



VMware Updates Explained

A guide for technology advisors to help their customers navigate recent changes to VMware's product portfolio and licensing agreements.

Plus, sample talk tracks and email templates!

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Overview of VMware's Transition to Subscription-Based Models

In 2024, VMware announced significant changes to its product portfolio and licensing models related to Broadcom's acquisition. The company has transitioned to a subscription model, introducing VMware Cloud Foundation (VCF) and VMware vSphere Foundation (VVF) as its core offerings. This shift means many VMware solutions will only be available as part of VCF or VVF, rather than as standalone products. Add-on services enhance these offerings covering storage, security, disaster recovery, and other specific needs.

Additionally, VMware is planning a "Bring Your Own License" option, allowing flexible deployment of subscriptions. This change aims to simplify the portfolio, enhance customer value, and accelerate innovation delivery. For those using products now at End of Availability (EOA), VMware will continue support until the end of existing subscription terms, after which customers will need to transition to the new models. The update includes a comprehensive list of products affected by these changes, indicating their replacement or integration within the new structure.



New Core Offerings and Changes

VMware's new core offerings, as part of their transition to a subscription-based model, are the VMware Cloud Foundation (VCF) and VMware vSphere Foundation (VVF). VCF is designed for customers seeking a full-stack infrastructure platform, integrating solutions like vSphere, vSAN, and NSX with the Aria management suite. On the other hand, VVF is tailored for data center optimization in traditional vSphere environments, including Tanzu Kubernetes Grid and Aria Operations as standard features. These offerings represent VMware's shift towards streamlined, subscription-only solutions, enhancing customer value and innovation delivery.

End of Availability (EOA) Products

VMware has announced EOA for several of its products, transitioning them to a more streamlined portfolio focused on VCF and VVF. This change means numerous standalone VMware products are now integrated into these core offerings or have been replaced by them. Notably, VMware vSphere Enterprise Plus, vSAN, and other key products are available within the VCF or VVF structure. This shift aims to simplify VMware's offerings and focus on subscription-based solutions, enhancing customer value and enabling a more straightforward approach to selecting VMware products.

End of Availability (EOA) items, effective May 6, 2024:

- 350M/750M/5G bandwidth tiers (for services SD-WAN, Enhanced Firewall Service, and Regional add-ons)
- SD-WAN Software Orchestrator-Only deployment options
- SD-WAN Work From Home subscriptions
- VMware Edge Intelligence Hardware (Crawler and SFP)
- Hardware Rental Program
- Customer and Partner Success services (CPS)
- Support:
 - VMware SASE Basic/Production/Premier support tiers
 - VMware SASE Carrier Grade Support
 - VMware SD-WAN Hardware Replacement Services

Purchasing & Licensing Offerings

Current Offering	Description	Replacement	Existing Subscription
Bandwidth Tiers 350M / 750M / 5G (for SD-WAN, Enhanced Firewall Service, regional add-ons, etc.)	VMware will reduce bandwidth licensing tiers from 12 tiers to 9 tiers. There are no price changes to remaining tiers.	The next lower or higher bandwidth tier.	Existing subscriptions will be honored, and service continued.
SD-WAN Software Orchestrator-Only Deployment Options	VMware will no longer offer Software Orchestrator-Only deployment options for Standard and Enterprise editions.	VMware will continue to offer Software Orchestrator + Software Gateway options for Standard, Enterprise, and Premium Edition.	Existing subscriptions will be honored, and service continued.
SD-WAN Work From Home Subscriptions	VMware Work From Home offers (WFH and WFH Pro) for remote workers will be discontinued.	Either the new SD-Access service or the regular SD-WAN per-site subscription.	Existing subscriptions will be honored, and service continued.
VMware Edge Intelligence Hardware (Crawler and SFP)	VMware Edge Intelligence will transition to a software-only solution. VMware will no longer offer the crawler hardware appliance and SFP hardware.	Virtual crawler for standalone-only deployments or SD-WAN Edge device for SD-WAN + Edge Intelligence deployments.	VMware will provide support for Crawler and SFP hardware for 5 years after the end of sale date for customers with an active VMware Edge Intelligence subscription.
Hardware Rental Program	Hardware Rental program will no longer be available directly through VMware.	Hardware will be available on a purchase basis. Rental options may be available from third-party providers.	Existing rental subscriptions will be honored. More information on an opt-in program for conversion of existing rentals to ownership will be provided in the coming weeks.

