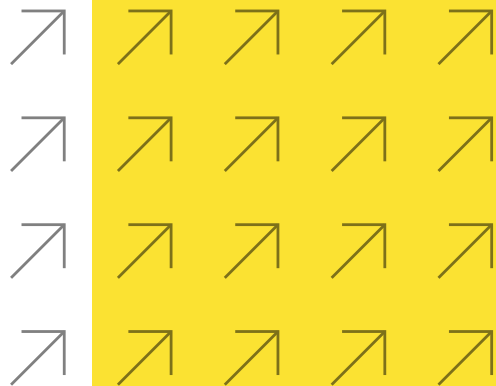

Insights and Strategies on VMware: Navigating the Evolving Hypervisor Market

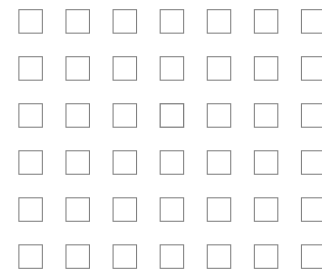
The acquisition of VMware by Broadcom is reshaping the hypervisor market, prompting customers to explore cost-effective alternatives amid significant increases in costs and push to subscription-based models. This situation is prompting businesses to assess the best path forward for their perpetual VMware investments and navigate new challenges in an evolving hypervisor market.

Rimini Street



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Executive summary



Key Insights From Rimini Street's Future of the Hypervisor Market Survey

Insight 1: There's growth in adoption and exploration of more cost-effective VMware alternatives

Budget constraints play a crucial role in this shift, with 45% of participants citing financial considerations as a key reason for seeking alternatives.

- 98% of respondents are already using, planning to use or considering VMware alternatives
- 92% believe Broadcom will impose additional price increases within the next 12–18 months

Insight 2: VMware customers value their perpetual licenses

By combining the reliability of perpetual licenses with the cost efficiency offered by third-party providers, organizations can enhance their flexibility, taking their time to properly evaluate alternatives.

- 79% of respondents indicate that their current perpetually licensed VMware software meet their business needs
- 99% of these respondents would consider keeping their perpetual licenses running if they could acquire support for it

Insight 3: Self-support raises challenges in accessing technical expertise and ensuring timely support resolution

Due to budget constraints, respondents are considering self-support, which presents an array of new risks.

- 51% of respondents worry about access to the needed technical expertise
- 44% express concerns about the timely resolution of complex technical issues, which could hinder productivity
- Around 26% of respondents indicate that access to cost-effective security products and services is a concern

Insight 4: Cloud-native and AI technologies will shape the future of the hypervisor market

The hypervisor market is primed to evolve over the next few years, primarily driven by cloud-native and AI technologies. Organizations are looking for easier connectivity, better control over data location and security by choosing an on-premises cloud-native experience, but lack the necessary staffing and resources.

- 71% of respondents identify cloud-native solutions as the key influence on the hypervisor market
- 70% cite AI as a critical change driver in the market

Insight 5: Changes in the hypervisor market are prompting customers to see high value in roadmapping services

With the increasing complexity of managing diverse workloads, organizations must consider how to effectively handle all these workloads, manage their resources and determine the optimal placement of data and applications. Understanding the value of each migration is essential for developing tailored solutions that align with evolving organizational needs.

- 96% of respondents recognize the value of roadmap services to help strategize the selection and deployment of VMware alternatives

02

Background

The hypervisor landscape has seen significant shifts since Broadcom's acquisition of VMware, bringing in new subscription bundles, which are significantly impacting the operational costs of customers. This fundamental change in pricing structure is more than a mere financial adjustment; it brings with it a range of downstream implications for VMware customers.

