

WHITE PAPER

# VMware Freedom

Navigating Your Path to Licensing Liberation

(A Strategic Guide to Evaluating Your Options)



## Executive Summary

The recent **transformation of VMware's licensing model** has created challenges worldwide.

What was once a predictable, straightforward virtualization cost has become a **complex financial burden** for many IT departments.

Customers are reporting dramatic increases in renewal costs — some experiencing **hikes of 300% or more** — while simultaneously being forced into licensing tiers that don't align with their actual needs.

This white paper introduces the concept of **"VMware Freedom"** — a strategic framework for evaluating your organization's path forward in the face of these licensing challenges.

We outline **five distinct approaches** that organizations can pursue, either individually or in combination, to regain control over their virtualization strategy and costs.

## The Challenge: Understanding the VMware Pricing Crisis

Following Broadcom's acquisition of VMware, the virtualization landscape has undergone a seismic shift. Organizations that have relied on VMware for years — even decades — are now facing **difficult decisions** about their infrastructure future.

### The Pain Points

- **Dramatic Cost Increases:** Many are seeing renewal quotes that are 2-5x their previous costs, with some extreme cases reporting increases exceeding 1000%.
- **Forced Bundling and Licensing Complexity:** The shift from à la carte licensing to bundled subscriptions means organizations must pay for features they don't need or want, with no option to purchase only what they require.
- **Reduced Support Value:** Despite paying more, many report declining support quality, longer response times, and reduced access to VMware resources and expertise.
- **Budget Uncertainty:** The unpredictability of Broadcom's future pricing strategy and the subscription-based model make long-term budgeting increasingly difficult.

**The good news?** The market has evolved, and organizations now have **more viable options than ever before.**



# Option 1: VMware Estate Leaseback

In this model, a specialized provider **purchases your VMware estate at fair market value** or assumes the licenses, then provides them back to you through a structured lease agreement. This converts unpredictable CapEx spikes into predictable OpEx payments and can **flatten renewal costs over multiple years**.



## Pros



- Immediate cost stabilization without infrastructure changes
- Zero technical risk or operational disruption
- Converts CapEx to predictable OpEx
- Buys time to evaluate and plan alternative strategies

## Cons



- Doesn't eliminate dependency on VMware ecosystem
- May involve long-term contractual commitments
- Potential for higher total cost of ownership in the long run

## Best For

Organizations that need **immediate, near-term cost relief**, have complex VMware environments that would be difficult to migrate quickly, or want to **preserve optionality while evaluating longer-term strategies**.





## Option 2: Alternative Hypervisor Migration

Organizations **evaluate alternative hypervisor technologies** (ex. Nutanix AHV, Microsoft Hyper-V, Proxmox, etc.), plan a migration roadmap, and **systematically move workloads to the new platform**. This often begins with less critical workloads and progressively moves to more mission-critical applications as confidence builds.

### Pros



- Eliminates or significantly reduces VMware licensing costs
- Modern alternative platforms offer competitive or superior features
- Opportunity to modernize infrastructure and management tools
- Regain control over licensing and vendor relationships

### Cons



- Significant technical effort and project management required
- Risk of migration-related downtime or application compatibility issues
- May require investment in new management and monitoring tools
- Feature gaps may exist depending on chosen alternative platform

### Best For

Organizations with **strong internal technical teams**, relatively standardized workloads, and the time and resources available to execute a planned migration. This approach works especially well when **infrastructure refresh cycles align with the migration timeline**.





## Option 3: Negotiate VMware Investment

Organizations conduct thorough license audits, **right-size their VMware footprint**, consolidate licensing where possible, and engage in strategic negotiations with VMware/Broadcom or authorized partners. This may include committing to **multi-year agreements in exchange for better pricing**.

### Pros



- Zero migration risk or operational disruption
- Leverages existing staff expertise and operational workflows
- Maintains access to VMware's full feature set and ecosystem

### Cons



- Negotiation success varies widely and is not guaranteed
- Remains subject to future VMware pricing changes and policies
- May require multi-year commitments to secure better pricing
- Doesn't address fundamental concerns about vendor lock-in

### Best For

Organizations that are highly integrated with the VMware ecosystem, have critical workloads that would be risky to migrate, or have **sufficient negotiating leverage** (enterprise customers, strategic accounts) to secure favorable terms.





## Option 4: Managed Service Provider Model

An MSP provides **VMware-based infrastructure as a service**, either in their data center or deployed on-premises. They handle licensing, hardware refresh cycles, support, and day-to-day management while you **consume resources on a subscription basis**.

