ECONOMIC VALIDATION

Analyzing the Economic Benefits of VMware Cloud Foundation

How Modernizing With VMware Cloud Foundation Can Help Your Organization Reduce Costs, Improve Operational Efficiency, and Realize an ROI of up to 114%

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Economic Validation: Key Findings Summary

Validated Benefits of VMware Cloud Foundation to Modernize Their IT Infrastructure

- **114% ROI (Modeled)**
- **17.6% lower TCO (modeled)**
- **Payback period in 35 months (modeled)**
- **50-66% reduction in time to deploy new applications**
- **20% increase in FTE productivity**
- **25% reduction in virtual machines**

- **Improved Business Benefits:** VMware Cloud Foundation (VCF) accelerates time to market for customers by automating environment delivery, which streamlines the deployment of infrastructure and applications. It enhances security through integrated features that simplify compliance and reduce risks while also lowering the costs associated with maintaining regulatory standards. Additionally, VCF boosts overall business performance by reducing downtime and improving system reliability, allowing organizations to operate more efficiently and quickly respond to market demands.
- **Improved Productivity:** Customers experienced significant productivity gains with VMware Cloud Foundation (VCF) by centralizing their infrastructure's management, reducing the complexity of daily operations. They also streamlined deployments through self-service capabilities and monitoring tools, allowing teams to quickly provision and manage resources without relying on manual intervention. Additionally, automating lifecycle management further enhanced operational efficiency, reducing the time and effort needed to manage the IT environment while improving overall system reliability.
- **Improved Cost Savings:** Customers achieved significant cost savings with VMware Cloud Foundation (VCF) by reducing their reliance on physical infrastructure and lowering capital and operational expenses. By consolidating compute, storage, and networking into a unified platform, they minimized hardware investments and reduced the need for additional data center space, power, and cooling. Automation of routine tasks, such as provisioning and updates, further decreased operational costs by reducing the manual labor required for maintenance.

Introduction

This Economic Validation from Informa TechTarget's Enterprise Strategy Group is focused on the quantitative and qualitative benefits organizations can expect from implementing VMware Cloud Foundation to modernize their IT infrastructure to achieve the flexibility and agility needed to thrive in today's fast-paced digital world.

Challenges

The necessity to modernize IT infrastructure becomes increasingly evident as organizations recognize its critical importance for operational efficiency, scalability, and innovation. IT teams face continuous pressure to enhance performance and adaptability, prompting a strategic shift toward future-proof solutions. While many businesses turn to the public cloud to simplify operations and reduce costs, it is not a one-size-fits-all solution.

- **Compliance challenges.** Companies operating in highly regulated industries or across multiple jurisdictions could face stringent data sovereignty and compliance requirements, making the implementation of public cloud solutions challenging.
- **Legacy applications.** Many enterprises rely on legacy applications that are not easily migrated to the public cloud due to specific hardware configurations or dependencies. This reliance creates significant challenges in transitioning to cloud-based solutions while ensuring continuous business operations. Further, a pure "lift and shift" approach will not likely reduce overall operating costs.
- **Loss of control.** Some organizations also prioritize maintaining control over their IT environments. Public cloud solutions often come with predefined configurations and limited customization options, which may not meet the unique needs of every business.
- **Security concerns.** Some organizations have concerns about data breaches, loss of control, and the shared responsibility model of cloud security. For businesses handling sensitive or proprietary information, ensuring robust security measures and maintaining control over data access and protection are paramount.

While native public cloud can offer significant agility and scale, it is not suitable for every organization. Business-critical workloads demand the highest performance, availability, and security levels, leading many organizations to decide against native public cloud deployment for certain applications. Research from Enterprise Strategy Group showed organizations have several reasons for not using native public cloud to run their workloads. In some cases, performance requirements can be achieved more cost-effectively on-premises (30%), implementing security measures can be difficult (29%), migration is costly and complex (29%), some workloads don't meet expectations for functionality or usability (27%), and cost control is more challenging (24%; see Figure 1).[1]

[1] Source: Enterprise Strategy Group Research Report, *Multi-cloud Application Deployment and Delivery Decision Making*, June 2023.

Figure 1. Performance, Security, and Costs Drive Decisions Not to Migrate Applications

Source: Enterprise Strategy Group, a division of TechTarget, Inc.

Moreover, organizations strive for rapid innovation to enhance their infrastructure and applications, aiming for maximum efficiency and cost control within a fully resilient environment. According to research from Enterprise Strategy Group, several key technologies and approaches have been identified to help IT decision-makers and practitioners deliver a "cloud experience" for their organization's on-premises data centers, such as opting for hyperscale cloud solutions, "software-defined data center" strategies, and hyperconverged infrastructure.[2]

Organizations are increasingly seeking solutions that provide a unified platform capable of being deployed on premises, at the edge, or on public cloud endpoints to meet these goals. Such a platform enables organizations to achieve the agility and scalability typically associated with native public cloud, while maintaining the necessary performance, control, and security associated with private clouds. By providing a private cloud operating model, organizations can streamline their operations, reduce complexity, and enhance their ability to innovate quickly and efficiently, ensuring they stay competitive in a rapidly evolving technological landscape.

