



VMWARE CLOUD ON AWS MARKET SURVEY

*Scalability and Cost Savings Will Drive
Explosive Growth of VMware Cloud on AWS*

2019



EXECUTIVE SUMMARY

The Expectations of Lower Costs and Greater Scalability Promise to Significantly Increase the Adoption of VMware Cloud on AWS in the Near Future

In our first VMware Cloud on AWS survey, Faction surveyed 1,156 professionals across a broad cross-section of organizations about their current and future adoption of VMware Cloud on AWS. This report exposes growing interest in moving on-premises and off-premises workloads to VMware Cloud on AWS, identifies challenges and key adoption drivers.

VMware Cloud on AWS is a hybrid cloud platform, released by VMware in 2017. Underpinned by AWS public cloud infrastructure, the platform allows you to modernize, protect and scale vSphere-based applications leveraging the scale and flexibility of a hyperscale public cloud.

VMware Cloud on AWS is particularly attractive to organizations with existing investments in VMware tools, system integrations and trained staff. The platform reduces operational overhead and can accelerate cloud adoption, whether it is for application migration, data center extension, or data protection.

01

MARKET GROWTH

Usage, both for SMBs and large enterprises, could grow significantly over the next 12-24 months, particularly in the tech services, financial services, and education industries.

02

TOP DRIVERS

SCALABILITY

STRATEGIC IT
INITIATIVES

COST SAVINGS



03

TOP USE CASES

DATA CENTER
EXTENSION

DISASTER
RECOVERY

CLOUD
MIGRATION



Key Findings

The Faction 2019 VMware Cloud on AWS Survey identified several key findings:

TOP 4 INDUSTRIES CONSIDERING VMWARE CLOUD ON AWS ARE:



Tech Services



Financial Services



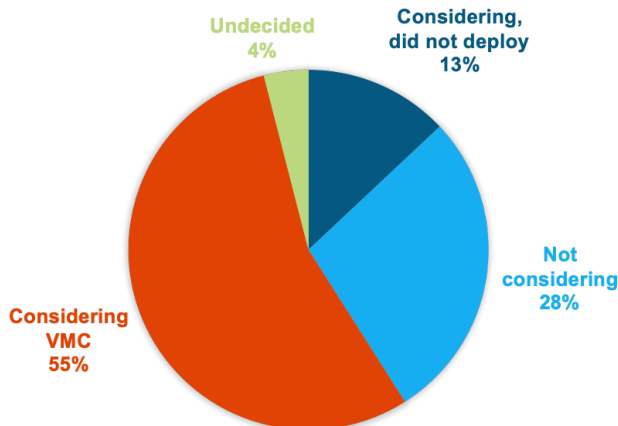
Education



Healthcare

OFF-PREMISES PRIVATE CLOUD USERS WILL BE MAJOR SOURCE OF GROWTH:

More than half (55%) of the respondents who have workloads on off-premises Private Cloud are considering VMware Cloud on AWS.



GROWING INTEREST IN VMWARE CLOUD ON AWS

ALMOST ONE THIRD OF RESPONDENTS PLAN TO START RUNNING OR INCREASE WORKLOADS IN NEXT 12 MONTHS

29%

of respondents plan to add or increase workloads on VMware Cloud on AWS in the next 12 months

15%

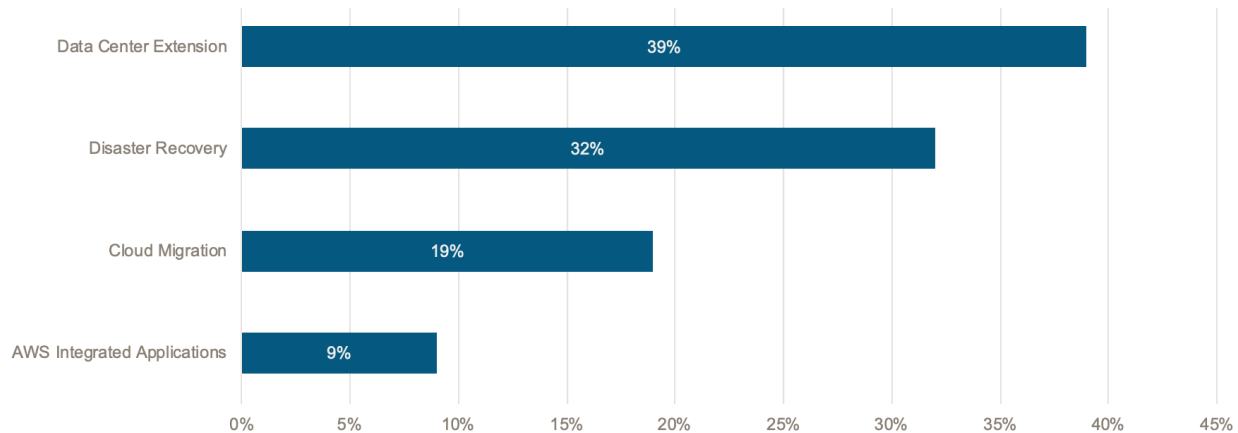
plan to start running workloads for the first time