### Pros



- Converts unpredictable CapEx to stable OpEx
- MSP absorbs VMware licensing complexity and cost fluctuations
- Includes hardware, licensing, and support in single contract
- Reduces internal IT management burden

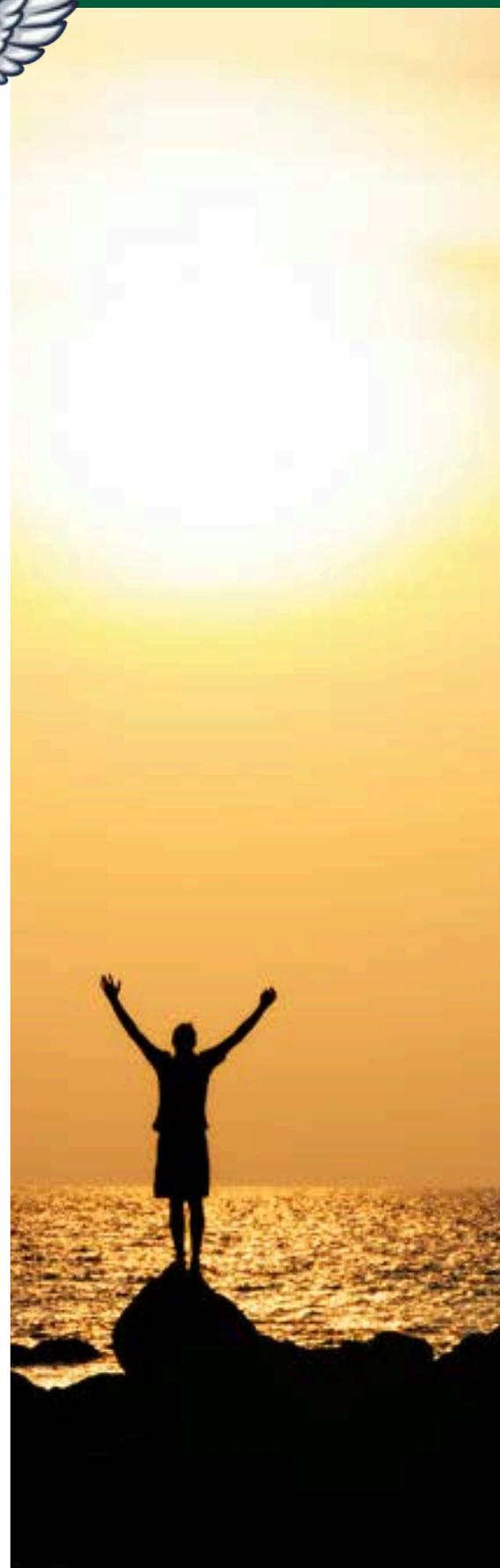
### Cons



- Dependency on MSP's service quality and financial stability
- May have higher total cost than self-managed alternatives
- Exit complexity if you need to change providers or bring services in-house

### Best For

Organizations that are highly integrated with the VMware ecosystem, have critical workloads that would be risky to migrate, or have **sufficient negotiating leverage** (enterprise customers, strategic accounts) to secure favorable terms.





## Option 5: Public Cloud Migration

Organizations assess application cloud-readiness, develop a migration strategy, and **move workloads to public cloud provider(s)** (ex. Amazon Web Services, Microsoft Azure, Google Cloud Platform). This may involve refactoring applications to **take advantage of cloud-native capabilities** or using lift-and-shift approaches for legacy workloads.

### Pros



- Eliminates on-premises infrastructure management burden
- Access to vast array of cloud-native services and innovation
- Infinite scalability and global reach
- Enables modern DevOps practices and agile development

