

Reasons to Modernize Now: A Conversation Guide



Customer conversations that initiate and guide technology modernization

Modernization offers customers numerous benefits, from accommodating more complex workloads and piloting new technologies to improved performance and cost control. It can also bring new capabilities that can help customers realize new business value, such as artificial intelligence (AI).

In many cases, modernization will include updating, replacing, or optimizing hardware, software, and workloads. This kind of digital transformation can happen wherever your customers' needs are—in the cloud, at the edge, in the data center, or all the above.

This guide discusses the benefits of modernization and the factors driving it and presents questions you can use to start customer conversations.

Modernization by the numbers

Worldwide IT spending
is slated to be

US\$5 trillion
in 2024, a 6.8 percent
increase from 2023¹

Nearly

55% of all
IT investments
will be **focused on**
digital transformation
initiatives in 2024²

What's driving modernization

Customers' use of outdated infrastructure or legacy systems, often referred to as "tech debt," can hinder business innovation, growth, and employee productivity. In some cases, the costs of maintaining legacy equipment—reduced productivity, increased security risks, and lack of innovation—can be higher than the cost of upgrading. Many factors drive the need for modernization. Chances are your customers are facing many of these challenges.

Factors driving modernization

Tech advancements	Cybersecurity threats
IT integrations	Workload compatibility
Refresh cycles	Cloudification
Sustainability commits	Business continuity/redundancy
Hybrid workforces	Privacy regulations
AI innovation	Future readiness
Performance and efficiency needs	Market competition
Data-driven decision-making	Attracting/retaining talent

Sales questions to uncover opportunities

Incorporate the following questions into your customer conversations to initiate a modernization discussion and understand each customer's unique situation and business targets.



CUSTOMER QUESTIONS	REASON FOR ASKING
How do you plan to reduce spend and improve app performance?	It will be helpful for your customers to articulate their cost control and TCO improvement goals so you can identify areas where you can help.
What is the effectiveness of your current security solutions in reducing your overall cybersecurity risk?	By asking this question and then conducting a cyber-threat audit, you can help your customers see risks they may not have considered and opportunities to strengthen their environment.
How do you plan to use AI to enhance your architecture, handle smart workload placement, and reduce costs?	AI is changing how business happens. Talk to your customers about how modernizing their infrastructure can support growing datasets and processing power needs, workload placement decisions, and optimization. Modernizing can also help enable customers to securely leverage their data to drive innovation and operational efficiency.
What refresh opportunities are coming up that can help in furthering your modernization goals?	Your customers' committed refreshes, including three year, five year, and master agreement, are opportunities to modernize infrastructure with already budgeted funds. You can help them make the optimal decision for their needs.
How would you like to simplify management of infrastructure?	Understanding the complexity within your customers' unique IT environment will help you craft an approach to simplify and help them save staff management time and leverage the full capabilities of their systems.
How do you plan to extend your expertise and resources in modernizing infrastructure (in preparation for new capabilities like AI, etc.)?	Customers are challenged by a lack of deep in-house expertise, and staff may already be stretched to meet daily business and performance targets. This question can help your customers see if they can extend their current capabilities and, if they can't, how they can get the support they need.
What is your plan for accelerating time to market?	By defining how your customers plan to compress time to value by getting to market faster, you can see where their systems could be more supportive and then help them implement those upgrades.

Benefits of modernization

So why modernize now? Simply put, new applications demand new infrastructure. A consistent, modern technology foundation can help customers run the latest workloads, innovate for AI, and future-proof with the latest performance advancements. Modernizing can also be a business growth driver by surfacing new business opportunities and boosting competitive advantage.

During conversations with customers, you can use the following benefits and related proof points to help explain why modernizing the data center and cloud is important for their business.



It's common for organizations to **overspend on cloud services** by as much as

70%³

Cost control(s)

Supporting new workloads with upgraded infrastructure offers greater flexibility that is often not possible—or comes with extra costs—on legacy data center infrastructure. Modernization can help **reduce cost overruns** by giving your customers greater **control over resource allocation**.

Organizations with the fastest digital development velocities have

60%

higher shareholder returns.⁴

Optimized, streamlined operations for efficiency

Customers want to **modernize for efficiency**, meaning how quickly they can turn on, turn off, move, and shift their architecture, VMs, containers, and services. They may also need to support growing datasets that demand greater processing power while **balancing their infrastructure costs and footprint**.

Upgraded infrastructure—designed and optimized for efficiency, performance, and flexibility—can help your customers **get more from their technology investments**.

Through 2027,

85%

of workload placement decisions will need to be continually optimized because of **changing product, availability, and cost**.⁵

Future ready

Future-proofing your customers' infrastructure starts with presenting tools and technologies that align with their business goals and helping them select flexible solutions to meet future needs.

A modern, optimized infrastructure provides **flexibility to scale** when adding new data sources, applications, and users.

