White Paper

Executive Blueprint: Best Practices for a Private Cloud Operating Model — Moving from Silos to a Platform

Sponsored by: VMware by Broadcom

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IDC OPINION

Enterprise IT organizations and C-level leaders increasingly use modern private cloud operating models to deliver agility, resilience, and control while maintaining regulatory and financial advantages on premises. Private cloud platforms are increasingly integrating advanced automation, AI/generative AI (GenAI), self-service, and full-stack visibility across compute, storage, networking, and security. This approach enables the breakdown of traditional silos to reduce hardware and operational costs and prevent fragmented processes and teams. CIOs, CTOs, and senior technology executives are reimagining their private cloud strategies and deployments to optimize business returns across teams and advance business transformation. The modern private cloud platform approach is transforming enterprise opportunities for cost and data controls, AI/GenAI, data sovereignty, and compliance, accelerating synergies that drive business outcomes consistently, reliably, and securely.

IN THIS WHITE PAPER

This white paper provides an executive blueprint for technology and business leadership teams interested in deploying or expanding their private clouds. It provides prescriptive guidance and recommendations across people, processes, and technology for optimizing business returns from a private cloud operating model.

SITUATION OVERVIEW

Private cloud architecture has become a critical strategy and foundation for business and technology executives; the platform and operating model continue to deliver business outcomes from the deployment and ongoing operations of mission-critical applications. This infrastructure provides development, operations, and platform engineering teams with the ability to quickly provision resources, scale on-demand, secure, and deploy applications

globally — empowering, changing, and innovating how enterprises build, manage, and secure modern infrastructure. The ubiquitous nature of the private cloud is the foundation for both traditional enterprise software and fast-emerging AI-enhanced modern applications.

> "Since Broadcom's acquisition of VMware, there is much more of a cohesive private cloud product vision for VCF. It's now a private cloud platform — more than just a hypervisor, with integrations and monitoring baked in. The cohesive platform (VCF) will save us money (and time) in the long run." — large insurance company

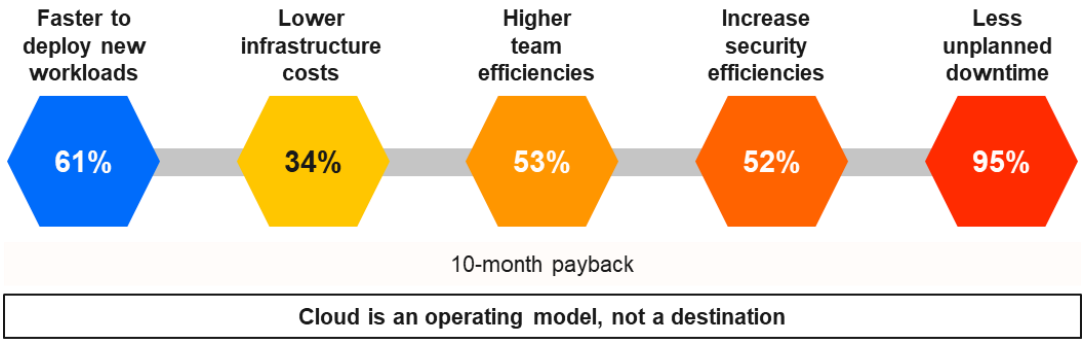
The value of a private cloud operating model

Building and measuring the business value of a private cloud goes beyond just technology and cost-optimization benefits. The perspective of a private cloud operating model, and use of a platform, enables executives to fully realize a plethora of business benefits across people, processes, technology, and cultural benefits. A private cloud should be viewed as an operating model, not just a destination. This empowers executives to reimagine their private cloud, modernizing how teams engage with the platform, standardizing platform adoption across teams, enabling streamlined process automation, and taking advantage of platform capabilities faster. In 2024, IDC interviewed VCF customers and asked about business value realization. The summarized business results in Figure 1 show the breadth and depth of how value can be realized and the outcomes that platform adoption provides as an operating model foundation.

