



Managing VMware Costs with OCI

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Mike Jones

Global Product Director, Product Portfolio Management

- Over 30 years working with infrastructure through roles in infrastructure operations, architecture, and consulting, with a focus on building and managing Infrastructure-as-a-Service product offerings for the last 7 years
- Responsible for Syntax Enterprise Cloud offerings, including providing Managed Oracle Cloud VMware Solution services



Syntax History with Oracle



1 of 4 Strategic Managed Services Providers in North America

									
1997		2007	2017	2018	2019	2021	2023		2024
Syntax Signs JD Edwards Strategic Partner Agreement	Core Services begins hosting EBS (Core Services)	Syntax Named #1 JDE Cloud Platinum Partner in North America	Syntax Acquires Market-Leading EBS Cloud Provider Core Services	Syntax Announces Support for OCI Generation 2	Syntax Acquires JDE Cloud Leader Emerald Cube Solutions	Named 1 st Strategic MSP in North America by Oracle with EBS and JDE expertise	Achieved Integration Cloud, Cloud ERP, and Cloud SCM Competencies	Syntax Launches GenAI on OCI, OCI IAM JIT, and Syntax CloudSpan Solutions	Launched OCI Stellar Cyber MSSP Offering

VMware Package and Pricing Changes



Perpetual License Model

168

Products, Bundles
& Editions

For existing
customers, the
model change
takes place at the
time of support
renewal.

New Subscription Model - Two Primary Bundles - Effective December 11, 2023

VMware Cloud Foundation

\$11,200 to \$44,800+
Annual Licensing per Host*

Includes:

- VMware Cloud Builder
- SDDC Manager
- vSphere Enterprise Plus w/Tanzu
- vSAN Enterprise (1 TiB / Core)
- NSX Enterprise Plus
- Aria Suite Enterprise
- HCX Enterprise

VMware vSphere Foundation

\$4,320 to \$17,280+
Annual Licensing per Host*

Includes:

- vSphere Enterprise Plus w/Tanzu
- vSAN Enterprise (100 GiB/ Core)
- Aria Suite Standard (Operations, Operations for Logs)

Add-On Services

Storage, DR/RWR, Adv.
Security, Private AI

Additional Add-on Capacity- based Fees

Add-Ons:

- Cloud Disaster Recovery
- Ransomware Recovery
- Site Recovery
- vSAN Enterprise (per TiB)
- Load Balancer
- Firewall
- Advanced Threat Protection
- Tanzu Services
- Private AI

*Based on List Price for a 3-Year VMware License Subscription on a 2-socket host

VMware Package Requirements



VMware Cloud Foundation

Minimum Requirements:

- VMware Validated Design
- vSphere 7 or higher
- 4+ Hosts for Management Domain
- 3+ Hosts for Workload Domains
- Minimum 16 cores per CPU licensed
- 1 TiB vSAN per core

VMware vSphere Foundation

Minimum Requirements:

- vSphere 7 or higher
- 3+ Hosts for Workload Domains
- Minimum 16 cores per CPU licensed
- 100 GiB vSAN per core

New Bundle Requirements



Perpetual License Model

168

Products, Bundles
& Editions

New Subscription Model – Effective December 11, 2023

VMware Cloud
Foundation

VMware vSphere
Foundation

Add-On Services

Storage, DR/RWR, Adv.
Security, Private AI

Consolidation of Product Options

Bundles Only (Pay even if you don't use all features)

Subscription Licensing

Redeployment Often Required

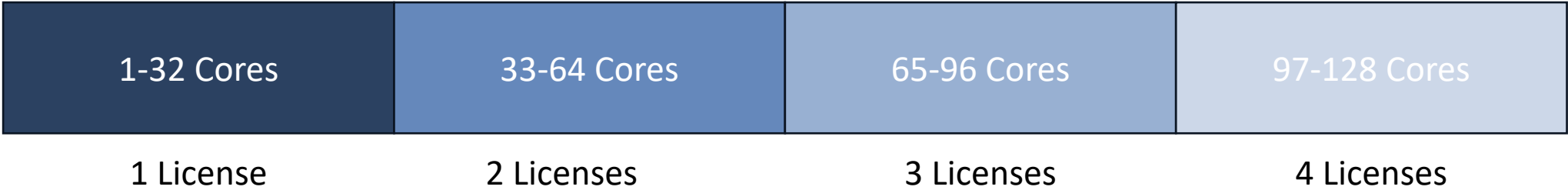
Consolidation and Upgrade of Hosts for Compliance and Optimization