14%

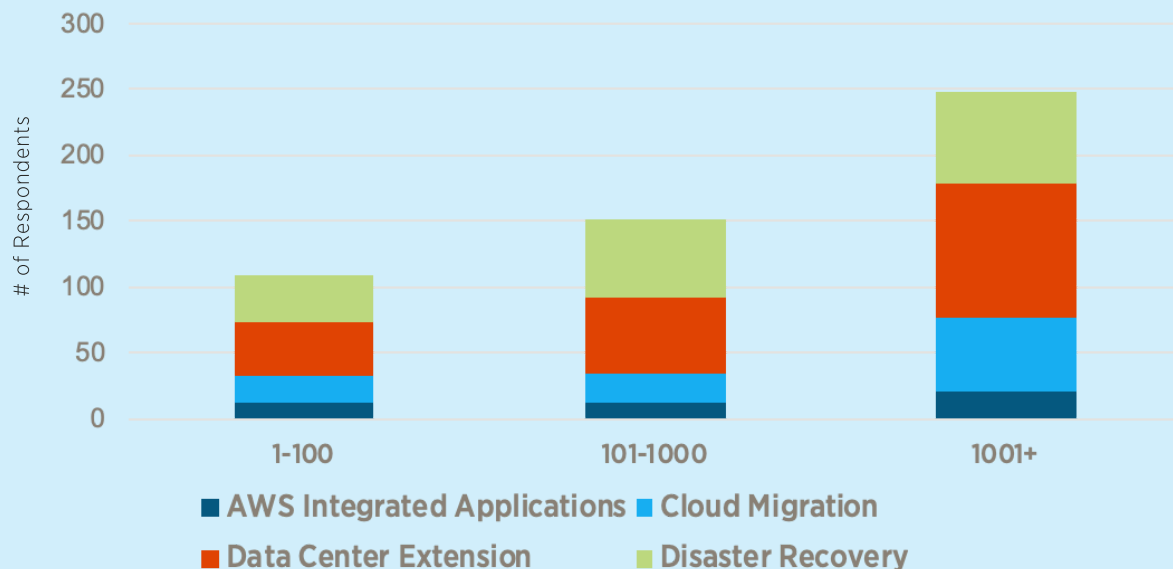
plan to increase the number of workloads

TOP USE CASES BEING CONSIDERED FOR VMWARE CLOUD ON AWS:

For respondents from all company sizes considering VMware Cloud on AWS, data center extension is the predominant use case, but is ranked higher for enterprises which tend to already have significant data center footprints and a need for cost-effective scalability.

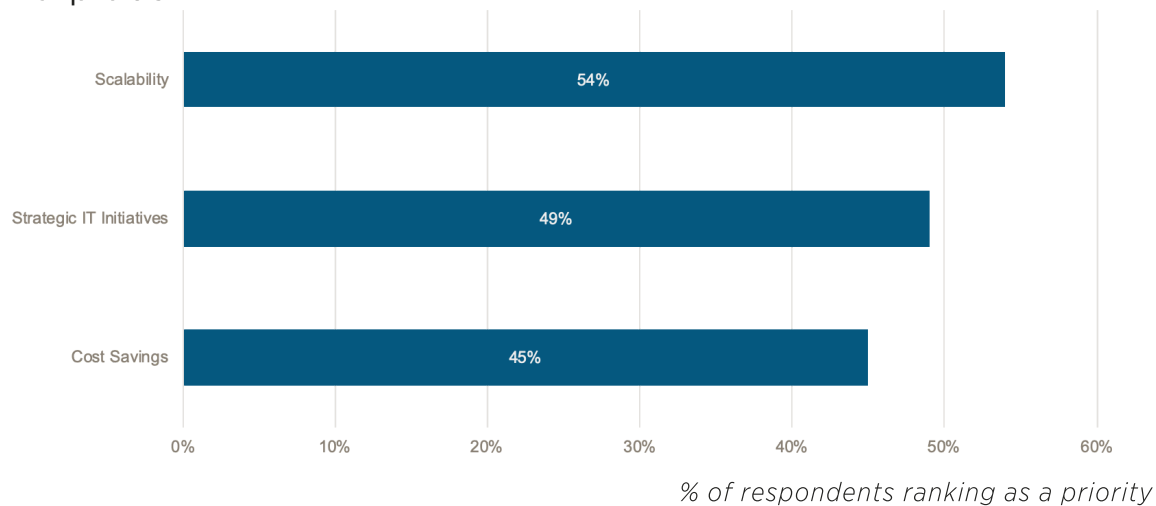


TOP USE CASES BEING CONSIDERED FOR VMWARE CLOUD ON AWS BY COMPANY SIZE:



TOP 3 DRIVERS FOR CONSIDERING VMWARE CLOUD ON AWS:

More than half (54%) of the respondents who are considering VMware Cloud on AWS named scalability as one of their top drivers. Strategic IT initiatives and cost savings came in at second and third place.



TOP DRIVERS FOR CONSIDERING VMWARE CLOUD ON AWS BY COMPANY SIZE:

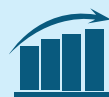
1-100 EMPLOYEES

- 1 SCALABILITY
- 2 COST SAVINGS
- 3 STRATEGIC INITIATIVES



101-1000 EMPLOYEES

- SCALABILITY
- STRATEGIC INITIATIVES
- COST SAVINGS



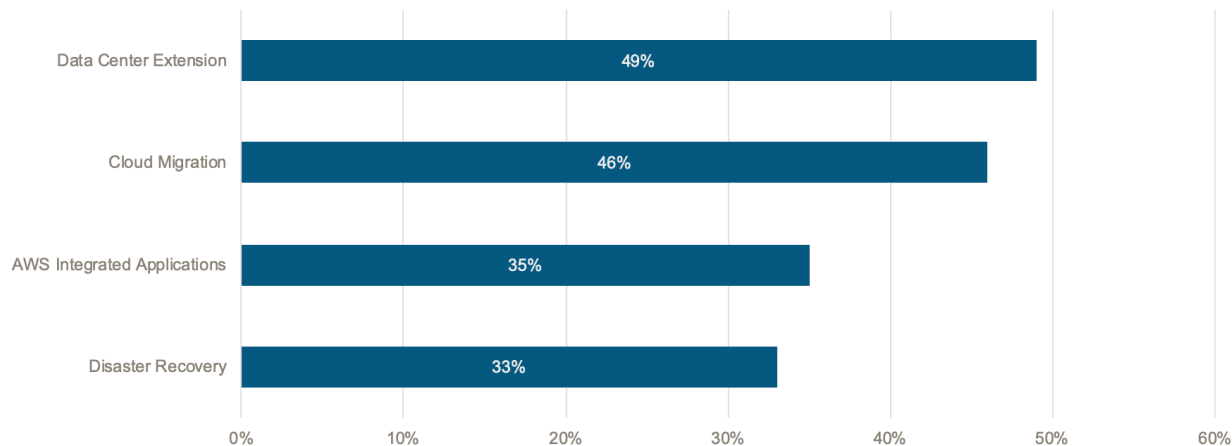
1000+ EMPLOYEES

- STRATEGIC INITIATIVES
- SCALABILITY
- COST SAVINGS

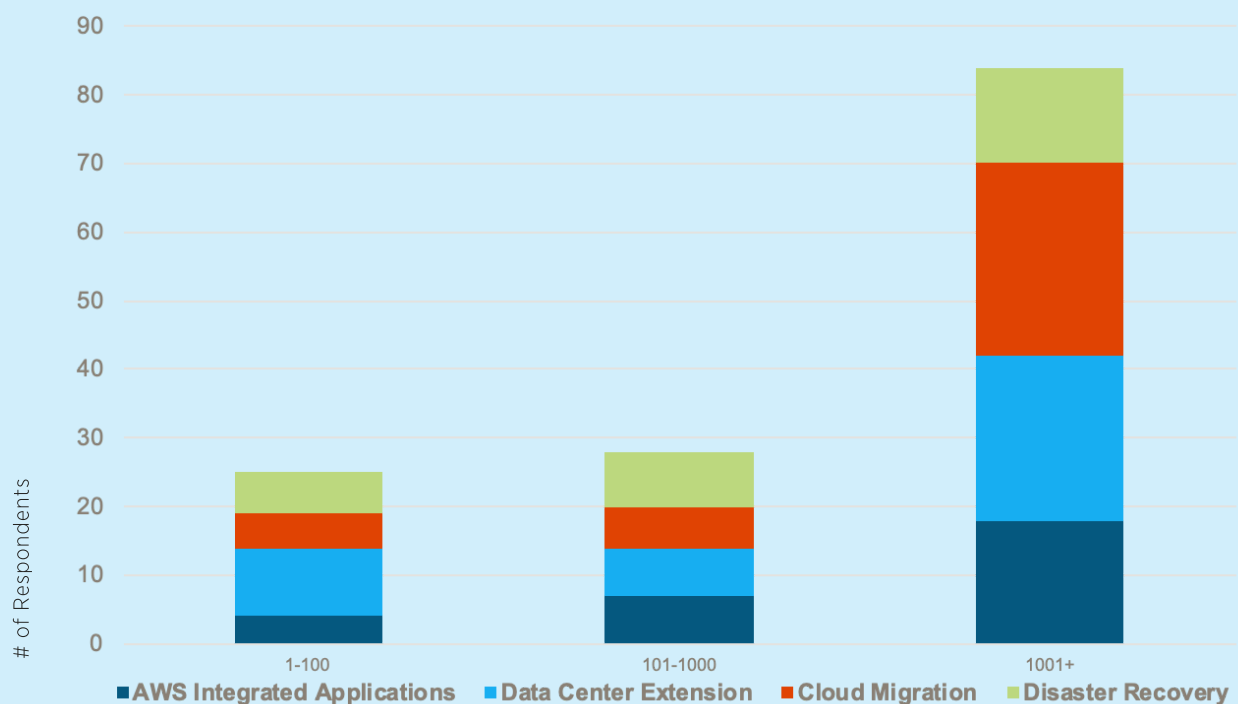


TOP USE CASES RUNNING ON VMWARE CLOUD ON AWS:

For respondents from all company sizes who have deployed on VMware Cloud on AWS, data center extension is the predominant use case, followed closely by cloud migration.



TOP USE CASES RUNNING ON VMWARE CLOUD ON AWS BY COMPANY SIZE:



OF THOSE ENTERPRISE RESPONDENTS PLANNING TO MIGRATE TO OR DEPLOY VMWARE CLOUD ON AWS:

- 20% plan to in the next 12 months
- 27% plan to in 12 to 24 months
- 7% plan to after 24 months
- 45% are unsure of timing

TOP 3 REASONS FOR NOT CONSIDERING VMWARE CLOUD ON AWS:

- Plan to keep all IT resources on-premises for the foreseeable future
- Don't know enough about VMware Cloud on AWS
- Plan to use public clouds like AWS or Azure natively

TOP 3 CHALLENGES TO MIGRATE TO VMWARE CLOUD ON AWS:

For respondents who have already migrated to VMware Cloud on AWS, their top 3 migration challenges were:



Executing the actual migration of workloads



Assessing workloads before migration



Lack of VMware Cloud on AWS and migration expertise

OF ALL RESPONDENTS CONSIDERING VMWARE CLOUD ON AWS, THEIR TIMELINE FOR MIGRATING IS:

23%

plan to in the next 12 months

26%

plan to in 12 to 24 months

7%

plan to after 24 months

44%

are unsure of timing

TOP 3 USAGE CHALLENGES OF VMWARE CLOUD ON AWS:

For all respondents who have already put workloads in VMware Cloud on AWS, more than half (51%) named cost management as one of their top usage challenges. Over a third (37%) named network complexity as a top challenge. The top 3 usage challenges selected were:



Cost Management



Network Complexity



AWS Prerequisites

TOP USAGE CHALLENGES OF VMWARE CLOUD ON AWS BY COMPANY SIZE:

1-100

EMPLOYEES

- 1 NETWORK COMPLEXITY
- 2 COST MANAGEMENT
- 3 STORAGE LIMITATIONS

101-1000

EMPLOYEES

- COST MANAGEMENT
- NETWORK COMPLEXITY
- AWS PREREQUISITES

1000+

EMPLOYEES

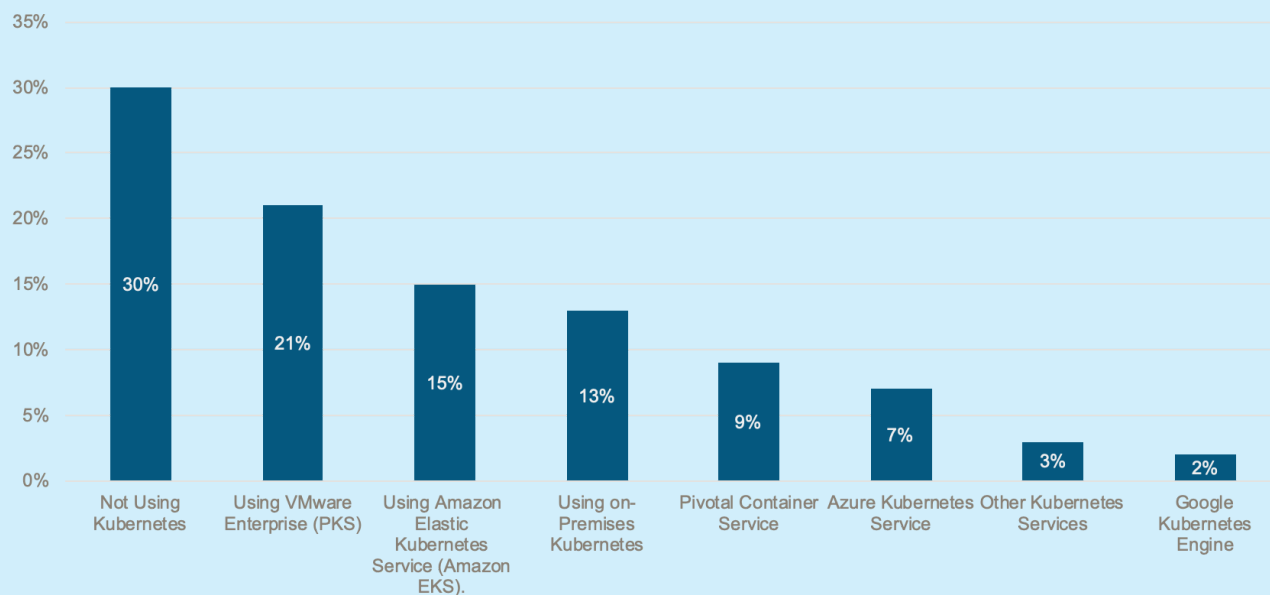
- COST MANAGEMENT
- NETWORK COMPLEXITY
- AWS PREREQUISITES

KUBERNETES HAS MATURED, HALF OF USERS ARE RUNNING IT ON-PREM OR ON VMWARE ENTERPRISE:

Of those running Kubernetes today:

- 31% said they are running it on-premises
- 19% are running it VMware Enterprise (PKS)
- 17% in Amazon Elastic Kubernetes Service (Amazon EKS)
- 11% in Azure Kubernetes Service
- 8% in Google Kubernetes Engine (GKE)
- 7% in Pivotal Container Service
- 6% in Other

THE KUBERNETES PLATFORM OF CHOICE FOR RESPONDENTS WHO HAVE ALREADY DEPLOYED VMWARE CLOUD ON AWS:



TOP OBJECTIONS FOR CHOOSING VMWARE CLOUD ON AWS:

While overall interest and adoption is growing, MSPs, system integrators, and IT champions for VMware Cloud on AWS will undoubtedly encounter one or more of these top three reasons reported by respondents who have decided not to adopt VMware Cloud on AWS:

- Too expensive (46%)
- Moved directly to public cloud (AWS, Azure, GCP) (24%)
- Perceived lack of cost effective, external storage (15%)



These answers indicate there is room for improvement in evaluating the total cost of ownership of VMware Cloud on AWS.

For example, organizations may be discounting their current investment in VMware tools and operational skill or underestimating the total costs of application transformation associated with migrations to other cloud solutions.

METHODOLOGY

In June and July of 2019, Faction conducted its 2019 VMware Cloud on AWS Market Survey. The survey questioned IT professionals across a broad cross-section of organizations about their adoption of VMware Cloud on AWS.

The 1,156 respondents included vice presidents, directors, managers, architects, DevOps, IT/Ops, Services, and QA professionals. Respondents are from varying sizes of organizations across many industries.

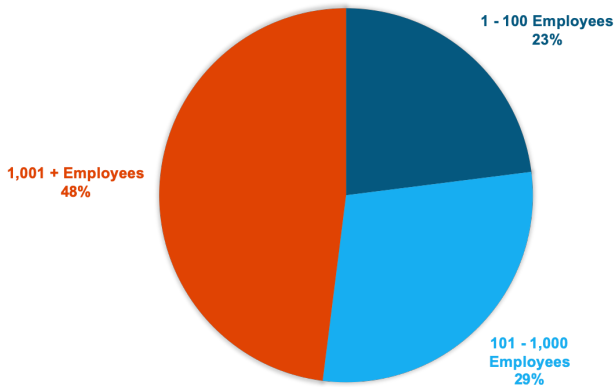
KEY SURVEY STATS:

All respondents = 1,156

- Enterprise respondents (1,000+ employees) = 557
- SMB respondents (<1,000 employees) = 599

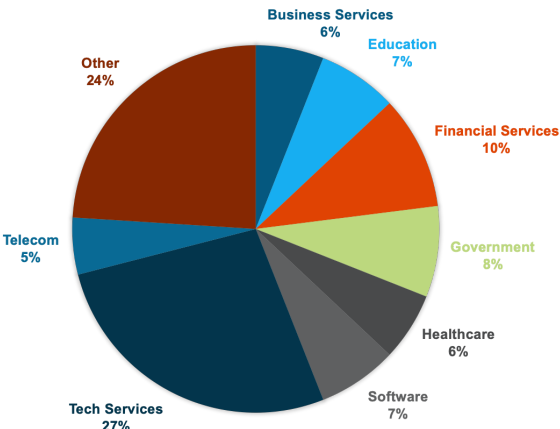
RESPONDENT DEMOGRAPHICS

EMPLOYEES



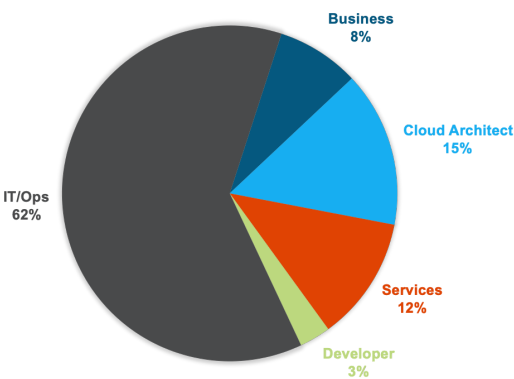
Source: Faction 2019 VMware Cloud on AWS Report

