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A CPP PERSPECTIVE



THE ULTIMATE “PIVOT”: HPE VM ESSENTIALS

by Paul O'Dell, Partner



“Pivot” is a word that is getting a lot of use lately. It is defined in the business world as a significant change in direction or strategy, typically to adapt to changing market conditions or capitalize on new opportunities. It often involves making a significant change to the core aspects of a company’s operations, products, or services.

As everyone knows, Broadcom pivoted big time at the beginning of last year. They felt that they had enough dominance in the virtualization marketplace with their acquisition of VMware to essentially do a price pivot. As a result, most clients were forced to pay between a 2X and 10X price increase depending on what type of licensing they required. The move was so sudden it left clients with no chance to pivot themselves. And because VMware offers incredibly good solutions and deep support within

its ecosystem, it was incredibly difficult for clients to consider any alternatives. PIVOTING was not an option.

PARTNERS WERE CAUGHT OFF GUARD, TOO

I can honestly say that the first quarter of last year was among the most difficult I have had since I started in this industry 25 years ago. It was incredibly difficult because as a “value-add” person, I was stuck in a position where I didn’t have any answers and limited ability to add value. Broadcom took a firm stance not only with clients but with partners, too. Many questions were left unanswered; price increases went to clients without any real explanation. And if the client wasn’t happy (who would be?) the option was to live with it OR live without it. Broadcom felt confident that their solution was of exceptional value and irreplaceable by clients or partners. So, partners couldn’t PIVOT either in the best interest of their clients.



Throughout the course of last year, we explored any and all options. We looked at **Azure Stack** (now known as Azure Local). We absolutely love the solution and for the right clients it makes a lot of sense. Clients heavily invested in Azure and Microsoft can certainly reap some benefit there. However, for those not heavily invested, the cost-to-value proposition didn't quite work out. Why make a major move away from a core piece of your infrastructure for minor economic gain? So much of the overall technology ecosystem – back-up, DR, management applications and more – would be disrupted. We couldn't recommend it (or other options like Proxmox) unless the savings would have notable impact on the client's bottom line.

Turns out Broadcom and VMware knew exactly what they were doing. They realized a majority of companies and partners just couldn't make the move away from their technology. So, pricing skyrocketed and a lot of folks just had to swallow hard.

However, those of us who have been in the industry for a while have learned that all things change and the marketplace always corrects itself. *(I recommend this excellent [video](#) from my brother and partner Pat O'Dell on this subject.)*

HPE'S PIVOT: NECESSITY IS THE MOTHER OF INVENTION

Like other Original Equipment Manufacturers (OEMs), **Hewlett Packard Enterprise** also experienced the financial impact of Broadcom's move. And like the innovative market leader they have always been, they set a team in motion to come up with the ultimate PIVOT for VMware customers desperate for a more cost-effective alternative.

Fortunately, HPE had already been partnering with **Morpheus Data**, an amazing hybrid cloud virtualization company (which is embedded in their GreenLake platform). Then in the middle of last year, they purchased them. That acquisition enabled the development of **HPE VM Essentials**, a powerful virtualization management solution designed to simplify and reduce the costs of managing virtualized workloads. *(see sidebar in italic)* This solution now provides clients with the ability to manage both VMware and VM Essentials workloads in the same console, basically eliminating any inherent risk and providing a brilliant alternative for customers.

Originally, we weren't having clients move production to HPE VM Essentials; just dabble and test. But we now have some exciting news because that is about to change.



HPE VM ESSENTIALS AT A GLANCE

HPE VM Essentials offers seamless integration with existing VMware environments and supports both KVM and VMware-based virtual machines. With HPE VM Essentials, users can manage existing workloads, re-platform with ease, and enjoy a streamlined VM-vending experience. The software provides enterprise-grade features, flexible licensing options, and a unified interface for managing hybrid IT environments. By leveraging HPE VM Essentials, organizations can future-proof their IT infrastructure and accelerate their modernization projects.

A PIVOT IN PLAY

There is now a massive opportunity to pivot away from VMware using HPE VM Essentials. Most clients were rushed to (new word alert) productionize their existing VDI environments out of necessity related to Covid. These were typically lightly engineered and running on (guess what) VMware, Citrix and Horizon (now called Omnissa).

At the time, that was a reasonable approach. But considering the fact that VMware is no longer inexpensive, here's what a typical 2000-employee VDI environment entails from a VMware licensing perspective:

Servers	CPU	Cores	Total Cores	Price Per Core (avg)	Total Per Year Cost
32	2	48	3072	\$150	\$460,800

These figures only account for VMware Enterprise Plus, including licensing for Production and Disaster Recovery. Other necessary costs for hardware with GPUs, VDI software would be on top of that.

Now let's look at the alternative with HPE VM Essentials, which drastically reduces the total CPUs required (you would still need other corresponding hardware and software):

Servers	CPU	Cores	Total Cores	Price Per Core (avg)	Total Per Year Cost
32	2	NA	64	\$600	\$38,400

Those are substantial savings, absolutely worth exploring.



REMOVING THE FINAL OBSTACLE

Let's look back to my earlier point about ecosystem. VMware had a majority of the ecosystem covered especially pertaining to VDI. They owned Horizon (now Omnisia) and most Citrix deployments were done on top of VMware. So, being less expensive is great but if you have a support issue, who do you call? This issue is clearly the final obstacle that has given companies pause when they think about moving in a different direction.

HPE and Omnisia have worked feverishly to close this support certification gap. This will give clients comfort to know that their application is fully supported by HPE from an infrastructure perspective and Omnisia from an application point of view. This is what I perceive as the final obstacle to a true pivot away from VMware. The announcement that **HPE is currently in the process of finalizing this joint certification with Omnisia to run on VM Essentials is big news.** Picture those savings without a degradation in service level. You could pay for a big portion of the project just by moving from VMware to HPE VM Essentials.

The second piece of great news is that **CPP has been authorized to work with its clients on qualified POCs of Omnisia and HPE with VM Essentials.** We are currently seeking out companies who have an interest in being considered for a POC; contact us immediately to see if your company qualifies.

The time has come to make a move, take the power back, derisk, deleverage, possibly productionize, certainly POC and possibly PIVOT.

LET'S GO. Let's Pivot!

ABOUT CPP ASSOCIATES

*Founded in 2008, CPP Associates is an award-winning IT Solution Provider serving mid- to enterprise sized organizations throughout the U.S. Northeast region. Our solution portfolio includes the most urgent technology needs today, including **Cloud Optimization, Intelligent Automation (Front Office/Back Office), Modern Infrastructure, Cyber Protection and Recovery, and Managed IT Services.***

*With a 2:1 ratio of engineers to sales staff (the reverse of what is typical in the industry), we lead with technical acumen, a stringent analytical focus, and a vendor-agnostic perspective. With the highest level certifications and strong, long-standing relationships with the leading IT manufacturers – such as **Hewlett Packard Enterprise, Microsoft, Fortinet, Palo Alto Networks, Morpheus, Automation Anywhere, and Artic Wolf** – we provide our customers with unparalleled expertise and “concierge-level” consulting and support 24/7/365.*

*Our proprietary “**Infrastructure Anywhere Assessment**” factors in more than 100 variables to determine the ideal approach for our clients to deploy “cloud-like” infrastructure to maximize agility with increased utilization while at the same time, meeting demanding business requirements with a focus on technology, service level, security, and costs. Keeping with our philosophy that “**high tech without high touch**” will ultimately fail, we are proud of the powerful human connection we establish with our clients which leverages the synergies of trust and respect and drives our respective success.*



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