

# Tailoring an Open Source Business Model

# True or false?

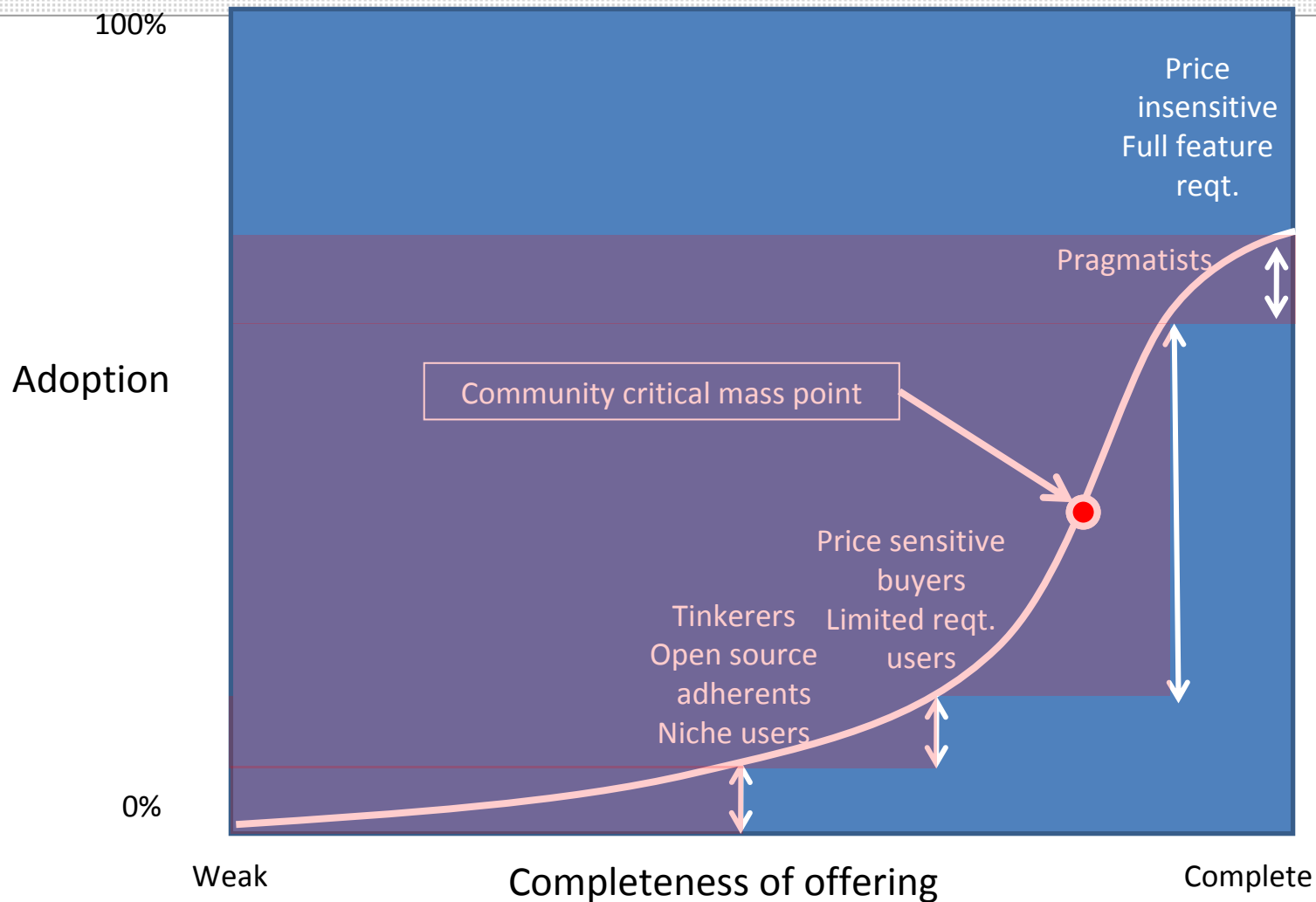
- ▲ Open Source is not a business model
- ▲ Open Source means free software
- ▲ You can't combine open source products and closed source products
- ▲ You will alienate the open source community if you have a commercial offering
- ▲ You will become a successful open source community if you have a compelling commercial offering
- ▲ You can become a successful open source company without a significant community
- ▲ If there is a significant community and broad use of the technology you can easily monetize

Open source is not a business model it is a distribution strategy that creates broad awareness, rapid adoption and enables a “pull environment”

