OPEN SOURCE COMMUNITIES AND BUSINESS ECOSYSTEM STRATEGY

OW2 Consortium from the perspective of a Board Member

Slovenia Business Linux Conference
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OW2 BoD member
This talk is not an official OW2 presentation, but it gives the point of view of an OW2 founding member (Engineering Group) and of an OW2 Board of Directors member.

My aim is both to promote OW2 Consortium and to suggest some reflections about Open Source (OS) Communities and OS ecosystems strategies.

The first point is: who am I?
A short bio

Engineering Group is the first player in Italy in software and services with a unique and complete business model: system integration, consultancy, outsourcing, solution & product for cross and vertical markets.

I am Architectures&Consulting Director within the Research&Innovation Division. **Founder of the SpagoWorld initiative** and **member of OW2 Consortium BoD**, active in the **Eclipse Foundation Community** and in the **Italian Open Source Competence Center**. I signed the **FLOSS CC Network Manifesto** and I was professor for open source at the University of Padua, Italy.
Agenda

- The current OS world
- New generation of OS communities
- OW2 Consortium: software & business platform
- OW2 Initiatives: ecosystems @ work
- OS Communities: some reflections
- Concluding remarks
Where we started

0> The freedom to run the software for any purpose

1> The freedom to study how the software works and to adapt it to your needs

2> The freedom to redistribute copies of the software

3> The freedom to improve the software and distribute your improvements to the public
Elements of an open source business strategy

Revenue triggers
- Commercial license
- Subscription
- Support services
- Other products/services
- Software services
- Custom development
- Advertising

End user licensing
- Dual licensing
- Open core
- Open complement
- Single open source
- Assembled open source
- Closed

Copyright control
- Vendor
- Foundation
- Distributed
- Withheld

Software license
- Reciprocal
- Permissive

Development model
- Public
- Private
- Public/private
- Vendor
- Community
- Aggregate

www.the451group.com/caos
Business models -> towards commercialization

Open Source commercialization

Research (incubation)  Stability (maturity)  Community Foundation  ISV (development & support)  Third Parties Support  SaaS Cloud

- Fundings
- Patronage
- Patronage
- Installation
- Start-up
- Support
- Maintenance
- Training
- Certification
- Legals
- Sw selection
- Technical assessment
- Legal assessment
- Installation
- Start-up
- Integration
- Migration
- Training
- Intermediation
- Customization
- Services
- Supply

Business models

Technological cooperation
- Non-monetary returns
- Cooperative development
- Knowledge sharing

Tech. & Business cooperation
- Business competition
- Monetary / Non-monetary returns
- Network externalities
OS strategies based on licensing models

Pure Open Source, Dual Licensing, Open Core, Open Complement, ...

Forges Licences distribution

OW2

- BSD License
- BSD License, GNU Lesser General Public License (LGPL)
- Eclipse Public License (EPL)
- Eclipse Public License (EPL), GNU Lesser General Public License (LGPL)
- GNU General Public License (GPL)
- GNU General Public License (GPL), GNU Lesser General Public License (LGPL)
- GNU Lesser General Public License (LGPL)
- Not Set
- OSI Approved

Sourceforge

- Apache License V2.0
- BSD License
- GNU General Public License (GPL)
- GNU General Public License (GPL), GNU Library or Lesser General Public License (LGPL)
- GNU General Public License version 3.0 (GPLv3)
- GNU Library or Lesser General Public License (LGPL)
- MIT License
- Not Set
- Other License

Statistics provided by Italian Open Source Competence Center using: Spago4Q

More information at: http://en.flossitaly.it/?q=content/comparative-analysis-open-source-forges
Developing model -> towards Quality Assessment

Using the Model – 4 Phases

Phase 1: Quick Assessment Filter
Phase 2: Functional Usage Weighting
Phase 3: Data Collection & Processing
Phase 4: Data Translation

Business Readiness Rating

Apache Quality Assurance

OMM (Open Maturity Model) & MOSST (Model for Open Source Software Trustworthiness)

Open BRR
New generation of OSS communities

Open Source Communities evolution over time

Third generation of open source communities gathering different legal entities, federating companies, vendors, customers, public administrations and individuals.