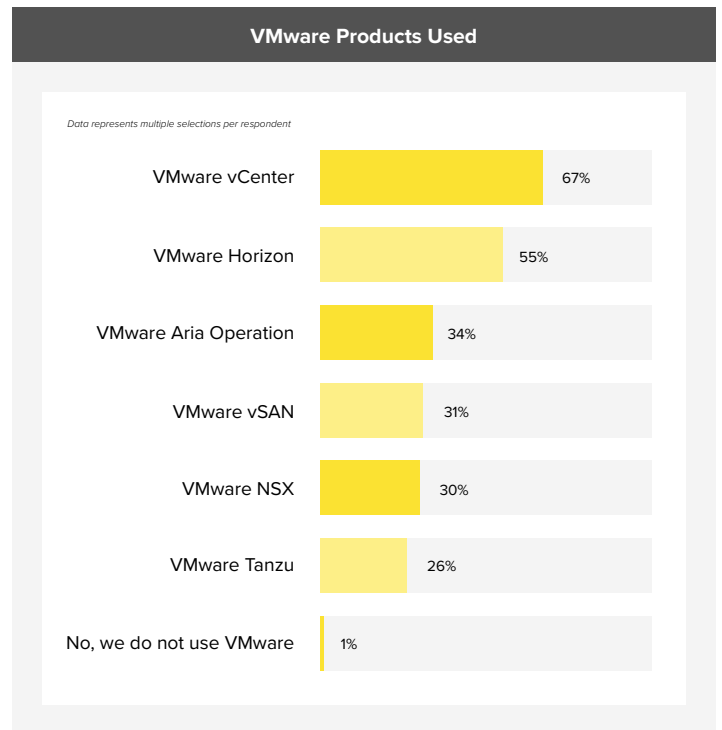
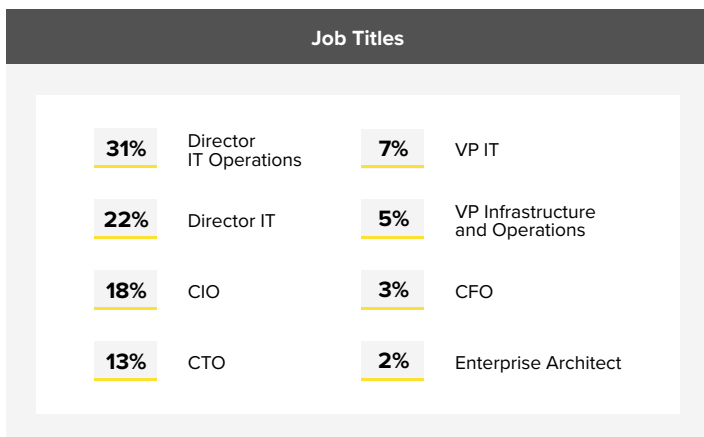
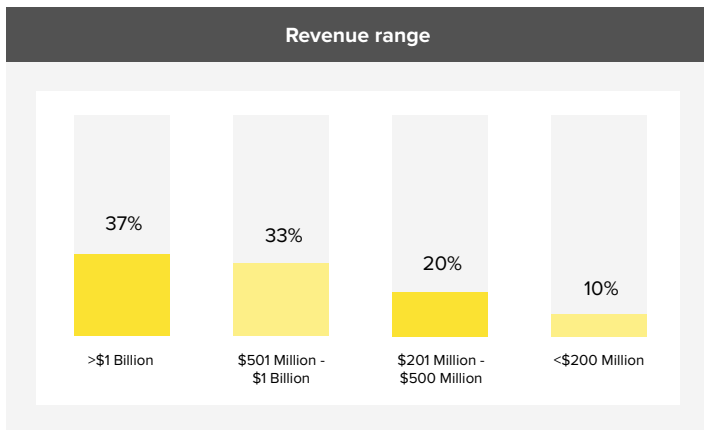
This survey report dives into:

- The current state of the VMware environment
- Support alternatives for VMware perpetual licenses
- The future of the hypervisor market

By exploring these areas, the report will equip you with an understanding of the evolving landscape to help you make informed, strategic decisions as you navigate this new paradigm.

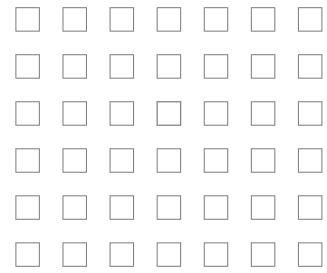
SURVEY DEMOGRAPHICS

Findings reflect responses to a survey conducted by Rimini Street in Q3 2024 across 111 global VMware customers. Since some questions allowed multiple responses and percentages were rounded, total percentages may not equal 100%.