> "The Broadcom VMware private cloud vision aligns with our company's vision. VCF product integrations, ease of use, automation, and operations have improved and become easier. We are now focused on empowering the private cloud to make our company better." — large telecommunications service provider

FIGURE 1

Platform adoption: Establishing a success mindset



Source: IDC, 2025

The modern private cloud platform offers new capabilities that mimic those found on public cloud environments. The benefits traverse both worlds as workloads often move from a private to a public cloud. These benefits include:

- Cost controls, transparency, and management
- Agility and scalability
- Advanced security
- Resiliency
- Automation
- Data sovereignty
- Self-service capabilities

The strategy of making the private cloud platform an operating model that extends beyond the on-premises datacenter to edge and public cloud endpoints is critical. It is a change in the way that the platform is engineered and deployed and impacts processes, technology, and culture. There are several executive foundational considerations that help accelerate the adoption of a private cloud operating model. These include:

- **Deployed as software-defined infrastructure:** Enabling tight integration, infrastructure agility, technology process alignment, and team collaboration across compute, storage, operations, platform engineering, and networking
- **Self-service with automation:** Empowering teams with an easy-to-use, secure interface to drive fast access and consumption of core resources

  "We used to spend months patching servers; now with improved automation, we spend significantly less time, enabling our teams to focus on more strategic work." — large telecommunications service provider

- **Workload agnostic:** Traditional, modern, and emerging AI workloads on a single platform for optimized mobility and flexibility
- **Deployed in any location:** Private cloud deployments extending beyond on-premises datacenters to edge, hyperscaler, and sovereign cloud service provider environments, delivering a consistent experience with both workload and license portability
- **Security and governance:** Automated processes with built-in life cycle, configuration drift, and cost controls driven by regulatory or corporate governance, empowering application teams to deploy a consistent and manageable operating model while maintaining the necessary guardrails

- **Agile and effective development activities:** Minimizing infrastructure-related friction affecting development processes, empowering fast resource access through a curated self-service catalog
- **Business productivity impact:** Faster deployment and better utilization of IT resources and applications, improved application performance and availability, and enhanced security and compliance in a complex threat landscape aligning with business growth requirements

Private cloud operating model best practices

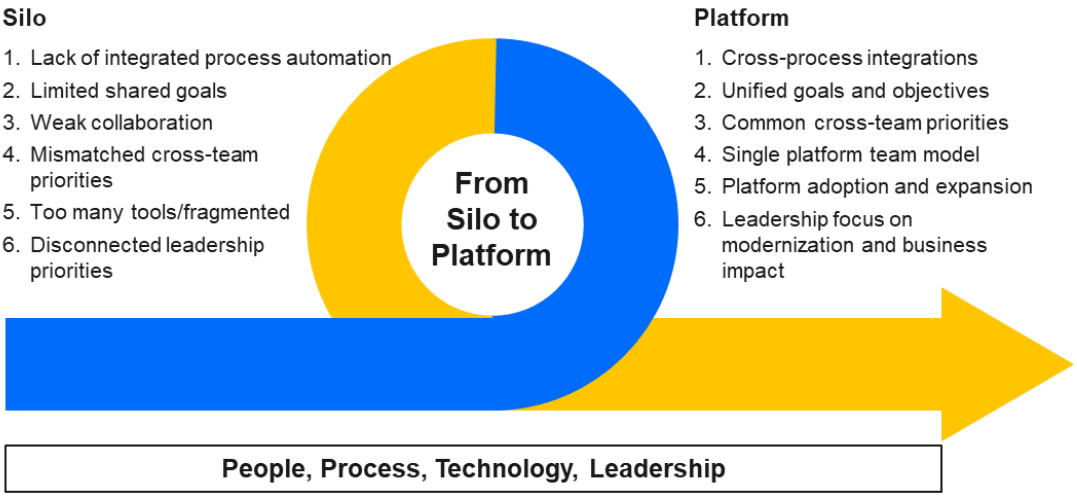
For enterprise technology leaders who plan to use a platform for their private cloud operating model, IDC has identified several best practices that are driving accelerated adoption and business value for these investments, spanning people, process, and technology swim lanes.

Transition from a silo to a platform organization: People, process, technology, and leadership

Leaders have an opportunity to adopt the private cloud operating model with a platform approach. Most organizations have had an ad hoc, piecemeal, and fragmented product and process approach to using a private cloud. As organizations adopt a private cloud platform, executives should adjust their mindset to advance cross-team adoption, accelerate business value, and deliver cross-team efficiencies (see Figure 2).