A collective business model: the core of their value proposition, oriented towards the value increment of the organization as a whole, consists in stimulating collaboration among members to reach various goals, useful to all.
One of top-4 global open source organizations with diversified code

Diversified-code organizations

Product line organizations

Technology-oriented communities

Legal resources organizations

Standards organizations

Advocacy and lobbying organizations
Consortium Structure Overview

Same as a company but with specific constituents

- Community
- Governance
- Code Base
- Activities
- Membership Fees

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Community

a global membership... to be energized as a community
The three activities of the OW2 Community

Projects
- Technology Innovation

Initiatives
- Business Leverage

Local Chapters
- Global Governance

OW2 hosts world-class projects. They require:
- IP support
- Greater visibility

Unique to OW2. It requires commitment and management skills.

Will drive and help the community grow locally. Not yet operational
Governance

OW2 Governance Model

Board of Directors
Management Office
Activities Management Team

Openness, Fairness, Trust, Transparency, Independence
Membership fees

a "low-cost" organization

Strategic Members
• €50,000
• 3-year commitment
• LORGs €10,000
• SMORGs €5,000
• Micro €1,500
• Academia €4,000
• Labs €1,000
• 1-year commitment

Corporate Members
• No charge

Individual Members
• 2010 budget just balanced. No offices. No public funding, No donations (so far). OW2 still relies on in-kind contributions by Strategic Members

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A software platform

Enterprise Monitoring (BAM)

Process Management

User Interaction

Security Services

Service implementation

Communication and integration services

Service registry

Management

Software Development Factory

*Selection based on: downloads, most recent update, number of developers, Java Update: May 2009

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A business ecosystem platform

Producers

- Contribute
- Re-use
- Use / Integrate

Users

- Feed-back

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Marketing and Communication Services

Governance and Community Services

Technical Infrastructure Services

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Initiatives: ecosystem @ work

OW2 Business Intelligence Initiative
www.ow2.org/view/BusinessIntelligence/

VISION & GOALS
OS Business Intelligence qualification
BI investigation and research
Use cases and best practices

STAKEHOLDERS
Software Vendors
Systems Integrators
Academia
Enterprises
SMEs
Public Entities
Consultants

TRACKS
Scenarios
Project Synergies
Innovation

Open Source BI Business Ecosystem

OW2 PROJECTS

Open Source BI Vision

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Initiatives: ecosystem @ work

OW2 Open Source Cloudware Initiative
www.ow2.org/view/Cloud/

VISION & GOALS

- OW2 Technology Vision
- JetStream discussion
- From Middleware to Cloudware
- Open Cloud Computing
- Open Source Empowerment

OW2 projects

3rd party projects

Collaborative projects

STAKEHOLDERS

- Software Vendors
- Systems Integrators
- Academia
- Enterprises
- Telcos
- SMEs
- Public Entities

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The OW2 opportunity

Increase market size and market share
- Increase visibility in Open Source developers community
- Platform for ecosystem development
- Increase market power / share
- Help establish de facto standards

Increase corporate value
- Business exposure / Market traction
- Market and technology guidance
- Business opportunities

Increase technology transfer
- Platform for industry relationship
- Real world experience
- Funding opportunities
- Enhanced visibility and reputation

Industry Leader
Technology Provider
Research Organization
End-User or Systems Integrator
Developer, ISV, Start-up
Academia
Individual
Public Administration

OSS Strategy
Independence & Innovation
- Access to quality code
- Access to expertise
- Optimize budget
- International network
- Foster innovation

OSS strategy
Efficiency and Sustainability
- Access to quality code
- Access to expertise
- Access to 3rd level support
- OW2 directory
- Image "OW2atWork"

Business opportunities and technology acceleration
- Business intelligence
- Technology watch
- Networking opportunities

Access to business and Open Source expertise
- Industry relationship
- Networking opportunities
- Seed research

Enhance professional profile
- Networking, contacts and exchange
- Job opportunities