Customer and Partner Success (CPS)

VMware will no longer offer SASE Customer and Partner Success services (including Network Optimization Service, Enterprise Optimization Essentials Package, Health Check, Design Review, WAN Analysis Report, ROI - Outage Savings Report, Security Assessment, Dedicated Engineering Services, 8hr/1day/per week and 8hr x 5 days, On Prem Data Connection Setup Service, and Upgrade Benefit Analysis).

Existing entitlements will continue until completion. More information on Broadcom professional services will be provided in the coming weeks.

Support Programs

- VMware SASE S1-Basic, S2-Production, and S3-Premier support tiers will no longer be available and will be replaced by [Broadcom Essential Support](#). Moving forward, all SASE software/SaaS subscriptions will include Broadcom Essential Support.
 - Existing subscriptions will continue at the purchased support level.
 - Effective May 6, 2024, the response time for Broadcom Essential Severity 1 cases will be improved to 30 minutes, aligning with the current response times for Production and Premier tiers. For customers or service providers with support levels committed independently of price books/SKUs, these contracted support levels will be maintained. Customers/Partners in this category can contact their VMware account managers for further details.
- VMware will no longer offer SASE Carrier Grade Support (CGS). Existing subscriptions to SASE Carrier Grade Support will be honored until their respective end of term. Broadcom Advanced Support will replace VMware SASE Carrier Grade Support as the alternative option. More details will be provided in the coming weeks.

VMware SD-WAN Hardware Replacement Services

Service (Current)	Replacement (Broadcomm)
<ul style="list-style-type: none">Return to Replacement (RTR)Next Business Day Delivery4-Hour 9x5 Delivery4-Hour 24x7 DeliveryAdditional onsite option	<p>VMware hardware replacement services will transition to Broadcom hardware support offerings:</p> <ul style="list-style-type: none">Broadcom StandardStandard PlusAdvancedPremium Plus <p>The onsite installation service will not be available on May 6, 2024, but may be considered as a future option. Hardware support, which is optional, will be available in various tiers. These new options will replace the current RTR included with hardware purchases.</p>

Existing hardware warranty/replacement services will be honored until the end of term. Specific SKUs and pricing for the replacement offers indicated above will follow at a later date.

As VMware converts to the new Broadcom ordering system, the legacy VMware ordering system is planned to freeze at 5pm PST on April 24, 2024 (any order received after that date will need to be rebooked after May 6, 2024). All product shipments will end two days prior, on April 22, 2024. The sales team and partners must submit orders as early as possible to avoid de-booking and rebooking. After this transition period, the Broadcom ordering system will become the standard.

<https://kb.vmware.com/s/article/96610>

End of Availability (EOA) Support

VMware has outlined a support and transition plan. Customers currently using these EOA products do not need to take immediate action if they are not up for renewal. VMware will continue to offer active support throughout the duration of existing support contracts. At the time of renewal, customers can work with VMware representatives or partners to align their requirements with VMware's updated portfolio, transitioning to the new offerings like VMware Cloud Foundation (VCF) or VMware vSphere Foundation (VVF) as appropriate.

“Bring Your Own License” Option

VMware's "Bring Your Own License" option is a new, flexible subscription model that allows customers to purchase VMware Cloud Foundation subscriptions from Broadcom. This model provides the flexibility to deploy these subscriptions across validated hybrid cloud endpoints as well as in their own on-premises data centers. This initiative is part of VMware's broader strategy to offer more adaptable and customer-centric solutions, accommodating various deployment needs and preferences within their evolving subscription-based framework.

Add-on Services

VMware's add-on services, which complement their core offerings of VMware Cloud Foundation (VCF) and VMware vSphere Foundation (VVF), cater to a variety of specific customer needs. These services enhance the overall functionality and applicability of VMware's products in areas such as storage, security, disaster recovery, and Generative AI. By providing these add-ons, VMware aims to offer more tailored and comprehensive solutions to its users, ensuring that specific, niche requirements are met within its ecosystem of services.

Impact on Cloud Service Providers

The changes have led to tension within the VMware partner community, with reports of terminated reseller and cloud service provider agreements.