FIGURE 2

Transforming from a silo to a platform organization



Source: IDC, 2025

> "We have had to rethink our private cloud strategy with internal executive relationships. We are moving from an infrastructure perspective to a private cloud platform center of excellence (COE) — communicating that we are delivering mission-critical services from the private cloud platform — empowering and educating more developer teams to drive speed and cost efficiencies." — large insurance company

The platform model offers organizations a chance to restructure IT from siloed roles (compute, storage, network, and security) into cross-functional platform teams that own platforms end to end. This platform operating model fosters agility and collaboration and is cited as crucial to overcoming adoption hurdles. In addition, this adjustment also offers an opportunity to enhance existing cultural traits around collaboration, teamwork, and trust. The platform team can accelerate its impact from ongoing training in automation to expansion into cloud-native skills and platform operations. For change management, the new platform operating model can be shared across internal teams (development, security, etc.) to emphasize the benefits (speed, security, self-service) through a phased and incremental deployment. This helps with communicating how the benefits help these stakeholders and answers the question: "What's in it for them today?"

> "Our CEO is driven by growth, and our CTO is driven by operating efficiency and cost containment. Our private cloud strategy enables us to obtain all of these business objectives." — large telecommunications service provider

A private cloud platform provides a consistent way to deploy infrastructure as code (IaC), enabling a team to treat all resources — compute, storage, networking, and security — as programmable and provision them via APIs and automation tools, enabling intent-driven operations and rapid scaling. Operational consistency can reduce costs, improve security, and improve reliability. A private cloud platform provides a scalable model for process automation and optimization. Process automation goes beyond provisioning to include the holistic operational life cycle spanning compliance enforcement, patch management, upgrades, configuration drift, chargeback, and capacity planning. By using policy-based controls and predefined templates, the orchestration of security and compliance guardrails as part of the self-service process empowers internal customers (developers, security, application owners, and business managers) to self-provision virtual machines, containers, and networks using catalogs and policy-guarded self-service portals from a single platform.

With a unified operational model, a platform team can drive centralization and standardization for life-cycle management, compliance, health monitoring, and support for VMs, containers, and AI to deliver management and governance oversight, while speeding deployments. Adopting storage and networking in the platform enables teams to expand the scalability and resiliency across storage pools and use network micro-segmentation with automated firewalling and flexible virtual private cloud (VPC) constructs — directly

consumable by applications and developers. For operations, the idea of continuous monitoring and cost optimization can become a reality through the adoption of integrated monitoring dashboards for proactive health, capacity, and security. For cost controls and management, detailed showback and chargeback capabilities can provide cost transparency, optimize resource consumption, and support IT and finance collaboration.

As private cloud platforms can take time to deploy, adoption can be accelerated through a single, unified platform engineering team and a phased approach. Incremental adoption provides executives with customer feedback mechanisms that transcend narrow technology silos, enabling the team to deploy capabilities in phases, collect feedback for future rollouts, and refine the processes before expansion occurs.

FUTURE OUTLOOK

Executive action plan: Getting started

It is important for executives to accelerate their private cloud operating model and platform modernization. IDC has seen several critical success factors when deploying in a three-phased approach described in the sections that follow.

Phase one: Executive alignment and business case development

- Identify executive leadership and stakeholders. Define the platform use case and starting points, identify clear business outcomes that transcend both technology and business value metrics, and establish common goals that impact security and compliance teams.
- Identify the private cloud platform engineering team, and highlight peer group team members that can join in the value realization journey. Recognize where skill gaps exist, and mitigate risks with augmentation.
- Define the modern private cloud target state operating model. Set pragmatic timelines for modernization efforts across the team and processes and with a phased technology deployment plan.
- Create a transition plan that looks at the current silo-based teams, creating a new platform engineering team; determine skills gaps, career opportunities, and expertise levels.

  "With our private cloud, we have approached our CISO and other leaders, communicating how we help augment their teams with the private cloud. We are complementing the work they do, showing them how the private cloud delivers benefits with no overhead to their teams. We are discussing cost avoidance as a significant shared business outcome." — large insurance company

Phase two: Automation and process transformation

- Create change management and communication campaigns to educate internal stakeholders about new processes and benefits.
- Define processes for capabilities such as IaC, provisioning, patching, and incident response standards. Validate new processes in a low-risk setting.
- Implement policy-based automation for security, compliance, and chargeback/showback.
- Consider the role of AI as part of these processes, with both humans-in-the-loop and autonomous automated actions and processes for troubleshooting, optimization, and remediation. Automate provisioning of virtual machines, containers, networks, and storage pools using APIs and a self-service catalog.

