
SAP vs Broadcom: Limiting IT Choice and Driving Up Costs

Table of Contents



Navigate with Ease

Back to Start:

Tap  on the finger icon for the main menu.

Interactive links enrich your reading experience.

- 2 Contents
- 3 The Rising Tide of Vendor-Imposed Changes
- 4 SAP's RISE with SAP: A Costly and Restrictive Path
- 8 Comparing SAP and Broadcom: Different Products, Same Strategy
- 11 Spinnaker Support: A Smarter Alternative for SAP and VMware Customer
- 12 Why Organizations Choose Spinnaker Support
- 13 Conclusion: Take Back Control of Your IT Strategy





The Rising Tide of Vendor-Imposed Changes

Enterprise IT leaders are facing a new reality—one where **choice is shrinking, costs are rising, and control is slipping away.**

Two major software vendors, **SAP** and **Broadcom**, are making sweeping changes that force businesses into expensive, restrictive models that don't always align with their needs.

- SAP is aggressively steering customers toward **RISE with SAP**, a bundled, subscription-based service that drives up costs, increases complexity, and locks businesses into SAP's ecosystem.
- Meanwhile, Broadcom's acquisition of **VMware** has resulted in the elimination of perpetual licenses, forcing customers into costly, recurring subscription fees while dramatically increasing software maintenance costs.

These changes are more than just inconveniences. They are **vendor-imposed** mandates that limit IT flexibility and drive businesses toward **high-cost, high-risk** decisions. Organizations that once relied on SAP and VMware now find themselves in a difficult position, with fewer choices and mounting financial pressure.

At Spinnaker Support, we believe businesses deserve better. Our third-party support (3PS), managed services, and cloud transition solutions put companies back in control—helping them reduce costs, extend the life of their existing investments, and transition to the cloud on their own terms.

Spinnaker Support delivers independent third-party support for SAP, Oracle, and VMware—trusted by companies around the world, including those in highly regulated industries. By breaking free from vendor-imposed roadmaps and aligning technology decisions with business goals, we help IT leaders take control of their strategy and move forward with confidence.

SAP's RISE with SAP: A Costly and Restrictive Path

SAP presents **RISE with SAP** as a simplified, all-in-one cloud transformation solution. It bundles software, infrastructure, and services into a single contract, promising to accelerate the transition to **S/4HANA**.

On the surface, it seems like a streamlined approach to modernization. But in reality, **RISE with SAP isn't an upgrade—it's a complete reimplementaion**, one that introduces high costs, long timelines, and significant operational risks.

THE HIDDEN COSTS OF RISE WITH SAP

Many businesses are discovering that the transition to S/4HANA via RISE with SAP is far more expensive than initially projected. Organizations still running SAP ECC 6.0 now face looming support deadlines—pressuring them toward RISE, even when their systems remain stable and effective.

Subscription pricing replaces traditional perpetual licenses, leading to **ongoing costs that often surpass previous licensing models**. Additionally, SAP dictates where and how businesses host their ERP systems—often requiring them to run on SAP's designated cloud platforms like **AWS, Google Cloud, or SAP's own infrastructure**.

This lack of flexibility limits strategic IT decision-making and drives up infrastructure expenses.

Migration to S/4HANA also requires extensive reimplementaion work. Many customizations built in **SAP ECC** aren't compatible with the new system, forcing organizations to rebuild processes from the ground up—at a substantial cost. According to **Gartner**⁶, companies moving to S/4HANA typically see a **30% increase in ERP costs** due to migration complexities and unexpected licensing fees.

Combined with the migration costs, the adoption of SAP's prescribed "Clean-Core" methodology adds delays to the project, requires **rewriting of functioning code** and complicates the change control process by introducing additional interoperability requirements from having to re-host business application code in SAP's BTP PaaS services, all **at additional cost** compared to the trusted Netweaver application stack on which SAP ECC is based.

A DISRUPTIVE AND TIME-CONSUMING MIGRATION

Transitioning to S/4HANA via RISE is not a simple upgrade—it's a complete ERP overhaul.

Businesses must migrate years of transactional and master data, often requiring extensive cleansing and validation efforts. These processes can be time-consuming and lead to **prolonged downtime**, disrupting day-to-day operations and negatively impacting revenue. This is acknowledged by SAP themselves, and is the reason for the introduction of the "SAP ERP Private Cloud, Transition Option", announced in January 2025; which comes with an additional extension to the extended maintenance deadline.

