## IAITAM ACE 2025

ITAM - Another Brick In The Wall

VMware by Broadcom Will Wreck Your IT Budget:

What Are Your Options?



Scott Bickley, Advisory Fellow Info-Tech Research Group



#### **About Scott Bickley**

Scott Bickley is an Advisory Fellow at Info-Tech Research Group focused on Vendor Management, and Contract Review. He also has experience in the areas of IT Asset Management (ITAM), Software Asset Management (SAM), and technology procurement along with a deep background in operations, engineering, and quality systems management.

At Info-Tech, Scott provides IT leaders with the guidance, analysis, and tools they need to ensure their technology contracts are thoroughly vetted, benchmarked, and optimized. He has worked with clients to effectively drive down purchase costs and negotiate mutually agreeable terms and conditions resulting in win-win vendor-customer relationships. He also assists clients in developing their approach to vendor management relations and software compliance defense actions, resulting in accountable partner relationships coupled with a defensible IT deployment environment. Prior to joining Info-Tech, Scott was responsible for the global software licensing and procurement at International Game Technology (IGT) and indirect procurement at Amazon.com.

Scott holds a B.S. in Justice Studies from Frostburg State University. He also holds active IAITAM certification designations of CSAM and CMAM and is a Certified Scrum Master (SCM).





The old VMware was no walk in the park to negotiate with...BUT...



The new VMware under Broadcom WILL extract their pound of flesh...



Source: DALL-E

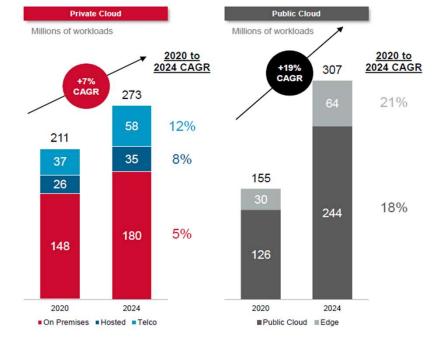


#### What drove the VMware acquisition?

Hint: It is **NOT** virtualization workloads

**Buckle Up:** Broadcom's vision for VMware likely does not match your short-term virtualization needs

What does this mean for your renewal?



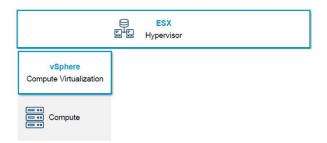


Source: Broadcom

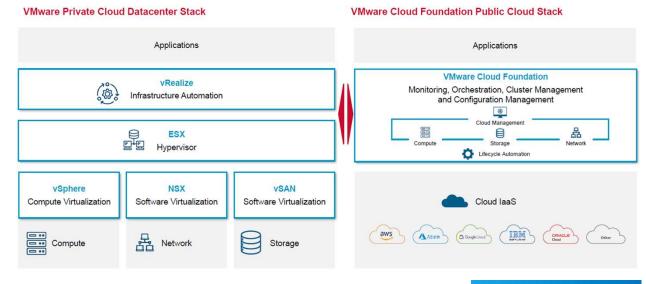
**®** BROADCOM



#### Your Vision



#### **Broadcom Vision**





### This looks expensive!

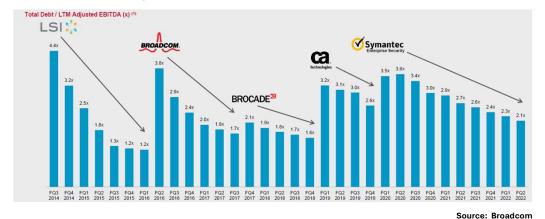


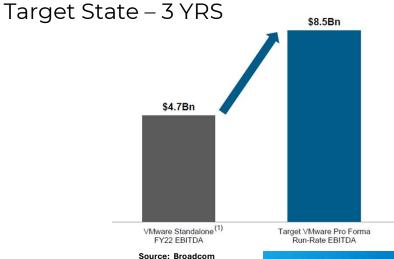




## Broadcom Financial Backdrop

#### Proven Playbook











### Broadcom's Progress Thus Far

\$1.2B

4,500/10k

**21M** 

70%

~\$15B

New quarterly cost basis, down 50% from \$2.4B

Customers on VCF

Cores under subscription

% of Cores on VCF

Estimated VMW revenue (up from \$13B)





