

Scaled, AI-led VMware Exit: Strategic Modernization for Enterprise Infrastructure

Transitioning from subscription-based
architectures to flexible public cloud
platforms





Overview

The Broadcom acquisition of VMware has led to changes in licensing models, a shift towards expensive subscription-based pricing. Therefore, numerous organizations are reassessing their infrastructure strategies in response to a 150-300% increase in licensing fees and a 200-500% increase in core re-metering costs.

We support this transition with a de-risked, phased approach, moving from a proprietary environment to a cloud environment that offers scalability and a reduced cost structure. The solution is aligned with production deployment. Thus, ensuring organizations plan transition, manage vendor dependency, and reduce cost changes ahead of renewal cycles.

Description

Our VMware exit strategy focuses on cost optimization, workload migration to alternative solutions, and modernization. This AI-led strategy is a scalable three-phased delivery model:



Re-host:

Uses native tools to fast-track migration



Re-platform:

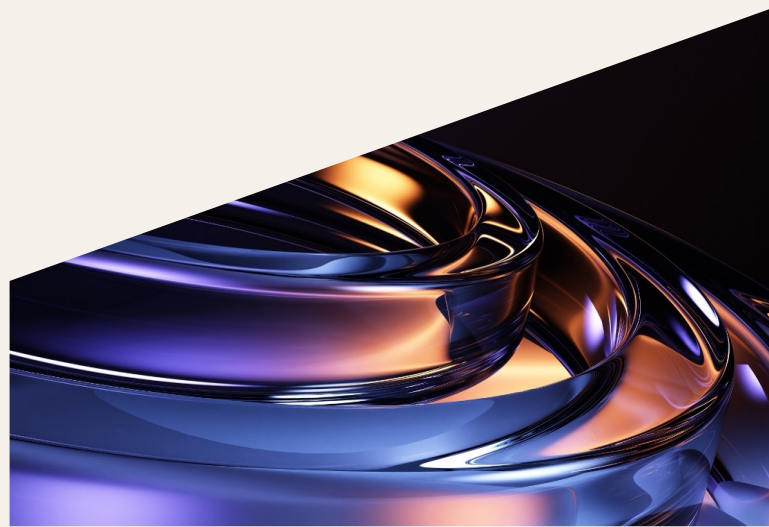
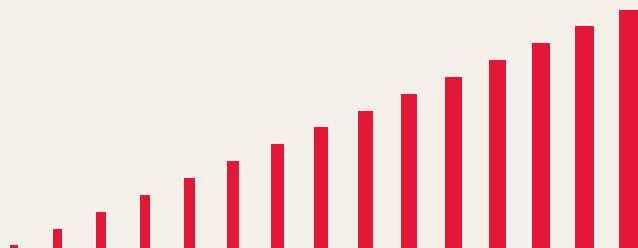
Modernizes end-of-life (EOL) servers



Re-factor:

Enables complete cloud-native transformation

Leveraging proprietary accelerators, such as Cloud BlazeTech, AzCopy, Lattice AI, and Reforge, ensure 60% faster cloud adoption. Collaboration with hyperscalers enables zero migration costs that align with consumption-based programs. Our execution model features a rapid two-week ramp-up, fixed-price engagements with transferred risk, and includes one-month hypercare. With over 10,000+ applications migrated, we bring certified expertise in handling complex legacy systems while achieving up to a 30% reduction in infrastructure costs through automation and FinOps.



Market Urgency: Why You Should Reconsider VMware

Broadcom's post-acquisition changes have led to massive cost increases, licensing complexity, and uncertainty about the VMware platform. Organizations are facing:



Financial Volatility: Licensing model updates and portfolio conversions have created pricing uncertainty and unexpected renewal cost increases.



Massive Cost Impact: Shifting to subscription models has resulted in 150-300% fee hikes, while core re-metering impacts existing deployments by 200-500%.



Vendor Lock-in: Proprietary architectures limit negotiation leverage and increase exit complexity.



Infrastructure Catalysts: Facility exits, data center (DC) lease expiries, and hardware refreshes now force critical infrastructure decisions.



Budget Overruns: Organizations with constrained IT budgets cannot absorb significant cost increases, driving the need for alternatives.



Expanded Public Cloud Migration Pathways

Enterprises are looking at public cloud platforms that provide managed services and integrated ecosystems to replace capital-heavy private clouds. Some of the public cloud platforms are:

1. AWS Migration Pathways:

Pathway A: Relocate (Amazon EVS)

Fastest migration with zero downtime using VMware Cloud Foundation natively on AWS while retaining existing VMware tools.

