or because costs were higher than expected.

Seize the moment
How do these trends translate into opportunities for Cloud Providers? Whereas the IaaS market is increasingly commoditized, hybrid cloud and managed cloud services are high-margin and high-growth. The managed services market will overtake cloud altogether soon, with public cloud predicted to be worth $236b by 2020 vs. $242b for Managed cloud services by 2021. Another study by IDC from 2018 identified that a high proportion of businesses plan to invest in Managed Services:
- 58% Backup and recovery services.
- 44% Disaster/site recovery services.
- 44% 24x7 support.
- 40% Mobile services.
- 40% Archiving.

Hosting-focused providers can also gain a big advantage as applications and services migrate away from hyperscale clouds. IDC sees 18% of these workloads specifically moving onto hosted private clouds, because customers want to improve performance and optimize costs, ensure hybridity and comply with data sovereignty requirements.

To deliver against these customer demands, you need more than hosting. You need software-defined data centers, virtualized resource pooling, virtualized security, networking and storage, and self-service in an integrated and rich product portfolio.

2. Winning The Cloud Journey, Dr. Owen Rogers, 451 Research, 2018
4. When Computing Becomes Human, IDC Directions 2018

Are you ready to make a successful transition to offering profitable managed and private cloud services with a 7 Point Advanced/Flex Bundle? All set to improve SLA delivery and footprint for your existing customer base, and support both existing and new customers on their journeys to hybrid cloud and multi-cloud?

Read on to discover how →
Prospering Beyond the 5 Point Bundle

The VMware vCloud SP Standard (5 Point) Bundle based on VMware vSphere Enterprise has reached both end of availability (EOA) and EOL. In the VMware Cloud Provider Program, this affects all versions of vSphere Enterprise as product support is included in the rental license. The 5 Point bundle will be unavailable to all Cloud Providers from March 2020 and be removed from the Business Portal. This date has already been extended twice to help Cloud Providers fulfill obligations to their long-term customers based on 5 Point Bundle pricing and cannot be extended again.

Now, to help you make a smooth and profitable transition away from your existing 5 Point Bundle, we’ve examined a range of flexible options that cater for common Cloud Provider scenarios.

1. **Evolve your business by deploying new technology**
   
   The lowest option available is now at 7 Points: the Advanced Bundle. This is the same as the Flex Core Bundle, which is also 7 Points, but the Flex option includes products like VMware vCenter ChargeBack Manager for free. When you upgrade from vSphere Enterprise to vSphere Enterprise Plus in the 7 Point Bundle, you will automatically move to the lowest bundle supporting vSphere Enterprise Plus – the 7 Point Bundle. If you wish to use Flex, you needn’t do anything to your data center. Just make the change in the Business Portal and the rest will happen automatically from your ongoing reporting. With free products and increased options in the Flex Bundle, why not change?

   All the great reasons for you to choose this option are explored in this eBook

2. **Team with a VMware Cloud Provider Program (VCPP) Partner**
   
   If you prefer not to migrate to a 7 Point Advanced/Flex Bundle (for example, perhaps vSphere Enterprise Plus is not supported by your existing hardware) you could consider partnering with a regional public cloud VCPP provider. Most regions have providers who offer a multi-tenanted public cloud service, and who would be happy to onboard your VMs into their public cloud for you to manage while you continue to own the relationship with the end customer.

   Your VMware Aggregator or VMware will be happy to help you find the right Cloud Provider to partner with

   Contact VMware or your Aggregator for details

3. **Go direct onto VMware Cloud on AWS**
   
   Finally, you can deliver cloud and managed services direct from the VMware Cloud on AWS. The commonality between your vSphere workloads and VMware Cloud on AWS, and the simple zero-downtime migration path – including upgrading as you migrate, with extensibility into native AWS – makes this a great potential solution. Available as pre-paid one-year or three-year contracts, this option brings you the benefit of flexible infrastructure running in VMware Cloud on AWS, with full tooling lifecycle support could be enough to make this suitable. You should carefully evaluate the financial aspect of this option; your Aggregator or VMware can help you make this decision.
The Transformed Cloud Provider at a Glance

Let’s compare the technical and commercial constraints of the 5 Point Bundle with what you can achieve from a 7 Point Advanced/Flex Bundle.

