

Transcript:

Steve McDowell: I think this year is a lot of, you know, resetting how we think about VMware and I think a little bit of resetting everything about Broadcom and what they do. There's a lot of uncertainty. I don't think my position is changed.

Jason Lopez: Steve McDowell is the chief analyst of NAND Research. Welcome to another Tech Barometer podcast from *The Forecast*, I'm Jason Lopez. When McDowell talks about the Broadcom purchase of VMware these days, he's quick to point out how the discussion has shifted from what's Broadcom going to do to what customers are going to do.

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Steve McDowell: IT is all about managing risk. As long as there's uncertainty, as an IT guy, I need a plan. I need to know how to mitigate against that uncertainty. Even if it's not wholesale replacement, have a plan B. And a big part of this is second source. Start mixing in as new projects come up, other technologies and balance the risk, right? You mitigate risk by balancing the options.

Jason Lopez: He says the way to look at next steps from an IT perspective is that customers have a lot of unplanned stuff on their plates. There's a challenge to ensure there are no hiccups in the data center, especially if IT has to find alternatives to VMware.

Steve McDowell: There's nothing that is a hundred percent drop in replacement for all the overlap Nutanix has with VMware, for example. It's still a big effort. It's still a big effort. And you're asking me to do this effort, well, if I'm going to switch, right, while I'm also trying to figure out this AI thing and solve all my cybersecurity problems. If I'm doing a new project, I'm going to look at cloud native, I'm going to look at Nutanix. And it's really the only two alternatives. I'm either going OpenShift or I'm going AHV.

Jason Lopez: What IT wants is predictability and consistency.

Steve McDowell: That's all any IT guy wants. He wants not to have to think about this. IT plans way ahead, and there's so many digital transformation products on their plates. And this is a distraction. And that's what they hate.

Jason Lopez: And McDowell's advice to the players who make IT solutions.

Steve McDowell: You know where that pain threshold is, and you need to build your programs around that. You got to make the switching costs come down, whatever that means, rebates, technical assistance, training, whatever, professional services. There's ways for competitors to come in there and leverage the situation that does bring relief to these IT guys.

Jason Lopez: Steve McDowell is Chief Analyst for NAND Research. This is the Tech Barometer podcast. I'm Jason Lopez. *Tech Barometer* is produced by *The Forecast*. You can find us and more tech stories at theforecastbynutanix.com. All one word, theforecastbynutanix.com.