### The New Vmware...

#### From over 6k SKUs...to 5 plus add-ons

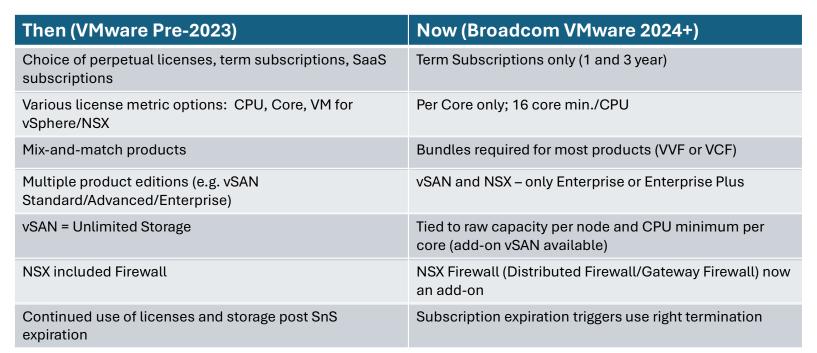
	AETOCFORIO	250 Mbgs Al	-WANISy VoluCh AC Addiss For 3: of VCG Seboolpe	EM. Distance Address for APAC. Y	Moves ID- NO-VCISIMAD APAI Editor TO MO-MA-C	\$1,600	1.00	Seel				
	AETOCTORD	750 Mber Al	VXXXII y YdoCh VAC Addox for 3 ; tod YCG Teborip	Gateway Address for ARAC. V	Moves ID- NB-VCISIMAD-APAI Edition TID HQ-06M-C	\$1,000		Seed				
	AETOCTORO	150 Mbgr Al	VANSy Value of PAC Addres for 5 od VCG Deboories	Gatoway Address for APAC, V	Marris NO VCFSMA-AD-ARA Edition TIO HG-60A-C LAMPER	1000	1.00	Deals .				
	AETOCTORO	VMeren 250 Mbp Monthly VMeren	VELOCUOUD	YMerce ID-WWI by VidoCload ISS Maps AFRC Addisons Types, Assed Hosted VOS Teleoription	Villarus ID-WAN by Voluction II Sonorus Add-on for APAC, Villar VAN by YoloCloud Prenium Edit	n: 50- NB-11 n: 750	MONAD-APAC- NG-OKA-C	\$1,000.00	Sand			
	AETOCTORD	Eater Ovchuse Edge, Co	verocrono	VMnus ID-WWN by VidoCload ISS Mbps AFRC Addis for Tyres, Mantly Norted VCG Sub-cription	After in copied, 36 Most, As Villana ID VAR by VacClasti Gatump Add as for APAC, Villan VAN by ValaCloud Promise Edit VAR by ValaCloud Promise Edit ValaCloud Promise Edit VAR by ValaClou	n: 10- NB-11 n: 750	MOM AD AFAC HG-MM-C	\$1,000.00	Seed			
	AETOCTORO	VMeun Eater Orchart Edgs, Co	AETOCTORB	VMores SD-VWW by VideCload 150 Mbps ARAC Addon for 5 year, Assed Rooted VCG Subcosption	Whose ID WAN by VoluClose! Growing Add on for APAC, VMAn VAN by VoluClosed Promise Edit Maps in Control of Nicola, An Village ID WAN by VoluClose!	NO 100 NO 11	MG-60A-C	\$1,000.00	Seel			
	ARTOCTORO	Village Ease Order	AETOCTORE	VMmm ID-VWN by VideCloed 750 Miggs ARAC Addressor Types, Monthly Norted VCG Seberolytics VMmm ID-WWN by VideCloed	Growing Address for APAC, VMAn WANTE VoluCload Premier	WELOCKOUP	VMNews SD-VII TOOMbys APAC	Addres for Dyear.	When IS VAN by Valothout to Secure Add on for APAC, When VAN by Volctional Program Editor	10- NE-YORSMAD-AFRO-	\$1,000.00	Del
	ARTOCTORD	Edgs, Co VMArun Easter Ordani	velocione	Emprise Edition (Norted Orchorholes) - 150 Mbps - Pur Edge, Conmittee of the - 12 month Months Millery (D) W/W to Vide Cloud	Migo Enterprise Service Sel <sub>2077</sub> 1 port, Monthly, Northol Orchastor by VoloCloud Bade Deport Total SMILL RES CAMER Vol.	METOCFORD.	Villeus ID-VI 150 May APAC Month Rosed	Alby ValuCload Address for Egypte.	Migray registed, 36 Month, Asso VMA-us, 50 VAN by Valut Land No Source, Address for APAC VMHore VAN by Valut Conf. Drawns Edition	NO NEVERSIMADARIC	\$1,003.00	Dest
