Oracle Cloud Infrastructure and VMware: Partners in Delivering an Effective Cloud Migration Approach

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Summary

Catalyst

Although Oracle entered the cloud market with Oracle Cloud Infrastructure (OCI) after some of the leading cloud providers, this timing allowed them to identify the limitations of early cloud architectures for enterprise workloads. OCI's architecture development benefitted from these earlier insights. OCI is designed to address the current and next wave of hybrid- and multi-cloud services, including Oracle Cloud VMware Solution (OCVS) to create and manage VMware workloads. Omdia research reveals that there are particular areas of strength for OCI. Omdia conducted an independent comparison of the top nine global cloud providers, enabling potential customers to discern the various capabilities of cloud computing and how Oracle stacks up against others. OCI emerges as a leading cloud provider in this assessment.

OCI is a Leader in Omdia Universe: Cloud Service Providers 2024

Omdia view

In recent years, there has been rapid growth in cloud adoption, with numerous organizations migrating to leverage its elasticity and OPEX model. This surge laid the foundation for a shift where cloud computing is poised to dominate the technology landscape for the next decade. However, the workloads transitioning to the cloud are increasingly complex and business critical.[1]

Operating in the cloud requires IT departments to balance business agility improvements and revenue generation without increasing cost. This presents a significant challenge for IT organizations, spawning new approaches to cloud adoption and workload migration. Cloud service providers (CSPs) have evolved their offerings to meet this demand for easily consumable, enterprise-grade services that IT can centrally manage and coordinate for strategic cloud utilization. However, cloud-based operations entail different financial management, vendor selection, and operational usage criteria compared to traditional on-premises architecture. Customers must carefully assess their core requirements when selecting a CSP to ensure these criteria are adequately addressed.

Many organizations have invested heavily in VMware technology to improve IT efficiency, agility and reliability. Though VMware has adapted its platform for seamless operation in both on-premises and public cloud environments, customers are faced with the critical decision of selecting the most

[1] Omdia's IT Enterprise Insights: IoT, Cloud, AI, 5G, and Sustainability – 2024 survey.

suitable public cloud provider. In this regard, OCI emerges as one of the leading options for VMware workloads, providing customers with confidence in their cloud infrastructure choices.