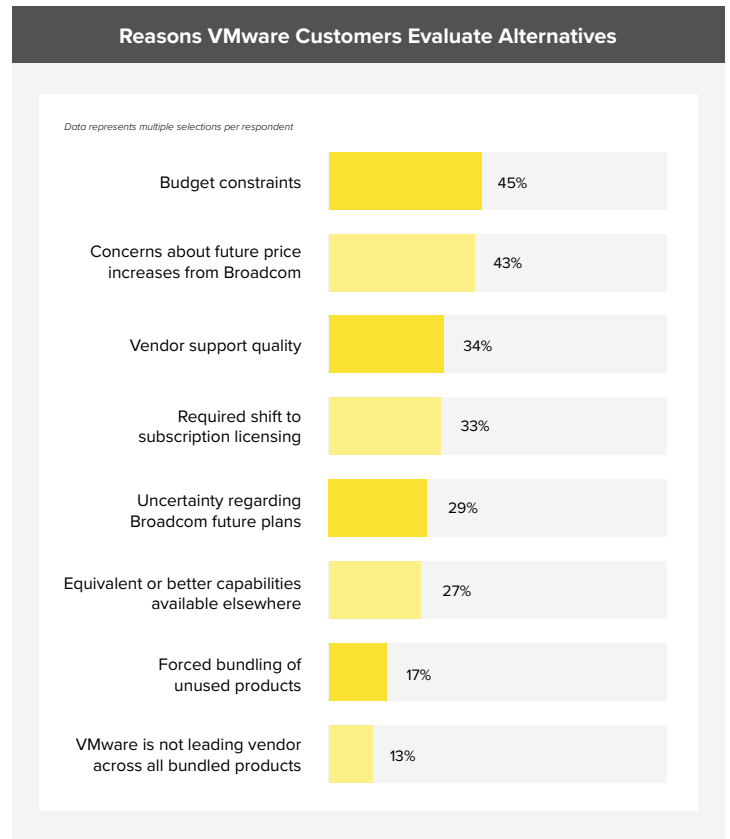
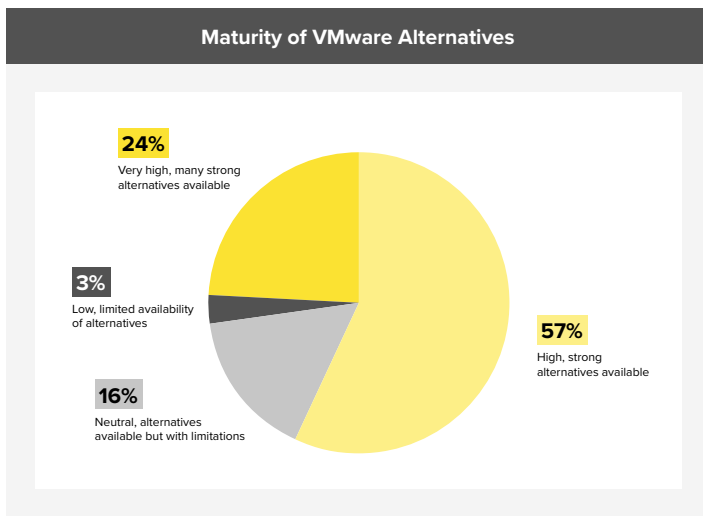
03

Insight 1



There's growth in the adoption and exploration of more cost-effective VMware alternatives

As VMware alternatives begin to gain traction, the hypervisor market is transforming quickly. Survey results show 98% of organizations are considering VMware alternatives, and 36% have already made the switch. Concerns about further price hikes under Broadcom are driving this trend, with 92% of respondents anticipating more increases within the next 12–18 months.