Additionally, companies must retrain internal teams or hire external consultants with S/4HANA expertise. **Panorama Consulting**⁷ reports that over **70% of ERP migration projects experience delays**, with many exceeding their initial budgets **by 50% or more**.



THE PRESSURE OF SAP'S 2027, 2030, AND 2033 DEADLINES

SAP ECC 6.0 customers are facing growing pressure from the vendor's publicly announced support timeline. Mainstream maintenance for ECC ends in 2027. Extended support runs through 2030. By 2033, all SAP-provided support for ECC will be phased out.

For many IT leaders, this is a looming deadline they can't ignore. SAP is offering two paths: move to S/4HANA and the cloud, or continue paying higher fees for temporary support extensions. Even SAP's recently introduced "Private Cloud Transition Option" only gives customers a little more time. It doesn't offer long-term stability or freedom.

This ticking clock creates urgency for organizations that may not be ready to reimplement or don't see enough value in the move. ECC still runs critical operations for thousands of companies, and they're being told their systems are nearing expiration.

That's where Spinnaker Support comes in.

We help businesses stay supported and secure on ECC, without being forced to migrate, without paying inflated maintenance fees, and without following a vendor-driven timeline. With Spinnaker, organizations maintain full control of their IT strategy and extend the life of their existing investment.

SAP's 2030 deadline doesn't have to be yours.

LOSS OF IT CONTROL & VENDOR LOCK-IN

Perhaps the most concerning aspect of RISE with SAP is the **loss of control over IT strategy**.

Businesses that transition to RISE become fully dependent on SAP for their ERP infrastructure, making it difficult—if not impossible—to manage their systems independently. Third-party integrations also become more challenging. Many organizations discover that their existing non-SAP applications require **costly redevelopment** just to remain compatible.

The majority of customers running on-premise systems, have combined and optimized infrastructure for use across both SAP and non-SAP systems. With a move to RISE, customers are finding that they now need to pay for hosting SAP systems in RISE but also continue to pay for the existing on-premise non-SAP system infrastructure, which becomes underutilized and without an easy option to downsize or terminate the hardware/hosting contracts.

Once on RISE, customers must adhere to SAP's upgrade schedules and stay within the minimum S/4HANA support package stack window, increasing testing frequency and efforts and impacting business resources more often compared to the previous ECC system on-premise. Not to mention the reliance on the non-dedicated technical team that SAP provide to perform your upgrades.

The RISE tiering and pricing structures, reduce overall flexibility. A recent **UpperEdge survey⁸** found that over **60% of SAP customers felt restricted** in their ability to integrate third-party systems after moving to RISE.



SAP'S RISE: A COSTLY AND TIME-CONSUMING MANDATE

SAP has made its position clear: it wants customers in the cloud—**on SAP's terms**.

The company's aggressive push toward RISE is less about enablement and more about increasing control over infrastructure, pricing, and upgrades. For many, this shift amounts to a **forced march** into a **SaaS-like model** that carries substantial financial and operational consequences.

The challenges are well-documented:

- **Massive Costs and No Cost Predictability:** Migrating to S/4HANA via RISE typically requires a full-scale reimplementation. This process is not only disruptive—it often leads to **budget overruns of 30–50%**, especially when hidden costs for customizations, integrations, and licensing come into play.¹
- **Rigid Vendor Lock-In:** Customers are required to adopt SAP's preferred cloud model, significantly limiting their options for infrastructure, hosting, and third-party integrations.²
- **Unnecessary Business Risk:** Migration timelines often span multiple years and can disrupt otherwise stable IT environments. Many companies report **project delays, extended downtime, and lost productivity as a result**.³
- **Reduced IT Control:** Once on RISE, businesses lose flexibility in managing their ERP systems and are tied to SAP's roadmap for innovation, updates, and pricing.⁴
- **Only 80% of Functionality:** SAP is on record for stating that only 60–80% of existing ECC functionality will be built in Cloud ERP, with additional functionality to be built by partners and system integrators using PaaS services such as SAP BTP.⁹
- **No back out:** No easy option to back-out of RISE, SAP's documentation suggests you can export your data out of RISE on contract termination, but your data will be in a basic text file data format (such as "CSV").

In short: RISE with SAP is not modernization—it's a mandate.

“ Whether you're facing SAP's 2030 cutoff or Broadcom's VMware shift, Spinnaker Support helps you bridge the gap—on your terms and timeline.”



Broadcom's VMware Changes: Rising Costs, Fewer Choices

VMware has long been a foundation of enterprise IT. But since Broadcom's acquisition, the ground has shifted—and not in the customers' favor.

