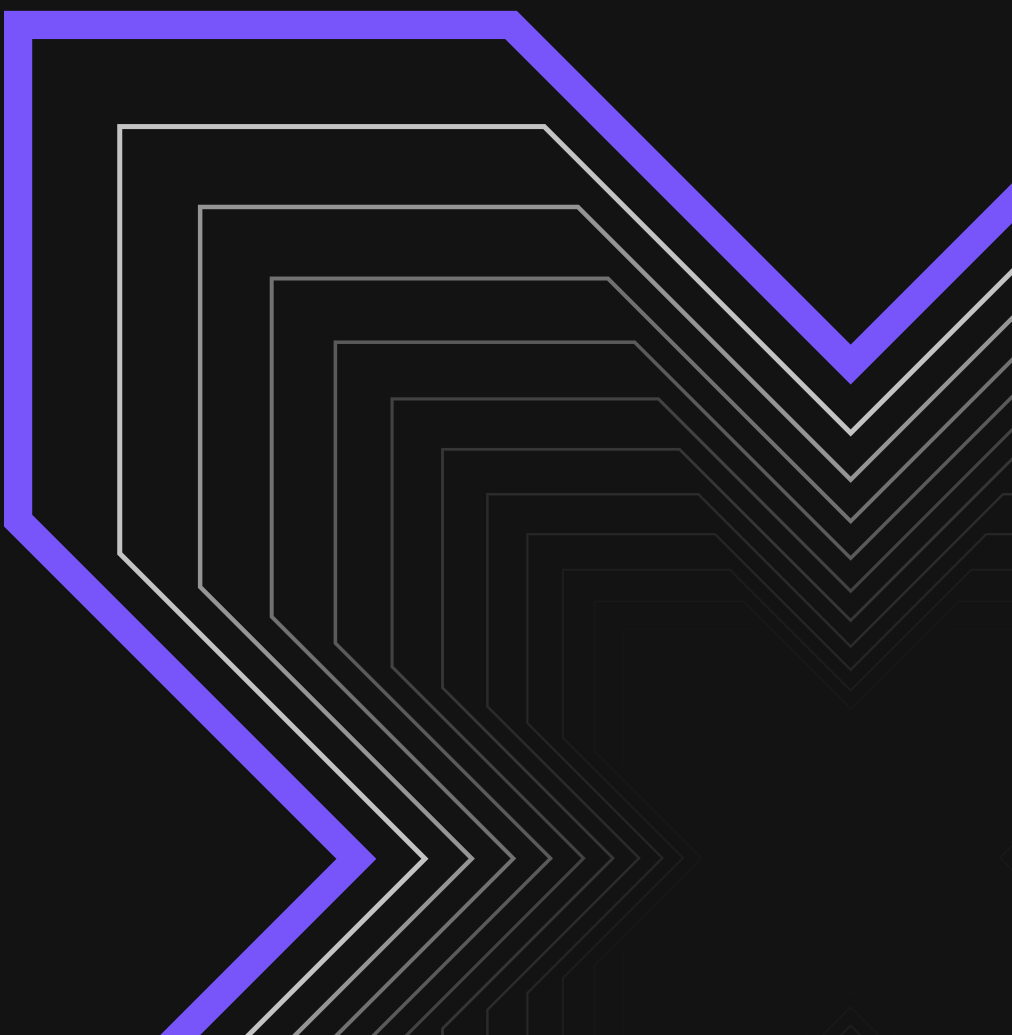


eBook

10 Reasons Why Infrastructure is Now a Strategic Financial Decision

NUTANIX



Broadcom's acquisition of VMware did not simply change product packaging, it reshaped the financial and strategic calculus that governs how enterprises allocate capital, manage operational risk, and shape long-term strategy.

What follows are ten things every IT and business leader should understand before their next infrastructure decision.

01

This is No Longer Just a Renewal Decision

It is a capital allocation decision.

Broadcom's acquisition of VMware transformed what was once a routine infrastructure renewal into a high-stakes strategic financial choice. You are no longer simply renewing software, you are choosing an economic structure that will govern your capital, your flexibility, and your operational risk for the next three to five years.

Ask yourself: Are we renewing software, or are we locking in an economic constraint?

02

Bundled Pricing Blurs Your Budget Boundaries

You may be funding a future state you haven't approved.

When licensing forces you into all-encompassing bundles, the distinction between your renewal budget (maintaining the status quo) and your transformation budget (funding AI, modernization and innovation) becomes dangerously blurred.

You may find yourself paying for capabilities aligned with an aspirational future state that has not been approved, funded, or strategically prioritized. That is imprecise capital allocation and it reduces your financial agility.

03

VMware NSX Was Included. Now It's an Add-On.

Pricing comparisons may not represent a like-for-like feature comparison.

The "up to 50% price reduction" messaging around VCF comes with important context. While the base platform may appear lower cost, capabilities that were previously bundled with NSX, are now often positioned as add-ons (e.g., vDefend, vDefend ATP, Avi Load Balancer).

As a result, when rebuilding a like-for-like environment with similar networking and security, the total cost can differ from the headline, and in some cases increase, once these components are included.

04

Economic Drag Is Real and It Compounds

The cost you don't see on a line item is often the largest.

