Local Public Cloud:

To Drive Your Business Growth
With Cloud Sovereignty

Whale Cloud

Introduction

The recent shift in marketing strategy by a mainstream virtualization vendor has triggered a series of emerging impacts on the industry. One of the critical challenges faced by enterprises is the need to balance serving existing customers while navigating the uncertainties of service support and maintaining fragile vendor partnerships. This balancing act is essential to sustain customer satisfaction and uphold business relationships.

In light of these challenges, implementing an operable local public cloud offers a promising solution. By adopting this approach, enterprises can rebuild their growth curve and provide continuous cloud operation and maintenance support tailored to local customers. This not only ensures stability and reliability in service delivery but also fosters long-term growth and strengthens customer loyalty. The local public cloud model thus represents a strategic move to mitigate the current challenges and capitalize on emerging opportunities in the evolving virtualization landscape.

A Change Brings No More Choices

In the industry, whenever "virtualization" is mentioned, people will think of VMware. From server virtualization, and desktop virtualization, to network virtualization, VMware's technology is everywhere. Last November, after Broadcom's huge $69 billion acquisition, it decided to cut all perpetual licenses and switch to a subscription model for VMware customers within a month.
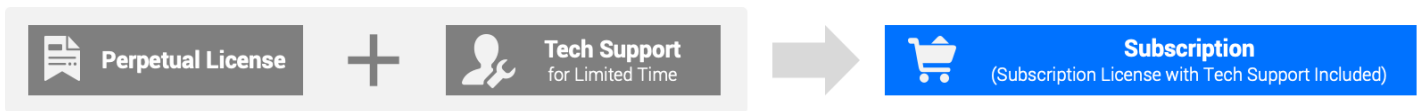

Figure1. VMware changed to the subscription model

The original 160+ products have been simplified to two main platforms: vSphere Foundation and VMware Cloud Foundation, with other functionalities such as vSAN, Distributed Firewall, Advanced Load Balancer, Site Recovery Manager, etc., becoming add-ons to these two core platforms. For small and medium-sized customers, the original vSphere Standard and vSphere Essentials Plus are still retained.
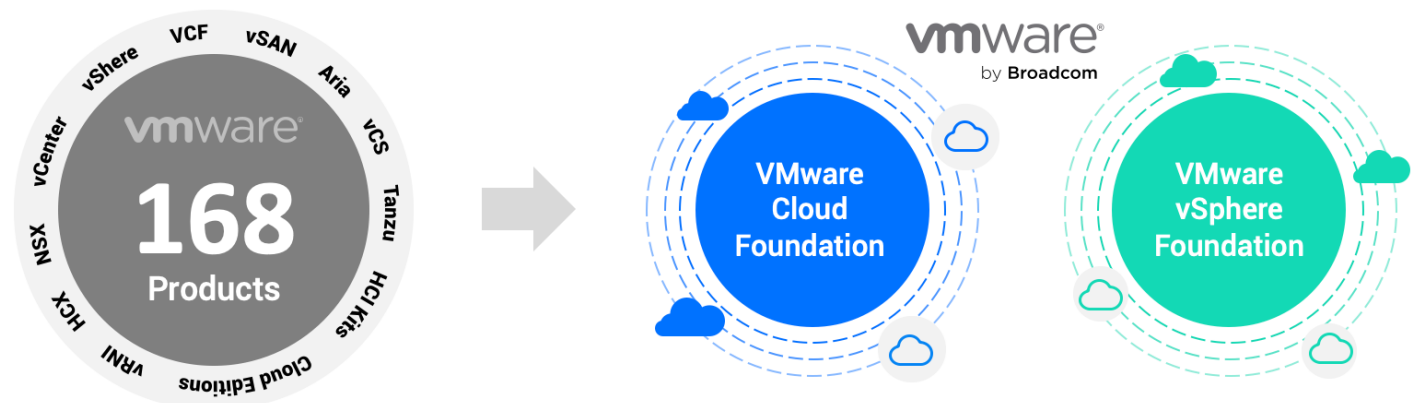

Figure 2. The simplification of VMware product portfolios

With the advent of cloud computing, many customers are accustomed to the subscription model of products and services. VMware's adaptation aligns with industry trends, although there remains a gap between its simplified product portfolio and the actual needs of customers, particularly concerning cost considerations. In addition, VMware's partner program is changing to the Broadcom Advantage Partner Program, which is accessible only by invitation. This change marks the conclusion of VMware's partnerships with numerous solution providers, resellers, and distributors, leaving thousands of partners unable to provide VMware-based services to their customers.