+100%-300% License Price Increase Common

Effect of new license model

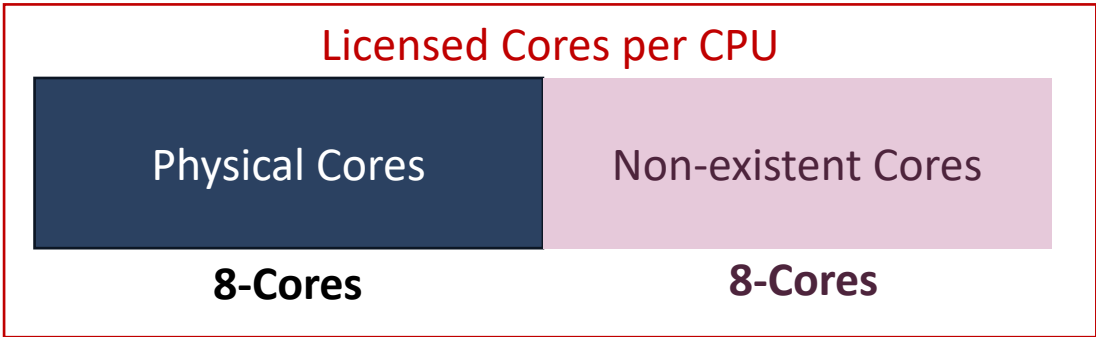


Old Model - Per CPU Socket



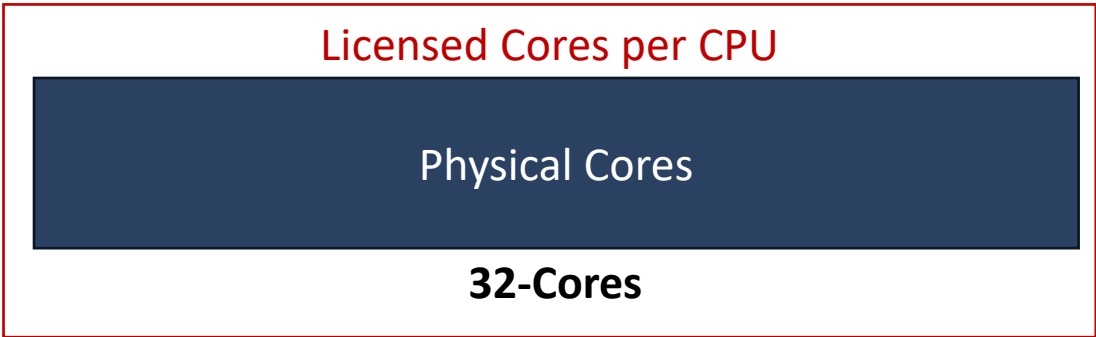
New Model – Cores/Socket

Low Core Count Hosts*



*Minimum Core Licenses per Socket is 16

Higher Core Count Hosts



Due to previous model, core counts close to 32 count multipliers will see the largest price increases

How does that translate to your environment?



At Syntax, we have analyzed environments that due to legacy hardware would cost that company upwards of more than **50% additional subscription fees for non-existent cores** to meet the 16-core minimums without upgrading their infrastructure.

With no capital expense changes, 1/3rd of their VMware license fees would be for compute that does not exist.

Assess



Audit your environment

- When does your support renew?
- Is your infrastructure current?
- Do you have CPU's with less than 16-cores?
- Do you have clusters with less than 3 hosts?
- Are your workloads relatively static?

Review your strategy

- How strategic is your infrastructure architecture?
- How established and capable is your infrastructure team?
- How difficult is it to acquire and retain talent?

Review the Options



Accept Subscription Model and Upgrade in Place

- **Embrace the Subscription Model:** Transition to a subscription model to stay current with upgrades, but be aware of potential price increases.
- **Familiar Technology:** Continue using technology that your team is already comfortable with.
- **Capital Expenses:** Be prepared for potential capital expenditures to optimize licensing.
- **Migration Requirements:** Transition to new VMware architecture models.
- **Staff Management:** Your team retains control over infrastructure and facilities management.
- **Unused Licensing:** May require licensing of services you will not use, leading to potential inefficiencies.

Migrate to an Alternative Hypervisor

- **Avoid VMware Increases:** Move away from VMware to avoid their pricing increases, though other vendors may also increase prices.
- **Migration Efforts:** Be ready for significant migration efforts.
- **Training and Processes:** Expect considerable retraining, process changes, and updates to automation.
- **Market Leadership:** Keep in mind that VMware remains the market leader in private cloud virtualization.