<table>
<thead>
<tr>
<th>Today: 5 Point Bundle</th>
<th>Tomorrow: 7 Point Advanced Bundle or above/Flex Bundle</th>
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<tbody>
<tr>
<td>vSphere Enterprise with Distributed Network Switch</td>
<td>vSphere Enterprise Plus, VMware NSX, VMware vCloud Director etc.</td>
</tr>
<tr>
<td><strong>Inefficient operations and infrastructure</strong></td>
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<tr>
<td>- Inconsistencies due to lack of automation.</td>
<td><strong>Efficient operations and infrastructure</strong></td>
</tr>
<tr>
<td>- Need for many external systems and scripts can lead to errors and exposure.</td>
<td>- Automation across network, storage, compute and security.</td>
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<tr>
<td>- Multiple skills and third-party toolsets place strain on resources and support.</td>
<td>- Reduced routing complexity and East/West traffic volume.</td>
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<tr>
<td>- Disparate management and security tools incur risk and operational costs.</td>
<td>- Mitigated security risks through applying policy-driven security without exception.</td>
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<td>- Inconsistent application SLAs due to a lack of capacity and performance optimization.</td>
<td>- Per-tenant usage metering to enable accurate billings.</td>
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<tr>
<td><strong>High operating costs</strong></td>
<td><strong>Accelerated time to revenue</strong></td>
</tr>
<tr>
<td>- Configuring networks and virtual LANs instead of offloading to self service.</td>
<td>- Eliminate costly in-house platform development to support your infrastructure.</td>
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<td>- Configuring compute resources without multiple levels of resource pooling to optimize infrastructure.</td>
<td>- Accelerate tenant on-boarding with software-defined services and infrastructure.</td>
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<td>- Service desk with manual service lifecycle.</td>
<td><strong>Reduced capital costs</strong></td>
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<tr>
<td>- Increased security risks from configuration errors and lack of automation.</td>
<td>- Replace physical firewalls with software-based edge or VM-based firewalling.</td>
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<td></td>
<td>- Replace physical load balancers with software-based edge or distributed load balancers.</td>
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<td></td>
<td>- Traffic offloaded from network devices to minimize hardware refresh cycles.</td>
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<tr>
<td></td>
<td>- Utilize Provider Resource Pooling of infrastructure to create tiers of service for tenant virtual data centers, instead of physical separation.</td>
</tr>
<tr>
<td><strong>Low operating costs</strong></td>
<td><strong>Grow and differentiate your business</strong></td>
</tr>
<tr>
<td>- Reduced provisioning time for firewalls and loads-balancers for new tenants.</td>
<td></td>
</tr>
<tr>
<td>- Automated security and networking to reduce cycle time for changes.</td>
<td>- Extend your service portfolio from physical hosting into tenants’ virtual data centers.</td>
</tr>
<tr>
<td>- Self-service cloud, offloading operational tasks to customers.</td>
<td>- Offer service on a multi-tenanted platform.</td>
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<tr>
<td>- Provide simple inclusive chargeback.</td>
<td>- Monitor and meter individual tenants.</td>
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<tr>
<td>- Aggregate logging of virtual environments to speed up issue diagnosis.</td>
<td>- Extend services into cloud and on-prem environments.</td>
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</table>

**All this for just 7 Points!**

All these capabilities are included in the new 7 Point Advanced/Flex Core Bundle. Please note that moving from any bundle above 7 Point Advanced to Flex will not affect your current costs or metering (Usage Meter 3.6 baseline) and will be automatically translated in the Commerce Portal. Any cost increase for current and future capacity at the time of conversion is automatically discounted for 36 months.