With the continuous impact of the subscription policy, many customers and cloud service providers will have to make a decision:

• to find an alternative cloud stack and transform their business, which means to change the fundamental infrastructure.

• to cooperate with a new VMware supplier much larger than the former ones and keep business as usual.

Struggle to Pave the Way out

Any change implies potential uncertainty, which can cause customers to worry about the future of products and services. Since it is a decision made by Broadcom unilaterally, it seems that customers have not been given enough time to understand and evaluate the potential impact.

First and foremost, consider the replacement of VMware product portfolio.

With the simplification of the product portfolio, many VMware software solutions will only be available as part of VMware Cloud Foundation (VCF) or VMware vSphere Foundation (VVF). They cannot be purchased as standalone solutions, meaning Broadcom will focus on selling the VMware platform rather than standalone products. This could result in enterprise customers needing to incur additional expenses to keep existing usage habits in certain situations, contrary to the original advocacy of the Pay-as-You-Go subscription model. Small and medium-sized customers, in particular, will have limited choices or negotiation space. Therefore, it is crucial to choose an alternative cloud stack that fully considers the customers' needs of different scales.
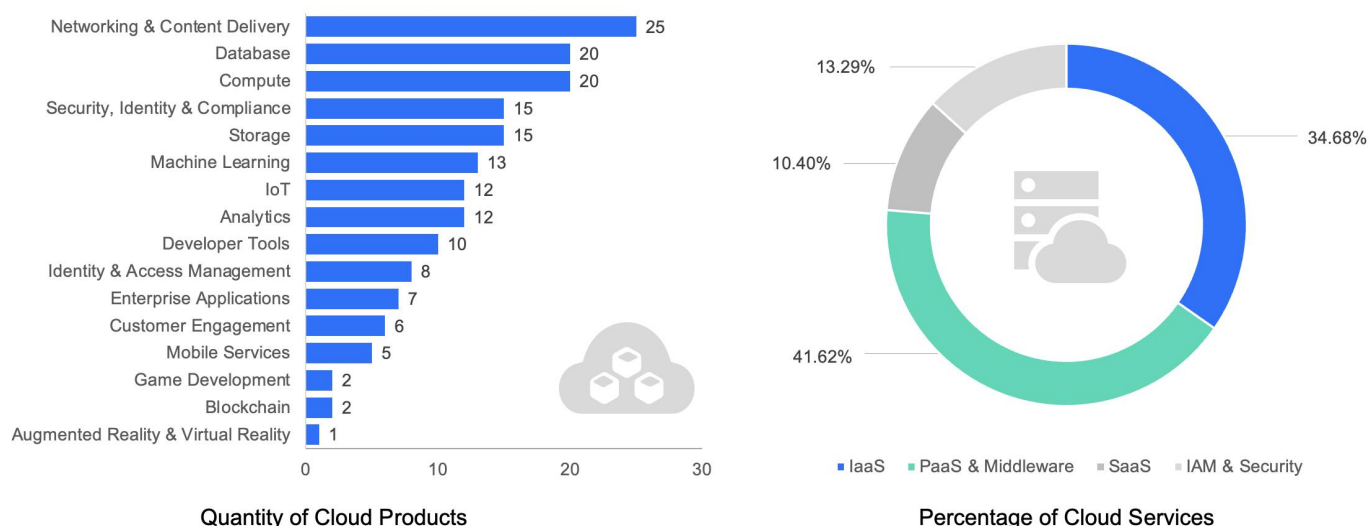

Figure 3. Part of the optional cloud offerings (AWS), the data comes from the internet

Delivery and service are also very important.

In the previous model, VMware delivered services to Original Equipment Manufacturers (OEMs or cloud platform providers through channel partners and distribution partners and ultimately provided services to end customers. Besides directly offering products and support to downstream cloud platform service providers, VMware partners in the value chain can also provide additional solutions and technical services to customers.