- VMware's cloud service provider program is being reduced from approx. 4500 service providers globally to approx. 400 on May 1, 2024. There will be two CSP tiers going forward:
 - Pinnacle – 12 in the US, with 6 in the Telarus supplier portfolio as of March 30, 2024:
 - 11:11(on VMware website under iLand)
 - Expedient
 - Equinix
 - Flexential
 - Rackspace
 - Tierpoint
 - Premier – 400 globally, approx. 135 in the U.S., with numerous suppliers in the Telarus portfolio

[Complete Domestic CSP List \(as of March 20, 2024\)](#)

Migrating off VMware: Considerations and Opportunities

If your customers are looking for an alternative:

Analysts estimate more than [80 percent](#) of virtualized workloads and a large percentage of business-critical applications are running on VMware technology. However, many customers are having an emotional and financial reaction to these changes and will be looking for alternatives to VMware. The most common options are Azure Stack, Citrix, and Nutanix but keep in mind there are many other solutions clients can explore that suppliers are able to offer as an alternative.

The biggest opportunity comes from clients looking to migrate away from VMware who likely do not have staff familiar with the alternatives. In this instance you can bring an expert supplier team member into the sales conversation to discuss an alternative platform. The Telarus Sales Engineering Team will be on standby to assist as needed when you are ready to discuss supplier recommendations with your customers.

Things to consider when speaking to a customer:

Maturity, ecosystem, tooling, and expertise. All these need to be accounted for when evaluating alternatives. There are a lot of hidden costs in people, timing, and capabilities.

If your customers want to continue with VMware:

Customers will also be looking for solutions while still staying with VMware. While the advantages to moving to a VMware CSP Pinnacle or Premier partner will vary, here are two common approaches to the conversation:

- Cost absorption
 - CSPs are likely to offer packages that could limit the overall increase to the end user clients.
- Disaster recovery strategy
 - With the new structure, DR cost with VMware is expected to increase.

Things to consider for the customer:

- Licensing cost determined by physical core (minimum 16 cores per socket)
 - How might this affect the hardware they buy?
 - When is the next hardware refresh cycle up?
 - How might they optimize or seek to better understand the consumption of compute resources?
 - How will this affect the DR site compared to a cloud provider's new consumption model (see use case below)
 - Bundle add-ons require a 3 year contract

Note: If you work with an MSP that will be affected by being dismissed as a VMware partner, there are paths to connect them with a Pinnacle partner that can provide wholesale services and be compensated. Please inquire with our teams, and we will route to the suppliers that support this program.

Your Opportunity to Open New Sales Conversations

The latest VMware changes provide a pivotal opportunity for technology advisors to open new conversations with their customers that could expand their current technology reach and result in additional cloud opportunities. Again, the Telarus Sales Engineering Team is ready to assist with these conversations.

Potential Questions and Talk Tracks Provided by 11:11

These sample questions are designed to open a dialogue that not only address the immediate implications of Broadcom's strategic changes but also uncover deeper insights into the customer's strategic IT planning, operational concerns, and potential areas for support and collaboration. (For more insight from 11:11 please click [here](#).)

1. Current setup: *How do you currently use VMware, and what, if any concerns, do you have with the new subscription model? ALSO, When are you up for renewal?*
2. Budget impact: *What is the impact of the increase in renewal costs on your budget this year?*
3. Value of subscription bundles: *Do you see value in the new features included in the subscription bundles, or are there features you won't use?*
4. Service provider preferences: *With fewer cloud service providers available, how might this change affect your choice in providers?*
5. Alternatives and migration concerns: *Are you considering alternatives to VMware? What concerns do you have about the costs and challenges of switching?*
6. Team preparedness for transition: *Is your team ready to switch to a new platform if needed? What training or skills are you lacking or short on?*
7. Audit and compliance confidence: *Are you ready for more frequent audits with the subscription model? Do you see any gaps in your current processes?*
8. Alignment with IT strategy: *How do VMware's changes affect or fit into your long-term IT plans? Do you see any challenges or opportunities?*
9. Experience with support: *What, if any, changes have you seen in your VMware support and what changes would you like to see with the new model?*
10. Concerns: *The acquisition of VMware is not Broadcom's first. What, if anything, have you heard about their past acquisitions and are there any concerns you're keeping your eye on?*

NEW Discovery Questions – Identify the Opportunity

You've opened the door, booked a meeting...NOW WHAT?

5 Questions to help you pick a path:

1. When is your license renewal?
2. What are you currently licensed for?
3. Where are you in your hardware lifecycle?
4. Do you have infrastructure in a colo facility? If so, when does that contract expire?
5. How have these changes affected your perception of Broadcom and what do you see as your current path forward?