Under Broadcom's new model, perpetual **VMware licenses have been eliminated.** Customers must now purchase **subscription-only licenses**, locking them into ongoing payments that dramatically increase total cost of ownership.

THE FINANCIAL IMPACT OF BROADCOM'S VMWARE CHANGES

Businesses that once had predictable licensing and support costs now face **recurring expenses without flexibility.**

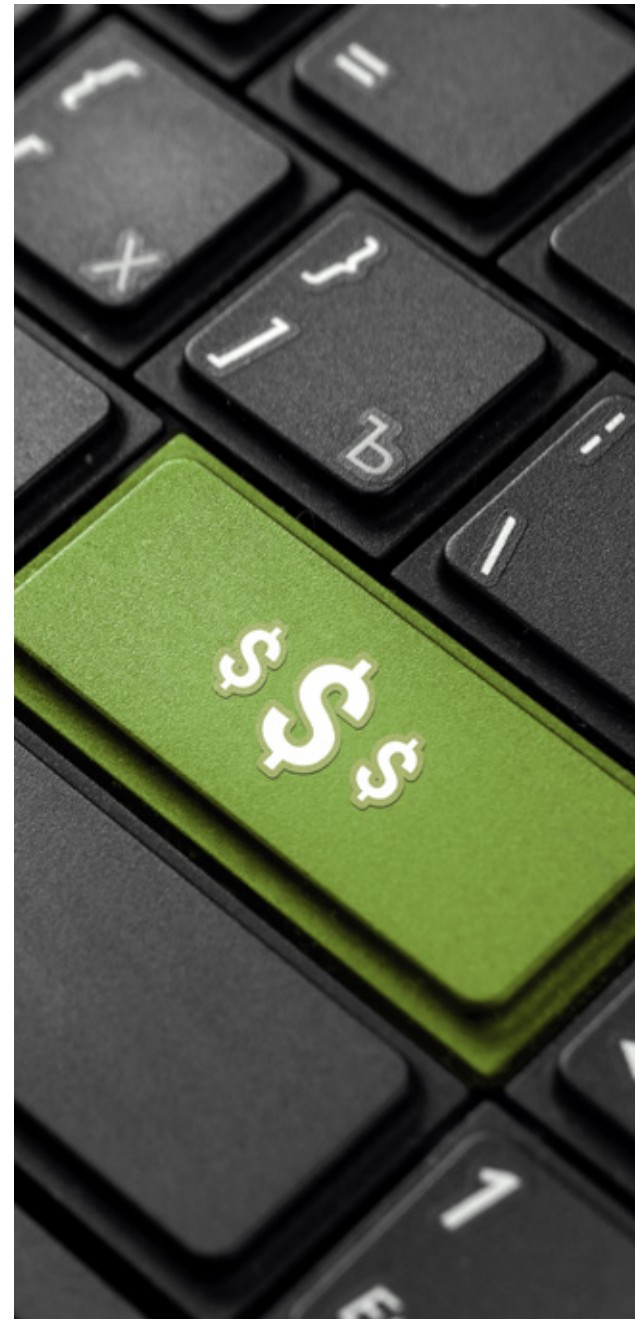
Broadcom has dramatically increased VMware's software maintenance and support pricing. According to multiple reports⁵⁶, some customers are facing **price hikes between 50% and 300%.**

Gartner⁶ found that many enterprises are actively seeking alternatives due to the **lack of transparency and rigid contract structures.**

UNCERTAINTY AROUND VMWARE'S FUTURE

Beyond the cost concerns, there's deep uncertainty about **Broadcom's long-term plans** for VMware.

Broadcom's track record with acquisitions suggests it may **phase out or consolidate** non-core VMware products. Customers are also reporting **declining support quality, limited visibility into product roadmaps**, and growing concern that their needs will take a back seat to revenue priorities.⁴



Comparing SAP and Broadcom: Different Products, Same Strategy

SAP and Broadcom operate in different corners of the IT ecosystem, but their strategies share a concerning similarity: **restrict customer choice, increase long-term costs, and tighten control over how businesses operate.**

Both vendors are pushing customers toward **subscription-only, cloud-centric models** that limit flexibility and erode IT independence. Customers are feeling the impact—not just in their budgets, but in the loss of control over their technology direction.

In SAP's case, organizations are being driven into costly migrations via RISE with SAP, with little room for customization or alternative hosting. Meanwhile, Broadcom's sweeping changes to VMware licensing have left businesses scrambling to adapt to subscription pricing, escalating maintenance fees, and an uncertain product future.