The changes are bound to impact VMware's existing service system. With fewer partners, the difficulty and cost of obtaining professional support will significantly increase. A large number of small and medium-sized partners may either choose to embrace the large partners of VMware to provide outsourcing services to downstream customers, which may be necessary but lower margin, or switch to a new cloud stack and continue focusing on their existing customer base by providing valuable solutions and services.
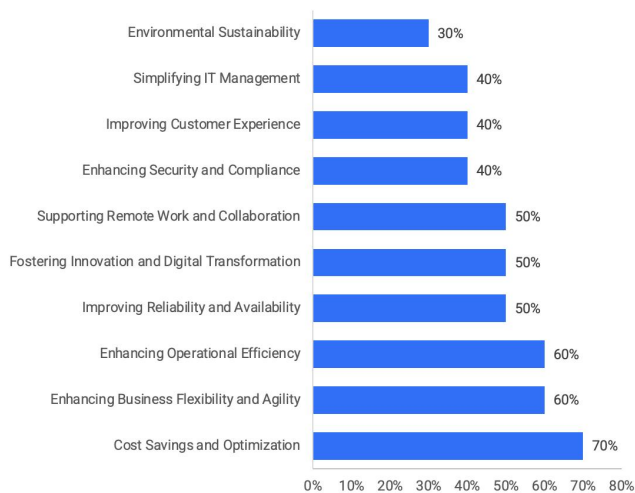
Service Scope	Cloud strategy and planning consultant, migration, operation and management
Staff Structure	Development and integration, customer support, service delivery, and training
Technical Skills	Containerization and orchestration, cloud networking, security and scripting
Tool System	Application and data migration, multi-cloud management and operation
Management Process	SOP based best practices and SLA guarantee

Cloud Service Provider

Figure 4. How to evaluate the maturity of a cloud service provider
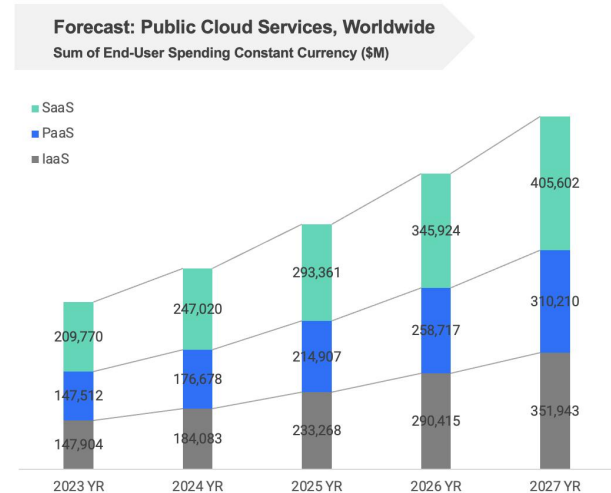
The needs of customers are the key.

In times of change, we also need to reassess customers' needs for virtualization. Virtualization technology, initially created to save expensive and scarce large-scale computing resources, enables multiple business applications to share computing capabilities. With the popularity of x86 servers, the main purposes of virtualization focus on reducing resource utilization costs, improving resource management capabilities, and enhancing resource security and usability. These needs are mainly derived from a management and operational perspective.

Looking at the simplified four platform products of VMware, VMware Cloud Foundation, and VMware vSphere Foundation can be extended based on advanced service add-ons; vSphere Standard and vSphere Essentials Plus are positioned for entry-level users mainly in virtualization scenarios with basic hardware integration and lightweight requirements for a few servers, without expansion capabilities. By redefining product strategy, VMware has segmented its target market and customers, which makes its products and services more focused. However, the actual needs of customers go far beyond this.

In addition to the continued requirements for compute virtualization, with the evolving business landscape, some customers may need to rely on the advanced technology for storage and networking in the private clouds and use cloud-native support for application development and innovation, which may include a series of technical requirements on PaaS components. For local cloud service providers, demands from small and medium-sized customers will be more refined, allowing them to choose services on demand and ensure cost optimization. Additionally, the application scenarios in the cloud are complex and variable, making the completeness, operability, and security of cloud platforms increasingly important.