		Edge, Co Villarum Easter	VELOCIOUE	Emprine Edition (Novted Orchestrator) - 150 Mbgs - Per Edge, Commitment Plan - 36 month	Mago Estroprios Dunico Del D pov. Assest, Norted 1 Orchotrator by YdoCloud	AETOCTORE	VMHrves SD-V/A ISSNMgs APAC Assert Rosted V	Alby VeloCloud Addis for Source	May a report of Mark May Mayor 10 VAN by Table and S Outcome Add on for AFAC VMous VAN by VolcCond Presion Editor	TO NE-VCTSIM-AD-AFIC-	\$1,000.00	Dead
	AETOCTOTO	Orders Edgs, Co VMAren Ester	AETOCTORB	VMvvv ID-V/W by VuloCloud Enterprise Edition (Norted Orderman) - 55 Mbps - Pu Edgs, Conniment Plan - 36 noork	Ondertrator by Yolo Cloud ally	METOCTORE	VMHran SD-VI ISS Maps APAC Monthly Houtel	Addon for 5 year, PCQ Inboorgation	Miles in registed 60 Month, Association ISC UNING VALCOURS IN APAC VANCOUR VAN by Volument Promises Edition Value of Volument ISC UNING VAN by Volument ISC UNING VAN by Volument ISC UNING VAN by Volument ISC UNING VAN BO	SD NE-VOISIM-AD-AFIRC-	\$1,003.00	Stati
	AETOCTORO	Edge, Co	verocrone	Months  Minus ID-WWY by VideCloud  Entroprise Edition (Freshol  Orchotentus) - 50 Migus - Pur  Edgs, Consellment Plus - 60 month	Basic Eugenet York  Millows 10: WAN by Vol.  Millow Entroprise Survice Del  Syster, Assest, Rosted 1  Contentration by Volid Seed 27	verocrone	Villares ID-Vill Extraprise Er Ondustrator)— Edgs, Committee	Hisa (Norted 150 Mbpc - Put of Plac - 17 month	Miligo Earugeion Sunton Saltoniprio 1 pour, Minetaly, Montael SD-WW Onderstrator ha Vide-Cloud, Vide-Cl	NE-VOTOM-ENT-HO	\$200.00	that
	AETOCTORD	Codest Codest Edgs, Co	VELOCLOUB	MAnue (D. WWN to VideCloud Enterprise Edition (Northol Orchostoner) - 750 Mbps - Par	Burk Inspect Fond Whiteur (C) Wilk by Volk Mitter Enterprise Dunice Dal S sear, Monthle, Rectud	verocrone.	Villami ID-Villami ID-	Hos (Norted 252 Mbgs - Pur	Place Support York (S.A.) Village ID-VAR by Volutional III Miles Enterprise Senior Subscription 3 pers, Assent, Northold ID-VAR Ondustrator by Volutional, Volution	IMITORA-C	\$1,640.00	Deat
	AETOCTORD	Enter Orders Edgs, Co VMAryo	VELOCLOUB	Edgs, Commitment Plan - 60 month Manufacture (IC-VINV by VideCloud Entroprior Edition (Norted Orchotholor) - 150 Mbps - Pur		METOCTORD.	Videran ID-Vi Exterprise Er Orchestrator)- Edge, Committee	Hos (Norted 25) Mber - Pur	Elsois Especial Variable (A) Villarias (D)-VAR by Villable (B) Million Estroprios Denics Debook S year, Monthly Monthle SD-VAR Griduatrator by VideOcted, VideOct	MB-VCHIMMENE HO-	\$200.00	Stad