79%

of companies experienced a cloud breach in the past 18 months.⁶

Security

There are a range of security concerns today, from data attacks to phishing to distributed denial-of-service (DDoS), and more. Modernized infrastructure enables your customers to **take advantage of the latest security capabilities** built to reduce the potential attack surface while enabling them to leverage their data to **unlock new opportunities and insights**.

Powering cloud services accounts for

1 to 1.5%

of all energy consumption globally.⁷

Sustainability

With the exponential growth in data collected from edge devices and the growing size of datasets needed for AI-based discoveries, data centers are using more power than ever.

Modernizing can help **provide more processing power** in more efficient ways, helping to **reduce overall power consumption while also delivering increased performance**.

Refresh opportunities to take advantage of now

While there are various entry points to modernization, the following are two opportunities you can use immediately with your customers.



VMware and Intel

The opportunity

Customers running on outdated infrastructure are likely unable to support modern workloads or support new use cases. You can help your customers running older versions of VMware on 1st or 2nd Gen Intel® Xeon® processor-based platforms by discussing an upgrade strategy.

Intel and VMware have collaborated for more than 15 years to develop coengineered solutions, including building blocks, reference designs, and tools, to enable digital transformation opportunities. VMware and Intel® solutions, built upon software-defined hyperconverged infrastructure (HCI) architecture and powered by natively integrated virtualization technologies, offer customers self-driving operations and management on industry-standard Intel® technology. VMware solutions optimized to run on Intel® Xeon® Scalable processors with built-in hardware accelerators help enable faster innovation more efficiently at scale.

VMware and Intel® technology benefits

Modernizing with VMware vSphere 8.0 and 4th Gen Intel® Xeon® Scalable processors enables your customers to:

Upgrade their infrastructure and **consolidate the number of servers** by up to **70%**⁸

Run accelerated AI inference workloads using their CPU instead of purchasing a discrete GPU

Run existing and new workloads with built-in accelerators like Intel® Advanced Matrix Extensions (Intel® AMX) and Intel® QuickAssist Technology (Intel® QAT)

Reduce CO₂ emissions and **lower power consumption** by **38%**⁸

Learn more:

[Intel® Cloud TV: Modernize with VMware and Intel >](#)

[Sales Enablement Package: Data Center Modernization >](#)

4th Gen Intel® Xeon® Scalable processors for Microsoft SQL Server 2022 deliver:

Up to
3.2x
backup time improvement⁹

Up to
22%
more NOPM transactions¹⁰

Up to
19%
faster query response time¹⁰

Microsoft Windows Server and Microsoft SQL Server

The opportunity

Support for Microsoft Windows Server 2012 ended on October 10, 2023, and support for Microsoft SQL Server 2012 stopped in the summer of 2022. Customers considering upgrading will want to maximize their investment while making the switch as seamless as possible. They may be tempted to do a software-only upgrade; however, to get the most value from their Windows Server investment, your customers should consider upgrading to instances featuring Intel® Xeon® Scalable processors.

Microsoft Windows and Intel® technology benefits

When new Windows Server platforms are powered by Intel® Xeon® Scalable processors, your customers can expect performance gains, workload consolidation opportunities to reduce TCO and enhance sustainability, and hardware-based security capabilities that can help reduce security risks. Upgrading both software and hardware unlocks the full value of your customers' investments; Intel® Xeon® Scalable processors provide all the horsepower and functionality you need to supercharge Windows Server 2022 and SQL Server 2022 instances for accelerated performance, low TCO, high reliability, and stringent security.¹¹

Learn more

[Intel® Cloud TV: Modernization Opportunities with Microsoft >](#)

[Infographic: Transform your customers' infrastructure with 4th Gen Intel® Xeon® Scalable processors + Microsoft Windows 2022 and SQL Server 2022 >](#)

[Sales Enablement Package: Data Center Modernization >](#)