Business Goals for Enterprise Customers Adopting Cloud Computing

Business Goal	Percentage
Environmental Sustainability	30%
Simplifying IT Management	40%
Improving Customer Experience	40%
Enhancing Security and Compliance	40%
Supporting Remote Work and Collaboration	50%
Fostering Innovation and Digital Transformation	50%
Improving Reliability and Availability	50%
Enhancing Operational Efficiency	60%
Enhancing Business Flexibility and Agility	60%
Cost Savings and Optimization	70%

Forecast: Public Cloud Services, Worldwide
Sum of End-User Spending Constant Currency ($M)

SaaS / PaaS / IaaS

	2023 YR	2024 YR	2025 YR	2026 YR	2027 YR
SaaS	209,770	247,020	293,361	345,924	405,602
PaaS	147,512	176,678	214,907	258,717	310,210
IaaS	147,904	184,083	233,268	290,415	351,943

Cloud Forecast by Gartner

Figure 5. The needs of customers are far beyond virtualization

Adapting to a New Era of Change

From the perspective of product vendors like VMware, platform-based infrastructure will become a major trend, moving beyond merely providing individual products and services. New business scenarios drive this demand for technology and services. For cloud platform service providers, the key will be to specialize in providing necessary on-demand technical services support and allow customers to focus more on their core business.

VMware is moving towards subscription-based models, presenting an opportune moment for private cloud replacement and virtualization upgrades. Similarly, for VMware partners, cloud service providers, and enterprise customers, now is the right time to reevaluate their technology evolution paths: whether to continue providing or getting the same virtualization services at lower costs or to build a cloud-oriented technical operations system. Of course, this requires consideration of many factors, including organizational development, technology capability upgrades, and adjustment of operational processes. While these non-IT factors are crucial to the process of business transformation, they are beyond the scope of this article.

What we aim to discuss are the capabilities of the cloud platform's technical components and related professional services.

When considering the technical specifications, it is crucial to balance costs while ensuring comprehensive functionality. For existing virtualization alternatives, it is necessary to fully consider the following:

- Lifecycle Management of Virtual Machines: Ensuring robust support for managing the entire lifecycle of virtual machines.

- VMware Functionality Coverage: Providing extensive coverage of VMware functions to maintain compatibility and performance.

- Compatibility with Existing Servers: Ensuring seamless compatibility with current server infrastructure.

- Unified Management: Offering unified management of both virtual machines and bare metal resources.

The key is to ensure a low-cost, high-quality service experience compared to former VMware. Otherwise, customers may still opt to leave despite the efforts made.

For private cloud alternatives, the focus should be on container supports, necessary PaaS components, observability, multi-tenancy, data isolation, security and compliance, and other advanced management and control functions.

As for professional services, these encompass technical operation and SLA guarantees covering the entire lifecycle, from cloud platform consultation, planning, technology selection, construction, application and data migration, platform operation and maintenance, to platform/tenant security.

Regardless of what the VMware alternative is—whether a virtualization platform or a cloud platform with enhanced components such as PaaS—it is ultimately provided to customers in the form of services. The overall service capabilities around IT infrastructure may be more important in some ways than the platform's technical characteristics. This importance arises from the ever-changing business requirements throughout customers' entire lifecycle, requiring continuous service delivery. This involves a series of aspects including demand research, risk assessment, architecture design, migration and cutover, verification and tuning, all testing the technical service and delivery capabilities of cloud platform service providers.

Maintaining consistency with business strategy and choosing a stable, scalable, and open platform based on operational goals is a prerequisite for avoiding getting stuck in a vendor lock-in dilemma again. For VMware partners and cloud service providers, having professional consulting, delivery, and technical service capabilities is a guarantee for retaining existing customers and dispelling their concerns about cloud stack switching.

The end customers, who choose to build their own private cloud platform, should focus more on the advancement and openness of cloud platforms with suitable service portfolios. Additionally, selecting an experienced technical and integration partner with mature delivery and managed service systems becomes pivotal for ongoing operations after platform construction.