The Solution: VMware Cloud Foundation

VMware Cloud Foundation (VCF) is a private cloud platform designed to modernize data centers and facilitate the deployment of contemporary container-based applications, along with traditional applications. VCF utilizes a full-stack infrastructure platform that brings together best-of-breed compute, storage, and networking at the infrastructure layer, providing automation and orchestration of the functions that allow the infrastructure layer to

[2] Source: Enterprise Strategy Group Research Report, *Application Infrastructure Modernization Trends Across Distributed Cloud Environments*, March 2022.

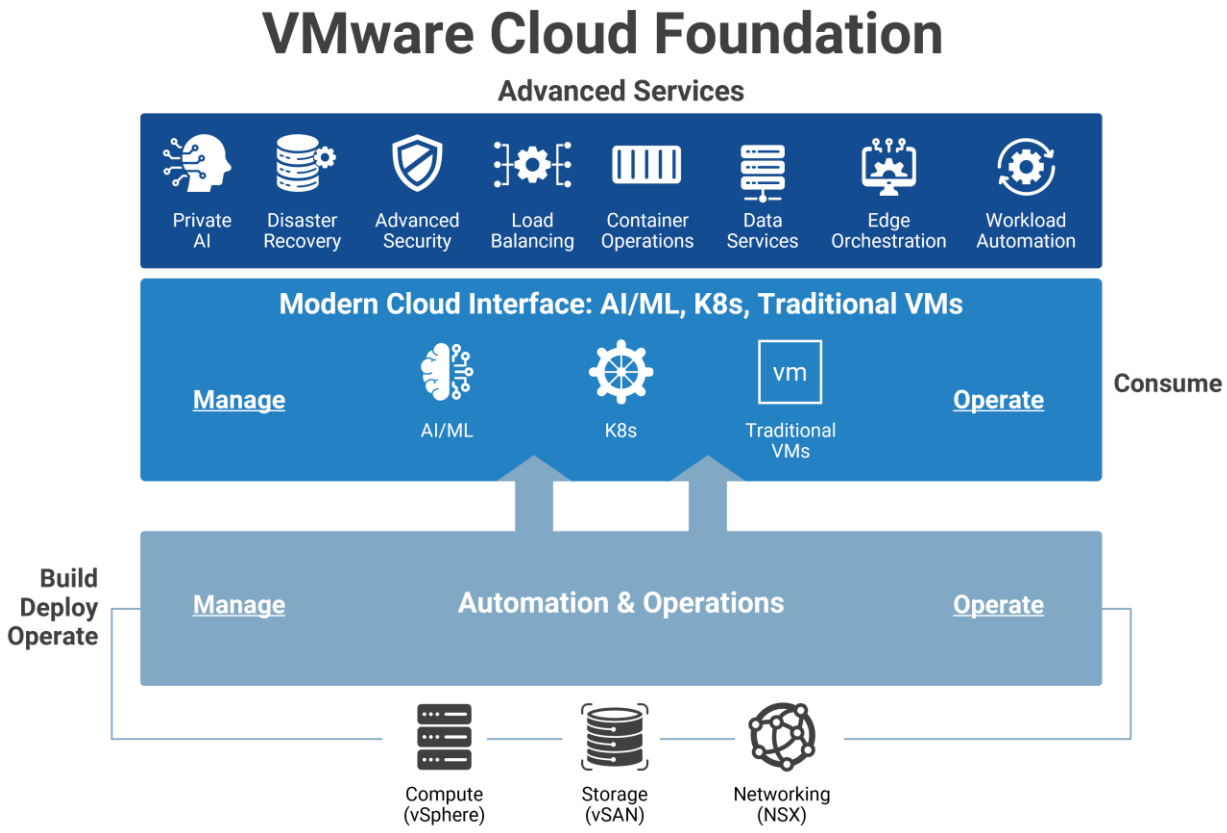
operate as a single unified system. This is combined with an embedded Kubernetes runtime and associated services and delivered via an IaaS consumption layer that provides a self-service interface using industry-standard APIs to enable developers to self-service as they build infrastructure from code.

This is combined with a powerful set of advanced services that add additional value and use cases to the VMware Cloud Foundation environment. These advanced services include four main categories, along with others (see Figure 2).

- **Application and network security** combines firewall capabilities, intrusion detection and prevention, and advanced load balancing.
- **Application platform services featuring Tanzu** management orchestration in automation tools provide a complete developer ecosystem integrated with VMware Cloud Foundation.
- **Ransomware and disaster recovery tools** provide a complete protection and recovery environment. In the unlikely scenario of a ransomware event, organizations have the assurance that they can recover quickly using the VMware cloud disaster recovery integrated solution.
- **Private AI services** provide a complete environment, from infrastructure to the data science tools needed to support generative AI and large language model intelligence.

This platform delivers rapid innovation while modernizing infrastructure and applications with high efficiency for cost control. The resilient environment also offers high availability while maintaining a sustainable platform for future growth.

Figure 2. VMware Cloud Foundation



Source: VMware by Broadcom and Enterprise Strategy Group, a division of TechTarget, Inc.

Enterprise Strategy Group Economic Validation

Enterprise Strategy Group completed a quantitative economic analysis of VMware Cloud Foundation. Our process is a proven method for understanding, validating, quantifying, and modeling a product or solution's value propositions. The process leverages Enterprise Strategy Group's core competencies in market and industry analysis, forward-looking research, and technical/economic validation.