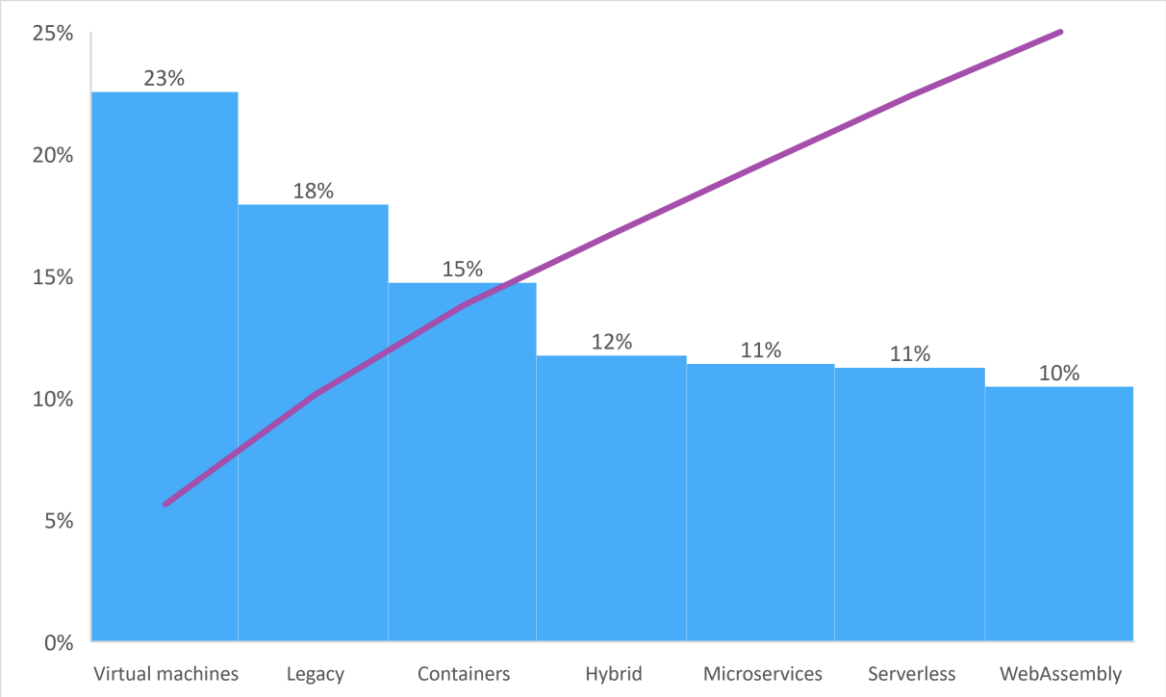
Key Messages

- Most workloads still run in a virtual machine architecture.
- Hybrid cloud is being adopted as a pragmatic approach to migrating workloads to the cloud.
- Customers consider price and TCO, including any hidden costs, as a key selection criterion.
- OCI ranks highly for private and hybrid cloud, scale and software environments, pricing and TCO, and service quality.
- OCI also ranks exceptionally well across several criteria for customer experience and strategy.

Virtual machines remain the cornerstone of enterprise architecture

Despite the interest in cloud native, virtual machines (VMs) remain the software environment of choice (see **Figure 1**).

Figure 1: Current Software Environments in Use



Source: Omdia's IT Enterprise Insights survey, 2024

Omdia considers that VMs have retained this dominant position because of their:

- **Versatility:** VMs offer the flexibility to run multiple operating systems and applications on a single physical server. VMs are the most used software environment with an abundance of

skilled personnel, and are used as the basis for many of the cloud-native software environments.

- **Scalability:** VMs let organizations dynamically scale resources up or down based on workload demands.
- **Security:** VMs provide isolation between workloads, minimizing the risk of data breaches and unauthorized access to sensitive information.
- **Cost efficiency:** Virtualization reduces hardware and operational costs by consolidating multiple VMs onto fewer physical servers.
- **Legacy support**: VMs allow seamless migration, allowing organizations to modernize their infrastructure while preserving investments in existing software.

VMware is the market leader and has more than 500,000 customers globally. Oracle has more than 430,000 customers. Many of these customers overlap and are shared by VMware and Oracle.

VMware on OCI is a leading capability for workload migration

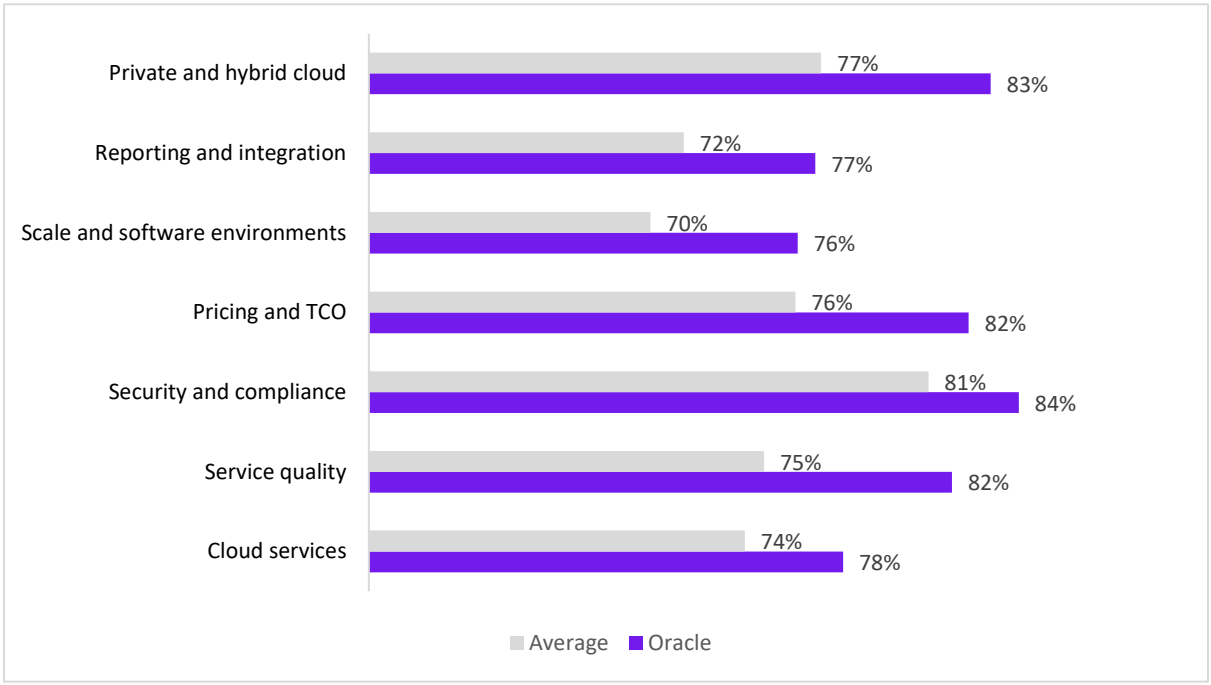
OCI is engineered for performance, security, and scalability to support VMware workloads. Oracle has achieved leading scores across various capability areas in the Omdia Universe: Cloud Service Providers 2024 (see **Figure 2**). The Oracle Cloud VMware Solution (OCVS), generally available since 2020, has helped hundreds of organizations migrate their on-premises VMware environments to the cloud, providing numerous benefits:

- **Seamless migration and modernization:** Rapidly lift and transform VMware-based workloads with flexible cloud infrastructure without changing the applications, tools, or processes. OCVS includes VMware licenses to run on modern OCI compute shapes in a dedicated VMware software defined data center (SDDC).
- **Fully integrated, customer-controlled experience:** Administrators have full root access and level-2 (L2) network virtualization to ensure complete control over access policies and connectivity. Enhanced security for VMware workloads is a direct benefit of this control. With fully redundant and geographically dispersed data centers, Oracle National Security Regions (ONSRs) meet the highest U.S. government classification levels for Top Secret/SCI workloads. OVCS is fully integrated, providing a unified customer experience with hundreds of adjacent cloud services (e.g. Oracle Autonomous Database, Oracle Exadata Database Service, Oracle MySQL Heatwave, HPC and GPU instances, AL/ML, analytics, security, storage, and networking).
- **Price Protection and reduced TCO:** OCVS as a first-class, OCI-native service is available in 48+ OCI commercial regions with on-demand, 1-year, and 3-year pricing. This pricing covers the latest OCI compute shapes available in 12 to 128 core configurations, and includes the VMware software license costs. OCVS ensures a lower total cost of ownership (TCO) by eliminating expenditures on hardware, software, and infrastructure without comprising quality of service. Customers can easily scale up and out with pay-as-you-go pricing.

Organizations seek a low-risk, cost-effective approach to cloud migration. OCVS offers a straightforward migration path with on-premises and public cloud capability. Further, OCI has

achieved a leading capability score for hybrid cloud compared to the other Leaders in the latest Omdia Universe: Cloud Service Providers 2024. The ability to scale hybrid VMware environments is critical to success; OCI stands ready to provide assistance and support on this journey to the cloud, consistently ranking highly for service quality.

Figure 2: Comparison of Key Cloud Capabilities



Source: Omdia

Oracle shines at private and hybrid cloud, and service quality

Customer feedback shows Oracle's approach is resonating

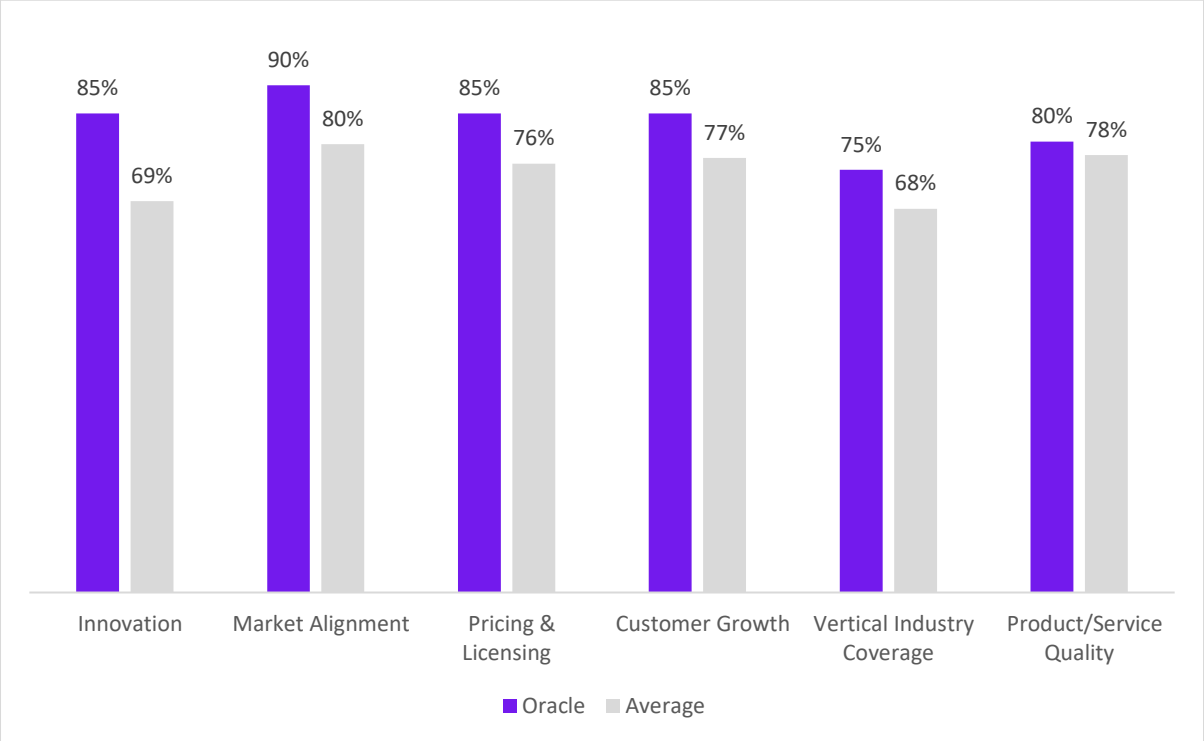
Oracle was a leading CSP in customer service scores, according to the vendor execution survey in the Omdia Universe: Cloud Service Providers 2024 (see **Figure 3**). Vendor execution includes customer experience and partner and ecosystem scores. Across these dimensions, Oracle's individual scores consistently ranked within the top three, boasting a customer experience score of 77%, the second highest in the survey.