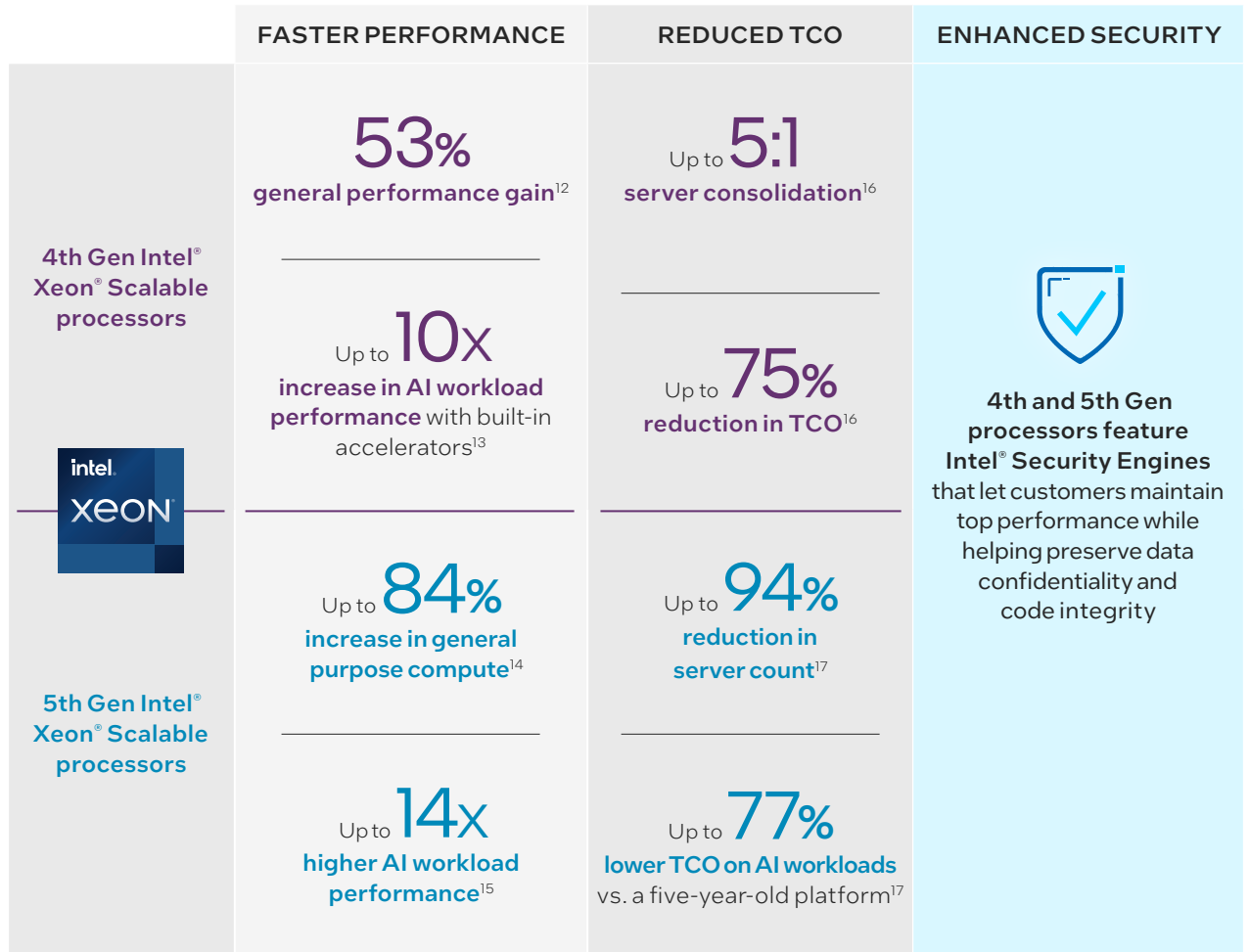
Modernization technologies from Intel

No matter where your customers are with modernization, by offering Intel® solutions and technologies, you can help them address challenges they may be facing. Intel provides you with a comprehensive portfolio that can help make your customers' transitions and upgrades easier, improve their TCO, and enhance security.

4th or 5th Gen Intel® Xeon® Scalable processors

Intel® Xeon® Scalable processors are purpose-built to deliver powerful computing performance to help your customers grow and unlock new opportunities. Upgrading your customer's data center with 4th or 5th Gen Intel® Xeon® Scalable processors means they can deliver leading performance with the most built-in accelerators to activate agile cloud strategies across hybrid, multicloud, and the intelligent edge.

Benefits of the latest Intel® Xeon® Scalable processors



Modernization technologies

Intel® Accelerator Engines >

An integrated feature in Intel® Xeon® Scalable processors¹⁸ that helps boost performance, reduce costs, and improve power efficiency for demanding workloads in the data center, in the cloud, and at the edge.

Intel® confidential computing technologies >

Designed to protect data in use with isolation, encryption and control, and verification capabilities to help customers unlock new opportunities for business collaboration and insights.

Data center software optimization tools >

Discover solution options that you can wrap your expertise around to create new business opportunities and revenue streams.

Why Intel for modernization

As you discuss modernization with customers, they may be hesitant to pursue upgrades because their legacy solutions are still working. Customers may also prefer to focus on innovation or new services. Remind them that putting off upgrades can pose considerable security risks or lead to suboptimal performance that can negatively impact their business results.

The bottom line is that forward-thinking organizations are modernizing their infrastructure to support business growth, streamline operations, reduce and control costs, and be future-ready. You can help them be successful with the Intel® portfolio of technologies, optimization tools, and support.

Next steps

Learn more about initiating modernization conversations with your customers by watching more partner-focused Intel® Cloud TV episodes.

[Intel® Cloud TV: Cloud Workload Modernization >](#)

[Intel® Cloud TV: Modernizing the Hybrid Data Center >](#)

Find additional tools to help guide modernization conversations with customers at intel.com/salesenablement >

[Intel® Cloud TV: Watch more episodes >](#)





Notices and disclaimers

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18. Availability of accelerators varies depending on SKU. Visit the Intel® [Product Specifications page](https://www.intel.com/processorclaims) for additional product details.

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