

Leaders must align their business outcomes with the value a private cloud delivers. Adopting a business and financial intelligence platform for private cloud enables executives to analyze, collect, and communicate value well beyond traditional IT metrics.

ValueOps for Private Cloud: Proving Business and Financial Alignment for the VCF Platform

June 2026

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Introduction

Across the global enterprise landscape, VMware Cloud Foundation (VCF) has emerged as the leading private cloud architecture for organizations seeking to consolidate, automate, and govern their private cloud infrastructure estates. Yet even among the most sophisticated adopters, a persistent and costly challenge endures: the inability to articulate, measure, and continuously improve the business value that the VCF platform delivers. The core issue is a value translation gap: product and engineering teams drive innovation, infrastructure teams speak cores and clusters, and finance speaks budgets and ROI, with no leader connecting platform spend to business outcomes. In addition, fast-rising AI cost pressures on token usage, often called "tokenomics," AI workloads, and the emerging digital workforce (i.e., autonomous agents) are forcing executives to improve their governance and cost transparency capabilities. For C-suite executives and technology leaders, this business value gap is no longer a reporting inconvenience, it is a strategic liability. Organizations that can convert their IT infrastructure from a cost center to a strategic asset will have a distinct advantage when it comes to funding new AI initiatives.

In 2026, enterprise technology spending is under unprecedented scrutiny. Board-level conversations have shifted from discussing IT as a cost center to demanding proof of value-generating outcomes. Infrastructure leaders who cannot translate the language of compute, storage, and networking into the vocabulary of revenue enablement, cost optimization, and competitive agility risk having their most strategically vital platforms reclassified — from innovation enablers to run-the-business overhead.

This dynamic is especially acute for VCF deployments, which are frequently capitalized as multiyear, large million-dollar investments. When a CIO or CFO asks what the platform is doing for the business and the answer is a vague reference to uptime percentages and consolidation ratios, the platform loses its strategic standing. Worse, it becomes a candidate for budget reduction at precisely the moment when AI-era workloads demand more private cloud capacity, not less.

AT A GLANCE

KEY TAKEAWAYS

- » The ability to define VCF value through a business and financial intelligence platform enables executives to "defend the spend," communicate business value, and elevate VCF as the strategic platform that it is.
- » Understanding the value dimensions of VCF requires moving beyond traditional IT metrics, using business-outcome dashboards that resonate with the C-suite streamlines platform expansion and proves private cloud AI value.

The C-suite dual mandate: Justify the spend, accelerate the value

C-suite leaders face a dual mandate that previous generations of infrastructure executives did not confront. First, they must defend existing VCF investments against CFO, CEO, and CIO/CTO scrutiny — demonstrating that the platform is not merely sustaining operations but actively generating measurable business outcomes. Second, they must unlock the platform's forward potential as the foundation for private AI workloads, autonomous digital workers, and next-generation AI application architectures. For technology executives, they must both generate a business-value narrative for VCF and compound the value of VCF as adoption rises for private AI workloads and their respective digital workforce. Ignoring this opportunity increases business risks and minimizes the value of private cloud AI investments.

Meeting this dual mandate requires a paradigm shift: from infrastructure management to business and financial intelligence. Technology executives must evolve their reporting from dashboards of technical health metrics to a business and financial intelligence platform that maps every workload running on VCF to the strategic initiative and, ultimately, the business impact it generates. Organizations that make this shift gain a powerful mechanism to defend their VCF investment not merely as run budget but as a self-funding innovation asset — justifying spending from the innovation budget by demonstrating that VCF is continuously unlocking capital for new strategic priorities.