Phase three: Optimization and continuous improvement

- Establish centralized monitoring, compliance dashboards, and cost analytics.
- Incrementally optimize resource allocations using recommendations for performance, consolidation, and efficiency.
- Continuously collect end-user and platform team feedback; act on the feedback to drive higher returns.
- Expand adoption of the platform to peer groups; refine onboarding from early adopters.
- Regularly review business outcomes, fine-tune automation, and update skill development programs.
- Consider a mixture of operational, financial, and business key performance indicators (KPIs) to baseline and measure success.
- Measure and track early wins to gain momentum and accelerate platform adoption.

CHALLENGES/OPPORTUNITIES

Key challenges for enterprise technology executives during the transition to a modern private cloud operating model — as described in the provided text — center around organizational transformation, process modernization, and aligning technology with business strategy. The most significant challenges include:

- **Breaking down traditional silos:** Moving away from fragmented, specialized teams toward cross-functional platform engineering teams requires not only restructuring but also overcoming ingrained habits, resistance to change, and historical boundaries between IT roles.

- **AI and GenAI requirements:** The need to provide an efficient as-a-service model for AI rather than building another silo and bringing on-premises capabilities to control costs and privacy/security/governance in the models.
- **Executive alignment and leadership:** Ensuring that executive leadership is unified around both business and technology outcomes is difficult, particularly when interests and priorities differ across teams.
- **Skill development:** Identifying and bridging gaps between existing skills and the new capabilities required for automation, cloud-native operations, and platform engineering demands continuous upskilling and talent management.
- **Cultural change and collaboration:** Fostering a culture that welcomes collaboration, shared ownership, and experimentation (including phased and incremental implementation) is challenging — especially in organizations accustomed to top-down, siloed structures.
- **Implementing advanced automation and self-service:** Introducing automation, IaC, and policy-driven controls across the life cycle requires both technical investment and a mindset shift for platform teams.
- **Effective change management:** Communicating the vision for the platform model, addressing stakeholder concerns, and managing the broader organizational impact of new workflows and responsibilities demand intentional change management and ongoing feedback mechanisms.

CONCLUSION

A successful transition to a modern private cloud operating model hinges on embracing a unified platform approach that breaks down traditional IT silos and empowers enterprise agility, resilience, and control. Modern private cloud platforms — integrating advanced automation, self-service, and deep visibility across compute, storage, networking, and security — enable organizations to control costs, enhance scalability, and ensure regulatory compliance while accelerating business transformation.

The journey to a private cloud platform is ongoing. It requires persistent attention to change management, measurable KPIs for operational and business benefits, and an organizational commitment to continuous improvement. By following these best practices, enterprises can transform their IT infrastructure into a strategic asset — delivering innovation, operational excellence, and sustainable long-term value.

MESSAGE FROM THE SPONSOR

VMware Cloud Foundation (VCF) is a modern private-cloud platform that combines the scale and agility of public cloud with security and performance of on-premises infrastructure, delivering increased productivity and lower TCO. Modernize infrastructure with integrated, software-defined compute, networking, storage, management, and security across all cloud endpoints. With automated infrastructure and intelligent operations, organizations can optimize performance, lower costs and reduce operational overhead. VCF 9 enables organizations to accelerate innovation with a unified consumption experience that delivers a modern cloud interface to run VMs, containers and AI workloads. With built-in security and resiliency, VCF 9 ensures business continuity, and frees up teams to focus on innovation while automatically addressing potential security threats.

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International Data Corporation (IDC) is the premier global provider of market intelligence, advisory services, and events for the information technology, telecommunications, and consumer technology markets. With more than 1,300 analysts worldwide, IDC offers global, regional, and local expertise on technology, IT benchmarking and sourcing, and industry opportunities and trends in over 110 countries. IDC's analysis and insight helps IT professionals, business executives, and the investment community to make fact-based technology decisions and to achieve their key business objectives. Founded in 1964, IDC is a wholly owned subsidiary of International Data Group (IDG, Inc.).

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