Furthermore, security guarantees for the cloud platform and tenants are vital for cloud operations. With the evolution of digitalization and cloud applications, cyber security attacks and data breaches are increasing year by year, which brings great business risk to cloud service providers and customers. Most countries have gradually increased their security requirements, introducing new security protection laws and regulations. Traditional security protection focuses on peripheral security, and the solutions often work independently and cannot meet the security needs of cloud scenarios. Comprehensive security involves various technical domains that require not only domain expertise but also solution planning and delivery experience backed by industry partners.
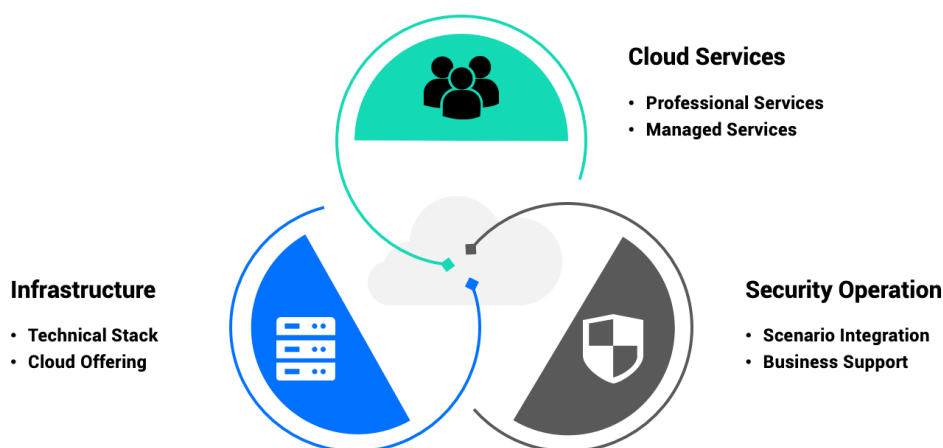

Figure 6. The key elements to guarantee digital business success

How Whale Cloud Can Help?

Whale Cloud is a one-stop cloud solution provider and integrator with global experience and technical expertise in platform planning, tailored solution design, and project delivery encompassing virtualization, private cloud, cloud MSP services, and security operations. Customers and cloud service providers who choose to deploy or operate private cloud stacks may encounter the following issues:

1. Lack of insight regarding cloud infrastructure options
2. The gap between cloud features & technical requirements
3. Architectural mismatch between cloud & applications
4. Scattered O&M systems across cloud & on-premise

To address these issues, Whale Cloud offers a cloud stack comparison and consultation services during the cloud planning phase based on the customer's business strategy. We recommend that customers evaluate their budgets, existing infrastructure, performance requirements, and necessary supporting services to ensure the best fit. Currently, for different VMware alternative scenarios, Whale Cloud has introduced a complete set of cloud platforms and services based on the best practices of domestic and international markets.
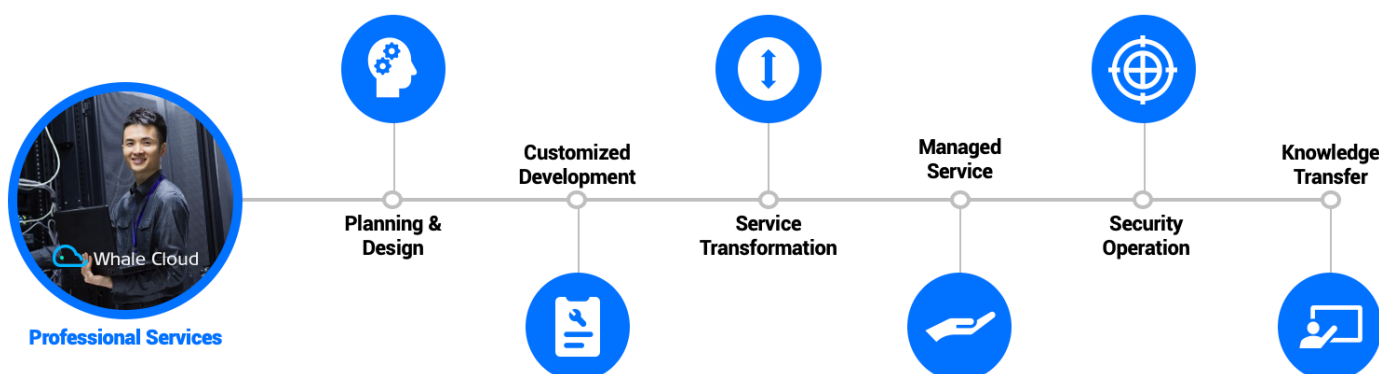

