

CASE STUDY

Ensono optimizes infrastructure to reduce VMware renewal impact by 17%

Broadcom's acquisition of VMware has led to significant product licensing changes. Here's how Ensono optimized its infrastructure to minimize the impact and help its clients do the same.



When Broadcom completed its acquisition of VMware in November 2023, it made several monumental changes to its bundles and pricing. These changes have sparked concern among VMware customers. 56% of impacted I&O members say they are concerned about the acquisition, with price being their biggest worry.¹

As a [Pinnacle VMware Cloud Service Provider](#), Ensono knew that we had to move fast to [understand and reduce the impact of these changes](#) on our own business, while preparing our infrastructure and teams to help our clients do the same. We were also coming up to our renewal date and needed to minimize the impact before committing to a minimum-term three-year deal.

Here's how:

We analyzed VMware's new licensing model

VMware's offerings for both Enterprises and Service Providers have changed. The 168 bundles, products and editions that were previously available have been replaced with two bundles: VCF and VVF, with additional add-ons to extend their capabilities.

VCF VMware cloud foundation (VCF), a comprehensive bundle that includes base features like ESX and vSphere, plus additional features like NSX and vSAN. VCF is the primary bundle that Ensono deploys and manages for our clients.

ADD-ONS Advanced Hybrid Cloud Services are additional functionality add-ons for security, resiliency, load balancing, and incremental storage.

The pricing model has changed too, with:

- Per-core pricing, charged assuming a minimum of 16 cores per CPU
- vSAN priced per TiB. With the new bundle you receive 1TiB of vSAN storage per core
- On-demand or a three- or five-year commitment

These changes led to several concerns. We knew that the price increase would be significant, but we didn't know exactly what it would be. We might end up paying for VCF features that we wouldn't use and for additional add-ons that we would need. We also knew that our hardware would need refreshing as some of our servers had fewer than 16 cores per CPU.

We estimated the impact: a 73% increase in license fees, before optimization

Our Infrastructure Engineering team conducted a full assessment of our VMware estate, evaluating:

- Our current licensing
- Our VMware product use
- Planned and potential infrastructure optimization opportunities
- The cost impact of renewing under the new model with or without optimization

They estimated that, with no changes, we'd see costs rocket over the upcoming five-year period. To minimize this, we followed an eight-step optimization approach.

We derisked and optimized our environment

To reduce the cost impact and prepare our environment and team for the new VMware model, we:

1 Switched our thinking from vRAM to cores

In the new model, more servers mean more cores and higher costs, so optimizing the number of cores and servers has a direct impact on the licensing cost.

2 Redesigned our disaster recovery plan to reduce idle hosts

Under the new model, you pay for cores if the target site has workloads running, so we switched these hosts to "maintenance mode" and will hydrate via automation as needed. These hosts can be licensed per hour during failover and DR tests.

3 Consolidated and decommissioned spare capacity

In the past, high availability with spare capacity of n+3 was possible with minimal cost impact. Under the new model, the costs will add up. We assessed our environment and reduced our cores by 17%.

4 Deployed new server models to increase RAM and core performance

Under the new model, vRAM is no longer the cost driver. We deployed new servers which increased our RAM density to allow more VMs per host. Faster processors also squeeze more performance into a single core, which reduced the number of cores we would need licensed.

5 Identified and replaced any servers with fewer than 16 cores

You pay to license 16 cores per server, even if you use less. Any server with fewer cores will be charged at the same rate as those with 16 cores. We looked across all our environments and identified all servers that did not meet this minimum.

6 Improved vCPU to Core allocation

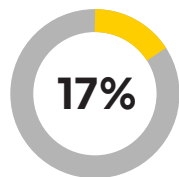
During this step we ensured that the profile of each VM met the overcommit ratio used in the cluster (for example, a 1:1 for mission critical, 2:1 for production, 8:1 for testing and development). Under the new model, it's best not to mix your environments.

7 Used vSAN to reduce storage costs

1 TiB raw licensed vSAN is included for every CPU core you license. Leveraging this allocation is the most effective use of your investment. On a typical server with 32 cores, this means using at least 32 TiB of vSAN before expanding to attached storage or licensing additional vSAN capacity for growth.

8 Evaluated our sprawl of software defined networking

Most NSX Networking features were included under the old model, so we weren't required to limit their usage. Services like the NSX-T Firewall, and Gateway Firewalls aren't included in the new, per-core model, so to reduce costs we needed to ensure that we only use what we need.



The results: A 17% cost saving and expertise to help our clients

We may not have reduced the cost of our new subscription to its original levels, but our optimization has had a significant impact on the scale of the cost increase.

As a result of our work, we:

- Reduced the VMware renewal cost impact by 17%
- Reduced the number of cores requiring licenses by 17%, significantly reducing data center and labor costs
- Developed a clear understanding of how to help our clients minimize the impact
- Are adopting vSAN to replace some external storage arrays, which will cut our labor, data center and third-party vendor costs by around 50%



Watch the webinar:
8 Steps to De-risk and Optimize Your VMware Investment

Get ahead before your renewal date: Book your VMware assessment today

If your VMware contract is due for renewal soon, we highly recommend ensuring that your infrastructure is optimized before you commit to a new term contract.

We understand that finding qualified personnel to navigate the complexities of the new VMware offering and optimize your environment accordingly may be a considerable challenge. We have worked hard to ensure our people and infrastructure are ready for the change so that we can help you get ahead before your renewal date.

Ensono can help you:

- Assess your current VMware product use
- Identify opportunities to optimize your infrastructure
- Weigh up your options, including the ROI of each decision
- Undertake the optimization work needed

**Talk to your Ensono representative today to
[book your VMware assessment](#)**