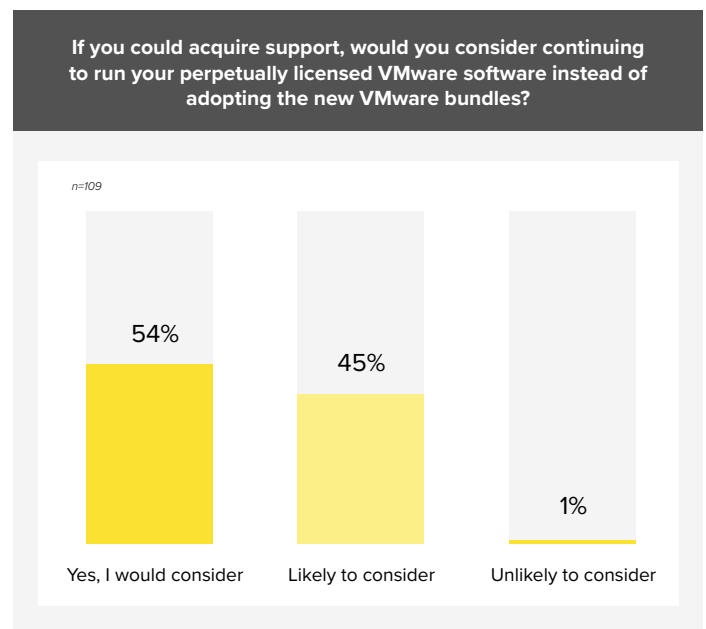
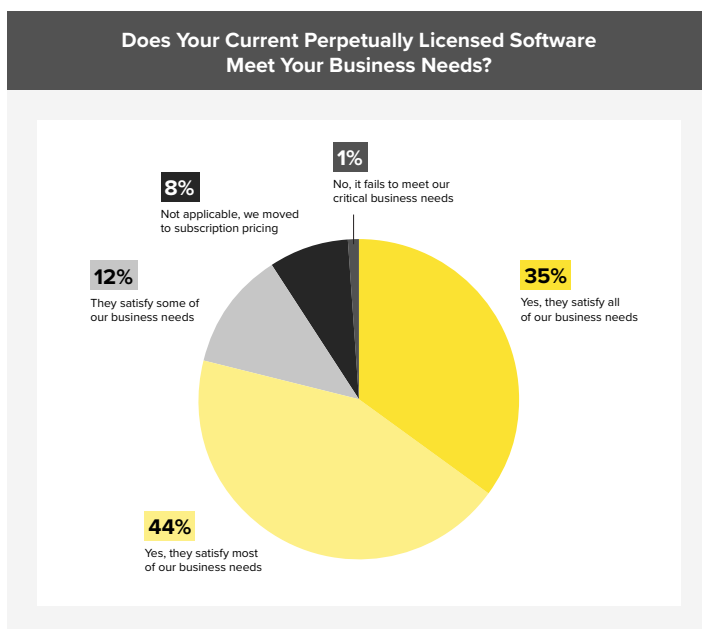
This shift reflects not only changing vendor loyalty but also an evolving landscape characterized by innovation and competitive pricing. The movement away from VMware underscores a critical turning point, prompting organizations to reassess their IT strategies and support structures.

By proactively exploring and adopting cost-effective alternatives, companies can enhance operational efficiency, lower expenses and mitigate risks associated with escalating costs. This is an opportunity for businesses to redefine their virtualization approach and position themselves for future success.

Insight 2

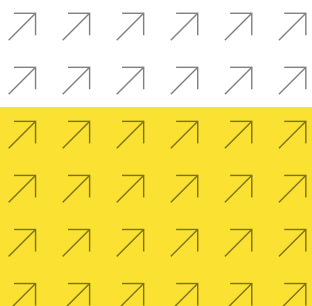
VMware customers value their perpetual licenses

Broadcom's push toward subscription-based licensing is raising concerns among VMware customers, who feel the shift primarily serves the vendor's financial interests rather than their own operational needs. In fact, 79% of respondents confirm that their current perpetually licensed software are sufficient to meet business demands, and 99% would prefer to retain these licenses if they could acquire support for them rather than adopt Broadcom's subscription bundles.



Perpetual licenses have long provided VMware customers with stability and cost efficiency. Adding third-party support to the equation increases the value of these licenses by avoiding unnecessary operational costs and removing the need to adopt bundles with products that do not align with their business needs.

The strategic use of perpetual licenses and third-party support, however, goes beyond just cost savings — it's about maintaining control over your IT strategy. It provides breathing room to innovate on your own terms, without the risk of operational disruptions. Companies that take this route can extend the life of their VMware investments, align IT decisions with their business objectives and build a sustainable, long-term approach to software management.