Pathway B: AWS Native (EC2, ECS, EKS)

High long-term cost control and modernization value by eliminating VMware entirely.

Pathway C: ROSA (Red Hat OpenShift on AWS)

Managed service for containerized workloads to accelerate modernization while offloading operations to Red Hat.

Pathway D: Nutanix NC2 on AWS

Enables fast migration and hybrid operations using existing tools.

2. Google Cloud (GCP) Pathways:

Pathway A: GCVE (Relocate)

High-speed exit using VMware HCX while retaining the VMware stack.

Pathway B: GCE (Rehost)

Direct migration to virtual machines for higher cost control.

Pathway C: GKE (Refactor)

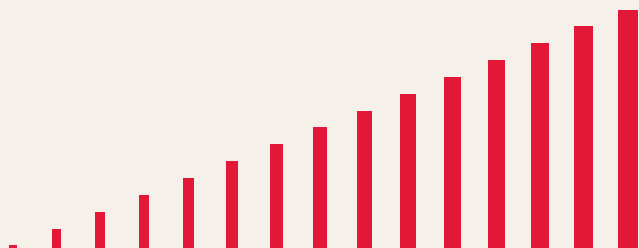
Maximum modernization value through containerization.

3. Microsoft Azure:

Optimized for Microsoft products, providing low latency to existing environments and seamless integration via Azure Native Cloud and Cloud-Based AVD.

4. IBM Cloud:

Supports moving workloads to IBM Public Cloud (VPC) or containers inside IBM Cloud Satellite to remove VMware dependency.



Why Tech Mahindra?

Enterprises partnering with Tech Mahindra benefit from a strategic approach that combines advisory expertise with execution at scale:



Strategic Advisory

We provide objective assessment, business case development, TCO analysis, and future-state architecture design.



Proven Experience

Our track record includes factory migrations of over 10,000 applications across different cloud platforms.

The TechM Advantage: Re-usable Accelerators



Cloud BlazeTech

A strategic platform supporting the full journey from TCO analysis to automated hybrid cloud operations and site reliability engineering.



AzCopy

An IaC/DevOps automation accelerator that deploys secure, compliant landing zones in minutes with 'everything-as-code' templates.



Handling the 'Difficult Stuff'

We bring certified expertise in migrating complex, tier-1 applications (SAP, Oracle, legacy systems), custom clusters, and high-risk dependent services.



Ready to Go

We offer a two-week ramp-up period with 85% of resources available immediately to start projects.



Commercial Risk Mitigation

Fixed-price engagements transfer migration risk to Tech Mahindra, supported by milestone-based payments and data center buy-out options.



Lattice AI (IDP):

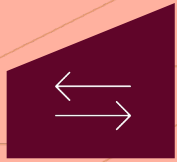
Increases innovation velocity via developer self-service, golden paths, and governed architecture standards across the software supply chain.



Reforge

A GenAI-led platform for app modernization that catalogs code behavior and maps components to target-state architectures.

One Platform, Many Benefits



Zero Migration Cost

We achieve maximum funding through Hyperscaler programs (e.g., AWS MAP, VMA, VMP) to offer zero migration costs based on consumption.



Risk Transfer

Fixed-price engagements with milestone-based payments ensure migration risk is transferred to Tech Mahindra.



Operational Efficiency

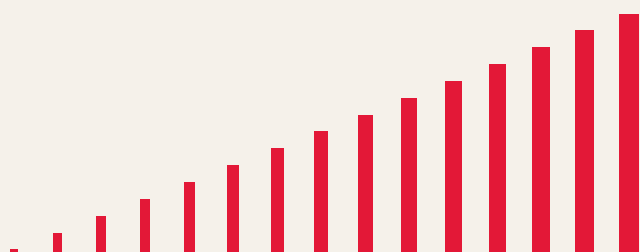
Targets up to a 30% infrastructure cost reduction via automation and FinOps.

Major Wins and Success Stories

Large European Telecommunications Leader:

A leading German-based provider operating large-scale VMs, spanning over 4,500 across 333 ESXi hosts, decided on a strategic transformation to address the accelerating costs and architectural rigidity. The current landscape, spread across eight fragmented data centers, was heavily reliant on proprietary VMware architecture that resulted in limited flexibility, high operational overhead costs, and higher complexity in lifecycle management.

To control these setbacks, the organization initiated a comprehensive VMware exit strategy that involved consolidating data centers from 8 to 2 facilities and undertaking a large-scale V2V migration. The strategy was designed to ensure continuity while modernizing the existing platform.