Enterprise Strategy Group conducted in-depth interviews with end users to better understand and quantify how VMware Cloud Foundation has impacted their organizations' digital transformation and modernization through an integrated cloud infrastructure solution. We conducted a comprehensive evaluation encompassing vendor-generated technical documentation, established case studies, independent analyses, and our team's expert insights into the industry, markets, and alternative technologies. The qualitative and quantitative data were then used for a simple economic analysis comparing the costs and benefits of implementing VMware Cloud Foundation.

Why Modernization Matters

Modernization goes beyond products; it transforms IT systems and strategies to embrace emerging technologies. VMware Cloud Foundation drives this transformation by unifying compute, storage, networking, and security into a software-defined platform. Supporting legacy and cloud-native applications, it automates infrastructure management and streamlines hybrid cloud operations, enhancing agility, scalability, and efficiency.

During interviews for this analysis, customers shared insights into their modernization journeys, highlighted the specific benefits they experienced, and detailed how VCF played a key role in helping them achieve their modernization goals.

VMware Cloud Foundation Economic Overview

Enterprise Strategy Group's economic analysis found that VMware Cloud Foundation provided its customers with significant savings and benefits in the following categories:

- **Improved business benefits.** VMware Cloud Foundation accelerates time to market for its customers by automating environment delivery, enhancing security, lowering compliance costs, and reducing downtime, improving overall business performance.
- **Improved productivity.** Customers improved productivity with VMware Cloud Foundation by centralizing management, streamlining deployments with self-service monitoring, and automating lifecycle management.
- **Improved cost savings.** VMware Cloud Foundation helped organizations reduce costs by optimizing server utilization, consolidating resources, and minimizing hardware and storage needs.

Improved Business Benefits

While many businesses find value in using native public cloud services, other organizations can't move their application to the native public cloud due to complexity or sensitive and proprietary data. In these scenarios, building a private cloud can help them experience the benefits of cloud technology while maintaining security and compliance. By packaging several critical virtualization components, such as vSphere, vSAN, and NSX, together, VMware Cloud Foundation provides the tools necessary to build and maintain private clouds more efficiently while reducing risk. Customers reported savings and benefits in the following categories:

- **Time to market/value.** Nonvirtualized environments are expensive and challenging to build and maintain. As organizations require new resources and application environments, physical servers, data center floor space, and time-consuming configuration waste money and time. VMware Cloud Foundation enables customers to utilize the hardware they already have more efficiently, eliminating the need for expensive data center buildouts for new business applications. Customers commented on the reduced time to market while using VMware Cloud Foundation compared with traditional 3-tier architectures. One customer cited a 50%-66% reduction in the time needed to deploy a new application using VMware Cloud Foundation.

"If I need to do something unique, there's almost always a solution for it in VMware."

- **Increased innovation.** There are times when organizations with unique requirements and business models need flexible and adaptive solutions. By bundling several VMware services, Cloud Foundation provides the tools necessary to adapt to changing business requirements and create industry- or business-specific environments. Customers praised VMware Cloud Foundation for its flexibility. One customer, a university, used VMware Cloud Foundation to virtualize their student labs. Instead of requiring students to travel to physical rooms and machines, students can now access labs through the Internet from anywhere, enabling them to work on assignments when their unique schedules allow.
- **Enhanced security.** Organizations have begun implementing zero trust across their IT environments due to the changing requirements created by cloud infrastructure and cloud-native applications. VMware Cloud Foundation enables zero trust through powerful microsegmentation capabilities. Traditional network security features a protected perimeter while traffic between workloads within the corporate network continues unimpeded. Zero-trust models assume all traffic, including service-to-service traffic within a network, is a potential threat. Microsegmentation wraps individual cloud workloads with a firewall, providing organizations with granular control and connecting applications as needed. Customers praised VMware Cloud Foundation's microsegmentation capabilities through NSX, saying that it enabled greater security of individual workloads and prevented lateral movement across the network.
- **Reduced compliance costs.** Organizations operating in highly regulated environments need to remain compliant to avoid penalties and potential lawsuits. Customers reported that VMware Cloud Foundation helps them to remain compliant through security-focused tools that enable more robust security controls required by regulations such as FERPA, HIPAA, and GDPR. Customers also reported that using VMware Cloud Foundation reduced the cost of maintaining compliance with various regulatory requirements.
- **Reduced planned and unplanned downtime.** In a traditional data center with physical infrastructure, a technical problem with the servers can be catastrophic. If a server breaks down, it could be hours, days, or weeks before it is repaired and returned to service. Further, server maintenance and application updates can require physical servers to be shut down temporarily. VMware Cloud Foundation's virtualization capabilities enable organizations to move virtual machines throughout their physical servers. Customers reported that, in most cases, they can quickly fail over to a different physical host when a particular virtual machine fails. They also praised vCenter's predictive high availability feature, which monitors host machines for potential issues and proactively moves virtual machines to a different host before the physical hardware fails without disrupting users. This functionality reduces downtime and enables proactive server maintenance, saving costs incurred if the physical hardware fails.

