Solution Profile

2026-27 DCIG TOP 5

VMWARE ALTERNATIVES // SME EDITION

VergeIO VergeOS

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DISTINGUISHING FEATURES OF VERGEOS

- Facilitatees VMware exits and reusing existing servers
- Includes VergeFabric to makes SDN more accessible and cost-effective
- Licenses VergeOS per server, as opposed to per CPU or per core
- Migrates hundreds of VMware VMs quickly
- Places each server's resources in a global resource pool and balances workloads
- Private Cloud OS virtualizes servers, storage, and network

VMWARE ALTERNATIVE FEATURES EVALUATED

- Data Resilience
- Deployment
- Licensing
- Management
- Modern Infrastructure
- Support

More Viable VMware Alternatives Emerging for SMEs

The shockwave since Broadcom announced its changes to VMware software licensing continues to reverberate through small and mid-sized enterprises (SMEs). SMEs already had to respond to Broadcom's decision to reduce the available VMware software licenses to three in late 2023.

Now, in 2026, Broadcom again decided to reduce its VMware software licenses to two: VMware Cloud Foundation (VCF) and VMware vSphere Foundation (VVF).[1] These two licensing options will result in SMEs experiencing yet another increase in their VMware subscription licensing costs, further prompting them to adopt VMware alternatives.

The following activity supports this forecast adoption of VMware alternatives as evidenced by the following:

- SMEs now actively seek out and invite providers of VMware alternatives to compete for their existing VMware business.
- New providers of VMware alternatives have entered the market.
- Existing providers of VMware alternatives have introduced many new features into their software over the past two years to better compete with VMware.
- Providers have taken steps to customize and optimize their licensing for SMEs.

The new features introduced have helped close the feature gap that persists between VMware and VMware alternatives. While VMware alternatives still have not and may never entirely close this gap, they have made significant software enhancements.

Further, VMware alternatives do not need to offer all VMware features to meet the needs of SMEs. Rather, VMware alternative providers need to include the specific features that SMEs need at a price point that SMEs find attractive. A growing number of VMware alternatives have achieved this threshold.

SMEs should still take care to minimally take the following steps before making a change:

- Define the VMware software features they currently use.
- Quantify how broadly they use VMware and its features in their IT environment.
- Map their use of VMware features to comparable features in a VMware alternative.
- Identify viable options to migrate VMs and data from VMware to a VMware alternative.
- Identify a viable data protection solution for the VMware alternative.
- Ensure IT staff can manage and support the VMware alternative.

The number of VMware software features that a SME uses and how broadly it uses them specifically influences any decision. Alternative hypervisor solutions continue to vary in their features, software licensing, and technical support options. These options and others all factor into selecting an appropriate VMware vSphere Standard alternative.

VCF and VVF Only Remaining VMware Licensing Options

Many SMEs do not need all the software functionality available in the VCF and VVF software licenses. This prompted them to obtain subscription-based software licenses for VMware vSphere Standard or vSphere Enterprise Plus over the past two years.

The vSphere Standard and Enterprise Plus 8.0 licenses gave them access to the core VMware ESXi features that SMEs specifically needed. They both support features such as *(this is not an all-inclusive list):*

Continued

Software licensing costs remain a focal point for many SME as they consider VMware alternatives.

- Connectivity to external storage via Fibre Channel, iSCSI, NFS, and other storage networking protocols
- vCenter file-based backup and restore
- Virtual Volumes (vVols)
- VLAN-backed networking
- vMotion and Storage vMotion
- vSphere Lifecycle Manager

VMware vSphere Enterprise Plus then supports additional features. These include Distributed Resource Scheduler (DRS), I/O Controls, and Memory Tiering, among many others.

SMEs may access high-end features only by licensing either VCF or VVF. These features include all-flash hardware, data compression, data encryption, Quality of Service (QoS), and vSAN storage clusters, among others.[2]

However, beginning in January 2026 with VMware 9.0, Broadcom will only offer VCF and VVF software licenses. This will force SMEs with existing VMware vSphere Standard or Enterprise Plus 8.0 subscription licenses to choose. They must then move to VCF or VVF before 2027 ends when their existing VMware vSphere licenses expire.[3] Alternatively, they can choose and move their VMs to a VMware alternative.

The State of VMware Alternative Solutions

DCIG considered nearly 30 different VMware alternatives when preparing this report, of which it formally evaluated 19. Among these 19 VMware alternatives, providers offer them for deployment in at least three ways.

SMEs may deploy them as software, a pre-integrated appliance, or as an infrastructure-as-a-service (IaaS). Furthermore, VMware alternatives that support the software and IaaS deployment options may support deployment in one or more general-purpose clouds.