Let’s take a closer look at how a Flex Bundle helps you achieve this transformation

1 The Opportunity | 2 Upgrade Options | 3 Before & After | 4 Flex in Focus | 5 Optimize Efficiency | 6 Extend your Portfolio | 7 vSphere in Focus | 8 Next Steps
The Flex Bundle: Putting Cloud Providers in Control

The Flex Bundle is currently optional but will eventually replace the previous hierarchy of Bundles. There is nothing a provider needs to do on-premise to make the conversion; all the required steps take place in the Commerce Portal and rely on Usage Meter 3.6 or higher. Flex’s baseline Core is equivalent to the previous 7 Point Advanced Bundle, with the inclusion of ChargeBack Manager and it is built from the VMware products Cloud Providers need.

This new approach gives you:

- A single unifying foundation for all your services.
- A simple starting point with fewer complex product choices and decisions.
- An easy way to add the capabilities you need without buying an over-spec bundle.

Cloud Providers transitioning from a 5 Point Bundle will gain access to three new core VMware capabilities:

- **VMware vSphere Enterprise Plus**: the industry leading virtualization platform.
- **VMware NSX Data Center (Base)**: the virtual networking and security platform.
- **VMware vCloud Director**: orchestration and automation for provisioning public and hybrid cloud services and value-added service extension.

You can then add a wide range of extra VMware capabilities according to your own and your customers’ needs, including:

- **vRealize Operations**: for managing cloud performance, capacity and state.
- **vRealize Network Insight**: operations and management for virtual networks and security.
- **NSX-Data Center Professional**: a fuller-featured NSX edition that enables adaptive protection security services.

**7 Point Advanced vs. 7 Point Flex Core Bundle comparison**

<table>
<thead>
<tr>
<th>Category</th>
<th>Core Products</th>
<th>Add-on products include*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management</td>
<td>vCloud Director</td>
<td>VMware vROps</td>
</tr>
<tr>
<td></td>
<td>vRealize Log Insight</td>
<td>vRealize Automation</td>
</tr>
<tr>
<td>Metering/Billing</td>
<td>vRealize Operations ChargeBack</td>
<td>vRealize Network Insight</td>
</tr>
<tr>
<td>Networking</td>
<td>NSX-SP Base</td>
<td>vRealize Suite</td>
</tr>
<tr>
<td>Compute</td>
<td>vSphere Enterprise Plus</td>
<td>NSX-DC</td>
</tr>
<tr>
<td></td>
<td>vCenter Server Standard</td>
<td></td>
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<tr>
<td>Support</td>
<td>Production Level Support</td>
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</table>

If you opt for a 7 Point Advanced Bundle now, you will automatically be migrated to a Flex Bundle in September 2020. So why not go straight to a Flex Bundle today and start benefiting right away?

“As private cloud grows hyperconvergence, NSX will also help TeraGo grow. The VMware Cloud Provider Platform gives us the confidence to execute our strategy, deploy and monetize new cloud and managed services, and ensure that we remain relevant and differentiated in a market that demands evolution.”

Mohamed Jivra, Product Manager, TeraGo – VMware VCPP Partner

**Spotlight on VMware Usage Insight (VUI)**

Take the hassle out of manually collating and uploading usage reports with VUI.

Register now for this convenient new SaaS service  

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1 The Opportunity | 2 Upgrade Options | 3 Before & After | 4 Flex in Focus | 5 Optimize Efficiency | 6 Extend your Portfolio | 7 vSphere in Focus | 8 Next Steps
Optimize Operations and Drive Down Costs

While changing from a 5 Point to an Advanced/Flex Bundle incurs a VMware license cost increase, the 7 Point Advanced/Flex Core option helps you take cost out of your business, by reducing OpEx and CapEx, while increasing your margin and enabling you to generate profitable extra revenues.

Advanced/Flex Bundle Cost Saving Opportunities

Improve operational efficiency
- Replace existing chargeback components with the integrated vCloud Director Chargeback plugin at no cost.
- Utilize the vCloud Director orchestration ‘extensibility’ framework to automate existing operational processes, and scripts to prevent costly errors and service outages.
- Consolidate dashboards, monitoring and troubleshooting in the convert tenant app.

Reduce network and security change times with NSX
- Pool resources across your compute, network and storage estate to optimize usage.
- Extend hardware refresh cycles by offloading network traffic from firewalls and routers.
- Take advantage of increased configuration and capacity maximums in vSphere Enterprise Plus to get more from your existing infrastructure.