RESPONDENTS BY INDUSTRY



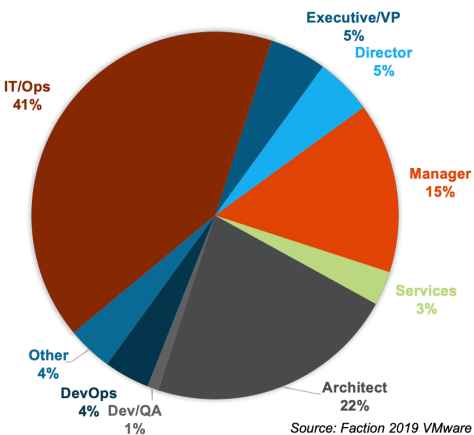
Source: Faction 2019 VMware Cloud on AWS Report

RESPONDENTS BY ROLE



Source: Faction 2019 VMware Cloud on AWS Report

RESPONDENTS BY JOB LEVEL



Source: Faction 2019 VMware Cloud on AWS Report

ABOUT FACTION

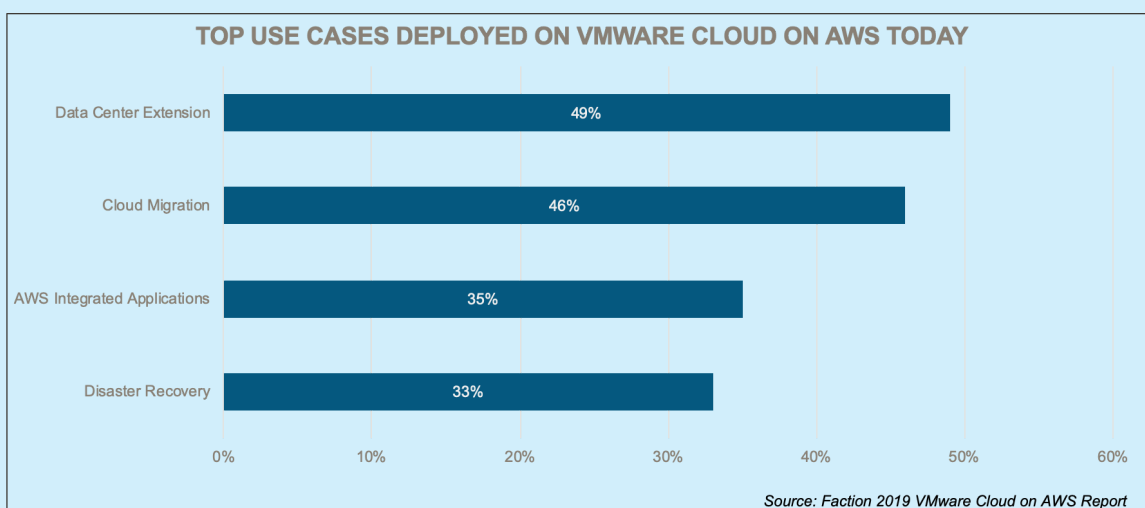
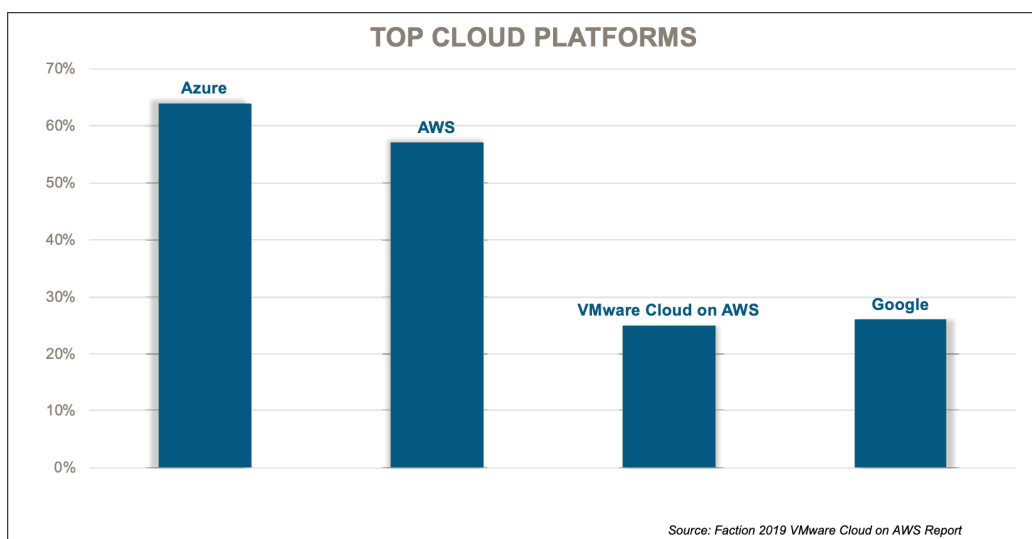
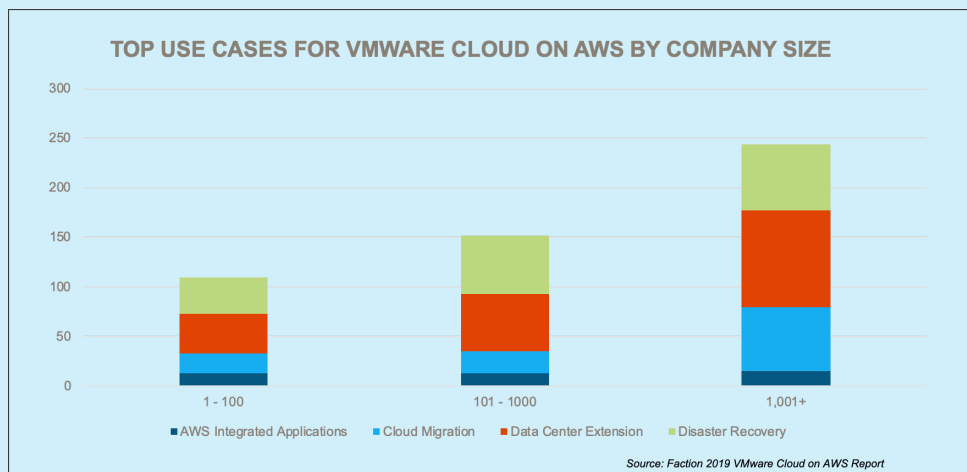
Faction is a leading managed services provider for VMware Cloud on AWS, including disaster recovery and production deployments, and a provider of attached storage to VMware Cloud on AWS. Faction helps customers migrate to multi-cloud, powered by patented technology that provides low latency, high throughput connections to all the major clouds, including AWS, Azure and Google Cloud Platform.