Migrate to a Hosted VMware Solution

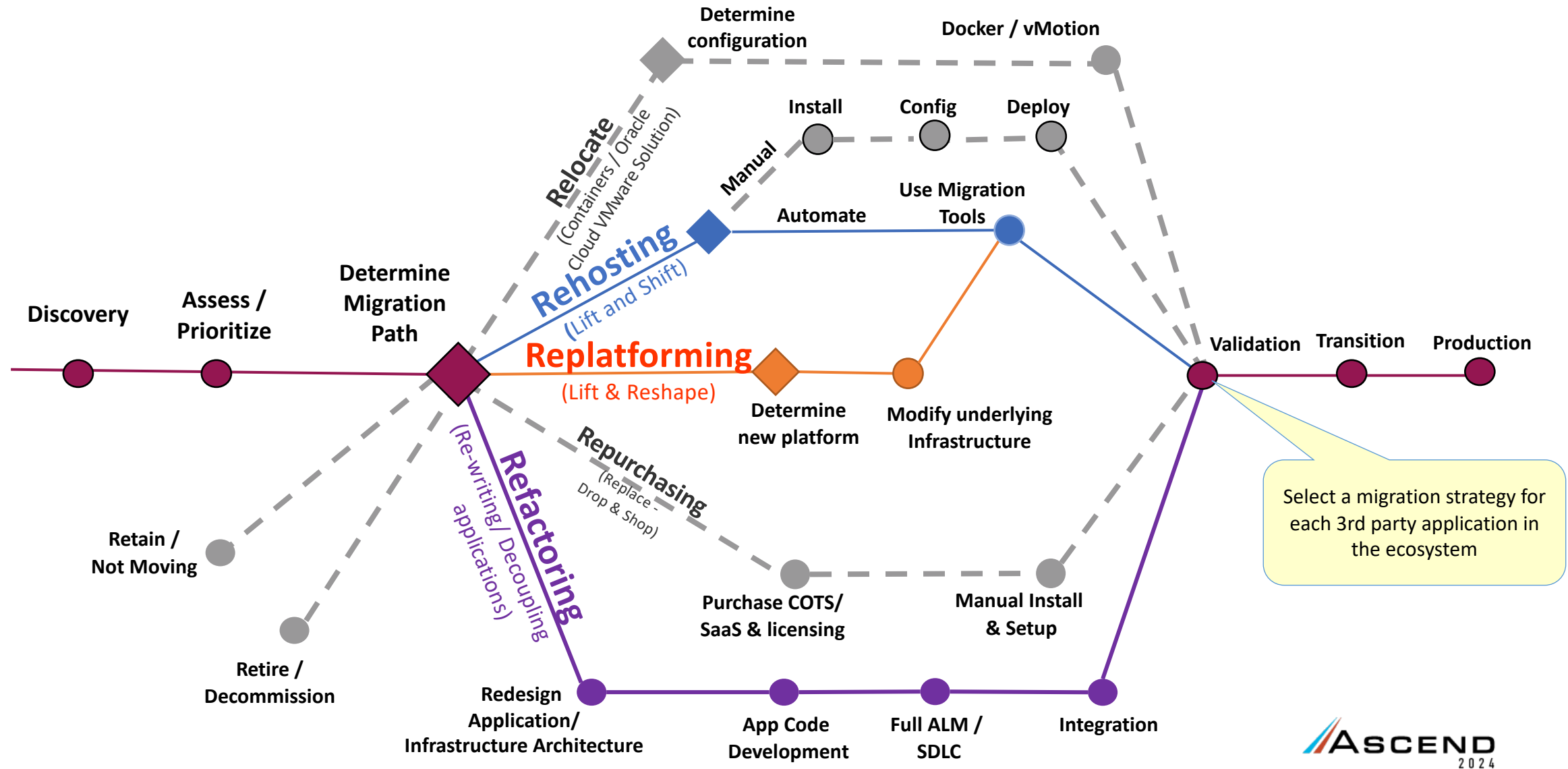
- **Familiar Technology:** Continue using the technology your team knows well.
- **Subscription Model:** Transition your infrastructure to a subscription-based model.
- **Staff Optimization:** Free up your staff for strategic projects and reduce or eliminate data center costs.
- **Migration Options:** Leverage replication and live migration options for a smooth transition.