There's growing concern that Broadcom may phase out or consolidate non-core VMware products, weakening the platform's capabilities and further reducing value. Customers are also reporting a **decline in support quality**, a lack of long-term transparency around pricing and licensing, and a general sense that their strategic needs are taking a back seat.⁴

SAP VS. BROADCOM: A SHARED STRATEGY OF LOCK-IN AND COST ESCALATION

Factor	SAP (RISE with SAP, S/4HANA)	Broadcom (VMware Subscription Model)
Primary Concern	Forced migration to S/4HANA via RISE	Elimination of perpetual licenses
Cost Impact	High upfront migration costs and ongoing subscription fees with less ability to scale-down when needed	Increased software maintenance fees by up to 300%
Vendor Lock-In	SAP controls infrastructure, limiting third-party hosting options and preventing latest cloud provider technology adoption	Broadcom forces ongoing payment for continued software access
IT Flexibility	Reduced ability to manage SAP environments independently, less architectural choice around business continuity	Loss of control over virtualization and cloud strategy
Business Risk	Long migration timelines and operational disruptions, non-dedicated technical support teams within SAP	Uncertain VMware roadmap and unpredictable pricing
Customer Sentiment	Customers feel pressured and restricted in their ERP choices	Customers are frustrated with the lack of cost transparency and reduced options

Both **SAP and Broadcom** are making decisions that prioritize **their** financial interests—often at the expense of **their customers' ability to choose, adapt, and innovate.**

BROADCOM'S VMWARE TRANSITION: A PRICE HIKE WITH NO ALTERNATIVES

Broadcom's VMware strategy mirrors SAP's: reduce flexibility, limit ownership, and raise costs.

A major change following Broadcom's acquisition of VMware is the shift away from traditional support models tied to **perpetual licenses**. While customers may still hold perpetual licenses, Broadcom now requires them to **transition to subscription-based licensing in order to renew support**. This effectively forces customers to forfeit the value of their perpetual licenses just to continue receiving updates—creating a scenario where maintaining support means surrendering ownership.

This shift undermines IT budget control and limits long-term planning. Many businesses now face **ongoing subscription fees they didn't opt into**, simply to retain support for the systems they've already invested in.

At the same time, Broadcom has implemented significant **price increases** for VMware support contracts. Reports indicate that some customers are experiencing **support cost hikes ranging from 50% to 300%⁴**, with little flexibility or room for negotiation. These steep increases—combined with licensing changes—are driving many organizations to reevaluate their VMware future.



SECURITY GAPS FOR UNSUPPORTED VERSIONS

Security has also become a growing concern. Broadcom has committed to addressing only **critical vulnerabilities (CVE 9+) for currently supported versions** of VMware. This means that organizations running **older or non-supported versions—such as v7, which reaches end of support in October—will no longer receive vital security patches**.

This puts organizations at risk unless they upgrade immediately or seek alternative support—another layer of pressure and disruption added to an already shifting roadmap.

PRODUCT DIRECTION: A SHIFT TOWARD VCF

There's also growing concern about the long-term direction of VMware's product portfolio. As Broadcom focuses its efforts on **VMware Cloud Foundation (VCF)**, there are signals that **non-core VMware products may eventually be phased out or consolidated**. This has already begun to materialize as Broadcom repositions VMware's offering around VCF and narrows its future roadmap.

For many customers, this introduces significant uncertainty—not just around pricing, but around the long-term viability of the VMware solutions they rely on today.⁴