Sample Prospecting Emails Provided by 11:11

- To customers with their own VMware infrastructure:
 - “I’ve been hearing a lot about the Broadcom acquisition of VMware, sounds like there are some impactful changes coming to existing customers. Do you all know how this will or might impact you?”
 - You might be interested in the feedback on that line alone, but if you want to add a news article for context, [this](#) could be an option.
 - Once you have a response, follow up with something like, “If you’re interested in exploring this with my team, I have some great resources that could help evaluate your options and/or provide some contingencies.”
- To customers running in an existing VMware cloud provider:
 - “I understand you’re currently running in [cloud provider X]. Have you been tracking the VMware acquisition by Broadcom? It appears that Broadcom is reducing the list of providers, have you spoken with your provider about their position? If you’d like some help figuring out if your provider is on that list or evaluating some contingencies, we have some great resources in house to help with that.
 - You could also weave in an option to run a tool for pricing comparison, but they may want to chat before running it. You can find the download and instructions [here](#).

Sample Prospecting Emails Provided by Expedient

(For more insight from Expedient, please click [here](#).)

SHORT VERSION

[First Name],

With all the buzz surrounding Broadcom's acquisition of VMware and its implications, many of my clients have expressed their confusion, concerns, and consternation. I'm reaching out to offer clarity and support during this time of change.

I'm thrilled to share that my partner, Expedient, has achieved the prestigious VMware Cloud Service Provider Pinnacle status in the Broadcom Advantage Partner Program. For some perspective, Expedient is one of only 12 partners in the U.S. recognized in this tier. This is a testament to Expedient's:

- Long-standing partnership with VMware, backed by a team of in-house certified experts
- Commitment to delivering and supporting VMware’s subscription services
- Proven track record in tackling complex technology challenges with collaboration, expertise, and excellence

Should you need assistance in understanding the recent developments, evaluating your current setup, or future planning, I'm here to help. I'd be happy to connect you with Expedient – just let me know!

LONG VERSION

Hi [First Name],

In the wake of recent developments surrounding Broadcom's acquisition of VMware, I understand the potential concerns about how this significant change might impact our work and projects. It's important to me that you feel supported and confident about the future, and I want to assure you of our steadfast commitment to your success throughout this transition period.

I'm thrilled to share some exciting news that underscores our dedication and capability in navigating these changes together. Our partner, Expedient, has been awarded the prestigious VMware Cloud Service Provider Pinnacle status within the Broadcom Advantage Partner Program. This is a remarkable achievement, as Expedient is one of only 12 partners in the U.S. to be recognized at this highest tier. This exclusive status highlights:

- Expedient's deep-rooted expertise and long-standing commitment to VMware technologies, supported by a robust team of in-house certified experts
- Their unwavering commitment to delivering and supporting VMware's subscription services, ensuring you have access to the latest innovations and solutions
- A proven track record of tackling complex technological challenges with a blend of collaboration, expertise, and excellence, all aimed at driving your success

Should you have any questions or need guidance regarding the implications of this acquisition, evaluating your current technological setup, or strategic planning for the future, please know that we're here to assist. We would be delighted to connect you directly with Expedient's top-tier experts, who are well-equipped to provide the support and insights you need during this transition.

Change often brings challenges, but it also opens the door to new opportunities and possibilities. With Expedient's distinguished expertise and our collaborative partnership, we are confident in our collective ability to navigate these changes smoothly, ensuring we continue to deliver exceptional value and service to you.

Thank you for your ongoing trust and partnership. We look forward to embarking on this new chapter together and building an even stronger future.

Additional Support

Telarus has created a VMware resource page in Telarus University that will house these communications samples as well as new updates as they emerge. The Telarus University page will also include links to multiple supplier materials to ensure you have all the necessary information for your client conversations and access to the engineering experts standing by to support any opportunities.

[Access our VMware Resource Page in Telarus University](#)

Conclusion

The changes at VMware have created a great opportunity for you as a trusted technology advisor to connect with your clients and possibly expand your conversations into new areas of technology. Telarus is always here to connect you with numerous options and resources to support your and your customers' success. We look forward to helping you with any conversations and opportunities. And don't forget, the SolutionVue™ Cloud Quick Solution Assessment (QSA) module and Cloud Matrix are great tools to support your efforts.

Thank you and, as always, Telarus is here to help you Go Beyond.

Contact your Telarus Partner Development Manager today to learn more about how we can support you.