Modernize to Cloud Native

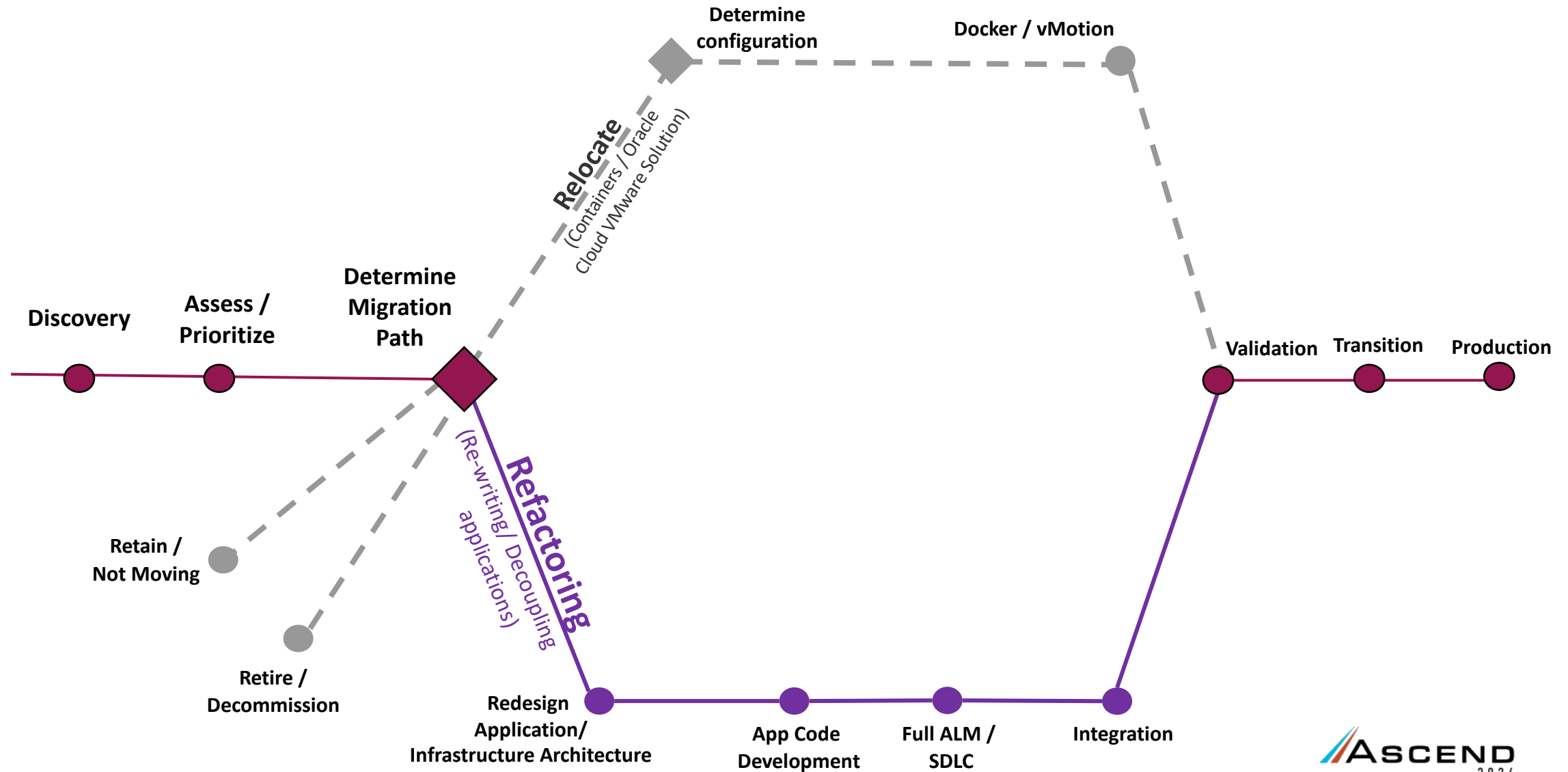
- **Redesign Requirements:** Be prepared for potentially significant redesigns.
- **Portability:** Maximize portability of your applications and infrastructure.
- **Latest Technologies:** Leverage the latest technologies for improved performance and capabilities.
- **Legacy Application Support:** May not support legacy applications well, necessitating additional considerations.

Focusing on these options today

How are you moving to the Public Cloud?



































How are you moving to the Public Cloud?