Streamline customer and workload onboarding
- Undertake precise and insightful customer assessments with vRealize Operations (vSphere Optimization Assessment) and vRealize Network Insight Assessment so you accurately price customer engagements.
- Migrate customers to your own or public clouds with vCloud Availability for free warm or cold migration with up to 30 days to cutover using vCloud Availability.
- As an additional cost option, simplify hybrid cloud extension into your own or your customer’s data center with Hybrid Cloud Extender (HCX).

Drive CapEx and Opex savings with NSX

Replace expensive security hardware contracts with VMware NSX virtual networking and adaptive protection – all available in Flex and the current bundles. Replace time-consuming manual tasks for each new security engagement – like defining rules for each network and security environment – with automated rules you can deploy at the touch of a button to achieve significant OpEx savings. Complement these with CapEx savings achieved from network routing and firewalling at virtual host level, to dramatically reducing traffic volumes on your physical network and therefore take away the need for newer, higher capacity switches and routers.

5. Source: VMware research
1 The Opportunity | 2 Upgrade Options | 3 Before & After | 4 Flex in Focus | 5 Optimize Efficiency | 6 Extend your Portfolio | 7 vSphere in Focus | 8 Next Steps

**Extend your Hybrid Cloud and Managed Services Offers**

The Flex Bundle and the current 7 Point and above bundles create a range of opportunities for Cloud Providers to sell more services whilst keeping the same operational staff footprint, thus increasing revenue per workload.

Cloud Providers now have the option to onboard customers into a self-service solution where they can drive their own consumption of compute, network and security-related services easily and efficiently. This makes services much more appealing and accessible than the traditional service-desk often used by Cloud Providers to provision hosted IaaS.

Extend your offerings into tiered services using additional Flex products based on each customer’s required SLA, for example in areas like high availability, disaster recovery, reserved or guaranteed bandwidth, and high performance workload services.

New managed services opportunities

Going beyond the 7 Point Bundle opens up a range of new services opportunities for you to monetize, for example:

- **Disaster Recovery Services:** using vCloud Availability within vCloud Director: DR and migration of on-premise vSphere workloads and cloud to cloud workloads, with 5 min – 24 hr Recovery Point Objectives.
- **Application Services:** using vCloud Director’s Extensible Service Framework API to easily connect with a wide range of differentiated VMware, ISV and Cloud Provider services.
- **Networking Services:** using NSX to expose vCloud Director tenants to capabilities like distributed load balancing, edge and distributed adaptive firewalls.
- **Multi-cloud Services:** using NSX for layer 2 or layer 3 warm and cold migration or Hybrid Cloud Extension (HCX) to enable customers to migrate workloads between data centers and clouds.
- **Data Encryption Services:** help customers mitigate the risks of shared physical infrastructure by encrypting data (vSphere encryption) both at rest and in flight, alongside segmentation and geo-fencing to align to customers’ data governance policies (Caveonix).

**Focus on security**

7 Point Advanced/Flex Bundle products NSX and vCloud Director equip you to offer a wide range of managed security services, including:

- Adaptive protection as a service.
- Virtual data center as a service.
- Edge Load balancer as a service.
- Edge firewall as a service.
- VPN as a service.

**vCloud Director**

Mike Walls, National Manager, Portfolio and Professional Services, Revera – VMware VCPP Partner

“vCloud Director was one of the key enabling technologies in our portfolio that enabled our growth from an NZ$18 million company five years ago into a NZ$100 million company today, and it continues to enable that growth.”

6. Requires NSX DC edition

vCloud Director was one of the key enabling technologies in our portfolio that enabled our growth from an NZ$18 million company five years ago into a NZ$100 million company today, and it continues to enable that growth.

Mike Walls, National Manager, Portfolio and Professional Services, Revera – VMware VCPP Partner
Extend your Hybrid Cloud and Managed Service Offers: Spotlight on vSphere Enterprise Plus

With vSphere Enterprise Plus at the heart of Flex and all current bundles, you’ll benefit from new and improved capabilities that help you generate revenues as well as driving efficiencies:

- **Streamlined security architecture** including VM encryption and secure boot to help you fulfill customers’ security, privacy and compliance requirements.
- **Optimized infrastructure performance** using Distributed Resource Scheduler (DRS) to balance compute capacity for hosts and VMs.
- **Cost savings** achieved via simplified configuration for new hosts and a more reliable and stable environment.
- **Improved customer experiences** thanks to improved application availability and performance.