Improved Productivity

Operational productivity is critical in virtualized environments because it directly impacts managing virtual infrastructure efficiently and effectively. High productivity enables IT teams to rapidly deploy, configure, and manage virtual machines, ensuring optimal resource utilization and minimizing downtime. VMware Cloud Foundation helps businesses streamline operations by automating complex tasks and centralizing management across cloud environments. This enables IT teams to focus more on innovation, reducing manual work and optimizing resource use, ultimately driving faster, more efficient outcomes. Customers reported savings and benefits in the following areas:

- **Management through a single interface.** In today's modern organizations, simplifying the administration of complex virtualized environments is crucial. As businesses increasingly rely on virtualization to optimize resources, improve scalability, and support dynamic workloads, managing these environments can become highly complex and resource intensive. VMware Cloud Foundation improves customer productivity by providing a standard operating model across the private cloud, using a single interface to centralize management and orchestration. This unified platform enables teams to efficiently manage workloads, plan capacity based on actual needs, and streamline deployments with templates, improving resource optimization.

By integrating compute, storage, networking, and management tools, VMware Cloud Foundation simplifies and unifies operations, further enabling rapid deployment and enhancing operational efficiency.

- **Reduced efforts to deploy and scale services.** For businesses adopting virtualization, reducing the effort required to deploy and scale services is essential to remain competitive and agile in a fast-paced digital landscape. VMware Cloud Foundation provides its customers with a flexible, unified infrastructure that removes the complexities of managing fragmented components, allowing businesses to focus on innovation and scalability without the burden of maintaining disjointed systems. Pre-validated configurations and best practices ensure consistent service deployment while minimizing misconfigurations. Instead of creating static environments, customers can quickly expand resources and integrate new technologies as their needs evolve. With dynamic resource allocation and self-service capabilities, IT teams can scale services up or down as demand changes, optimizing resource utilization without manual intervention.
- **Automated lifecycle management.** VMware Cloud Foundation's automated lifecycle management helps customers streamline the ongoing maintenance of their infrastructure. By automating these processes across compute, storage, networking, and Kubernetes environments, customers can keep their systems up to date, secure, and optimized with minimal manual effort. This approach streamlines operations and reduces the risk of human error, ensuring the infrastructure runs efficiently throughout its lifecycle. Automated lifecycle management enables IT teams to stay current with updates and security patches, freeing them to focus on strategic projects rather than routine maintenance.

> **"I cannot fathom how many people or how long it would take to maintain our environment if we did not have automation with the lifecycle manager."**

- **Infrastructure FTE productivity.** Infrastructure full-time equivalent (FTE) productivity is crucial because it enables IT teams to manage resources more efficiently and focus on strategic tasks rather than routine maintenance. VMware Cloud Foundation increases FTE productivity by eliminating manual tasks and complexities that typically consume IT staff time. One customer achieved a 60% improvement in infrastructure maintenance efficiency compared with managing traditional servers, thanks to automated provisioning, scaling, and lifecycle management. Centralized tools enable a single team to manage compute, storage, networking, and security, reducing the need for specialized resources and streamlining operations. The same customer also experienced a faster procurement and deployment process, helping end users install and run new applications, a process that took weeks, in just a day. Furthermore, automating daily tasks led to a 20% increase in FTE productivity for their IT teams, freeing time to focus on strategic initiatives.

Improved Cost Savings

VMware Cloud Foundation helps customers reduce costs by improving server utilization, lowering future hardware investments, and reducing storage expenses. This is achieved by integrating VMware vSphere for virtualization, vSAN for shared storage, and NSX for optimized networking, collectively increasing resource efficiency across the infrastructure. Additionally, savings on support, maintenance, and data center operations—including power, cooling, and physical space—further contribute to overall cost reductions despite continued maintenance of performance and scalability. Customers reported savings and benefits in the following areas:

- **Improved server utilization.** Customers improved server utilization by leveraging vSphere for advanced virtualization, maximizing performance and capacity. They also managed their IT infrastructure more effectively through capacity planning and optimization, which provided predictive analytics and resource utilization insights. By forecasting future needs and automatically adjusting resources for workload balancing, customers ensured that their infrastructure adapted efficiently to changing demands. Additionally, they achieved greater efficiency and cost savings by automating the reclamation of underutilized resources such as powered-off VMs, idle VMs, snapshots, and orphaned disks.

> **"We achieved a 25% reduction in the number of virtual machines we were running."**

- **Minimized future hardware investment.** Minimizing hardware investment is crucial in a virtualized environment because it reduces upfront capital expenses and ongoing operational costs while improving scalability and flexibility. VMware Cloud Foundation achieves this by transforming traditional, hardware-centric environments into flexible, virtualized infrastructures that improve resource utilization. By reducing the need for additional hardware, companies lower both capital expenses and operational costs like power, cooling, and maintenance, extending the life of their existing infrastructure. The integrated management dashboard allows businesses to track hardware and software depreciation, providing insights into the amortization of capital expenditures and their long-term cost impact. This helps organizations make informed decisions about hardware investments, ensuring they can scale efficiently to meet future demands while reducing overall data center expenses and optimizing performance.
- **Lower storage costs.** Customers recognized lower storage costs by using vSAN, which pooled local storage devices across a server cluster, reducing the need for external shared storage. With deduplication, compression, and data protection, storage management and provisioning are simplified, reducing the cost and complexity associated with traditional storage systems.