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OS Communities: some reflections

- more or less project oriented
- many projects are supported by a company, instead of a community effort
- most contributors are users instead of developers
- often they are mainly a marketing tool, whose interest is influenced by leading members
- a well-established organization and the availability of economic resources are crucial for their success

OS Communities – OW2 Lessons learned

Typical OS organization value proposal

טרקון: Technology services
  - Technical infrastructure

טרקון: Community services
  - Governance framework

טרקון: MarCom services
  - Brand and identity

תנאי: You can control it
  - Not a de facto model that controls you

תנאי: It is documented
  - It can be explained, even to your parents

תנאי: It provides clear guidance
  - To both current and potential members

תנאי: It supports governance
  - Helps mitigate conflicts with a sense of direction

Source: Open Source and its Communities, C. Thomas, fOSSa Conference 2009
www.slideshare.net/fossaconference/presentations
How to kill a community?

#1 Restrict enthusiasm & free expressions, prevent open discussions about vision & strategy, never seek members’ views & opinion

#2 Set up strict by-laws & rigid processes, establish a strong top-down oriented community, stick to one business model & never change it whatever may happen

#3 Avoid participation from community members to any decision making process, ensure that communication, dissemination & promotion initiatives require your despotic approval

#4 Impose closed monolithic architecture software, state that globalization / localization / skin adaptation adds on are useless, don’t publish roadmap neither your project security threads, block momentum

#5 Do not promote; reputation will grow by itself thanks to product excellence

#6 Never acknowledge contribution, never acknowledge recognize successes, never award incentives

#7 Force the OSS communities to merge or fight against one another, never monitor your community, move your OSS non-profit organization to a profit organization.

Source: How to kill an Open Source Community?, S.Ribas, M.Chezon, INRIA - fOSSa Conference 2009  
www.slideshare.net/fossaconference/presentations
Rate your own community
or the community you are looking for

<table>
<thead>
<tr>
<th>Vision</th>
<th>Rate (*)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Values</td>
<td>★★★</td>
</tr>
<tr>
<td>Goals</td>
<td>★★★</td>
</tr>
<tr>
<td>Independence</td>
<td>★★★</td>
</tr>
<tr>
<td>Trustworthiness</td>
<td>★★★</td>
</tr>
<tr>
<td><strong>Ecosystem</strong></td>
<td></td>
</tr>
<tr>
<td>Members’ participation</td>
<td>★★★</td>
</tr>
<tr>
<td>Individuals’ involvement</td>
<td>★★★</td>
</tr>
<tr>
<td>Communications</td>
<td>★★★</td>
</tr>
<tr>
<td>Credits &amp; feedback mgt.</td>
<td>★★★</td>
</tr>
<tr>
<td>Knowledge management</td>
<td>★★★</td>
</tr>
<tr>
<td><strong>Governance</strong></td>
<td></td>
</tr>
<tr>
<td>Democracy</td>
<td>★★★</td>
</tr>
<tr>
<td>Rules management</td>
<td>★★★</td>
</tr>
<tr>
<td>Community leadership</td>
<td>★★★</td>
</tr>
<tr>
<td>Role of Directors</td>
<td>★★★</td>
</tr>
<tr>
<td><strong>Technology</strong></td>
<td></td>
</tr>
<tr>
<td>Code base</td>
<td>★★★</td>
</tr>
<tr>
<td>Supporting infrastructure</td>
<td>★★★</td>
</tr>
<tr>
<td>Development process</td>
<td>★★★</td>
</tr>
<tr>
<td>Contribution management</td>
<td>★★★</td>
</tr>
<tr>
<td>IPR/license management</td>
<td>★★★</td>
</tr>
</tbody>
</table>

- Clear objectives, principles, corresponding activities
- Balance focus and re-direction, tradition vs innovation
- Openness, transparency
- Inclusive attitude, altruistic approach

- Inclusive attitude & efforts, participation rate
- Inclusion, feedback & credits mgt., awareness, accomplishment
- Type, quality, frequency rate, supporting infrastructure
- Members' accomplishment
- Infrastructure, open involvement, effectiveness