The scale of the problem

Private cloud financial transparency has become a nonnegotiable imperative for enterprise technology leadership teams as AI and cloud adoption demand financial intelligence as part of workload and AI model placement. Understanding costs and business returns are now a board-level concern. The need for business and financial intelligence for private cloud spans several executive stakeholders — CEOs, CFOs, CTOs, CIOs, CDAIOs, and product and application owners. What is notable is that while the private cloud often supports critical, mission-critical and revenue-generating services, many enterprises lack the financial governance tooling to trace that spending to demonstrable business outcomes that support platform expansion. IDC's own Business Value Analysis projects 564% three-year ROI, 34% lower infrastructure costs, and 53% team efficiency gains. But those are projected benefits for a composite organization. Individual customers are challenged to prove whether they are realizing those returns. ValueOps offers a critical path forward.

For VMware VCF specifically, the challenge is compounded by the platform's expansive set of capabilities across compute, storage, networking, management, and security. Without dedicated business and financial intelligence capability, the complexity that makes VCF powerful also makes it opaque — a black box of infrastructure spending with limited financial transparency. What's needed is a dedicated business and financial intelligence platform, such as ValueOps, that proves that VCF is delivering and optimized in delivering its promised business returns. This enables executives to elevate the position and communicate VCF as the strategic platform that it is in enterprise organizations.

ValueOps: The business and financial intelligence platform for private cloud

VCF governance, in the conventional infrastructure sense, addresses policy enforcement, capacity management, and change control. But in the emerging paradigm of infrastructure as a financial intelligence domain, governance must extend to investment justification at every layer of the technology stack. This means creating a traceable hierarchy mapping business strategy to funded infrastructure initiatives and the supported application portfolio, with financial metadata attached at each layer. This is precisely what a business and financial intelligence platform enables: transparency that empowers executives to align and communicate business outcomes with private cloud investments.

Without this alignment and transparency, VCF operators face significant governance challenges. First, the inability to demonstrate that specific infrastructure investments are delivering against the business cases that justified them; second,

the proliferation of ungoverned net-new workloads that consume capacity without documented business sponsorship; and third, the accumulation of legacy technical debt that is difficult to retire because its business impact — positive or negative — cannot be measured.

Tokenomics: The AI token tax on enterprise VCF deployments

Perhaps the most financially consequential governance challenge emerging in 2026 is the AI token tax — the cumulative, often poorly understood cost of routing enterprise AI workloads through public cloud large language model (LLM) APIs rather than hosting inference workloads on private VCF infrastructure. For large enterprise technology organizations running thousands of AI-assisted workflows and digital workers daily, the difference between public and private cloud AI economics must be understood as it could be transformational.

In a public cloud AI deployment model — utilizing public cloud services such as AWS Bedrock, Google Vertex AI, or Azure OpenAI — enterprises typically pay for every input and output token processed by the model. Enterprise-grade LLM API costs run on per million input tokens, and per million output tokens, depending on the model capability tier. Thus far, most enterprise workloads generate roughly 3–5x more input tokens than output tokens. For a large enterprise running hundreds of millions or billions of tokens per month across code generation, digital workers, customer service automation, document intelligence, and internal knowledge management cases, monthly public cloud AI expenditure can skyrocket fast and unpredictably. The costs tend to be variable, difficult to forecast, and fast rising as AI adoption accelerates.

On a VCF private cloud infrastructure, the economics are fundamentally different. Once the GPU cluster is capitalized and the open source or licensed foundation model is deployed, the marginal cost per token approaches near zero — limited to electricity, hardware depreciation, staffing, and the fixed licensing cost of the model itself. Analysis drawn from VCF private AI deployments indicates that the effective unit cost of inference on private cloud infrastructure can be reduced significantly per million tokens or less, when compared with the equivalent public cloud consumption — a unit cost reduction that compounds dramatically as enterprise AI usage scales. These cost savings can then be reinvested to fuel innovation through AI agents or upskilling and reallocation of existing staff into new AI capabilities.