> **"We were able to reduce our storage area network by 30%."**

- **Lower cost of power, cooling, and floor space.** Lowering power, cooling, and floor space costs directly reduces operational expenses, especially in data centers where energy consumption can be substantial. VMware Cloud Foundation achieves this by consolidating IT infrastructure through virtualization and hyperconverged architecture. Virtualizing workloads with vSphere and using vSAN for software-defined storage lowers the number of physical servers required, directly cutting power consumption and cooling needs. VMware Cloud Foundation also optimizes resource utilization, ensuring efficient physical resource use and reducing the need for excess hardware. Additionally, by leveraging de-duplication and compression within vSAN, organizations can significantly reduce storage capacity requirements, further decreasing the energy demands of storage infrastructure. Integrating compute, storage, and networking into a single hyperconverged infrastructure minimizes the data center's physical footprint, with customers we spoke to reporting an average of **58% savings** in floor space, along with reductions in power and cooling costs.

Enterprise Strategy Group Analysis

Enterprise Strategy Group leveraged vendor-provided materials, industry expertise, and customer interviews to build and refine a detailed five-year TCO/ROI model comparing the costs and benefits of adopting VMware Cloud Foundation (VCF) to traditional approaches. Insights from customer interviews highlighted how VCF supported broader IT modernization efforts, demonstrating its role in streamlining infrastructure and improving operational efficiency. By applying rigorous economic modeling and validating VCF's technical capabilities, we ensured the accuracy and relevance of our findings. To further enhance precision, we used the VMware by Broadcom Value Tool, which provided granular insights into cost savings, operational efficiencies, and ROI potential by integrating real-world customer data with VCF's advanced architecture. This comprehensive approach delivered an accurate and actionable analysis. This analysis incorporated investment requirements to calculate key financial metrics, including net present value (NPV), return on investment (ROI), payback period, and multi-year gross and net benefits. Additionally, we looked at various IT infrastructure and operational cost elements, such as management and administration, server, network, storage, hardware acquisition and maintenance, space, power and cooling, facilities, software, and recurring expenses. We also assessed business impacts, including revenue gains and risk mitigation, to comprehensively evaluate VCF's strategic value.

Our analysis was grounded in a model based on a composite organization managing 5,250 virtual machines across 263 VM hosts, each with an average purchase cost of $20,000. This model evaluated the transition from vSphere to VCF, factoring in 10% of the host cost allocated to network devices, 300 GB of storage per VM at $2 per GB, and 5% of host costs allocated to additional storage devices. Annual operating expenses were calculated at $6,032 per VM host. We incorporated a 5% annual workload increase for organizational growth, including virtual machines and

physical servers expected to migrate to virtual environments. This growth rate informed storage, hardware, and operational cost calculations, ensuring realistic and forward-looking results.

The composite organization also employed 14 infrastructure administrators in server, network, and storage management, IT service delivery, and administration of existing SDDC software. This model assessed the costs and resources required to sustain the current infrastructure. To capture operational impact, we factored in an average of three hours to migrate each VM, whether during hardware refresh cycles or cloud transitions, providing a detailed understanding of modernization's resource demands.

Financial Summary

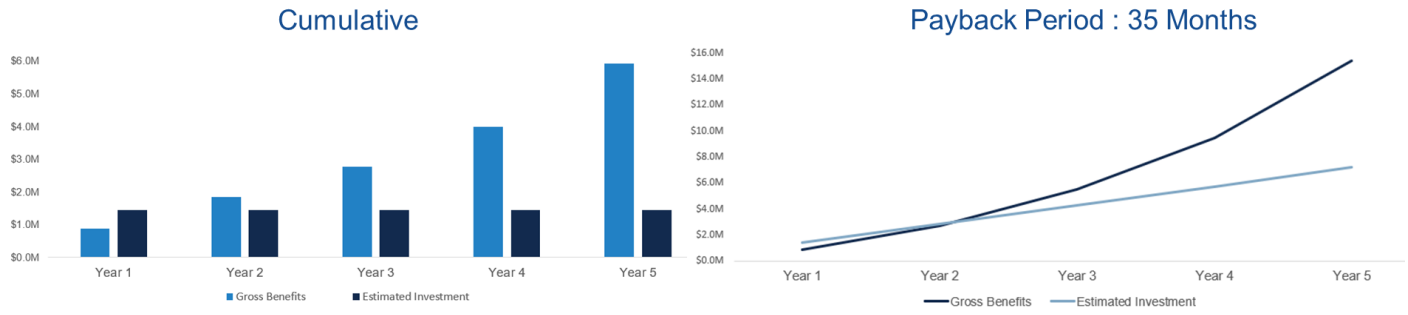
Using the VMware by Broadcom Value tool, we derived the following outcomes for this composite organization (see Figure 3).

Figure 3. Financial Summary

Source: Enterprise Strategy Group, a division of TechTarget, Inc.

Our analysis shows that VCF achieves a 35-month payback period by delivering significant cumulative benefits compared to its subscription-based investment. Cost savings come from consolidating infrastructure, reducing physical hardware requirements, and lowering operational expenses. VCF's subscription-based licensing model spreads costs over a five-year term, eliminating large upfront investments while ensuring predictable budgeting and scalability (see Figure 4).