Oracle Cloud VMware Solution



Feature	Oracle Cloud VMware Solution	VMware Cloud on AWS*	Azure VMware Solution	Google Cloud VMware Engine
Same as on-premises	 Customer or Partner Managed ESXi root access Customer owns update policy	 Managed by Broadcom No ESXi admin access Broadcom own update policy	 Managed by Microsoft No ESXi admin access Skip update requires escalation	 Customer or Partner Managed ESXi root access Customer owns update policy
Scalability	 64 hosts per cluster True Multi-AD Support	 16 hosts per cluster	 16 hosts per cluster	 32 hosts per cluster
Pricing	 Lowest per-CPU core Lowest per-TB storage Lowest per-GB mem	 Low per-CPU core Highest per-GB mem Highest per-TB storage	 High per-CPU core High per-GB mem High per-TB storage	 High per-CPU core High per-GB mem High per-TB storage
Security & Privacy	 Customer owns security policy User activities not tracked	 Broadcom retains security credentials User activities recorded	 MSFT retains security credentials User activities not tracked	 GCP retains security credentials User activities not tracked
Global Availability	 48 regions total 25 outside of N.A. 7 Gov regions Dedicated Regions	 18 regions total 12 outside of N.A. 1 Gov regions	 16 regions total 6 outside of N.A. 2 Gov regions	 16 regions total 11 outside of N.A. Zero Gov regions
Bring Your Own Licenses	 Not an MS Listed Provider Leverage Oracle licenses in the cloud	 An MS Listed Provider with restrictions An Oracle Authorized Cloud	 An MS Listed Provider with restrictions An Oracle Authorized Cloud	 An MS Listed Provider with restrictions Not an Oracle Authorized Cloud
Shape Options	 Intel/AMD Shapes Intel GPU Shapes 6 Shapes (14 variations)	 Intel Dense Shapes 3 Shapes	 Intel Dense Shapes 3 Shapes	 Intel Dense Shape 1 Shape
Layer 2 Networking	 Layer 2 with off-box network virtualization	 NSX required/Layer 3 only	 NSX required/Layer 3 only	 NSX required/Layer 3 only

*VMware Cloud on AWS is no longer sold by AWS, only Broadcom and Broadcom authorized partners. It is also now only available with a minimum term of 1-year.

Dense Shapes



Processor Type	Shape	OCPU	Available Core Configurations	Memory (GB)	NVMe Storage Per Host
Intel	BM.DenseIO2.52	52	52	768	51.2 TB
AMD	BM.Standard.E4.128	128	32, 64, 128	2048	54.4 TB

Starting at \$11k per month for 3-node cluster / 96 OCPU, 6144 GB RAM, 163 TB Storage

- Dense shapes provide local NVMe storage and don't require block volume storage.
- vSAN converged storage technology replicates data across all the ESXi hosts in the SDDC.
- All pricing commitment types and HCX license types are available for Dense shapes.
- Dense shapes can be deployed across several Availability domains.
- No memory limit, network bandwidth limit or VNIC count limit.
- You can use a dense shape to create a single-node SDDC.

Standard Shapes

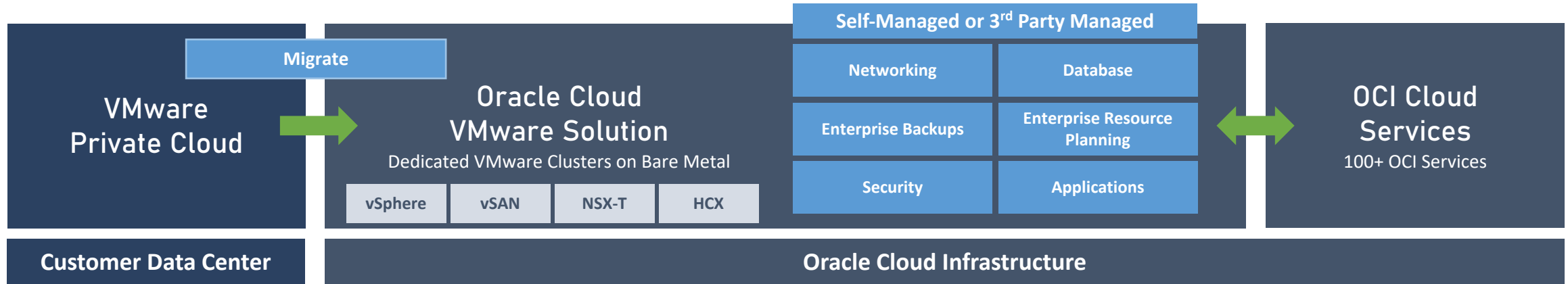


Processor Type	Shape	OCPU	Available Core Configurations	Memory (GB)	Network Bandwidth Limit (Gbps)	Max VNIC Limit
Intel	BM.Standard2.52	52	52	768	50	200
Intel	BM.Standard3.64	64	16, 32, 48, 64	1024	100	256
AMD	BM.Standard.E4.128	128	32, 64, 96, 128	2048	100	256

Starting at \$7k per month for 3-node cluster / 32 OCPU, 2304 GB RAM (Storage extra – \$44/TB or less for balanced)

- Standard shapes provide a lower-cost option than Dense shapes.
- Standard shapes require block volume storage.
- Standard shapes are only available for a single Availability domain.
- Monthly pricing commitment isn't available for standard shapes (Hourly, 1-Year and 3-Year are)
- Limits for memory, bandwidth, and number of VNICs.
- Single-node SDDCs using standard shapes aren't supported.

