

Open Source Software:
The technology and business trends and
opportunities

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Open source software

- ◆ Started as an evolutionary software development model
- ◆ Today it is as much a business model
- ◆ OSS communities and businesses are driven by the same economic behaviours as other industries

Historically, open source software have facilitated the success of Internet, and Internet has been a prerequisite for the success of open source software

Open source in a nutshell

- ◆ Principles from science applied to SW development
 - ✓ Build on other people's work
 - ✓ QA from source code transparency
- ◆ Bug fixing is easier, and performed by more developers
 - ✓ Parallel development and bug fixing
 - ✓ Low quality is difficult to hide!
- ◆ Local adaptations are possible / easier
 - ✓ Users have direct impact on selection of features to be added
 - ✓ Easier to integrate with other components
- ◆ Increased product lifetime
 - ✓ “Independent” of potential commercial failures
 - ✓ User communities reduce dependency on ISV

The open source projects

- ◆ Open source software today has wide dissemination
- ◆ Sources of information
 - ✓ News: slashdot.org, linux.com, ...
 - ✓ Software projects: sourceforge.net, freshmeat.net, tigris.org, apache.org, ...
 - ✓ Legal matters: groklaw.com
- ◆ Sourceforge statistics – as of Feb 2009
 - ✓ More than 230,000 software projects
 - ✓ More than 2 million registered users
- ◆ Project maturity vary largely
 - ✓ Rely on expert assistance

Trends (1)

- ◆ IT is becoming easier – and OSS is at the heart of it
 - ✓ Resources are abundant: processing, storage, functionality
 - ✓ Componentisation: solve it once and only once
 - ✓ Open data, Open standards, Open source
- ◆ Open source is mainstream
 - ✓ Infrastructure -> tools -> business applications
- ◆ User influence is increasing
- ◆ Canyons of disparity between proprietary and open source software are being bridged
- ◆ Businesses ask for new service providers
 - ✓ Agreggation of services -> single point of contact

Trends (2)

- ◆ Commercial open source vendors / service providers will continue to experiment with business models
- ◆ Open source “ISVs” are interesting acquisition targets
 - ✓ VMware (Springsource), Sun (MySQL), Citrix (Xensource), Yahoo (Zimbra)
- ◆ Open source shall prevail ;-)
 - ✓ Per-device licence fees are not compliant with 'Internet of things'
- ◆ Open source software is key in web 2 and social networks

The case for OSS in social networks

- ◆ Open source software is the alternative for the future
 - ✓ Leaders and challengers choose open source for its innovation
 - ✓ Vast community of contributors in dynamic developer teams globally
- ◆ Leading public social networks as well as key internet players use and contribute to open source components
 - ✓ Google, Facebook, Twitter, Wikis...
- ◆ Going for an open source, componentbased solution ensures availability of state-of-the-art features
- ◆ Avoid vendor lock-in
 - ✓ Multi-vendor development possible, e.g. for local adaptations
 - ✓ Your main solution provider is exchangeable
- ◆ Cost advantages due to non-existent license fees
 - ✓ No per-user considerations to make
- ◆ Be sure to decide what and how to share with communities versus ownership to strategic elements