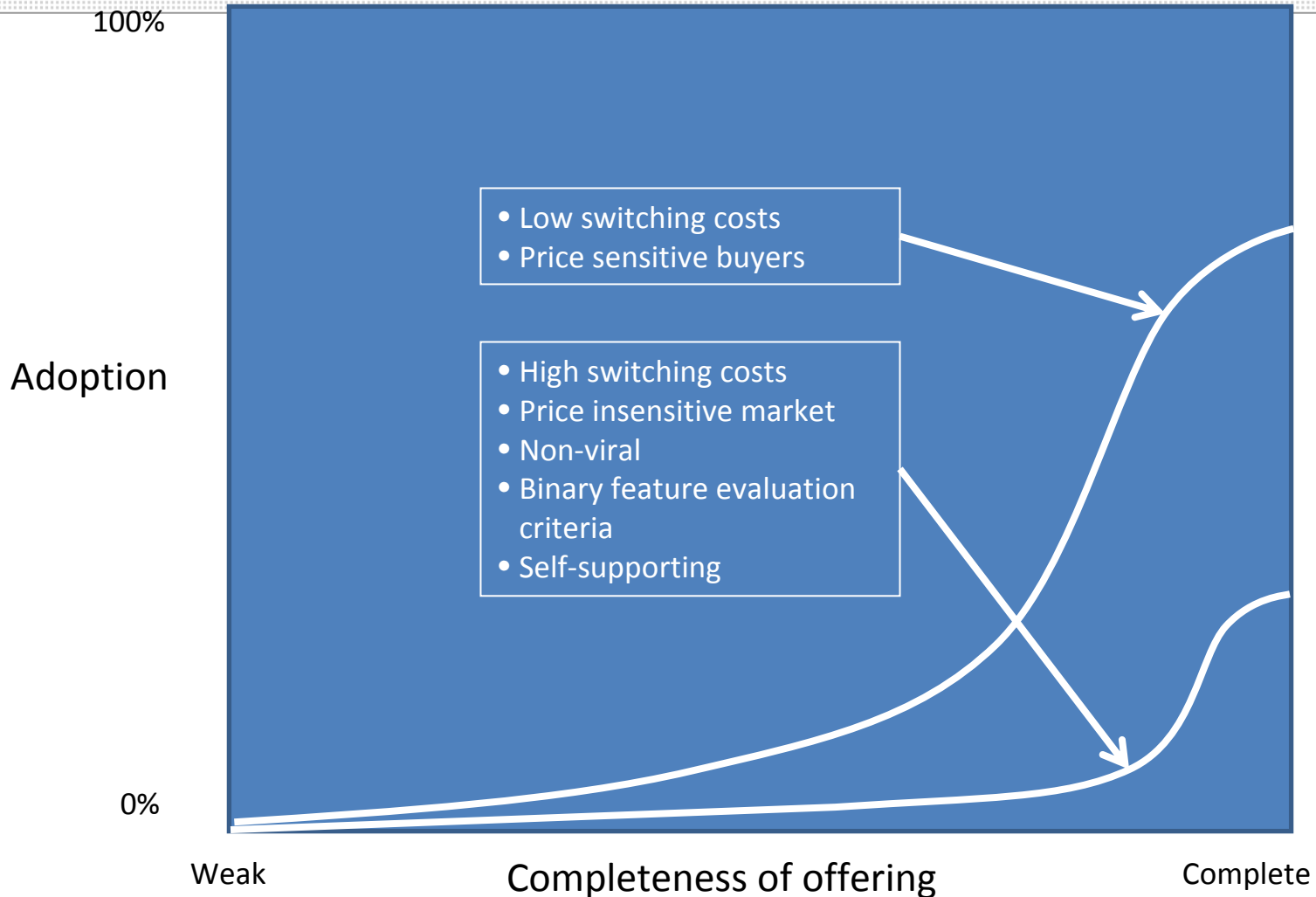
## Moving up the community “stack”

Position in the enterprise	Requirements
Enterprise Standard	Fits roadmap and org. objectives
Enterprise Usage	Well supported, strong community acceptance
Departmental usage	Stable, good basis for confidence
Pilot	Stable, some basis for comfort
Developer adoption	Good docs., compatibility with existing infrastructure, solves developer problem
Developer Trial	Frictionless downloads, perceived value
Developer Awareness	Great product, blogs, media, etc.