Migrate to OCVS and Simplify



- Reduce impact of legacy hardware inefficiencies
- Avoid costly capital investments
- Lower staff impact
- Avoid rushed refactoring
- Utilize familiar toolsets

- Use opportunity to move from capital investments to subscription for infrastructure for increased flexibility
- Gain access to 100's of Oracle services with low latency including: ERP, DB, Container and AI services

- Price protection until 2028+ for Oracle VMware Solution
- Start path to data center exit (focus on business value, not keep the lights on activities)

Modernize to OCI Cloud Native



- Modernize at your pace with cloud native
- Leverage best of both in hybrid model
- Minimize “VMware Tax”
- Scale at will
- Leverage advanced technologies including GPUs for AI/ML
- Deploy services globally in any of 48 regions available
- Pay only for what you need
- Optimize Oracle Licensing

Live Replication

At Syntax, our preferred migration tool is Zerto due to the robustness of the solution, simplicity of setup and the support for Oracle and many other platforms.

Using a product like Zerto allows you to build your OCVS environment and begin replication while your production continues to operate within your existing data center. Once ready to complete migration, cut over of individual groups of services can be done in as little as minutes.

With the use of a cloud gateway, Zerto can be used with your existing Internet connectivity, depending on the bandwidth requirements.

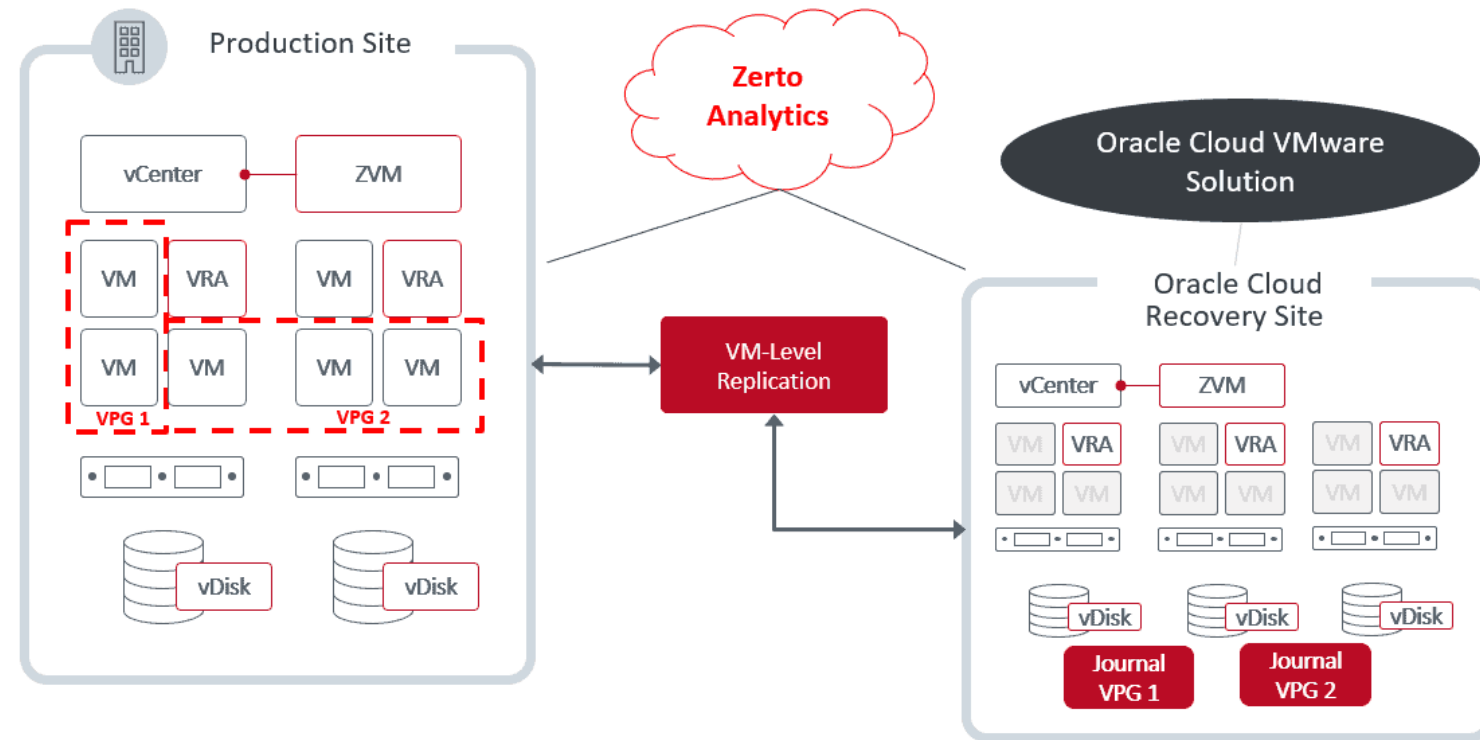


Diagram from "Using Zerto with Oracle Cloud VMware Solution"

Live Migration

VMware HCX is another option for migration but does have higher requirements such as vSphere 7.0 or later and FastConnect connectivity.