Benefits

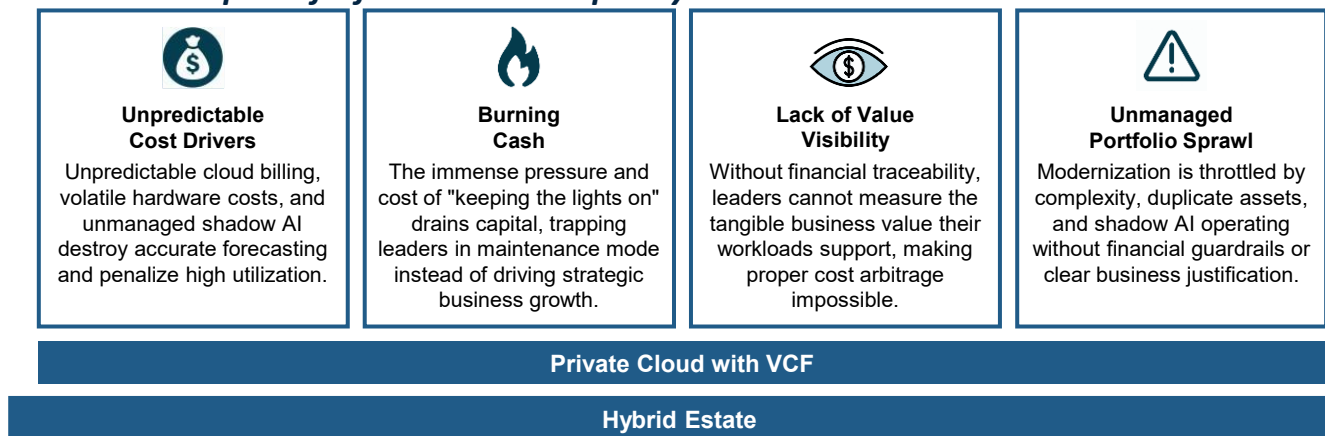
For most organizations, VCF value realization starts with the basic and essential discussion driven by workload consolidation and migration, server footprint reduction, process improvements, automation, and the elimination of redundant licensing across siloed infrastructure stacks. These returns are traceable to specific infrastructure decisions: retired hardware, reclaimed datacenter space, eliminated software licenses, and head count upskilling. However, executives need a deeper and broader set of data and dashboards to understand and prove realization of value.

By taking advantage of business, financial, and governance intelligence and data from a ValueOps solution, executives can strategically elevate VCF's posture while proving its value in a strategic fashion. In addition, the ability to define business value across the platform adoption journey with trusted qualitative facts and executive dashboards not only elevates the platform as a strategic platform that delivers business innovation but also enables executives to amplify and compound the platform's value over time to accelerate broader and deeper platform adoption for AI workloads. The most credible, board-ready VCF value narrative is built on three interconnected value pillars:

- » **Model:** Build defensible business cases for workload placement. Focus on dynamic scenario planning that models multidimensional TCO (infrastructure costs + labor costs + AI token economics) to answer: "Should this workload run on VCF, in public cloud, or stay where it is?"
- » **Track:** Govern adoption and connect infrastructure to business value. Map technical consumption to the business platforms it supports, track bundle penetration, identify consolidation opportunities, and monitor migration progress. The answer to "what does VCF support?" shifts from "10,000 VMs" to "\$200 million in revenue-generating business capabilities."
- » **Prove:** Demonstrate actual ROI against analyst projections. Map value claims (lower costs, efficiency, less downtime, improved security, etc.) to measurable customer actuals. Deliver renewal-ready evidence that the platform is fully utilized and delivering value proportional to spend.

The benefits from ValueOps for a Business and Financial Intelligence Platform for Private Cloud are a critical input for senior technology and business executives to improve financial, labor, and business value alignment. It's a complementary (and deeper) expansion of the leading challenges for understanding the full value of a VCF private cloud (see Figure 1).

FIGURE 1: *The pain of infrastructure complexity*



Source: Broadcom, 2026

Technology requirements for a business and financial intelligence platform for private cloud

Executives should consider the following capabilities required to drive and measure strategic business value for the private cloud. These are:

- » **Strategic outcome management (OKRs):** The ability to model macrolevel business impacts — such as "reduce infrastructure costs" or "modernize infrastructure" — into trackable objectives and key results (OKRs) (This provides real-time "confidence scoring" fueled by VCF telemetry rather than static spreadsheets.)