Oracle's market momentum is driven by its growth in customers. Oracle also scored highly in terms of pricing and licensing, mainly due to its single global pricing policy and its low data egress charges relative to competitors in the Universe.

OCI and VMware have helped hundreds of customers fully leverage industry-leading OCI Compute shapes with the same familiar and certified VMware tools they use on-premises. These customers include leading enterprises in various sectors, including finance, retail, telecommunication, manufacturing, government, and global systems integrators. Rather than embarking on arduous rearchitecting, reskilling, or refactoring endeavors, these customers have turned to OCI for a swift transition to the cloud, mirroring the predictability, security, and control of VMware workloads that they have on-premises.

Oracle scores highly on customer experience, market momentum, pricing and licensing satisfaction.

Figure 3: Customer Experience and Strategy Comparison



Source: Omdia

Telecommunications giants like TIM Brasil and Telefonica have embraced OCVS, achieving enhanced operational efficiency through a seamless transition from on-premises data centers.

- Pietro Labriola, CEO of TIM Brasil, attests to the success of this transformative journey, stating, *"Using a multicloud strategy, we are the first carrier in Brazil to move 100% of our workloads to the cloud. It includes moving our customer billing system, our CRM, and VMware to Oracle Cloud Infrastructure. Oracle has been a fantastic partner in our technology evolution."*
- Denise Inaba, CIO of Vivo, emphasizes that moving to the cloud provides the agility needed to accelerate business and improve services. *"Vivo, the Brazilian branch of Telefónica, migrated essential data and processes to Oracle Cloud Infrastructure (OCI), reducing IT costs and accelerating new service offerings. Over 90 percent of data from the Campinas data center has been transferred to OCI, supporting Vivo's mission-critical applications."*
- *"Oracle Cloud VMware Solution takes just a matter of hours to move workloads into the cloud as we need them while keeping the full security credentials intact. Overall, we have seen a 55% lower annual TCO, paving the way for us to move additional VMware workloads in the future."* – Minn Wint Oo, Deputy Managing Director and Chief Technology Officer, AYA Bank
- *"San Jose Water selected Oracle Cloud VMware Solution because it could operate as an extension of the company's on-premises environment. It allowed the team to move legacy workloads faster, while enjoying the same ease of management, scalability, security, and full admin rights as on-premises."* – Alexander Hawk, Director of Customer Information Systems, San Jose Water
- *"Oracle, including the team that helped us set up OCVS, is brilliant in terms of capability, responsiveness, and technical know-how. They are up there with some of the best cloud support we get."* – Maroun Azzi, General Manager Technology, Membership and Motoring, The NRMA

Oracle and VMware simplify the path to cloud adoption

In conclusion, migrating VMware workloads to OCI using OCVS offers businesses a simplified path to cloud adoption while maximizing their current VMware investments. OCVS provides a dependable platform that replicates the familiarity of VMware on-premises environments, enabling a seamless transition without the need for extensive retraining or infrastructure modifications. With features such as live migration and bulk migration capabilities, OCVS expedites the migration process, minimizing disruptions to business operations. Furthermore, OCVS's integration with OCI guarantees scalability, security, and cost-effectiveness, empowering businesses with enhanced flexibility and innovation in the cloud.

Appendix

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