SPINNAKER SUPPORT: A SMARTER PATH FORWARD

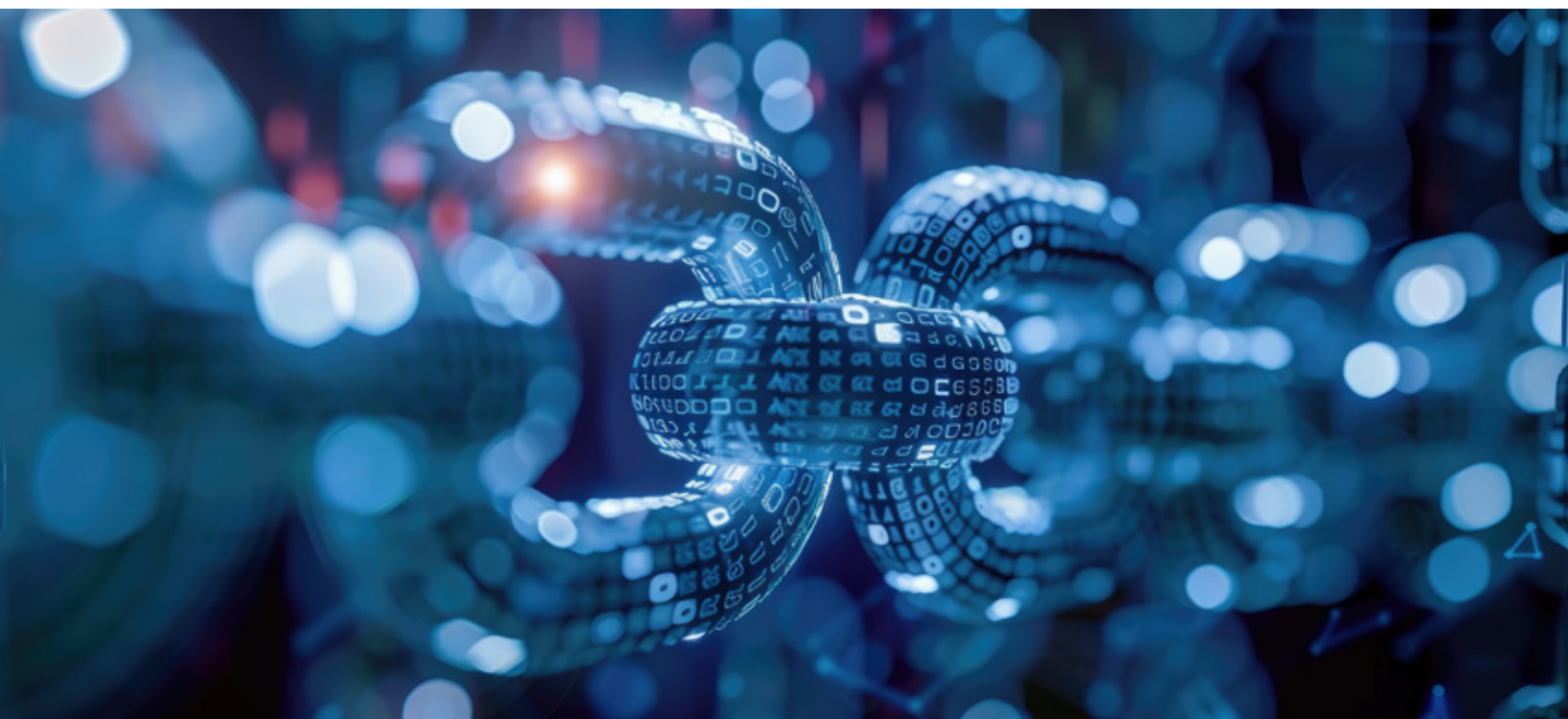
Spinnaker Support offers a **stabilizing, independent alternative**. We provide **third-party support for all currently supported versions of VMware**, helping customers maintain their existing environments with **no forced upgrades, no subscription lock-in, and predictable pricing**.

Our approach enables customers to:

- Continue using their perpetual VMware licenses
- Avoid the escalating costs and forced transitions introduced by Broadcom
- Stay protected with proactive support, including attention to security needs for aging environments

FOR ORGANIZATIONS EVALUATING HOW TO MOVE AWAY FROM VMWARE OR DELAY MAJOR CHANGES, THE OPTIONS CAN FEEL DAUNTING:

- Go off VMware support and hope for the best...
- Bridge the gap at great expense by converting to a Broadcom subscription
- **Or work with Spinnaker Support—who will get you there, on your terms, in as much time as you need, and in the most efficient way possible.**
- Whether you're operating VMware v7 or managing a modern infrastructure, Spinnaker Support helps you **extend the life of your investment, reduce operational risk, and stay in control of your IT roadmap.**



Spinnaker Support: A Smarter Alternative for SAP and VMware Customers

Whether you're navigating the rigid demands of SAP or the aggressive pricing shifts introduced by Broadcom, **Spinnaker Support gives you back the freedom to choose.** We empower organizations to break free from vendor-imposed roadmaps, align IT strategy with business goals, and operate on their terms—not someone else's.

With a strategic focus on **performance, security, managed services, and long-term flexibility**, we help you maximize ROI, minimize disruption, and maintain full control of your IT environment.

Putting You Back in Charge of Your IT Strategy

Our independent third-party support, managed services, and cloud transition solutions are trusted by companies worldwide—including those in highly regulated industries. We help reduce costs, extend the life of your existing investments, and modernize when it makes sense for your business—not when vendors tell you to.