There is a detailed blog article describing how to set it up here:

<https://blogs.oracle.com/cloud-infrastructure/post/migrate-vmware-workloads-from-on-premises-data-centers-to-oracle-cloud-vmware-solution-using-vmware-hcx>

VMware HCX is included with Oracle Cloud VMware Solution which may help keep migration costs lower, particularly if FastConnect is something you already have in place.

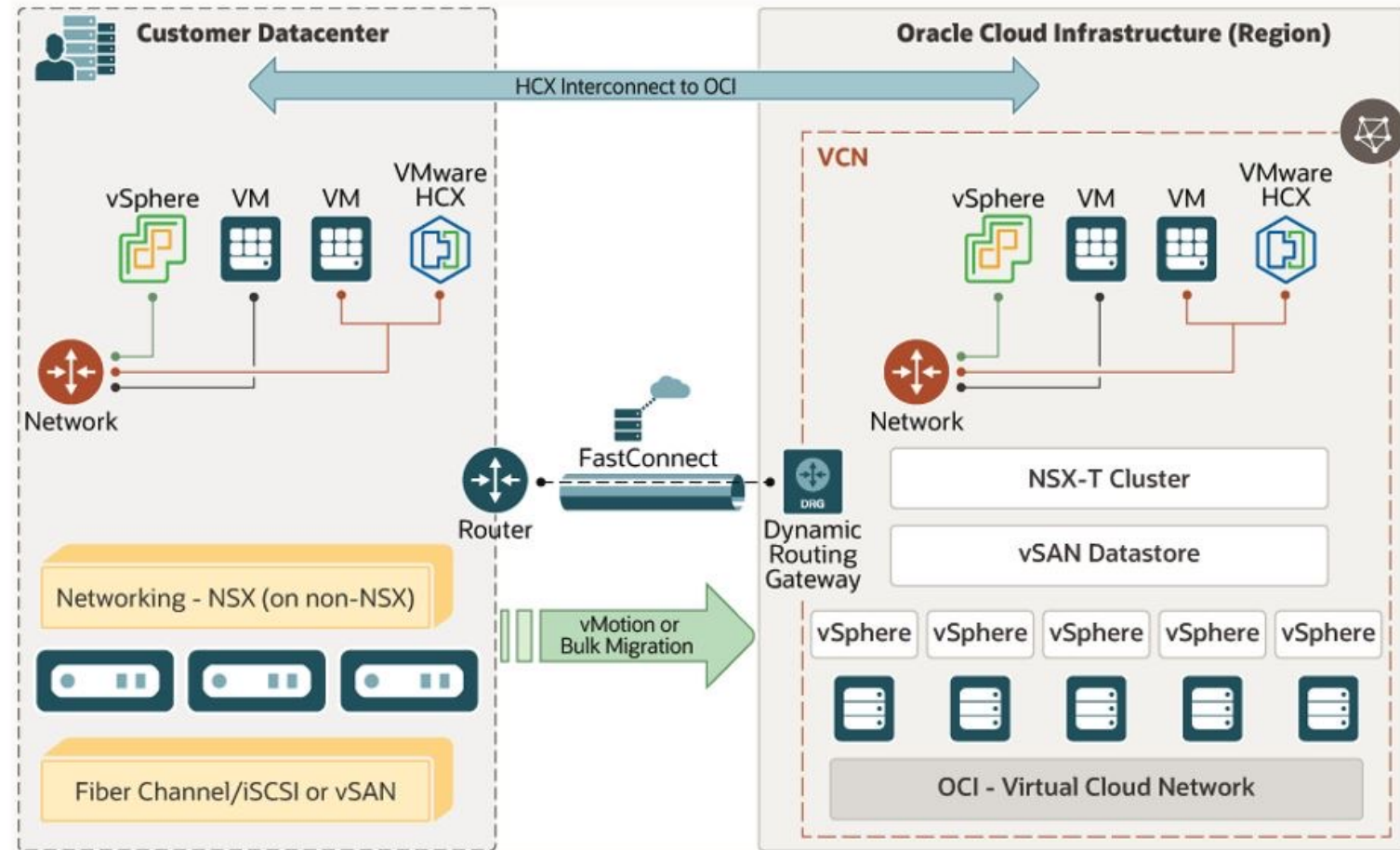


Diagram from Oracle Cloud Infrastructure Blog

TCO Impact – Considerations



On-Premises / Colocation

- Capital Expenses
 - Hardware (servers, storage, networking, security appliances)
 - Data Center/Colocation (Lease, UPS, Racks, Cooling)
- Operational Expenses
 - Utilities (Power, Cooling)
 - Maintenance
 - IT/Facility Staff Salaries
 - Training
 - Software licenses
 - Network bandwidth
 - Physical security
 - Facility compliance