Faction's private and multi-cloud platforms give clients the ability to move, access, scale and protect data between clouds, without the fear of cloud lock-in. Faction, a VMware Cloud Verified provider, is recognized as an Advanced AWS Consulting Partner and VMware Premier Cloud Provider. Follow Faction on Twitter (@FactionInc) and LinkedIn.

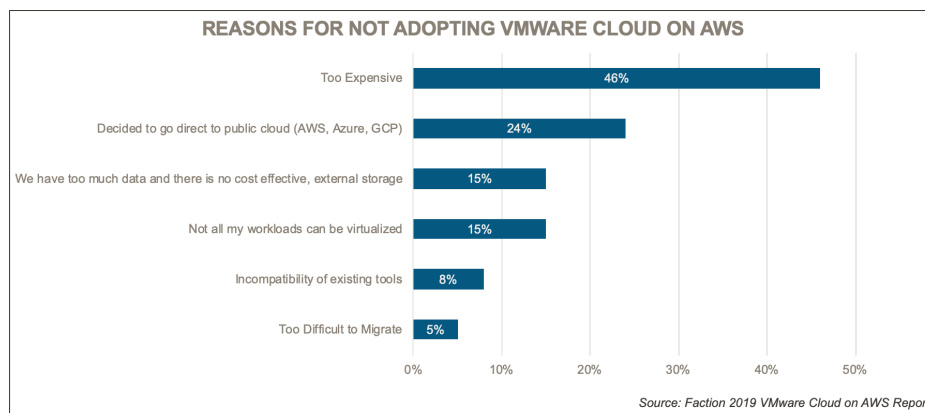
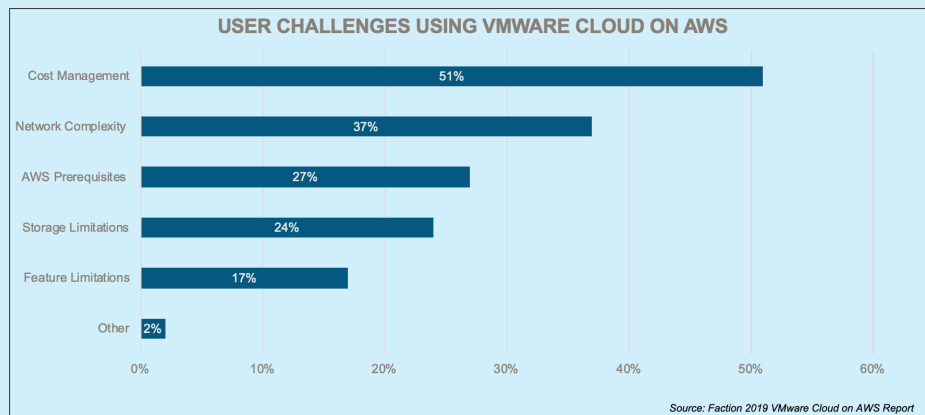
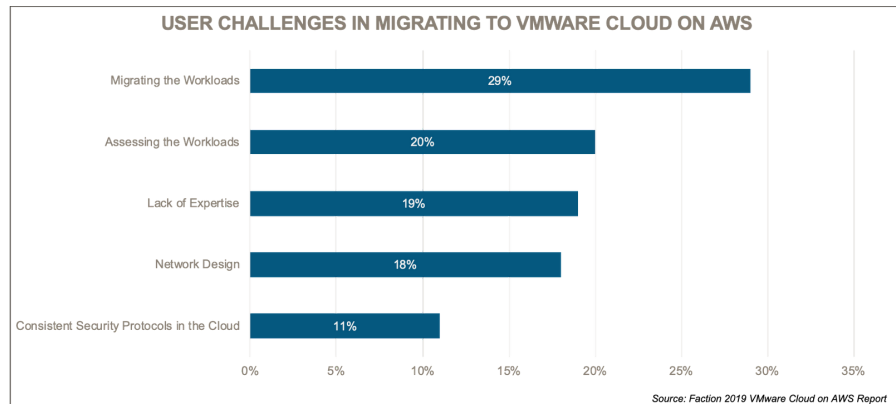
For more information, please visit www.factioninc.com.

To get in touch with Faction, call 1-855-532-4734 or email getcloud@factioninc.com

