VMware Cost Relief: Right Size, Renegotiate or Migrate

A lab backed assessment that compares three honest options for a VMware estate (right size and stay, renegotiate, or migrate some or all workloads) and gives finance and engineering one shared decision.

PRACTICE

Infrastructure Modernization

CLIENT PROFILE

A federal agency or commercial enterprise with a renewal coming up under Broadcom's subscription model, facing a sharp rise in VMware licensing cost and unsure whether moving away from VMware is worth the risk.

Challenge

- Broadcom ended perpetual VMware licenses for new purchases. It now sells per core subscriptions, mainly through the VMware Cloud Foundation (VCF) and vSphere Foundation bundles, with a 16 core minimum per processor.
- Many customers report sharp renewal increases. In a 2026 Unisphere Research survey commissioned by Rimini Street, 90 percent of respondents said licensing costs were prompting them to consider alternatives.
- Only 4 percent of respondents in a 2026 CloudBolt survey had fully migrated away. A VMware migration is harder than it looks.
- In federal environments, a platform change affects security baselines, STIG coverage and the Authority to Operate (ATO).

Approach

- Inventory hosts, cores, licenses, VMs and dependencies, and compare what you license with what you use.
- **Model three paths:** right size and stay, renegotiate scope and term, or migrate selected workloads.
- Assess alternatives, including Nutanix AHV, Red Hat OpenShift Virtualization, Microsoft Hyper-V and Azure Local, Proxmox VE and public cloud, against your workloads and your operations team's skills.
- Run a proof of concept in the Norseman integration lab with representative workloads, backup and recovery, and security tooling.
- **For federal teams, map accreditation impact:** baselines, STIG availability and ATO update effort.
- Deliver a costed, phased recommendation that includes the cost of doing nothing.

Typical Outcomes

- A renewal position based on actual usage, not on the vendor's estimate
- A clear, costed comparison of staying, shrinking and switching
- Lab evidence of migration effort and performance before any commitment
- An accreditation plan that keeps systems authorized through any change

Cost of Waiting

Renewal dates do not move. Teams that start late often renew on unfavorable terms, because there is no tested alternative to put on the table.

Procurement Paths

- NASA SEWP VI (Category A) for virtualization software, hardware and migration tooling
- ITES-4H for Army infrastructure
- GSA MAS for assessment and migration services
- **Commercial:** direct purchase and financing

Compare vehicles and ordering steps on **How to buy**.

Technology Options Assessed

- VMware Cloud Foundation and vSphere Foundation
- Nutanix AHV
- Red Hat OpenShift Virtualization
- Microsoft Hyper-V and Azure Local
- SUSE and Rancher based options such as Harvester
- Proxmox VE
- Public cloud IaaS
- Backup platforms that support cross hypervisor recovery

Frequently Asked Questions

Is leaving VMware always cheaper?

No. Migration labor, retraining, tooling and accreditation can offset license savings. That is why the assessment models all three paths.

How long does a migration take?

It depends on scale and complexity. One CloudBolt survey respondent said that unwinding a decade of dependencies took 18 to 24 months. Smaller, well documented estates can move faster.

Will a change affect our ATO?

A hypervisor change is usually a significant change for an authorized system. Plan the security assessment and documentation work alongside the technical move.

Book a Virtualization Options Assessment

We will test your real workloads in our lab and show you the cost of staying, shrinking or switching.

This is a representative use case. To request a briefing or a quote, contact Norseman Defense Technologies at 410.579.8600 or sales@norseman.com.