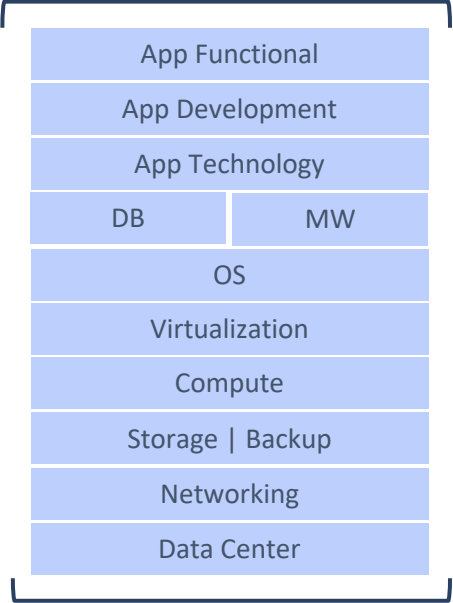
In the Cloud

- Subscription Fees
 - Compute
 - Storage
 - Data Transfer
- Migration Costs
 - Planning
 - Connectivity
 - Tooling
 - Execution/Testing

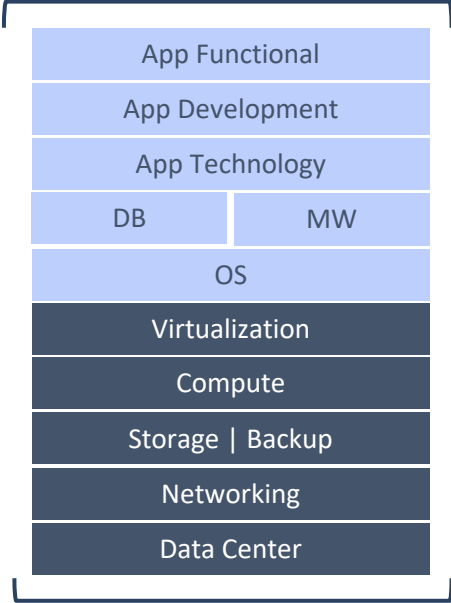
Outsourcing up the Stack



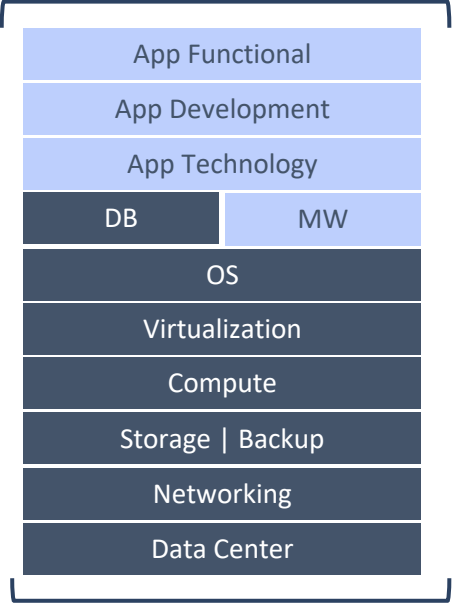
On Premises



OCVS



OCI



AGILITY · SCALABILITY · FLEXIBILITY · RELIABILITY · COST EFFICIENCY · VALUE CREATION

- Company Deployed/Managed
- Provider Deployed/Managed

Cloud Transformation



Cloud is the foundation for the agile business world

LEGACY ENTERPRISE IT

Focused on:

- Automation of business
- Operations and Functional Silos
- Legacy Business Models
- Irregular Periodic Changes
- Emphasis on Service Delivery
- Centralized IT



Data Center



Waterfall



IT as overhead



Process-Driven



Silos



Operations

DIGITAL TRANSFORMATION

DIGITAL ENTERPRISE

Focused on:

- Digital Transformation
- Customers, Products, and Data
- Digital Business Models
- Systems of Engagement
- Continuous Innovation and Adoption
- Emphasis on Digital Experiences
- Decentralized IT



Cloud



Agile + Devops



IT for Revenue



Data-Driven



Ecosystem



Change Process

AGILITY · SCALABILITY · FLEXIBILITY · RELIABILITY · COST EFFICIENCY · VALUE CREATION



Q&A



Thank You For Attending!

Please complete the session
survey in the conference app.