	AETOCTOTIO	Ester Order Edge, Co	VELOCUOUE	Edge, Considered Plus 12 month Monthly VMwars ED-VIN by VidoCloud Entroprise Edition (Norted Orchestrator) - 150 Milya - Pur		Arrocrono	Villarer ID-VII Exterprise Er Orchestrator)- Edge, Considera	Hos (Norted 753 Mbgc - Put	State Deport Total (1.4) Without ID-VAR by Volctional I Mage Entreprise Service Subscription 5 year, Assend, Northol SD-VAR Ondustrator by Volctional, Volction	MB-VCTOM-ENE-HO-	\$1,640.00	Seal
		*	VELOCUOUE	Edgs, Consistent Pla - 16 month Asset VMoust ID-V/NV by VidoClose Entroprise Edition (Norted Orchartester) - 150 Maga - Pur	2 year, Monthly, Montod	AFFOCTORE	Vilhous ID-VI Extraprise Ex Orchustrator)- Edgs, Commission	Hos (Norted 150 Mbpc - Pur I Plus - 60 month	Each Depart Tuto(0.14) Village ID-VAR by Village ID-VAR Mige Emogrics Series Selection 5 year, Monthly Notice ID-VAR Ondestroom by VillaGood, Village	MB-VCTSMAENE-HO-	\$200.00	Ind
		**	velocione	Edgs, Conniment Plan - 36 month Monthly Million - 1D-VVM by Voluctional Emugrics Eddins (Northal Orchartstate) - 150 Migar - Pur Edgs, Conniment Plan - 50 month	Orchostorace by VoluCloud em- Production Support Tol VM our LO-VAN by Vol Mbgr Earuppion Turning Dal 5 your, Assett, Rosted 1 Orchostorace by VoluCloud etc.	METOCFORE	Villarer ID-VI Extraprise Er Orchostrator)- Edge, Commitme	Hos (Norted 150 Mbpc - Pur et Plus - 12 mosts	Encir Depart Tuto(2)14) VMMers (D-VAN by VonClose) Mage Enroprice Senior Saboripric Tyou, Moethy, Norted (D-VA) Ondoorwer by VolcClose, VolcCl	MB-VCROM-ENE-HO-	\$305.00	Seed
				- in in the second		verocrono	Villerer ID-VI Exterprise Ex Orchastrator)- Edge, Commission	Hos (Norted 150 Mbgs - Par	Production Deport Total 6.1-4: Williams ID-WAR by Visiologia Milipa Emograius Sumice Salboraphia 3 pure, Assend, Routed ID-WAR Ondoorware by VisioCloud, VideoCl	NE-VCROMENT-HO- UNIX-DIA-C	\$1,802.00	feet
					-	METOCFORE	Videran ID Vi Enterprise Er Orchustrator)- Edge, Commitme	Hos Nored 150 Maps - Put r Plus - 16 month	Production Deport Tatal S.1-4 William ID-VAR by VoluClose! Miliga Encaprise Surviva Salaception Sysue, Monthly, Hauted SD-VAR Ondocrevour by VoluClose!, VoluClose!	MB-VCROMENT-HO-	\$305.00	feet
					-	verocrone.	Villeus ID-VI Extraption Ex Orchastrator)- Edgs, Commission	His More Pur	Production Degran Turb 5.14 Village 107 VAR by Volume 1 Miles Emograin Dunion Debarquin 5 pour, Fassed, Northol 107 VAR Onductivities by Volume 1 On	NE-VOTOMENT-HO	\$1,002.00	feet