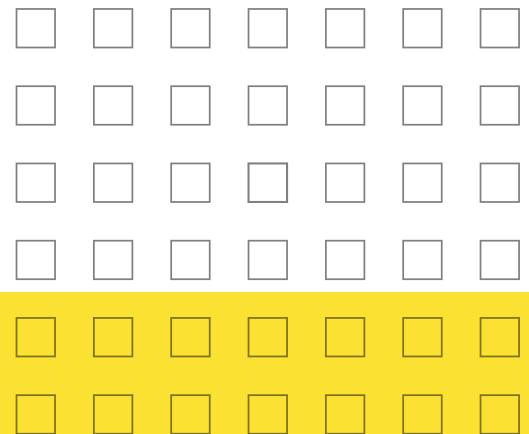
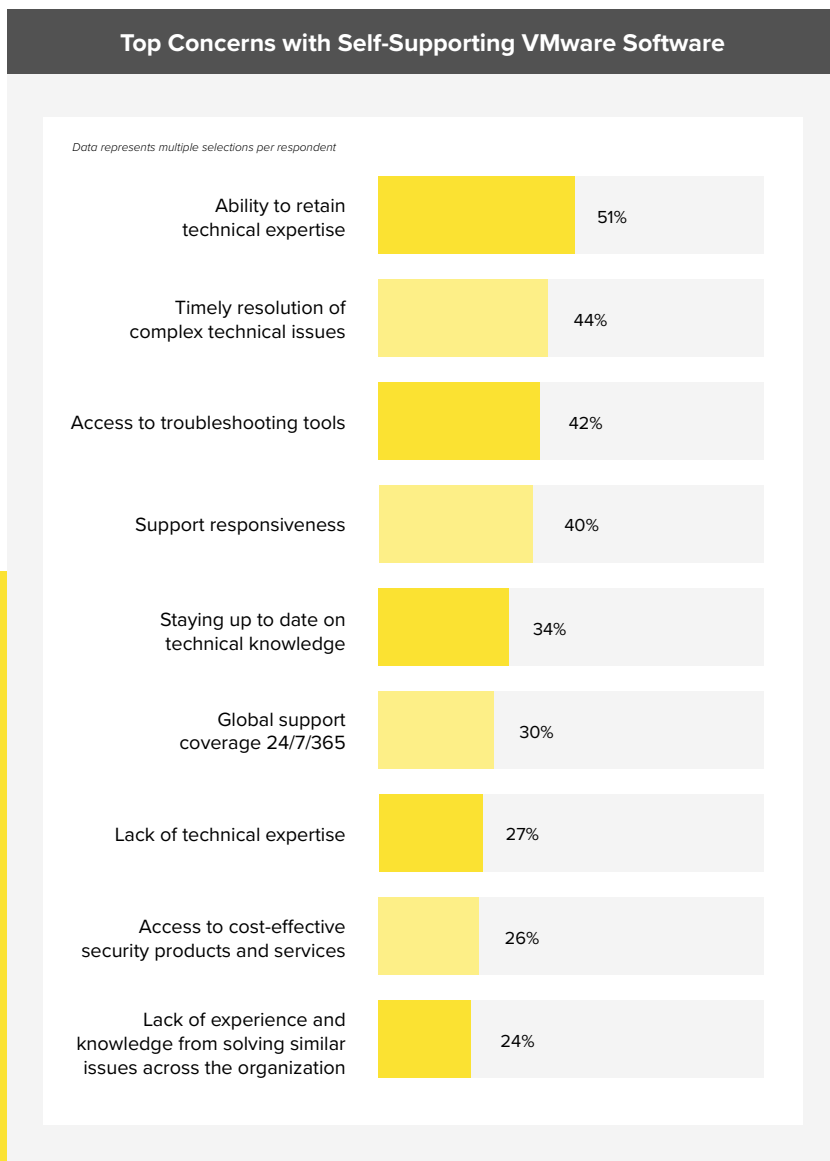


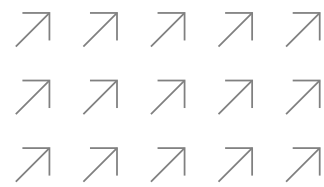
Insight 3

Self-support raises challenges in accessing technical expertise and ensuring timely support resolution

As businesses weigh their support options, many respondents highlight key challenges with self-support of VMware environments. The survey found 51% of respondents express concerns about the lack of technical expertise, and 44% worry that the slow resolution of complex issues could hinder productivity. With VMware software requiring specialized expertise in areas such as optimization, troubleshooting and advanced configurations, many organizations are recognizing the limitations of relying solely on in-house teams.