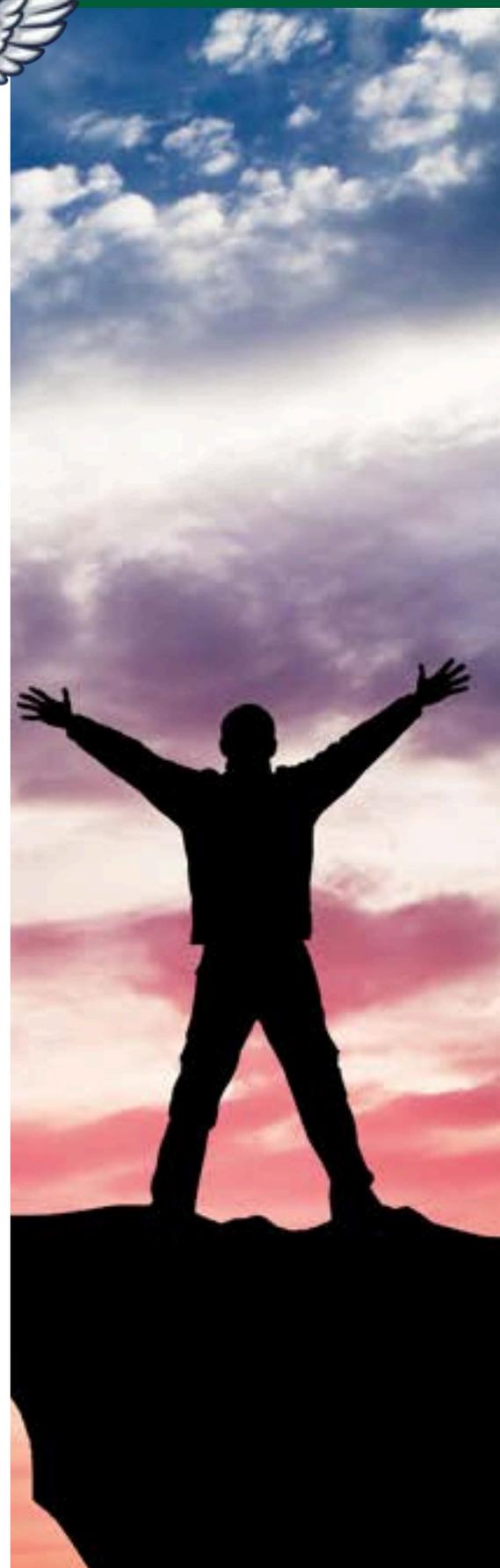
### Cons



- Highest potential complexity and effort of all options
- Cloud costs can spiral without proper governance and optimization
- Staff must learn new cloud platforms and services
- Some applications may not be suitable for cloud migration

### Best For

Organizations **pursuing digital transformation**, those with cloud-ready or cloud-native applications, companies looking to eliminate data center footprint, or businesses that **value scalability and access to cutting-edge cloud services** over infrastructure control.



# Creating Your Path to VMware Freedom

Most organizations won't pursue just one of option in isolation. A thoughtful VMware Freedom strategy often involves a combination of approaches tailored to different workload categories, business units, or phases of a multi-year transformation plan.



Regardless of which option or combination you choose, **several factors will determine your success:**

- 
Comprehensive Assessment
→
**Start with a thorough inventory of your current VMware estate**, workload characteristics, dependencies, and infrastructure depreciation schedules.
- 
Clear Objectives
→
**Define what success looks like** — cost reduction targets, risk tolerance, timeline constraints, and strategic alignment.
- 
Stakeholder Alignment
→
**Ensure executive sponsorship and alignment** across IT, finance, and business units.
- 
Phased Execution
→
**Break large transformations into manageable phases** with clear milestones and success criteria.
- 
Expert Guidance
→
**Partner with advisors who have experience** navigating similar transitions and can help you avoid common pitfalls.

# Your Partner in VMware Freedom

The VMware licensing changes have created an inflection point for IT organizations worldwide. While the challenge is real and urgent, it also **represents an opportunity** to reassess your infrastructure strategy, modernize your approach, and potentially achieve outcomes that weren't possible under the old model.

At In Balance IT Solutions, we understand that navigating these options can feel overwhelming. That's why we've developed expertise in helping organizations evaluate their specific circumstances, model the costs and benefits of different approaches, and develop **actionable roadmaps toward VMware Freedom**.

Our approach is **vendor-independent** and **outcome-focused**. We don't have a predetermined answer — instead, we work with you to:

- **Assess your current VMware estate** and identify optimization opportunities
- **Model the total cost of ownership** for each viable option
- **Evaluate technical feasibility and risk** for your specific workloads
- **Develop a comprehensive roadmap** aligned with your business objectives
- **Support execution and migration** (if applicable) with our team of technical experts

Whether you choose to negotiate, migrate to alternatives, embrace the cloud, or pursue a hybrid strategy, **In Balance IT Solutions** will guide you throughout the journey. We've helped dozens of organizations navigate this exact challenge, and we're ready to help you achieve your vision of **VMware Freedom**.

Contact **[In Balance IT Solutions](#)** today to schedule a complimentary VMware Freedom assessment.

**Together**, we'll chart your path forward.