Economic drag is the cumulative impact of architectural rigidity, licensing constraints, operational complexity and vendor lock-in over time. It rarely appears in a procurement line item, but it manifests in escalating support costs, add-on purchases to restore lost functionality, increased consulting dependency, operational overhead, and reduced negotiating leverage at every future renewal. “[According to OMTCO](#), Software licensing represents roughly **25–30%** of total IT spend.” But the platform's economic structure influences the remaining **70%**. That is the number boards members should be focused on.

05

Not Every Customer Is Forced to Deploy VCF 9

The deployment path depends entirely on what you actually use.

There is a common misconception that every VMware customer must deploy VCF9 before the v8 end-of-general-support date (October 11 2027). This is not accurate. Customers only face a mandatory full VCF 9 deployment if they are actively using specific trigger products: NSX networking, Aria Automation, Aria Operations Advanced/Enterprise, vSAN Advanced management, VMware Kubernetes Service (vKS), Tanzu App Platform, Private AI Services, or Data Services Manager.

Customers without these dependencies may be eligible for the VVF path, a core virtualization footprint that does not require the full VCF 9 stack. Understanding your actual product footprint changes your commercial options significantly.

06

Supply Chain Volatility Is a Strategic Risk, not a Temporary Problem

Hardware availability now directly impacts your project timelines.

AI demand has redirected semiconductor manufacturing capacity toward AI-optimized components, tightening availability for traditional enterprise server builds. Geopolitical dynamics and export controls are further fragmenting global supply networks. Server, memory, and storage lead times can now stretch from weeks to 12 months or more.

For CIOs and CFOs, this means hardware availability is no longer a procurement footnote, it is a gating factor for AI pilots, disaster recovery expansion, infrastructure refresh cycles and budget predictability. Platforms that lock you into single-vendor hardware procurement amplify this risk.

07

Operational Complexity Is a Financial Liability

Every layer of complexity absorbs capital that could fund innovation.

Three-tier architectures: separate compute, storage and networking, which are managed independently and require more integration points, specialized skill sets, additional lifecycle coordination, and cross-vendor troubleshooting. Each of these increases operational overhead and reduces the capital available for transformation initiatives.

Simplification is not merely technical elegance. It is capital efficiency. The less capital absorbed by infrastructure maintenance complexity, the more that's available for AI, cloud-native adoption and digital initiatives that actually move the business forward.

08

Architectural Freedom Is Your CFO's Best Risk Mitigation

Modularity, predictability and exit flexibility are financial instruments.

CFOs evaluate infrastructure through four lenses:

- **Predictability** (can we model cost over a multi-year horizon?)
- **Elasticity** (can we scale without disproportionate penalties?)
- **Negotiation leverage** (do we have credible alternatives?)
- **Exit flexibility** (what is the cost of change if strategy shifts?)

Bundled licensing structures that consolidate functionality into a single edition streamline procurement but reduce modularity. When modularity disappears, cost alignment erodes. When cost alignment erodes, capital efficiency declines and vendor concentration risk rises.

09

Hybrid Cloud Is Supply Chain Insurance

When hardware is the bottleneck, cloud removes the constraint entirely.

When hardware availability becomes a gating factor, a platform that extends seamlessly into public cloud bare metal (AWS, Azure, Google Cloud) transforms the constraint into an option. Cloud capacity bypasses server procurement lead times, enabling AI pilot launches, DR expansion and infrastructure bursts without waiting for hardware supply normalisation.

For hybrid cloud to be a practical option, the same operational model, governance and tooling should apply across on-premises and cloud environments.

This reduces migration risk, eliminates operational silos, and allows workloads to be placed wherever they make the most financial and operational sense.

10

The Right Question Is Not “What Does This Cost Today?”

It's: “What economic structure are we embedding for the next five years?”

The licence price on page one of a renewal quote does not tell you what that platform will cost your organization over a multi-year horizon. What matters is the structural economics: how cost behaves as you grow, how licensing responds when your strategy shifts, how much leverage you retain at future negotiation points and whether the platform enables your transformation roadmap or constrains it.

The infrastructure platform you choose today determines how efficiently capital is deployed, how easily innovation is funded, how much negotiating leverage remains and how much risk is concentrated in a single vendor. Control the economics and you control the future.

The Strategic Question Every Leader Must Ask:

“What economic structure are we embedding into our enterprise for the next five years?”

The Strategic Question Every Leader Must Ask: “What economic structure are we embedding into our enterprise for the next five years?”

Infrastructure platforms now determine how efficiently capital is deployed, how easily innovation is funded, how much negotiating leverage remains and how much risk is concentrated in a single vendor.

Architectural freedom empowers organizations to evolve at their own pace, preserve negotiation leverage, and align cost to actual capability needs. **Economic constraint** narrows options, escalates hidden costs and reduces strategic options over time.

NUTANIX

info@nutanix.com | www.nutanix.com | [@nutanix](https://twitter.com/nutanix)

©2026 Nutanix, Inc. All rights reserved. Nutanix, the Nutanix logo and all Nutanix product and service names mentioned are registered trademarks or trademarks of Nutanix, Inc. Nutanix is not affiliated with VMware by Broadcom or Broadcom. VMware and VMware product names are registered or unregistered trademarks of Broadcom. All other brand names are for identification purposes only.