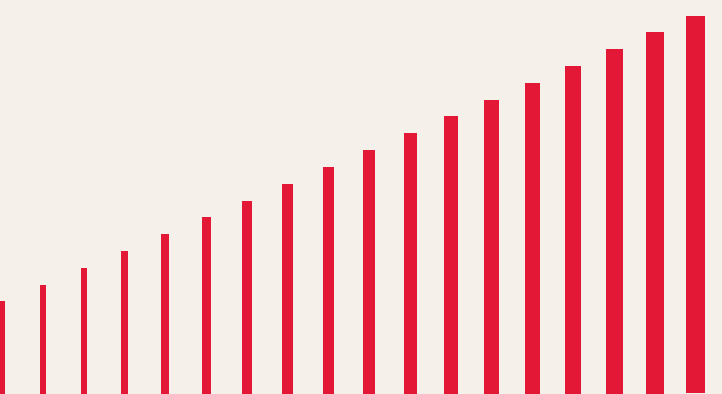


The answer was simple: using a Red Hat OpenShift Virtualization with PaaS private cloud model. The combined effort led to marked improvements in operational efficiency and significantly reduced the carbon footprint, enhanced system resilience and data integrity, strengthened the company's ability to recover from the disruption, and established a flexible, scalable foundation for sustained digital growth.

Large North American Telecommunications Leader:

A leading telecommunications provider in North America undertook a large-scale hybrid cloud transformation to modernize its IT estate, increase scalability and agility, and enhance operational control. It involved migrating a highly complex application and infrastructure landscape comprising more than 1,300 applications and 63,169 servers to a managed AWS Outposts environment. Due to the large-scale environment, the organization aligned with the PaaS principle to orchestrate a seamless transition of business-critical workloads while maintaining performance, compliance, and service continuity.

This tightly aligned cross-functional collaboration secured a \$22 million total contract value (TCV) deal, establishing a scalable, automated, and resilient hybrid cloud foundation. Thus, positioning the organization to accelerate innovation while maintaining operational excellence.

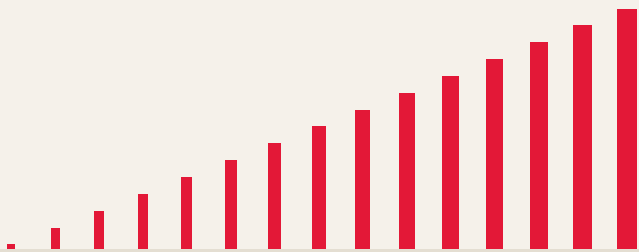




Large US Life Insurance Provider:

The seventh-largest US life insurance provider, managing a distributed estate of 6,000 devices, was constrained by escalating licensing costs, fragmented patch compliance, and the operational complexity of managing remote endpoints with legacy tooling. The exit transition encompassed an end-to-end transformation to Intune, Tanium, and Patch My PC, including packaging of more than 205 applications, to replace disparate legacy systems, with a streamlined, policy-driven architecture designed for scale and resilience. Central to the strategy was the implementation of Intune AutoPatch, integrated with Tanium and Patch My PC, which enabled

automated deployment rings and a structured, weekly, risk-based prioritization model. The approach ensured consistent, timely patching while aligning remediation efforts with business-critical risk exposure. The outcome of this strategy is a measurable step change in operational effectiveness and security posture, enhanced compliance through real-time visibility, reduced operational overhead, and increased a scalable, future-ready foundation for endpoint governance.



Conclusion

Tech Mahindra's VMware Exit playbook provides a two-week time-to-value through AI-enabled discovery and certified technical expertise. By leveraging hyperscaler funding and including one-month Hypercare with full knowledge transfer, we ensure your exit timeline is met before renewal cycles. Contact our hyperscaler BU leaders today to begin your objective assessment and future-state architecture planning.

About Tech Mahindra

Tech Mahindra (NSE: TECHM) offers technology consulting and digital solutions to global enterprises across industries, enabling transformative scale at unparalleled speed. With 147,000+ professionals across 90+ countries helping 1100+ clients, Tech Mahindra provides a full spectrum of services including consulting, information technology, enterprise applications, business process services, engineering services, network services, customer experience & design, AI & analytics, and cloud & infrastructure services. It is the first Indian company in the world to have been awarded the Sustainable Markets Initiative's Terra Carta Seal, which recognises global companies that are actively leading the charge to create a climate and nature-positive future. Tech Mahindra is part of the Mahindra Group, founded in 1945, one of the largest and most admired multinational federation of companies. For more information on how TechM can partner with you to meet your Scale at Speed™ imperatives, please visit <https://www.techmahindra.com/>



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