

## Media Release

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### **Dynamo6 Urges Businesses to Review IT Strategy as VMware Licensing Changes Create Widespread Uncertainty**

- Recent changes to VMware's licensing model, following its acquisition by Broadcom, are set to significantly increase costs and reduce flexibility for many New Zealand businesses.
- Industry analysts predict notable price hikes, contradicting initial claims of cost savings and leaving businesses facing budget uncertainty.
- Dynamo6 highlights cloud migration as a strategic imperative for businesses to mitigate risk, improve security, and build a more agile, future-proof IT environment.

In response to Broadcom's recent decision to end perpetual licensing for VMware, leading cloud partner Dynamo6 is advising New Zealand businesses to proactively review their IT infrastructure strategy to avoid significant future costs and operational risks.

The move to a subscription-only model, coupled with the discontinuation of many standalone products, has caused considerable concern across the technology sector. While the changes have been positioned as a simplification, independent industry analysts like Gartner and Forrester are predicting the opposite, forecasting significant price increases for many enterprise customers.

"VMware's decision to eliminate perpetual licensing represents a major shift that many businesses are unprepared for," says Igor Matich, Founder and Executive Director of Dynamo6. "The real impact will be felt when support and subscription contracts come up for renewal. Now is the critical time for leadership teams to understand their exposure and take a proactive approach before they are locked into an expensive and potentially restrictive ecosystem."

According to Matich, the move also highlights a long-standing issue with siloed IT infrastructure.

"Historically, managing a large portfolio of standalone products has been cumbersome, often creating a complex IT environment akin to a 'Frankenstein's monster'," Matich continues. "The shift towards pre-defined packages may further restrict businesses, forcing them into solutions that don't fully align with their specific needs."

In light of these uncertainties, a strategic migration to the cloud offers a compelling alternative. Cloud platforms provide cost savings through a pay-as-you-go model, enhanced security, superior disaster recovery, and the scalability to adapt to business demands. A 2021 Forrester study, for example,

demonstrated a return on investment of up to 182% for businesses moving to Google Kubernetes Engine.

Dynamo6, a leader in cloud migration services, helps businesses transition their workloads seamlessly. By embracing a well-planned cloud strategy, businesses can avoid the potential pitfalls of VMware's new structure and unlock a more agile, efficient, and future-proof IT environment.

In response to VMware's recent decision to phase out perpetual licensing and move to subscription-based pricing, Dynamo6, a leader in cloud migration and consulting services, highlights the potential impact on businesses currently using VMware software. This move, driven by Broadcom's acquisition of VMware, has significant implications for businesses presently relying on VMware software, and the outlook for long-term costs is concerning.

"VMware's decision to eliminate perpetual licensing and removal of support and upgrades once Support and Subscription contracts end, represents a major shift in this space", said Igor Matich, Founder and Executive Director of Dynamo6. "Many businesses are likely unaware of the potential cost increases and feature limitations this entails, and now is the time for them to take a proactive approach."

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#### **About Us**

Dynamo6 is a fresh-thinking technology company. With our blend of IT services – cloud, cybersecurity, modern workplace, digital experience and software development – we empower organisations to innovate in the digital world.

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