- » **Unified asset and contract intelligence:** A single source of truth that aggregates siloed data from CMDBs, asset inventories, and enterprise contracts. (This allows leadership to map technical assets directly to business functions [e.g., retail banking] and identify high-value migration candidates based on contract expiration dates.)
- » **Dynamic scenario and hybrid TCO modeling:** Automated comparison tools to evaluate the total cost of ownership (TCO) between public cloud "rental" models and fixed cost private cloud environments to include "what-if" scenario planning to assess how schedule changes or capacity constraints impact ROI.
- » **Delivery confidence and execution road mapping:** Integrated road maps that visualize migration timelines against labor capacity (This ensures that "human capital" is aligned with "digital capital," providing stakeholders with daily visibility into whether migration milestones are on track to avoid expensive legacy renewals.)
- » **AI economic optimization and reinvestment tracking:** Specialized forecasting for AI workloads that compares public LLM "token taxes" against the unit economics of private VCF inference (This includes a "strategic reinvestment portfolio" to visualize how realized OpEx savings are instantly diverted into "available funding" for new AI innovation.)

Challenges

Some of the key challenges faced by senior technology and business executives when measuring the business value of private cloud in the AI era are:

- » Many tools are limited by data silos, lack of data access, and fragmented teams that don't allow for full visibility and alignment between business objectives and costs.
- » The path from cost model to AI production deployment is often obstructed by capital, talent, and governance challenges that are sometimes underestimated at the business case stage.
- » GPU clusters required to match enterprise AI throughput often require millions upfront — a capital commitment that conflicts with the CFO preference for variable, consumption-based, pay-as-you-go OpEx models. Finance teams accustomed to public cloud invoices have no playbook for GPU amortization schedules and require financial intelligence for AI workloads.
- » Data classification, security, access, governance, audit, and preparation are critical success factors for any AI use case. For many enterprise, high-value use cases — complex reasoning, multimodal tasks, long-context document analysis — will be required. Capability-adjusted cost comparisons are rarely included in many financial use cases.
- » Operating a private AI cloud requires MLOps engineers, LLM fine-tuning specialists, infrastructure SREs, and AI security architects. Obtaining talent and managing costs are important challenges to consider.

Conclusion

The imperative for a private cloud business and financial intelligence platform has never been more strategically urgent. ValueOps is uniquely positioned to fill this void. As enterprise AI workloads scale, board-level scrutiny of technology spending intensifies, legacy technical debt increases, and the gap between infrastructure investments and demonstrable business outcomes widens, VCF platform leaders face a defining inflection point: evolve from infrastructure operators to business value champions. The opportunity is one of financial intelligence, governance maturity, and value

communication. Organizations that close the value translation gap — connecting GPU clusters to revenue outcomes, infrastructure spend to funded business initiatives, and AI token economics to total cost optimization — will be positioned to defend and expand their VCF investments at precisely the moment when private cloud capacity is most in demand.

IDC believes there is customer demand for a Business and Financial Intelligence Platform for Private Cloud, driven by the convergence of AI infrastructure demand, CFO-level cost-governance mandates, and the maturation of FinOps disciplines into the private cloud domain. VMware VCF Platform sits at the center of this opportunity. To the extent that organizations can deploy ValueOps capabilities that model, track, and prove platform value, VCF has the potential to transition from a capitalized infrastructure investment to a continuously justified innovation platform. The organizations that make this transition first will hold a durable competitive advantage in the AI-era enterprise.

About the analyst



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Stephen Elliot manages multiple programs spanning IT Operations, Enterprise Management, ITSM, Agile and DevOps, Application performance, Virtualization, Multi-Cloud Management and Automation, Log Analytics, Container Management, DaaS, and Software Defined Compute. Mr. Elliot advises senior IT, business, and investment executives globally in the creation of strategy and operational tactics that drive the execution of digital transformation and business growth.

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