Figure 7. Whale Cloud professional services

Additionally, Whale Cloud provides an operable Local Public Cloud (LPC) solution, which allows the cloud platform to be deployed within the premises of an enterprise data center or in a secured co-location site, and its infrastructure resources are available for the public to purchase. Therefore, the intrinsic value of LPC is local cloud resources for local consumption under local operation, equally accessible for both private and public sectors. Whale Cloud also provides Cloud Revenue Engine (CRE for end-to-end multi-cloud resource discovery, management, and monetization solutions, accelerating business growth. For cloud platform and tenant security, Whale Cloud delivers cloud cybersecurity solutions covering network, application, endpoint, data, and professional services for global telecom operators, cloud service providers, governments, banks, and SMEs. This is achieved in partnership with mainstream vendors both domestically within China and internationally.
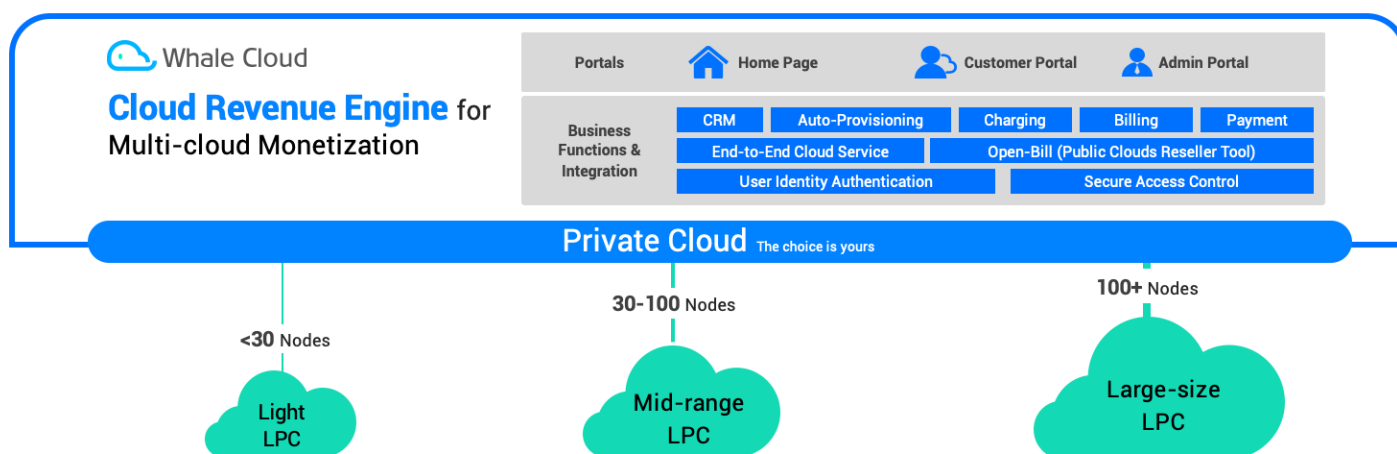
Figure 8. LPC creates new revenue streams and better customer experience

In Indonesia, Whale Cloud supported Telkomsigma to transform its traditional B2B IT services into a state-of-the-art cloud business (FLOU Cloud that allows state-owned enterprises, governments, SMEs, and corporations across various industries to augment connectivity among users. With Whale Cloud's CRE, Telkomsigma has built a unified platform for cloud product catalog, customer, resource, order, and billing to support faster time to market of various cloud services and enable diverse cloud business models. FLOU Cloud has assisted many enterprises and government institutions across vertical industries, such as healthcare, logistics, financial, energy, and mineral, in their digital transformation journey.

In Saudi Arabia, Whale Cloud has delivered a flexible and scalable local public cloud platform in just 4 months, which offers flexible scalability, guarantees secure protection of enterprise data, and facilitates operation and maintenance management. Moreover, it provides AI platforms and supports elastic GPU computing services, allowing Zain KSA to seize new business opportunities in the 5G and IoT era by providing more than a dozen cloud products. Zain achieved returns on their investment within just 14 months. Prior to Zain's entry, the sector was almost exclusively dominated by global cloud providers.

Technological innovation has driven business development. Local, operable infrastructure not only better meets local policy regulations, but also provides a reliable technical foundation and service guarantee for continuous business innovation, incubation, and data security.

Over the past 20 years, Whale Cloud has served over 700 enterprise customers in 80+ countries and regions worldwide across different industries, accumulating rich experience in global project delivery and customer services. Whale Cloud has participated in the consulting and construction of private cloud platforms and LPC solutions for enterprise customers and cloud service providers in the Asia-Pacific, Middle East, Africa, and Europe regions, which has improved business productivity and resource efficiency significantly. we look forward to going beyond together with you.

In Partnership with

Alibaba Cloud