NationalCloud
a DataVita Company

Beyond VMware: The Reality for MSPs

Navigating the Broadcom transition and what comes next →

Introduction

Broadcom's acquisition of VMware has changed the MSP landscape. It has altered how providers deliver, price, and sustain virtualisation services. **This is not just a licensing change, it is a structural shift in control, cost, and customer ownership.**

We have lived through this transition first-hand at National Cloud, and having had enough of it we have been designing, testing, and running an alternative ecosystem in production.

This paper shares what we've learned, the trade-offs we've seen, and how MSPs can move forward.

Quick Navigation

Option 1: Move to Public Cloud

Shift workloads to AWS, Azure, or Google Cloud Platform

Migrating to hyperscale cloud can **simplify operations and remove the overhead of managing physical infrastructure.**

For many MSPs, this path appears straightforward but the reality is nuanced as the public-cloud economics and governance turn into challenges around workload visibility, pricing intricacy and compliance overhead.

Key Challenges

Customers often lack precise visibility into workload utilisation, making cost prediction difficult.

Reserved-instance discounts, egress fees, and tenancy variations complicate pricing models.

Security, sovereignty, and compliance constraints further erode the early appeal of "simplification."

Operational insight

- The classic lift-and-shift approach rarely delivers long-term value.
- Workloads designed for on-prem environments carry inefficiencies that inflate spend and limit optimisation.
- Public cloud performs best as part of a rearchitected environment, not a straight relocation.

Pros	Cons
✓ Simplified operations	✗ Complex pricing and workload mapping
✓ Global scalability	✗ Security / sovereignty limitations
✓ No hardware burden	✗ Higher cost for static workloads
	✗ Limited performance control

Our takeaway

Public cloud eliminates hardware but rarely reduces complexity. Without deep workload analysis and architectural redesign, cost and control challenges persist.

Option 2: Build an Alternative Virtualisation Stack

Explore Proxmox, Nutanix, OpenStack, OpenNebula, or Harvester

Replacing VMware isn't simply about swapping hypervisors, it's an **ecosystem rebuild.** MSPs must retain service continuity, interoperability, and customer confidence while re-engineering at the infrastructure layer.

Key considerations

Self-service parity
Recreate Day-2 operations (resize, snapshot, clone) to ensure continuity.

Backup & DR
VMware-native tools (SRM, Zerto) don't translate directly; alternatives like immutable backup and continuous replication are essential to preserve enterprise-grade RPO/RTO.

Storage
Hypervisors differ in handling storage (LVM, iSCSI, FC, HCI). Build a compatibility matrix covering protocol support, performance tiers, provisioning behaviour, and failover.

Existing hardware
Sweat current assets instead of scrapping them, the right platform extends lifecycle value.

Migration without disruption
Dual-stack architectures enable live transitions with zero downtime. Validate parity before cut-over to maintain SLA integrity.

Proof over perception
Use benchmarks to prove compute, storage, and network performance to meet or exceed VMware equivalents.

Implementation roadmap

Allows MSPs to migrate predictably, demonstrate parity, and preserve uptime.

Pros	Cons
Greater control	Re-engineering self-service, backup, DR and storage integrations
Lower licensing exposure	Retraining
Reuse existing hardware	Longer stabilisation period
Proven migration flexibility	

Our takeaway

What begins as a hypervisor project quickly becomes an ecosystem design challenge. However, with careful validation, MSPs can achieve resilience, cost efficiency, and independence at scale, breaking the dependency on reliance on VMware and offering customer choice.

Option 3: Move Under a VCSP-Invited Provider

Operate within Broadcom's approved partner ecosystem

Joining a Broadcom-approved VCSP provider can provide **short-term continuity and access to the new licensing model.** It's the fastest path to stability, but comes with strategic trade-offs like loss of commercial control and operating inside a closed ecosystem as well as continued future uncertainty around further changes in model, costs etc.

How it works

- You operate within someone else's framework: the VCSP dictates licence terms, pricing, and margins.
- While you retain operational responsibility, much of the commercial upside shifts away.

Why some MSPs choose it

- **Risk perception** (lack of awareness of viable alternatives)
- **Performance or compliance requirements** may justify staying on VMware in the short term.
- **Benchmarking costs,** capabilities, and risks before committing is crucial.

Paths to independence

- If full independence isn't feasible immediately, collaboration can bridge the gap.
- Some MSPs choose to white-label or co-operate with a provider that has already built an alternative stack, gaining continuity while retaining brand/customer ownership.

Pros	Cons
Immediate continuity	Margin erosion
Access to current VMware licensing	Reduced commercial control
Operational stability	Dependence on a closed ecosystem

Our takeaway

Continuity can buy time, but collaboration preserves control. Working with a partner that has already solved the platform challenge keeps you independent while the industry evolves.

Final Thoughts

Every MSP's journey will differ.

Some will prioritise speed; others will prioritise control. What matters most is approaching the VMware transition deliberately, balancing commercial resilience with customer experience.

We have implemented and tested all three routes in live production environments.

Contact us today to have a discussion

NationalCloud
a DataVita Company

www.national-cloud.co.uk