

Cloudy Wednesday: Consumption-Based Pricing

Welcome to Cloudy Wednesday. Every Wednesday, Evolving Solutions will focus on the latest news and information on cloud computing.

At VMworld Europe in Copenhagen, VMware CEO Paul Maritz offered an unvarnished assessment of how he sees the pricing model for virtualization and cloud resources evolving over the next decade. In his CRN article "VMware CEO Maritz: Get Ready For Consumption-Based Pricing", Kevin McLaughlin discusses Maritz's comments.

"We are going to have to move towards more of a consumption-based model," Maritz said. "We are trying to keep the licensing stable for as long as we can, but in 10 years from now, things will have changed quite radically."

Considering that consumption-based pricing is a percolating issue in the IT industry, and one that will likely fuel future friction between vendors and their customers and partners, reaction was mixed among those in attendance.

"He's never been that forthright and direct about this issue," said Keith Norbie, vice president and CTO at Nexus Information Systems, a VMware partner. "However, anyone who thinks the industry isn't going to this kind of model is kidding themselves."

Mike Strohl, president of Entisys, a solution provider and VMware partner, says he's encouraged by the way Maritz is tackling consumption-based pricing because it makes things clearer to customers. But Ken Phelan, CTO of Gotham Technology Partners says VMware could find it difficult to institute consumption based pricing. "I can see why VMware would want this but I'm not sure they'll be able to pull it off."

Written for Evolving Solutions, an IT Consulting and Services company. This post is no longer on their blog.