APPENDIX OF CHARTS



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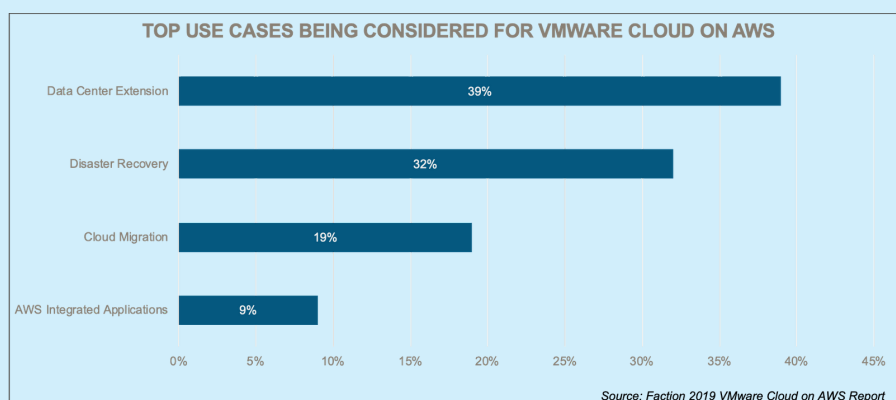
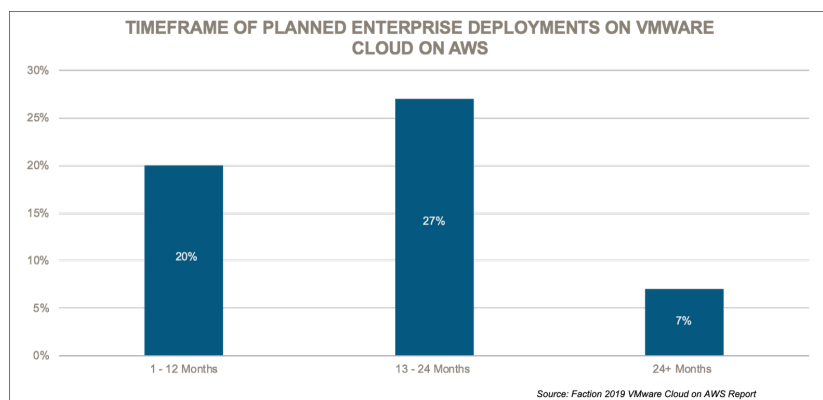
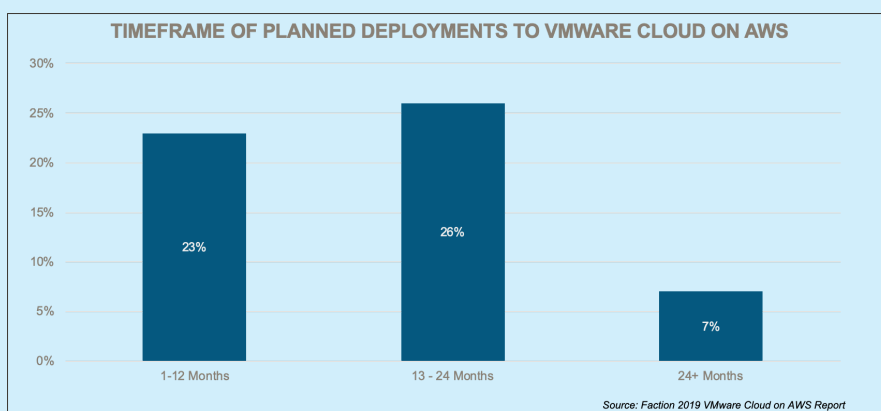
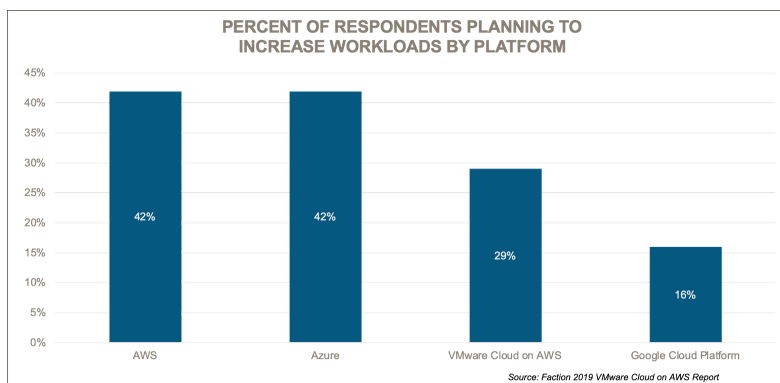


TOP CHALLENGES FOR USING VMWARE CLOUD ON AWS

1-100	101-1,000	1,000+
Network Complexity	Cost Management	Cost Management
Cost Management	Network Complexity	Network Complexity
Storage Limitations	AWS Prerequisites	AWS Prerequisites

Source: Faction 2019 VMware Cloud on AWS Report

APPENDIX OF CHARTS



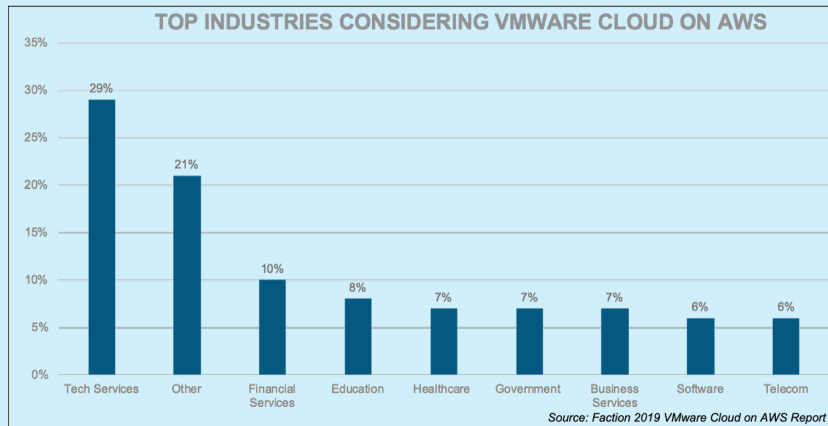
APPENDIX OF CHARTS

TOP USE CASES BEING CONSIDERED FOR VMWARE CLOUD ON AWS

1-100	101-1,000	1,000+
Datacenter Extension	Disaster Recovery	Datacenter Extension
Disaster Recovery	Datacenter Extension	Disaster Recovery
Cloud Migration	Cloud Migration	Cloud Migration
AWS Integrated Apps	AWS Integrated Apps	AWS Integrated Apps

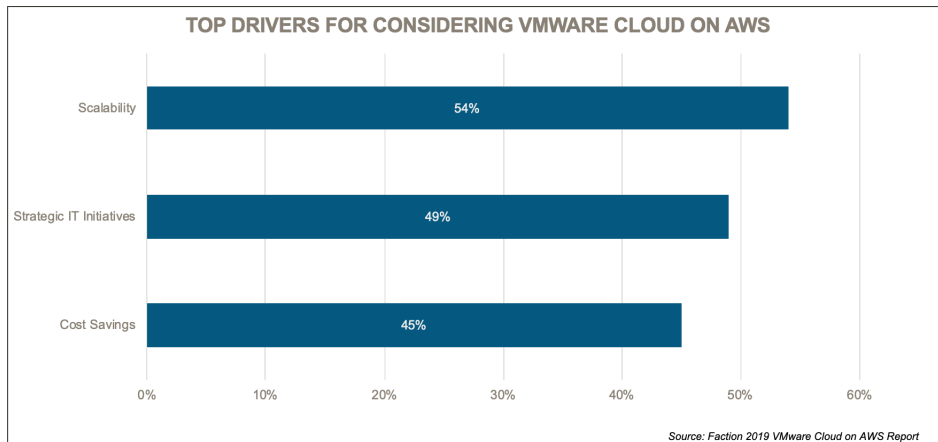
Source: Faction 2019 VMware Cloud on AWS Report

