



BUSINESS CASE

# Total Cost of Ownership: Netframe vs VMware vSphere

*How to compare 3-year TCO between Netframe and VMware vSphere, with a focus on the licensing, support, and operational cost drivers*

May 2026 · Version 1.0

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# Overview

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Pricing for VMware vSphere has changed materially since the Broadcom acquisition closed in late 2023. For most existing customers, renewal quotes have come in at multiples of prior pricing, with new per-VM components added to the licence model and several previously available tiers consolidated or retired.

This document is a short, practical guide to comparing the three-year total cost of ownership of Netframe against vSphere. It is aimed at finance and infrastructure leaders building a business case, and is intentionally short on detail; the goal is to make sure the right cost categories are on the table, not to argue any specific number.

The headline observation is that the two platforms have structurally different cost models. vSphere is priced as a function of CPU sockets, core counts, *and* the number of VMs running. Netframe is priced per physical core, with no per-VM component. The implications of that difference compound over a three-year horizon.

## Cost categories to compare

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A defensible TCO comparison covers six categories. Skipping any one of them tends to make the comparison favour whichever platform was cheaper in the categories that were included.

**Hypervisor licence.** The per-core or per-socket fee charged by the vendor for the right to run the hypervisor and management plane on a given quantity of hardware. For Netframe this is a single per-physical-core fee for Netframe Manager. For vSphere it is now a combination of per-core, per-socket, and per-VM components depending on the SKU.

**Annual support.** The recurring fee for vendor support, software updates, and access to the patch repository. Netframe support is included with the licence at a fixed annual cost with no uplift. vSphere support is sold separately, with significant annual uplift built into multi-year agreements.

**Migration tooling.** The cost of moving existing workloads onto the chosen platform. Netframe Converter is included free with Netframe Core. Migration onto vSphere from a non-VMware source typically involves a third-party tool or a paid VMware engagement.

**Operational tooling.** Backup, monitoring, identity integration, and the management of certificates and credentials. Netframe includes a backup product (Netframe Backup) as a separately licensed component on the same per-core basis; vSphere customers typically license backup separately through Veeam or similar.

**Internal time.** The hours spent by infrastructure staff managing the platform: patching, capacity planning, lifecycle, incident response. This is often the largest category and the one most frequently underestimated in TCO comparisons. The platform with the smaller operational surface usually wins this category over a three-year horizon.

**Switching cost.** For an initial purchase, this is the cost of the move: planning, migration execution, retraining. For a renewal, this is the avoided cost of staying put. Both deserve to be on the table; both are usually one-time rather than recurring.

## Where the platforms differ structurally

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A few structural differences matter for TCO regardless of the specific prices in play at any moment.

**Per-VM vs per-core.** vSphere's per-VM components mean that consolidating more workloads onto the same hardware increases licence cost. Netframe's per-physical-core model means that adding more VMs to the same hardware does not change the licence cost. Customers running dense workloads, especially smaller VMs in large numbers, see a disproportionate benefit from the Netframe model.

**Annual uplift.** Multi-year vSphere agreements typically include annual price uplift, sometimes substantial. Netframe pricing is fixed for the licence term. Over a three-year horizon, a 7% annual uplift on a \$500k base compounds to roughly \$115k of additional spend that would not exist under a fixed-price model.

**Bundled vs unbundled support.** vSphere support is licensed separately; lapsed support means lapsed access to updates. Netframe support is bundled with the licence, which removes one of the most common sources of mid-term renegotiation friction.

**Free hypervisor.** The free ESXi edition was discontinued. Netframe Core, the underlying hypervisor, remains a free download. For organisations with a long tail of small or edge sites, the difference between free and licensed at the hypervisor layer matters.

## A worked example

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Consider an organisation with 200 physical cores running approximately 800 VMs at an average density of 4 VMs per core. Three-year comparison, at illustrative pricing (your actuals will differ; treat these as proportions, not quotes):

- **vSphere VVF/VCF with backup:** per-core fee + per-VM tier + standard support, with 7% annual uplift, plus Veeam backup at typical per-VM rates → indicative three-year cost roughly \$1.5–1.8M depending on tier mix.
- **Netframe Manager + Backup:** per-physical-core fee for Manager, per-physical-core fee for Backup, support included, no annual uplift, Netframe Core and Converter free → indicative three-year cost roughly \$400–600k.

The actual ratio varies with workload density, support tier, and the specific SKU mix on the vSphere side, but a three-to-one to four-to-one cost difference is the typical result of running this comparison honestly. The Netframe sales team will provide a worked, sourced comparison against your specific environment on request.

## What internal time looks like

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Internal time is the cost category that resists clean modelling but is usually the largest single line item. Two observations from customers who have moved.

First, the single-image lifecycle on Netframe (one bootable ISO contains the hardened OS and the full Netframe stack) removes one category of operational work entirely. There is no separate package channel for the hypervisor agent, no firmware compatibility matrix to track against the OS version, no risk of agent drift across a fleet. Patching is the same operation regardless of which host is being patched.

Second, the management surface is smaller. Netframe Manager is the only management plane. There is no equivalent of the historical vCenter / vRealize / SRM / VAPP / Aria fragmentation. For an operations team of any size, the time saved on context-switching between consoles and credential stores is material.

Neither of these benefits shows up on a price-list comparison. Both compound over a three-year horizon.

## Migration cost

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The cost of migration is often the largest concern when building the business case. Two factors keep it bounded.

**Free tooling.** Netframe Converter is included with Netframe Core and has no per-VM, per-migration, or time-limited fee. Bulk migrations are scriptable via the Converter REST API.

**Wave-based methodology.** Most migration programmes complete in eight to twelve weeks of elapsed time for estates of around 100 VMs, with the bulk of calendar time spent on validation rather than mechanical migration work. The wave-based approach allows much of the migration to be absorbed into business-as-usual operations rather than requiring a dedicated programme team.

For organisations that prefer turnkey delivery, Neon Dynamics Professional Services can plan and execute the migration. For organisations with internal capability, the documentation and tooling are sufficient to run the programme in-house.

## What to take to your finance team

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The minimum a defensible TCO comparison should contain:

- Three-year cost in each of the six categories listed above, for both platforms.
- An explicit assumption for VM count and VM density.
- An explicit assumption for annual uplift on the incumbent side.
- A separate one-time line for migration cost.

- A separate one-time line for any avoided cost on the incumbent side (deferred hardware refresh, retiring an older licence tier).

Most of the work in producing the comparison is gathering the data. The arithmetic itself is straightforward.

## Next steps

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If you are building the business case, the practical next steps are:

1. Gather your current vSphere renewal quote and the SKU mix it covers.
2. Pull the workload inventory described in the Migration Guide; you need the VM count and density figures to do the comparison honestly.
3. Contact Neon Dynamics for an indicative three-year Netframe quote sized to your environment. There is no commitment; the quote is the input to the comparison.

The output is a single-page comparison that your finance and procurement teams can review. In our experience, the conversation that follows is usually about migration risk and operational fit rather than about the headline numbers; the cost case typically argues itself.