Multiple Software Licensing Options

Software licensing costs remain a focal point for many SME as they consider VMware alternatives. Unlike Broadcom, which now only offers two VMware licensing options, SMEs will find over ten licensing options among VMware alternatives. Further, they will often find VMware alternatives available at more attractive price points.

VMware alternatives differ in the number and types of software licensing options they offer. However, subscription-based software licensing represents the most readily available choice, with over 80 percent supporting this option. All-inclusive software licensing represents a distant second with over 60 percent of VMware alternatives offering this option.

Beyond these two licensing options, SMEs will find choices on VMware alternatives that meet different needs and use cases. For example, some VMware alternatives offer:

- ***Capacity-based licensing*** where a SME typically gets access to all software features and then pays based upon how much storage capacity they consume.
- ***Elastic licensing*** that permits SMEs to acquire, then release, additional software licenses for short periods to meet increased demand.
- ***Feature or tier-based licensing*** where a SME must pay to access specific software features.
- ***Per core, per VM, per physical CPU, and per physical server*** licensing options. These options give SMEs flexibility to better manage software licensing costs. They may utilize more powerful servers, servers with fewer CPUs or cores, or a combination thereof.

- ***Perpetual software licensing.*** About 25 percent of VMware alternatives still allow SMEs to acquire the software and then use it indefinitely.

VMware alternatives also offer different software licensing contract lengths. Over 60 percent offer a trial version of their software while over 40 percent offer a free community edition. SMEs that decide to license software may then choose contract lengths ranging from month-to-month to five-year or even perpetual software licenses. Nearly all providers (~80%) offer a one-year software licensing term for their VMware alternative.

Moving to a VMware alternative will likely mean that by 2028 a SME can no longer use VMware vSphere Standard or Enterprise Plus.

Using a Linux KVM-based Hypervisor Becoming a Prerequisite

Moving to a VMware alternative will likely mean that by 2028 a SME can no longer use VMware vSphere Standard or Enterprise Plus. A few VMware alternatives offer a hyperconverged infrastructure (HCI) platform option that supports VMware vSphere. This option to choose VMware vSphere as a hypervisor option will likely end by 2028. SMEs will then likely need to license VCF or VVF to continue using VMware vSphere.

This change will force any SME that selects a VMware alternative to also adopt that provider's hypervisor. In most cases, this will require choosing a Linux Kernel-based Virtual Machine (KVM) hypervisor. However, a few VMware alternatives also support Microsoft Hyper-V.

While many SMEs likely anticipated this forced changeover in a hypervisor, they also must evaluate their VM and data migration options. Nearly every provider offers one or more options to help a SME migrate from VMware to their hypervisor.

The challenge becomes choosing from the available migration options. DCIG identified over 15 migration options that VMware alternative providers offer for VM and data migrations. These include agent-based migrations, agentless migrations, bulk migrations, cold migrations, and live migrations, among many more. VMware alternative providers with multiple migration options and professional services offer the greatest likelihood of a successful migration.

Data Resilience Capabilities Maturing

Part of selecting a VMware alternative requires a SME to evaluate each offering's data resilience features. They must minimally evaluate its backup software options, cybersecurity features, disaster recovery (DR) capabilities, and highly available (HA) configurations. They may also look at advanced capabilities such as automated load balancing, failover to and failback from the cloud, and multi-site DR, among others.

Since DCIG's initial report on VMware alternatives in 2024, VMware alternatives have significantly matured their data resilience capabilities. For example, in 2024 many VMware alternatives relied on their own cloning, snapshot, and replication features for data protection.

Now, 18 months later, SMEs may still use those options for data protection. However, more third-party backup solutions support VMware alternatives and can back up their data and VMs. Further, more VMware alternatives have begun to develop and offer data protection APIs that third-party backup software can use. While still in the early stages, DCIG expects more VMware alternatives to offer data protection APIs going forward.

Cybersecurity represents the other area where VMware alternatives continue to make enhancements. More offer options to encrypt and store data in an immutable format that protects data from ransomware events. Some have even begun offering more advanced features such as anomaly or ransomware detection. Here again, DCIG expects more VMware alternatives to implement more cybersecurity functionality in the coming years.

Flexibility to Repurpose Existing Server Hardware

SMEs often express interest in reusing server hardware they already own and use to host VMware to re-host the VMware alternative. The flexibility to repurpose server hardware will vary by VMware alternative and use case.

Some VMware alternatives definitively support existing VMware server hardware. They provide plans, utilities, and technical support to facilitate repurposing existing server hardware to host their solution. Further, the software architecture of the VMware alternative may result in a SME experiencing a performance boost using the same hardware.

