

VMware Licensing Support

Mitigating the impact of Broadcom's VMware licensing changes

The Broadcom impact

Broadcom's \$69 billion acquisition of VMware in late 2023 triggered a seismic shift in how VMware software is priced, licensed, and supported. Perpetual licences were scrapped overnight. The VMware product catalogue was slashed, with most customers pushed toward two expensive new bundles: VMware Cloud Foundation and VMware vSphere Foundation.

Organizations that declined to renew under Broadcom's terms have now begun receiving cease-and-desist letters, warning them not to apply software updates or security patches. And now, Broadcom has taken it a step further by initiating formal software audits via third-party firms.

For many businesses, this creates a perfect storm of risk:

- Soaring costs
- Loss of support and access to updates
- Uncertainty around compliance, especially where legacy entitlements still exist
- Mandatory reporting requirements that increase exposure if you're unprepared

If you run VMware on AVS / hyperscalers, procurement routes are changing. Plan licensing portability and renewals early. With audits now underway, inaction could lead to unexpected license costs, reputational damage, and operational disruption.

At a glance: what's changed?

- The sale of all perpetual licenses has ceased, and existing perpetual licenses cannot be migrated or traded into the new subscription model.
- For these new suites, Broadcom has introduced a core-based licensing model, with the added complexity of a TiB/GiB metric for the vSAN component of the suite.
- Minimum purchase thresholds have increased (e.g., 72-core minimums in some scenarios), impacting smaller estates disproportionately.
- Broadcom is now introducing mandatory compliance reporting every 180 days to some customers on the latest version of the software.
- Late renewal penalties: missed anniversaries may trigger surcharges (e.g., 20% of first-year subscription).
- Much of VMware's product portfolio has been moved to End of Availability, with Broadcom now pushing VMware Cloud Foundation regardless of whether they need all the components or not.
- Broadcom has migrated everyone off the VMware Customer Connect portal to the Broadcom Support portal. In this transition "only license keys that have an active support contract" were migrated.
- Hyperscaler licensing shift: AVS (and other hyperscaler offers) increasingly require portable VCF subscriptions purchased separately; bundled procurement routes are changing.
- All of the above changes have been compounded by large price increases at renewal. Uplifts vary widely depending on bundle fit, term, and historic entitlements. Livingstone is seeing 100–600%, with higher outliers reported in the market.



Our solution to help you take back control

Livingstone's independent VMware licensing experts can help you respond decisively and confidently. Whether you're months away from renewal or have already received an audit notice, our team gives you the clarity and negotiating power you need. We help you:

- **Build an Effective Licence Position (ELP)** to identify what you're using, what you're entitled to, and where any exposure may exist
- **Explore alternatives to VMware**, including cost-effective migration paths tailored to your business needs
- **Avoid unnecessary uplifts** by challenging inaccurate pricing or bundling assumptions
- **Support audit defence** if Broadcom initiates a review of your estate
- **Model your costs under Broadcom's new bundles**, ensuring you only pay for what you need
- **Comply with mandatory reporting**, reducing your legal and operational risk exposure



Outcomes & Benefits

- **Avoid audit panic:** Be prepared with a defensible ELP and expert support
- **Protect your IT budget:** Identify and avoid unnecessary costs under Broadcom's inflated pricing
- **Reduce time and effort:** Let our experienced licensing team handle the complexity for you
- **Make informed decisions:** Whether you stick with VMware or move away, we help you plan with confidence
- **Achieve real savings:** We recently helped one customer reduce a proposed renewal quote by over 70%, delivering \$72.7m in savings

Take control of your VMware position now.

Broadcom's aggressive licensing shift is already impacting organizations globally. Don't wait for an audit letter to find out where you stand.

Contact Livingstone today to book a VMware licensing review or ELP engagement.

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