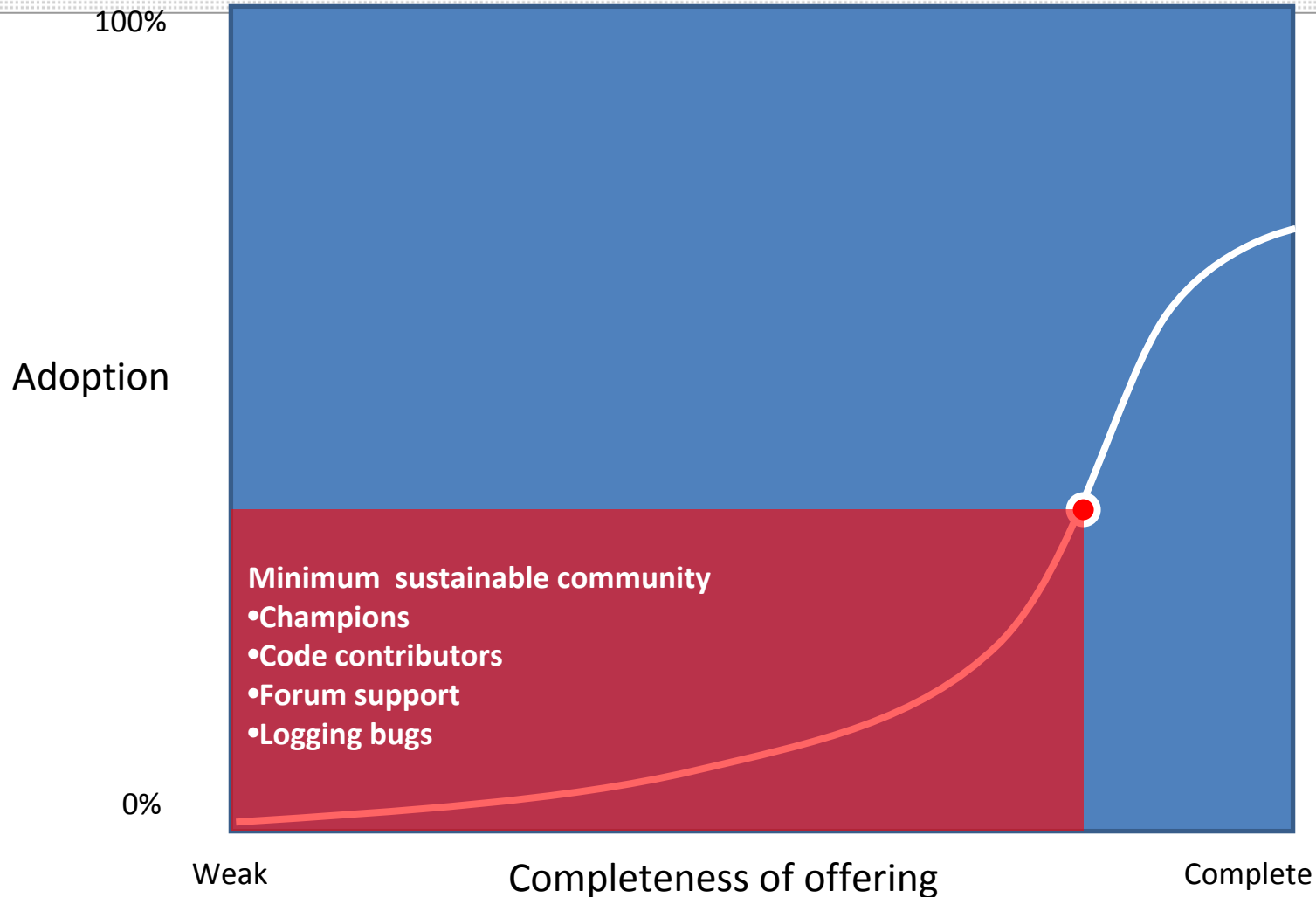
# The commoditization S-curve



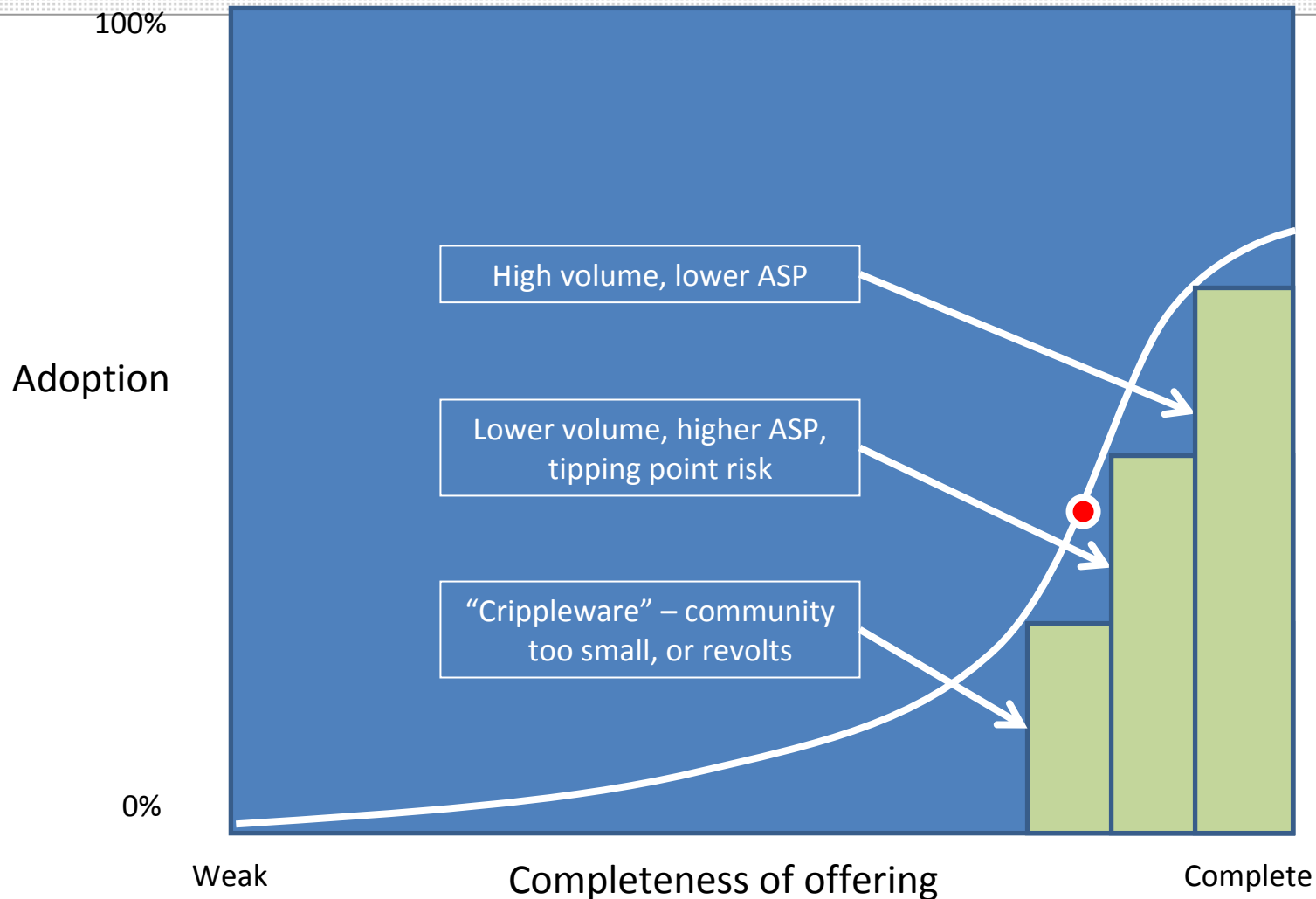
# Investing in the high road



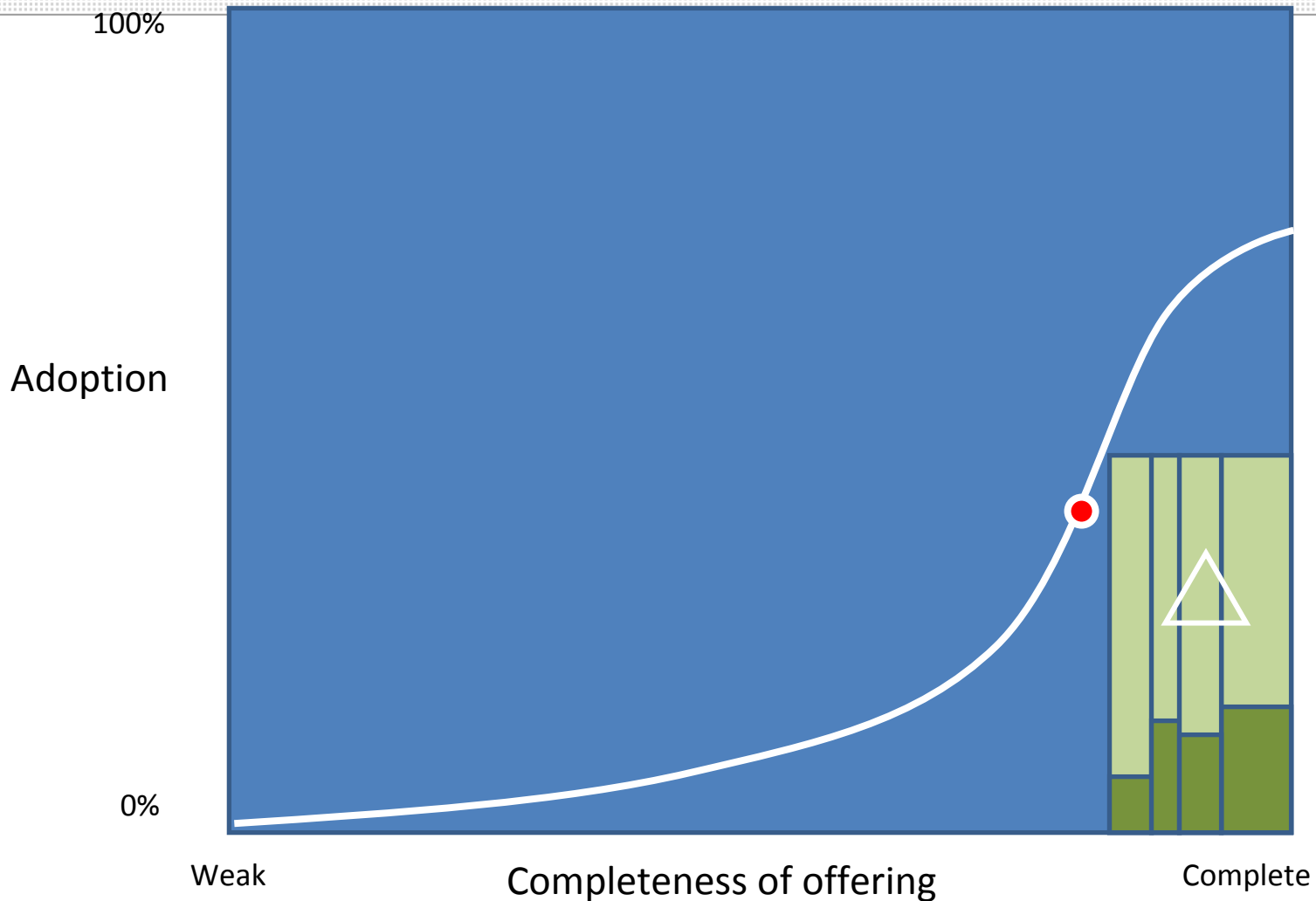
# Sustainability – Completeness needed to build community critical mass



# The monetization balancing act

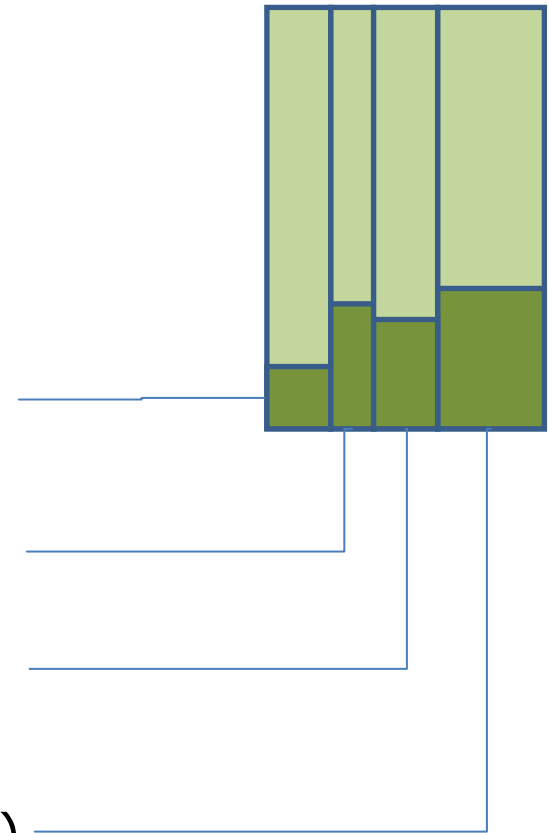


# Free vs. subscription: what's the delta?



# Common subscription components

- ▲ Base capabilities (QA, viable company, productization, implementation/TTV)
- ▲ “Premium” features (operations, development, integration, user)
- ▲ Certified, indemnified, maintenance releases
- ▲ Technical support (support portal, SLAs)



# What's in the subscription?

Company	Basic version	Basic features	Premium features	Support	Hosting	Buy out of copyleft license
Pentaho		✓	✓	✓		
Alfresco			✓	✓		✓
SugarCRM		✓	✓	✓	✓	
MySQL (Sun)				✓		✓
SpringSource			✓	✓		
JBoss (Red Hat)			✓	✓		
Red Hat (RHEL)	✓	✓	✓	✓		N/A
Hyperic			✓	✓		✓

# Innovation vs. Commoditization – The next open source