Figure 4. Cumulative Benefits vs. Investment

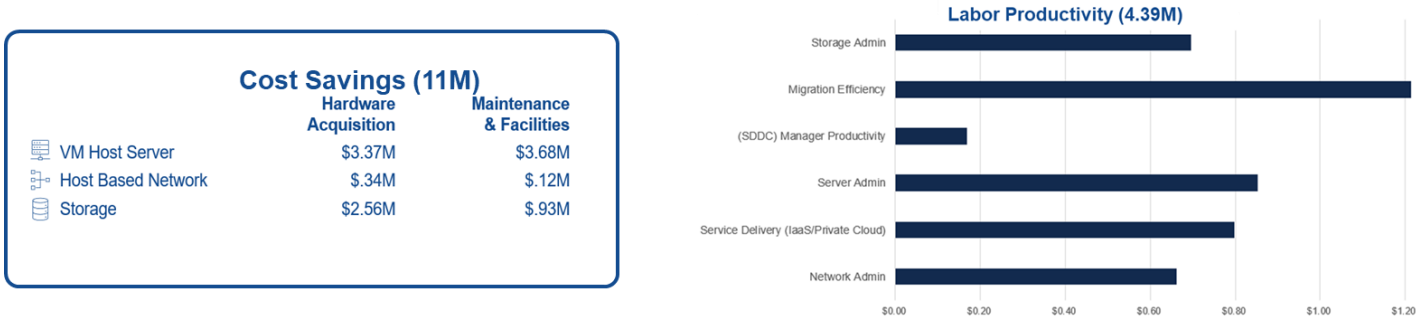


Source: Enterprise Strategy Group, a division of TechTarget, Inc.

Our analysis identified $15.40 million in total gross benefits from VCF, with $11 million in cost savings and $4.39 million in increased labor productivity. VCF reduces costs by consolidating infrastructure, modernizing applications, and automating operations. These savings stem from fewer VM host servers, network hardware, and storage requirements, enabled by workload consolidation on high-performance hardware, application containerization, and optimized storage allocation. This reduces capital expenses (Capex) and non-labor operating expenses (Opex), such as vendor support, power, cooling, and space utilization. Additionally, VCF enhances labor productivity by

automating routine tasks, streamlining infrastructure management, and freeing IT teams to focus on strategic initiatives (see Figure 5).

Figure 5. Five-year Benefit Analysis

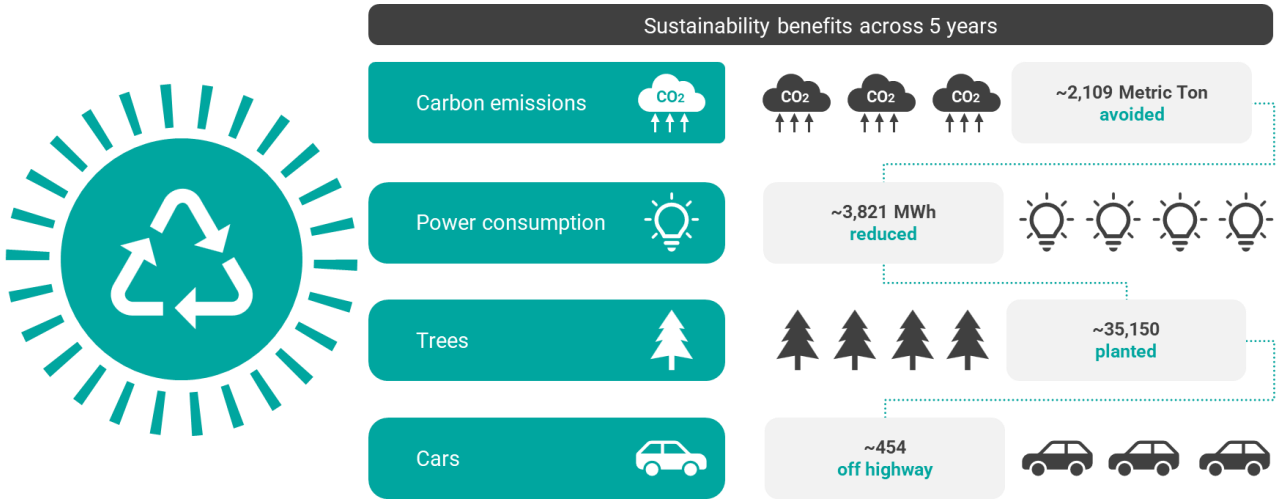


Source: Enterprise Strategy Group, a division of TechTarget, Inc.

Enterprise Strategy Group conducted further analysis using the VMware by Broadcom Value Tool to evaluate the sustainability benefits of adopting VCF over five years. The analysis revealed significant advantages, including reduced power consumption and associated carbon emissions. By consolidating workloads onto fewer, higher-performance hosts, VCF decreases energy demand and lowers power and cooling requirements in data centers. We quantified the environmental impact using key metrics and industry-standard greenhouse gas (GHG) assumptions, emphasizing VCF's role in promoting more sustainable IT operations.