OSS Opportunities

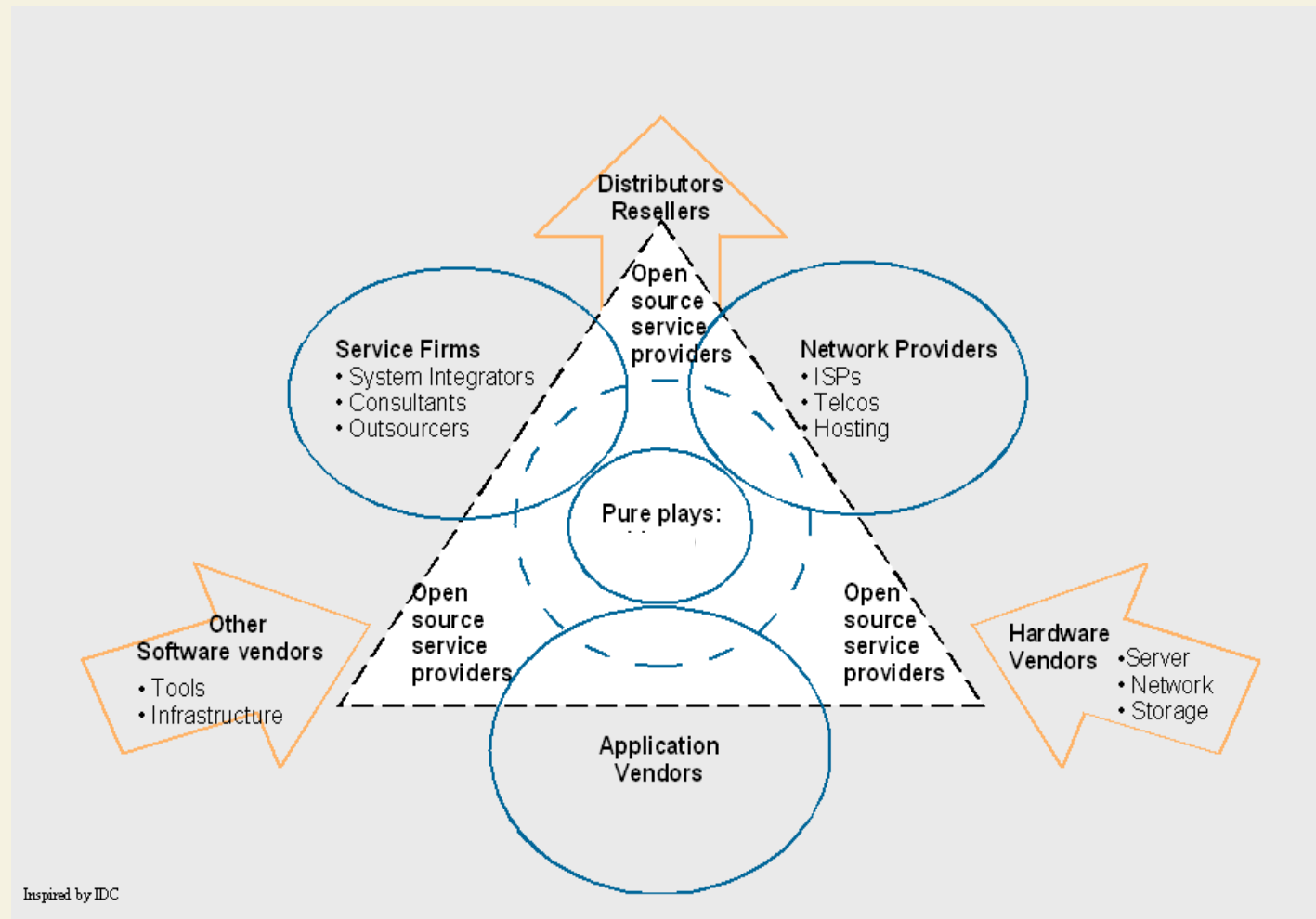
- ◆ Barriers to entry are lower than ever!
- ◆ For ISVs
 - ✓ Build on what others have achieved before you; make better software faster, at a lower cost
 - ✓ OSS is truly a global arena -> great impact on market reach
 - ✓ Totally different approach to market penetration: efforts to reach wide product adoption should precede sales force
- ◆ For Service Providers
 - ✓ Aggregation and specialization
 - ✓ Consulting firms
 - ✓ Very few players with customer centric business model; most larger companies are linked to one particular product

In Mikko Puhakka terms

- Open source + Service
- Mixed (Open source + Proprietary)
- Open source + Buy Off
- Open source + Aggregation
- Open source + Hardware

IT's all about services

- ◆ IT services – the complete value chain
- ◆ Choose your distribution model



Define your service “carriers”

- Inhouse developed open source products
- Third party open source (infrastructure) products
 - RHEL, JBoss, MySQL, Novell SuSE, Canonical, ...
- Third party open source projects
 - PostgreSQL, Debian,
- Third party open source (enterprise) applications
 - SugarCRM, Alfresco, Drupal, Pentaho, Jasper, Anaxagora,
- Bespoke development / integration
 - Perl, PHP, Python, C/C++, RoR, and tools
 - SOA / integration, Social web, Business processes, ...

The Exit

When it all comes down to services, how do we

- ◆ ensure innovative strength;
- ◆ secure that open source players are involved;
- ◆ align funding opportunities to cater for OSS players?

Open source software shall play an important role also for the success of the Future Internet!