Product	License Metric	Note	List Price (1 YR/3 YR)	
VMware Cloud Foundation 5 (VCF)	Core	Min. 16 cores per processor	\$405/\$350 (not usually sold for 1 YR)	
VMware vSphere Foundation 8 (VVF)	Core	Min. 16 cores per processor	\$190/\$150	
VMware Cloud Foundation Edge	Core	Min. 8 cores per processor*	\$225	
VMWare vSphere Enterprise Plus	Core	Min. 16 cores per processor	\$120	
VMware vSphere Standard 8	Core	Min. 16 cores per processor	\$60	

\*Max 10 locations; 256 total cores Add-ons: vSAN vDefend Firewall with ATP AVI Load Balancer Live Recovery













#### **Customer Focus:**

Strategic: Top 500

Push to VCF Multi-Year

Broadcom Direct

• Corporate: Next 1,500

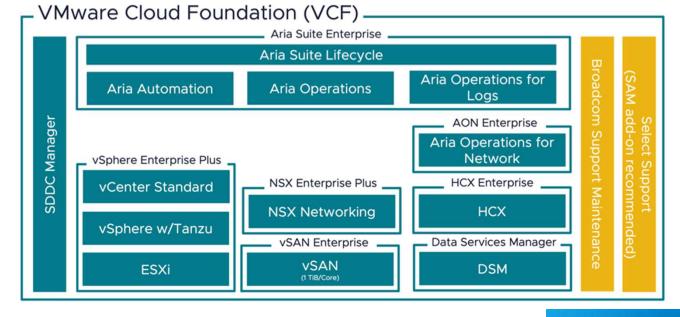
Push to VCF Multi-Year

Channel Partner

Commercial: The Rest

Push to Multi-Year

Wider SKU Options









#### **Negotiation Tactics:**

- Discount Drivers
  - Product
  - Multi-year (3 or 5 year)
  - Core Count
- Benchmarks
- Demeanor
- Escalation
- Uplifts
  - 7% per year with notice
  - No protection
- Term for Convenience Clause



Source: DALL-E





### Broadcom's Bullying Tactics

- Forcing multi-year deals on customers
- Terminated legacy license downloads effective April 2024
- Pricing under the new model is 2x to 12x legacy SnS costs annually
  - Clustered around 2-4x
- Force minimum volume commitments despite optimized core counts
- Leveraging audits upon ELA expirations or non-transition of SnS to new SKUs
- Not honoring "outyear clauses" for ELA agreements
- Delayed renewal quotes 90 days prior to renewal date earliest



Source: DALL-E







- Limited zero-day security patches (CVSS 9.0 or higher for vSphere 7.x and 8.x only)
- Specific Program Documentation (SPD) changes monthly for most products
  - Recent changes:
    - 1)16 core to 8 core min for VCF-E + Max 10 locations down from 28
    - 2) vSAN TiB capacity increased from 100GiB to 250 GiB/core for VVF
- Reinstatement Fees for late renewals





### VMware Alternative Options

- Third Party Support
- Public Cloud Migration
- Private Cloud Migration (MSP powered by VMware)
- HCI
- Hypervisor Alternatives
  - Citrix XenServer
  - Hyper-V
  - Open Stack (Red Hat)
  - Proxmox
  - XCP-NG
  - KVM
  - Oracle OVM











#### VMware Audit "Gotchas"

- Over Deployments
- Territory Restrictions (Regional entitlement vs Global)
- License Key Management
- Changes with Broadcom Acquistion license keys did not transfer in a clean manner; old keys retired + all legacy key history
- Hosting Restrictions internal business use vs external applications







- Acknowledge Price Changes: VMware is no longer a low-cost solution. Treat it like a premium product.
- **License Checkups:** Conduct an ELP review; consider a third party service for data collection and auditor interpretation and remediation.
- **Optimize Deployments:** Reduce excess deployments and rightsize the subscription footprint flex down.
- **Foster Compliance Awareness** Build a license culture focused on consumption needs under the new subscription model.
- **Evaluate Alternatives** Build out a "what if" scenario to show back TCO costs to the business.







- Notification: You'll receive an audit notification letter.
- Aggressive Approach: Broadcom auditors are known for being assertive and strict.
- Third-Party Auditors: Currently VMware/Broadcom is conducting audits directly
- Sales Involvement: Once the audit is done, Broadcom's sales team steps in to discuss compliance issues and potential penalties.
- **Back Penalties**: Broadcom typically imposes penalties for up to two years of non-compliance.



# Connect with Me!





sbickley@infotech.com



www.linkedin.com/in/sbickley