Reduced power consumption translated directly into measurable CO2 emissions reductions, calculated in metric tons based on the marginal operating emissions rate (MOER) for data centers. To contextualize these savings, we equated the avoided emissions to the number of gasoline-powered vehicles removed from the road, factoring in average miles traveled, fuel efficiency, and carbon output per gallon. Additionally, we expressed the avoided emissions as the equivalent carbon sequestered by urban trees allowed to grow for 10 years, highlighting the long-term environmental value (see Figure 6).

Figure 6. Sustainability



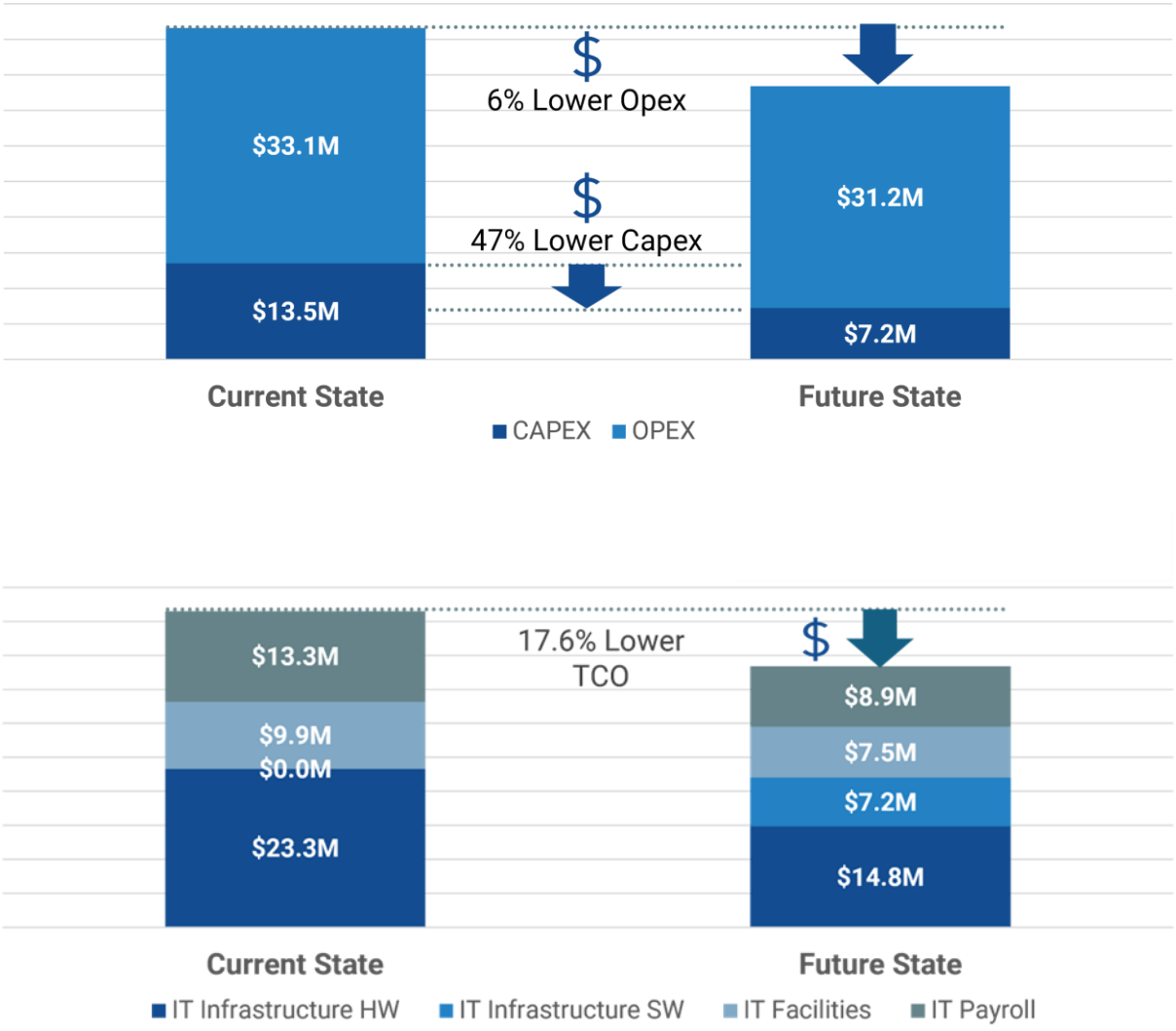
Source: Enterprise Strategy Group, a division of TechTarget, Inc.

VMware Cloud Foundation drives financial value by reducing both CapEx and Opex, ultimately lowering the TCO over time. Using the VMware by Broadcom Value Tool, we identified key cost savings from consolidating VM host servers with higher-performance hardware, modernizing applications through containerization, and adopting a software-defined data center. These changes reduced reliance on physical infrastructure, such as VM host servers, network hardware, and storage arrays, cutting both hardware costs and recurring support expenses.

VCF also lowered operational expenses by streamlining infrastructure requirements, including support contracts, energy usage, and physical space needs. Organizations realized additional cost savings by virtualizing workloads and leveraging NSX networking and vSAN for storage through optimized resource utilization and a smaller physical footprint. These combined savings resulted in a 47% reduction in Capex and a 6% decrease in Opex.

As a result, organizations streamlined infrastructure, reduced physical hardware dependencies, and lowered ongoing operational expenses. Our analysis shows that these cost-saving measures led to a 17.6% lower TCO, delivering significant financial savings while improving resource utilization and operational scalability (see Figure 7).