Solutions from other VMware alternatives may not offer this same flexibility. In some cases, they provide pre-packaged solutions (software and hardware) that do not permit repurposing existing server hardware. In other cases, their software may have specific hardware requirements that preclude repurposing existing server hardware.

The flexibility to repurpose server hardware will vary by VMware alternative and use case.

The Characteristics of a SME

No one single definition or set of characteristics for a SME exists. Rather, the definition and characteristics of a SME vary by country. An organization should therefore establish how closely it aligns with DCIG's characteristics of a SME. DCIG would expect a SME to possess one or more of the following characteristics:

- Generates annual revenue of at least $10 million and no more than $1 billion in revenue.
- Employs at least 50 and no more than 5,000 individuals or contractors.
- Employs at least one IT administrator and up to 50 dedicated to IT infrastructure, operations, and end user support.
- Resides in at least one physical location and no more than ten locations.
- Uses cloud resources such as computing, cloud storage, or both.

The more of these SME characteristics that an organization satisfies, the better this report will meet its needs.

Common Features across All VMware Alternatives

DCIG evaluated nearly 30 different VMware alternatives, of which 19 met DCIG's inclusion criteria for the SME Edition. Across these 19 VMware alternatives, DCIG evaluated over 425 features and options. 90 percent or more of these VMware alternatives support the following features and options:

1. ***Alerting and notification.*** Every evaluated VMware alternative provides alerting and notification services. Nearly every solution supports email alerts and notifications with syslog and SNMP traps being the next two most supported options.
2. ***Command-line interface (CLI).*** IT administrators often want or need a CLI to facilitate scripting when performing specific administrative tasks. Each of these 19 solutions supports a CLI to perform these tasks. However, the commands that each solution supports in its CLI may differ. If IT administrators plan to use the CLI, they should verify the solution's CLI includes commands they need.
3. ***Directory services.*** Nearly every evaluated VMware alternative supports at least one directory service. Active Directory (AD) and Lightweight Directory Access Protocol (LDAP) represent the two most supported directory services.
4. ***Include their own hypervisor.*** The hypervisor permits an enterprise to run one or more VMs on a single computer. 95 percent of the 19 solutions offer their own hypervisor. SMEs should expect the solution to provide a Linux-based KVM hypervisor.
5. ***Make their solution available as a software product for on-premises deployment.*** Software remains the primary way that SMEs should expect to obtain and deploy a VMware alternative. Even then, they should only expect to have the option to deploy it on-premises. If SMEs require other deployment options, they must quantify which options they need and validate that the solution supports them.

Over 90 percent of the providers have at least one option to migrate VMs or data from VMware to their VMware alternative.

6. ***Management interface with CLI, REST API, and web GUI options.*** The management interface facilities the management of the VMs, networking, storage, and other software features offered by the VMware alternative. Each includes a CLI, a web-based GUI, and REST APIs that SMEs may use to manage their solution.
7. ***Multiple options to migrate VMs and data from VMware to the VMware alternative.*** Over 90 percent of the providers have at least one option to migrate VMs or data from VMware to their VMware alternative. However, across the evaluated solutions, each supports different migration options. The options commonly supported (over 60 percent) include agentless migrations, API/CLI scripted migrations, bulk migrations (multiple VMs), and cold migrations
8. ***Offer multiple data protection features.*** If using a VMware alternative, SMEs may need to rely on, at least for now, the data protection features it offers. To meet this expectation, all VMware alternatives can perform some combination of clones, mirrors, replication or snapshots. Of available data protection options, nearly all (90%) support VM-level snapshots. These features provide SMEs with a baseline level of data protection for their VMs, and the data hosted on them.
9. ***Offer multiple options for high availability.*** VMware alternative solutions all offer multiple HA features, with live migration or failover the only HA feature that they all support. Other HA features, that over 60 percent support, include automated load balancing, a cluster quorum mechanism, data integrity checks, multi-site DR, non-disruptive disaster recovery (DR), resource pools, and rolling upgrades.
10. ***Professional services.*** Properly configuring, deploying, and then managing a VMware alternative requires significant skill and knowledge. Further, many SMEs may also need to migrate VMs and data from VMware to a VMware alternative. All VMware alternative providers offer support services in some form to help SMEs perform these tasks. Among these services, over 90 percent of providers offer consulting services. Education and training, installation services, and migration services represent the next three most supported services.
11. ***Run on x86 processors.*** All evaluated VMware alternatives utilize and can run on server hardware with x86 processors.
12. ***Software-defined networking (SDN).*** SDN, included in all 19 solutions, minimizes the need for or takes the place of physical network switches. This feature handles, directs, and prioritizes the communication between the different nodes in the solution. Every VMware alternative supports this functionality, with 90 percent supporting the ability to define, interconnect, and manage virtual networks. Many support other SDN features such as load balancing, virtual firewalls, routing, and switching, among others.
13. ***Software licensing.*** Every VMware alternative provider utilizes software licensing. Subscription-based software licensing and all-inclusive licensing represent the two most supported options. The most supported lengths for licenses are (in order): one-year, three-year, and five-year options.
14. ***Support Windows and Linux Guest Operating Systems (OSes).*** Windows OS remains ubiquitous in SMEs with SMEs continuing to use Windows in their IT environments. However, SMEs increasingly use Linux for performance, security, and software licensing reasons. Regardless of which guest operating systems (OSes) a SME uses, all VMware alternatives support both Linux and Windows guest OSes. However, not all VMware alternatives support all available versions of Linux and Windows.
15. ***Technical support.*** Every evaluated VMware alternative provides options to contact and/or obtain technical support. SMEs may contact or obtain technical support using email or accessing a knowledgebase from nearly every provider. Phone, remote logins, and web forms represent the next three most common technical support options. Over 80 percent of VMware alternative providers minimally make same day technical support available. Most also offer a 1-hour technical support option.