*With NSX and vCloud Director Extender, the time to migrate customer workloads is dramatically reduced because customers don’t need to change their network technology or IP address.*

Thomas Götz, Product Manager T-Systems
- VMware VCPP Partner

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### vSphere Enterprise Plus at a Glance

These are some of the useful capabilities found in vSphere 6.5 and beyond.

#### Essential vSphere feature enhancements at a glance

<table>
<thead>
<tr>
<th>Feature</th>
<th>vSphere Enterprise 5.5</th>
<th>vSphere Enterprise Plus 6.7</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maximum VMs per host</td>
<td>512</td>
<td>1024</td>
</tr>
<tr>
<td>Maximum RAM per host</td>
<td>4 TB</td>
<td>16 TB</td>
</tr>
<tr>
<td>Maximum CPUs per host</td>
<td>320</td>
<td>768</td>
</tr>
<tr>
<td>Support for native 4k storage</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>VM encryption</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Secure boot</td>
<td>No</td>
<td>Yes</td>
</tr>
</tbody>
</table>

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### Get more return from your hardware investments

vSphere Enterprise Plus offers significantly increased maximum configurations to help you monetize enhanced capacity and/or tiered services. Support for larger hosts, CPU density of 768 CPU per host and VMs with up to 128 CPUs, 6.1TB of RAM and up to 2GB GPUs, mean you can manage larger VMs for more demanding and high-performance customer workloads and appeal to a broader market.
Start your Transformation Journey

License Key changes in your environments
- Partners should transition all hosts off of the Spt Bundle License Keys before the end of March 2020. Perform this license key change before March 30, 2020.
- License Keys that no longer are supported by VMware:
  - vSphere Enterprise with Distributed Switch
  - vSphere 5 for vCloud Service Providers
  - License Key to use going forward:
    - vSphere Enterprise Plus

Why do Partners need to change their host license keys?
- Partners reporting the Spt Standard Bundle will incorrectly meter if they do not change their license keys:
- Spt Bundle SKU will no longer be available for partners to report on their April Monthly Report.
- VMware Support will not be available for environments running the non-supported licenses
- Automatic Reporting will fail until they update their licenses to vSphere Enterprise Plus on all hosts.

Flex commercial commitments
- Net new partners joining the VMware Cloud Provider Program may only choose a Flex Bundle agreement and will not be eligible for any bundle translation discounts.
- Existing partners signing new contracts after 1st May 2019 must take out a Flex Bundle, with discounts on consumed capacity at conversion date available for 3 years from May 1st 2019.
- Existing partners can easily transition to a Flex Bundle by following the (non-reversible) sign-up process in the Commerce Portal.
- Discounts on existing consumption volume are available for up to 3 years starting May 1st 2019 and are applied automatically on the bundle translation usage meter report page.

Process to register for Flex
Log in to the VMware Commerce Portal
1. When looking at the main navigation menu, if you cannot see the Users menu, please ask the User with Administrator role on their account to assist with the following steps.
2. Make sure you have the “Auto Report Operations” role on your account to complete the sign up.
3. Go to Users
4. Edit User that will perform sign-up for Flex
5. Check the box for “Auto Report Operations” role
6. Save changes to the user
7. In the top right corner of the Commerce Portal, click on the down arrow next to your user’s name.
8. Go to the “Profile” page
9. Click the “Opt-In” button next to Sign-up for Flex.
10. Read the terms and conditions
11. Complete the sign-up wizard by checking the box that you agree, and proving the first month of Flex Pricing Model
Next steps

Contact your VMware Aggregator to start your upgrade journey, or get in touch with VMware if you don’t have an existing Aggregator relationship, or if we can support you in any way. If you have any additional questions about the 5 Point transition, please email BundleTransition@vmware.com