1. THIRD-PARTY SUPPORT (3PS) FOR SAP & VMWARE

Continue using your existing systems without being forced into costly migrations or subscriptions.

- **SAP:** Keep your SAP ECC (or older S/4HANA) environment running indefinitely, with no pressure to move to the latest S/4HANA or RISE. **Save up to 60% on annual maintenance costs** while receiving expert-level support.
- **VMware:** Avoid Broadcom's escalating support fees and the loss of perpetual license value that comes with mandatory subscription renewals. Maintain your environment with **predictable, fixed-cost support**—without forced upgrades or subscription lock-in.
- We support **all versions of currently supported VMware products**, ensuring stability and extending value without compromising on performance or security—even for customers on aging environments like **VMware v7**, which reaches end-of-support in October.

2. MANAGED SERVICES: PROACTIVE AND RELIABLE

Get ahead of performance issues, maintain compliance, and operate more efficiently—without vendor dependency.

- Proactive system monitoring and issue resolution for SAP and VMware
- Security and compliance support tailored to your business and industry
- Optimization strategies that help your existing investments perform at their best

3. CLOUD TRANSITION SERVICES: MOVE WHEN YOU'RE READY

Modernization should serve your goals—not your vendor's.

- **SAP:** Transition to AWS, Azure, or Google Cloud on your own terms—without SAP dictating timing or tools and in alignment with your business' cloud strategy.
- **VMware:** Explore hybrid cloud or alternative virtualization strategies without being boxed into Broadcom's roadmap.
- We build **flexible, business-first cloud roadmaps** that align with your priorities and timelines — not theirs.

Why Organizations Choose Spinnaker Support



COST CERTAINTY

Whether avoiding VMware's rising support fees or cutting SAP maintenance costs, we help you protect your budget from unpredictable increases.



SECURITY ASSURANCE

For VMware customers, we provide proactive attention to security—even as Broadcom limits CVE coverage to only supported versions. We help bridge the gap for those running older releases like VMware v7.



HIGH-TOUCH, ENTERPRISE-GRADE SUPPORT

Our engineers provide faster, more personalized service than traditional vendors—and we never treat you like a ticket number.



FUTURE-PROOF STRATEGY

Whether you're on-prem, in the cloud, or hybrid—we support your roadmap, not someone else's.

Spinnaker Support helps you extend the value of your current investments while preparing for what's next—at your pace, with your priorities in mind.



Conclusion: Take Back Control of Your IT Strategy

SAP and Broadcom are putting their interests first—and customers are paying the price.

You don't have to settle for rising costs, rigid contracts, and vendor-driven agendas. **Spinnaker Support offers a steadier path—rooted in experience, empathy, and customer-first thinking.** We help you reduce costs, extend system value, and move forward with confidence.

With Spinnaker Support, you're choosing a partner committed to **long-term IT efficiency, operational stability, and strategic alignment**—so your business can move forward with confidence, not constraint.

TAKE ACTION TODAY

Don't let SAP or Broadcom dictate your future. Reach out today to see how Spinnaker Support can help you break free from restrictive contracts and restore control to your IT environment.



Schedule a
consultation

To learn more, visit
spinnakersupport.com



About Spinnaker Support

Today's leaders are navigating an increasingly uncertain and ever-changing world. They can't be held back by restrictive, ineffective, or complicated software systems as they move their organizations forward. Spinnaker optimizes software ecosystems through services designed for sustainable transformation, maximizing software investments and freeing up the capital and resources leaders need to navigate the future with certainty.

1. Gartner, Understanding the Hidden Costs of SAP S/4HANA Migration, 2023
2. Forbes, The Risks of Vendor Lock-In with RISE with SAP, 2023
3. Panorama Consulting, ERP Migration Challenges: SAP S/4HANA Adoption, 2024
4. The Register, Broadcom's VMware Customers Face Steep Price Hikes, 2024
5. CRN, VMware Customers Struggle with Broadcom's New Subscription Pricing, 2024
6. Gartner Report on ERP Migration Costs, 2023
7. Panorama Consulting, 2023 ERP Migration Trends and Budget Overruns
8. UpperEdge, SAP Customer Satisfaction Survey, 2023
9. [Diginomica, Public cloud ERP versus private cloud ERP - more than a deployment option. SAP's Jan. Gilg weighs in on the S/4HANA dual code line debate, 2024](#)



SPINNAKER[™]
SUPPORT

www.spinnakersupport.com