16. ***Web-based management GUI.*** All products minimally provide SMEs with a web-based management graphical user interface (GUI) to manage their solution. However, each solution's GUI may differ in terms of its capabilities. For instance, SMEs should verify if the GUI can access, visualize, and manage all installed instances of the solution in their environment. Some may achieve this feat. Other GUIs may require SMEs to enter the IP address of each instance to manage it.

VergeIO took steps to attractively price VergeOS, licensing VergeOS per server, rather than per CPU or per core.

VergeIO VergeOS Solution Profile

Upon DCIG's completion of evaluating nineteen VMware vSphere alternatives, DCIG ranked VergeIO VergeOS as a DCIG TOP 5 solution.

VergeIO offers VergeOS, a Private Cloud OS that virtualizes servers, storage, and network in a single, software-defined platform. This approach eliminates the need to create a tiered virtualized infrastructure comprising servers, storage, and networking.

VergeIO also took steps to attractively price VergeOS. VergeIO licenses VergeOS per server, rather than per CPU or per core.[4] This approach permits SMEs to consider using more powerful servers to reduce both their server count and software licensing costs.

Other features that the VergeIO VergeOS offers that help differentiate it from competitive solutions include:

- ***Facilitates VMware exits and reusing existing servers.*** VergeOS equips SMEs to re-use existing VMware servers by including built-in VMware migration capabilities to facilitate in-place VMware exits. To repurpose existing server hardware, VergeOS supports a node-by-node approach. SMEs begin by first installing VergeOS on a spare or new server hardware that then operates alongside VMware.

  They then back up VMware VMs to this temporary VergeOS instance, removing backed-up nodes from the existing VMware cluster as they do. They then install VergeOS on each removed node, and rejoin it to the growing VergeOS cluster. This method preserves business continuity throughout the migration.

  VergeOS can quickly migrate hundreds of VMs by transferring metadata and initiating background data synchronization. Further, production workloads may continue to run while VergeOS pulls data in the background. Once the migration completes, SMEs may cut over to VergeOS at their discretion.

  Existing server hardware, including internal SSDs, remains in service with VergeIO customers often reporting performance improvements. Further, SMEs may replace VMware, vSAN, and separate backup infrastructure in a single transition rather than performing separate migration projects for each layer.

- ***Software-defined networking (SDN), VergeFabric, included with VergeOS.*** Many SMEs continue to use networking hardware and appliances because of VMware's NSX software licensing costs and operational complexity. VergeIO's inclusion of VergeFabric in VergeOS makes SDN more accessible and cost-effective for SMEs.

  Besides introducing no additional software licensing costs, VergeFabric possesses three features that SMEs may find desirable, to include:

  - Not requiring dedicated SDN VMs, thereby consuming no CPU or memory resources that separate controller VMs use.
  - Integration with the VergeOS management interface.
  - Supporting multi-site connectivity for access to remote data centers.[5]

- ***Optimizes available hardware resources across servers from different providers.*** VergeOS's ability to utilize servers from different providers already positions SMEs to extend the life of their existing server hardware. However, when creating a cluster, VergeOS places each server's resources in a global pool. VergeOS then balances workloads across the pool without relying on uniform specifications.[6]

VergeOS then further optimizes available server resources using its ioOptimize feature that performs tasks such as:

- Dynamically learning and adapting to new hardware capabilities, such as recognizing server NIC upgrades from 10GbE to 25GbE.
- Migrating and consolidating VMs and data from older hardware to new, more powerful servers.
- Putting servers in the same cluster despite servers having potentially different generations of CPUs, storage media, and/or networking interfaces.[7] ■

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