TOP INDUSTRIES CONSIDERING VMWARE CLOUD ON AWS



Source: Faction 2019 VMware Cloud on AWS Report

TOP DRIVERS FOR CONSIDERING VMWARE CLOUD ON AWS



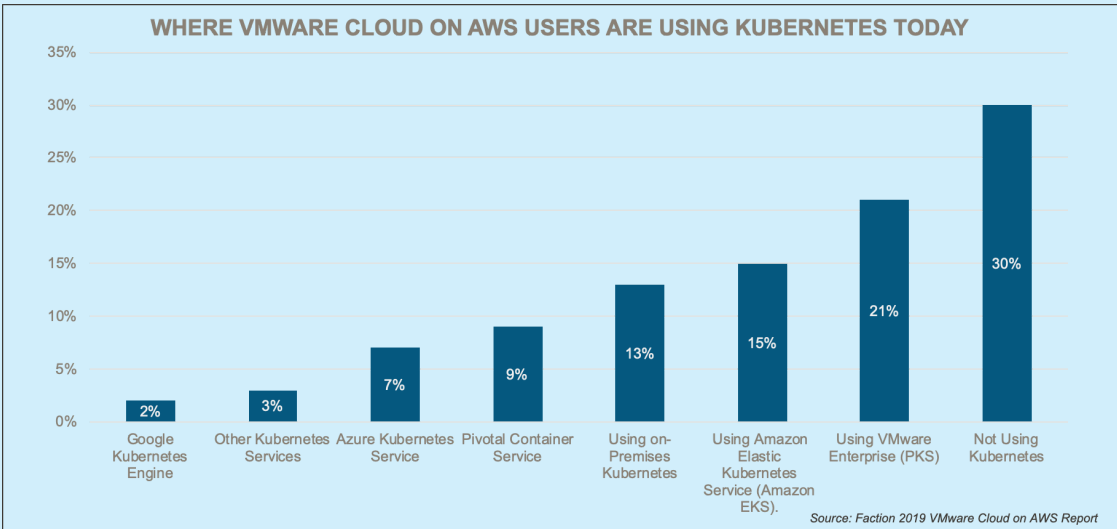
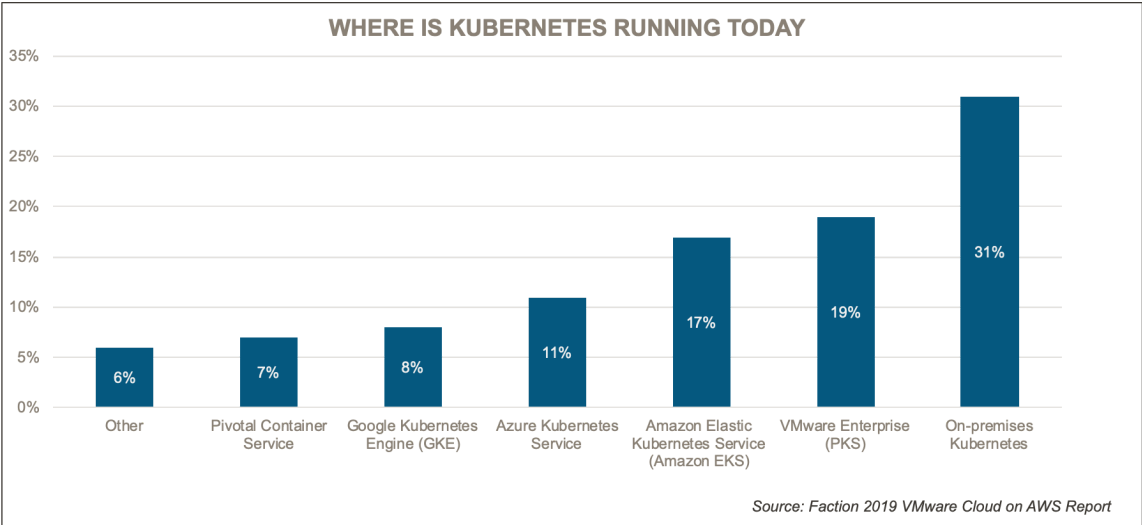
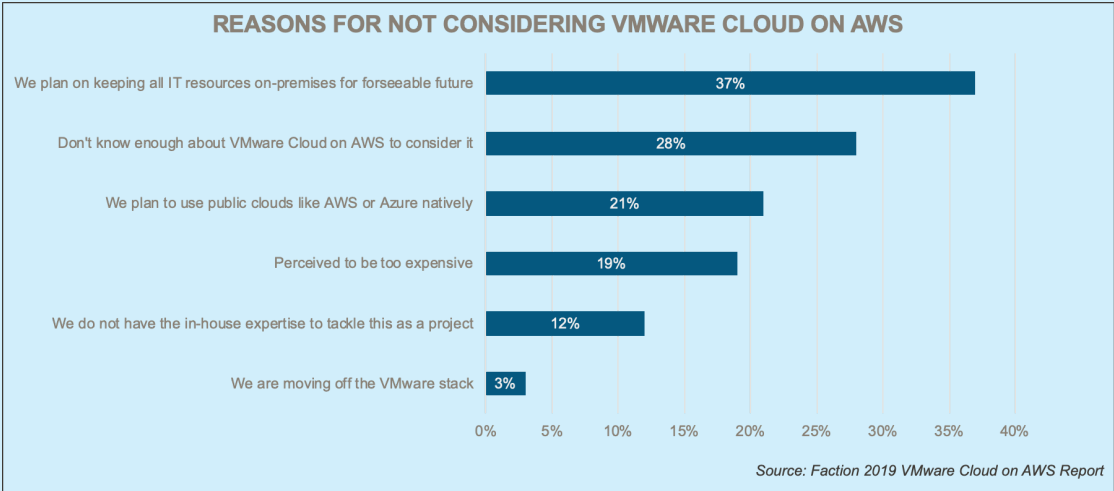
Source: Faction 2019 VMware Cloud on AWS Report

TOP DRIVERS FOR CONSIDERING VMWARE CLOUD ON AWS

1-100	101-1,000	1,000+
Scalability	Scalability	Strategic Initiatives
Cost Savings	Strategic Initiatives	Scalability
Strategic Initiatives	Cost Savings	Cost Savings

Source: Faction 2019 VMware Cloud on AWS Report

APPENDIX OF CHARTS



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