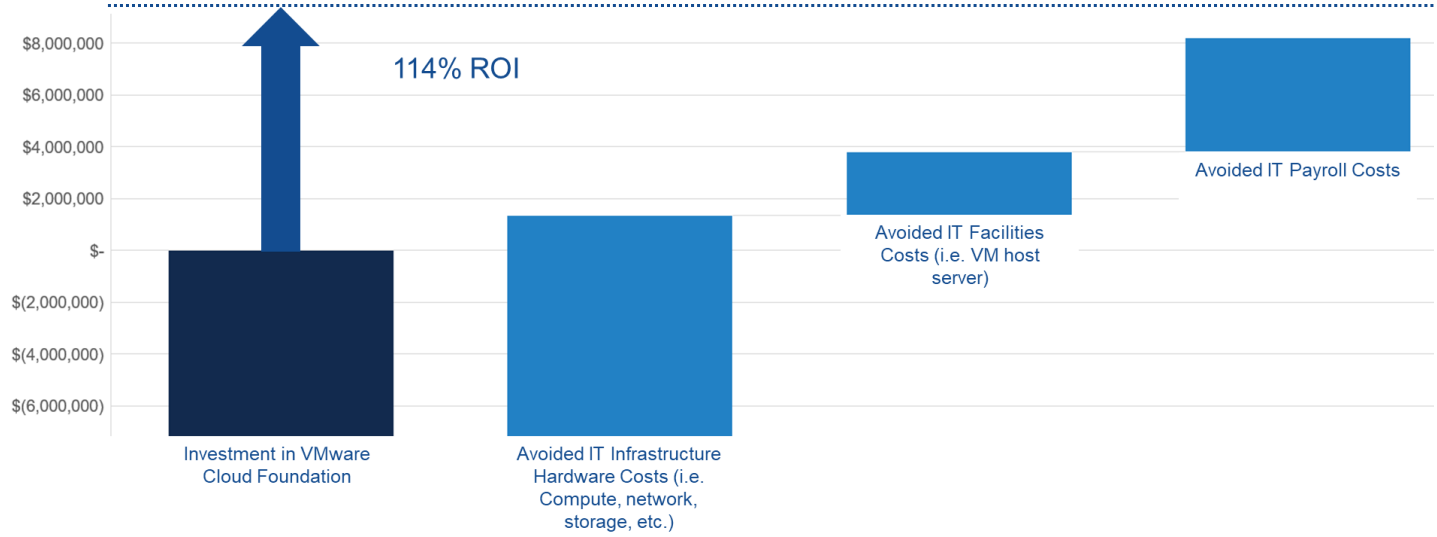
Figure 7. Total Cost of Ownership



Source: Enterprise Strategy Group, a division of TechTarget, Inc.

Enterprise Strategy Group conducted a comprehensive financial analysis of VMware Cloud Foundation using the VMware by Broadcom Value Tool, revealing a five-year ROI of 114%. The analysis evaluated the total investment and net benefits of VCF, applying conservative assumptions to offer an accurate projection of anticipated cost reductions and operational improvements. This evaluation encompassed VCF's subscription-based licensing model and identified cost savings across IT infrastructure components, including compute, network, storage, and hardware support. It also accounted for reductions in facilities costs and IT payroll expenses for administrative roles (see Figure 8).

Figure 8. VMware Cloud Foundation Return on Investment



Source: Enterprise Strategy Group, a division of TechTarget, Inc.

Issues to Consider

While Enterprise Strategy Group models are built in good faith upon conservative, credible, and validated assumptions, no single modeled scenario will ever represent every potential environment. The costs and benefits of using VMware Cloud Foundation will depend on an organization's requirements and practices. Enterprise Strategy Group recommends that organizations perform their own analysis of available products and consult with their Broadcom representative to understand and discuss the differences between the solutions through their own proof-of-concept testing.

Conclusion

Modernizing IT infrastructure is essential for organizations to remain competitive and meet the growing demands of modern applications and services. Without modernization, businesses risk increased inefficiencies, escalating costs, and scalability and operational agility limitations. VMware Cloud Foundation provides a comprehensive solution to these challenges.

Research and customer interviews conducted by Enterprise Strategy Group validate that VCF's unified, software-defined platform consolidates compute, storage, and networking, significantly reducing reliance on physical infrastructure. These reductions translate to lower capital and operational expenses, while automation and centralized management streamline IT operations, optimize resource utilization, and free IT teams to focus on strategic priorities.

Using the VMware by Broadcom Value Tool, Enterprise Strategy Group's financial analysis projects a 17.6% reduction in TCO and a five-year ROI of 114%. These findings indicate that VMware Cloud Foundation delivers measurable cost savings and operational efficiencies for organizations managing complex IT environments.

If your organization is looking to modernize through virtualization, achieve greater agility, better manage growing workloads, and position itself for future innovation while maintaining a strong, flexible, and scalable infrastructure, Enterprise Strategy Group recommends evaluating whether VMware Cloud Foundation is right for your organizational needs.

About Enterprise Strategy Group
TechTarget's Enterprise Strategy Group provides focused and actionable market intelligence, demand-side research, analyst advisory services, GTM strategy guidance, solution validations, and custom content supporting enterprise technology buying and selling.

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