Additionally, 26% of respondents highlight difficulties in accessing cost-effective security solutions, underscoring the fact that security remains a critical yet expensive component of managing VMware environments.





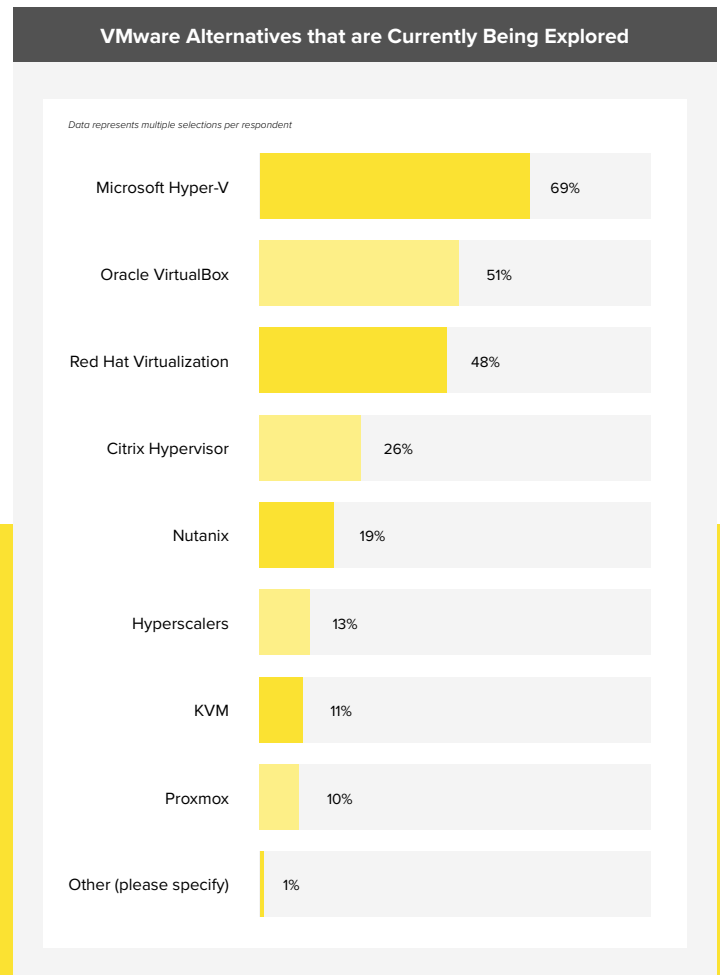
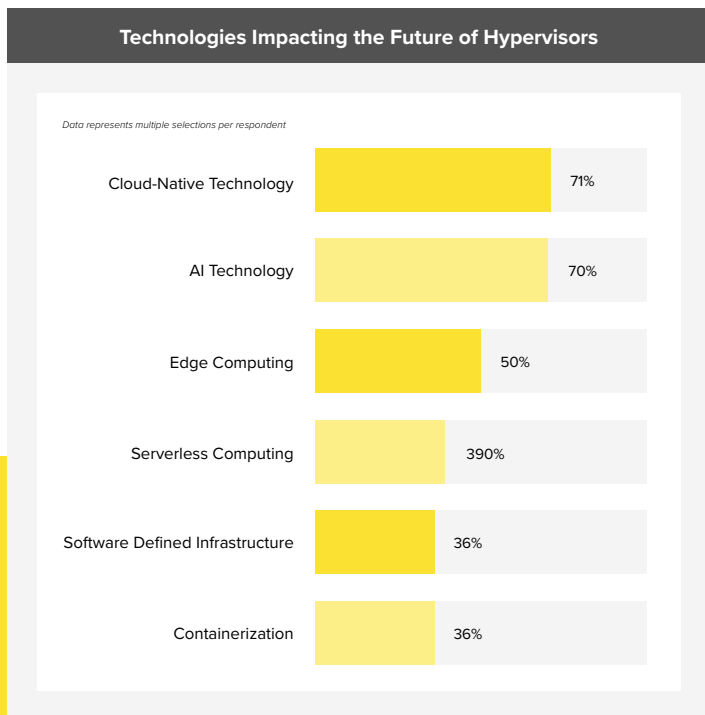
Insight 4

Cloud-native and AI technologies will shape the future of the hypervisor market

The hypervisor market is set for significant evolution in the coming years, predominantly driven by cloud-native technologies, which 71% of survey respondents identified as a major influence. Additionally, 70% of respondents highlighted the impact of AI technologies, while 50% pointed to edge computing as a crucial factor in this transformation.

This shift reflects a broader movement toward more dynamic systems, providing businesses with the agility to innovate and respond to rapidly evolving demands. Each of these transformative technologies drive efficiency, scalability and flexibility, contributing to a shift away from traditional infrastructure toward more dynamic, adaptable systems.

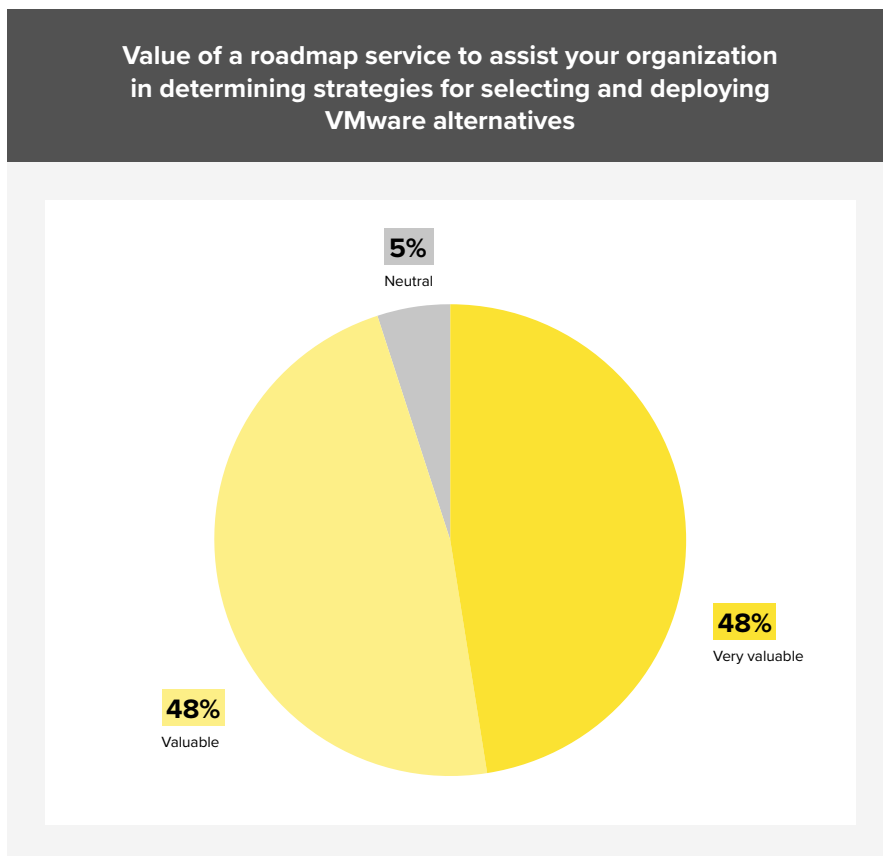
The hypervisor market will ultimately evolve toward automation-driven, edge-ready, and security-enhanced solutions. As organizations navigate this transformation, embracing a strategy that balances current infrastructure with the ability to integrate cutting-edge technologies ensures they remain competitive without incurring unnecessary costs. Organizations must look beyond traditional virtualization vendors and recognize hypervisors as enablers of cloud-native, AI-powered and edge-oriented environments. The market is set to evolve rapidly, making it essential for businesses need to maximize ROI of their perpetual licenses while taking the time to observe and adapt to emerging market trends.



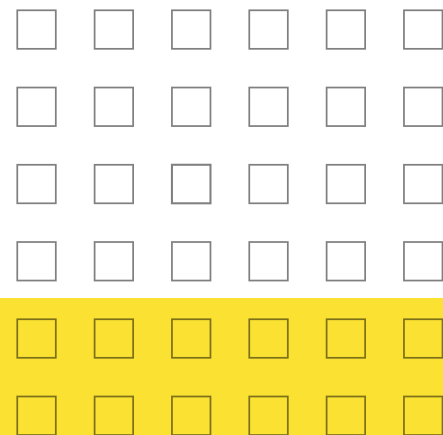
Insight 5

Changes in the hypervisor market are prompting customers to see high value in road-mapping services

According to survey results, 99% of respondents recognize the critical role of roadmap services in strategically selecting and deploying alternatives to VMware. As organizations struggle with the complexities of managing diverse workloads, they increasingly rely on expert guidance to optimize resource allocation and determine the best strategy.



Organizations are increasingly recognizing migration as an ongoing journey rather than a one-time project, highlighting the necessity for agile infrastructures that can adapt to their evolving business needs. As IT complexities continue to escalate, the expertise of professionals becomes invaluable, particularly for providers that offer comprehensive support throughout the entire process — from strategy formulation to execution and optimization.



04

Five recommendations for your future hypervisor strategy

1. Explore cost-effective VMware alternatives

Actively investigate and evaluate alternative hypervisor solutions that offer better pricing structures and align with your budgetary constraints. Conducting a thorough cost-benefit analysis will help identify options that provide the necessary functionality at a lower total cost of ownership.

2. Leverage perpetual licenses with third-party support

Retain your existing perpetual license by exploring third-party support providers, which can enhance operational flexibility, prevent you from incurring additional costs and allow you to optimize your VMware environment without rushing.

3. Mitigate self-support risks

Address the skills gap associated with self-support by investing in third-party experts. This will ensure you can resolve complex issues promptly, maintain productivity and improve overall system performance.

4. Evaluate your IT strategy regularly

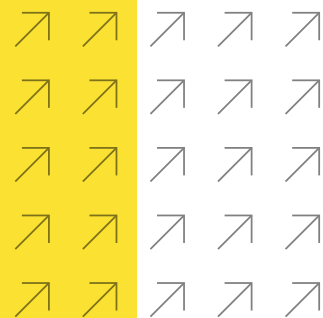
Adopt a mindset of continuous evaluation by regularly assessing the performance and alignment of current technologies and support models, adjusting as needed to ensure that you remain competitive and cost-effective.

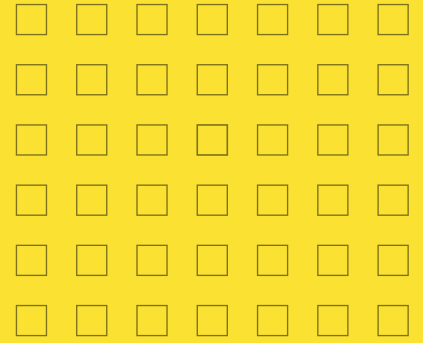
5. Invest in roadmap services

To navigate the complexities of migration effectively, engage with providers that offer roadmap services. These services can help create a strategic plan for evaluating and deploying alternatives to VMware, migrating to alternatives and ensuring alignment with evolving business needs and long-term objectives.

THIRD-PARTY SUPPORT WITH RIMINI STREET

Many organizations that recognized the value in retaining their current VMware licenses have turned to Rimini Street to become their trusted third-party support partner. As the global leader of third-party support for VMware, Rimini Street specializes in delivering expert support and solutions that allow you to extend the life and maximize the potential of your existing systems, while benefiting from comprehensive security and support practices from a team of dedicated VMware experts.





ABOUT RIMINI STREET

Rimini Street, Inc. (Nasdaq: RMNI), a Russell 2000® Company, is a global provider of end-to-end enterprise software support and innovation solutions and the leading third-party support provider for Oracle, SAP and VMware software. The Company offers a comprehensive portfolio of unified solutions to run, manage, support, customize, configure, connect, protect, monitor, and optimize enterprise application, database, and technology software. The Company has signed thousands of contracts with Fortune Global 100, Fortune 500, midmarket, public sector and government organizations who selected Rimini Street as their trusted, proven mission-critical enterprise software solutions provider and achieved better operational outcomes, realized billions of US dollars in savings and funded AI and other innovation investments.

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