- Role of members, balance between members, consensus mgt.
- Solid frame, law observance, flexibility, adaptability
- Role of leaders: chairman, directors, community manager
- Openness of the BoD, decision management

- Market recogn., adoption results, innovation, accept. procedures
- Usability, availability, robustness, effectiveness, support
- Project management, procedures, quality control
- Typology, quality, frequency rate
- Guidance, support, transparency

(*) My “priority” rate, instead of an all 3-stars rate
Concluding remarks

Open source software has started changing
- initial emphasis on ethic values and community involvement has diminished
- digital technology is becoming commoditized; digital natives are more interested in the services that technology offers than in the technology itself
- IT market has adopted the open message; OSS solutions are often used to attract users towards proprietary solutions
- new business models are arising and they will lead technology more than technology can do.

What can we do?

1) We should actively *preadapt* ourselves to future events, building an organizational context that can generate some potential resources that can be used in the future, well knowing how using them.
2) A rough waiting for monetary returns will not produce any *sustainability*. We must fund OS future on a new sustainable development environment based on renovated and shared values.

The right organizational context is the key to success!
The five questions

1) **Innovation.** OSS is valuable only if it innovates, if it’s at the bleeding-edge, if it supports the creation of knowledge, collaboration, trust, transparency, and projects initiatives, business relations, services. *Why OSS solutions are not evaluated on the basis of their innovation rate?*

2) **Education.** Training and research are crucial everytime, especially in the period of crisis and incertitude. *How can the OS world promote an education system that transfers its ability to use, share, participate and conceive to the citizens and professionals of tomorrow?*

3) **Governance.** Everything cannot be planned; serendipity is crucial. *Is only the result of an OS project relevant, or, in addition, is how we achieve this result important as well (according to a self-organizing and self-training model that is useful to attain the expected and unexpected results)?*

4) **Community.** A community can grow only if its members are aware of the basic emotional/cognitive relations existing among individuals and in the group. *Can we consider an organization as a community if it does not promote the altruistic approach at the basis of the knowledge society?*

5) **Market.** The OSS success has been determined by the market that is based on traditional values. We cannot expect any radical market change. But, *which approaches do we have to adopt in order to lead the business and technological innovation toward a new intensive way of producing and living?*

Join an organization that can help you (and let you) answer properly!
My answer: ecology of value

- The participants explore the value of their real and potential relations, seeking complementarities able to increase the business and ecosystem sustainability.
- The ecosystem creativeness lies in its variety of resources as well as in its attraction and inclusion capacity.
- Coopetition (i.e.: simultaneous cooperation - in non-monetary issues - and competition - in the same market) enables the complex relations to foster the ecosystem.

An ecology is a value creation process set on the background of a complex network of business and social relationships, of shared values and interdependencies between the different participants.
www.ow2.org

Join **OW2 Consortium** at:
2010 OW2 Annual Conference, Paris 24-25 November

Join the **discussion about new funding OSS values** at:

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Resources & Credits

Leading Open Source Middleware - OW2 general presentation, Cedric Thomas 2009
www.ow2.org/view/NewsEvents/MarketingResources

OW2 business ecosystem - Cedric Thomas, 2008
www.ow2.org/view/NewsEvents/MarketingResources

Many papers about OW2 Consortium strategies (business ecosystem or platform strategy, open source strategy) at: www.ow2.org/view/About/OW2Consortium

fOSSa Conference 2009 – Presentations
www.slideshare.net/fossaconference/presentations

SpagoWorld, the Open Source Initiative by Engineering Group - Lessons learned by a company in the development of free software at enterprise level - Gabriele Ruffatti, 2009
www.spagoworld.org/xwiki/bin/view/Resources/RuffattiArticleSpagoWorldInitiative

Which open source software for the current decade? Five question for the future. - Gabriele Ruffatti, 2010
www.spagoworld.org/xwiki/bin/view/Resources/OSFiveQuestionsFutureRuffatti

Ecology of Value – SpagoWorld Blog
www.spagoworld.org/blog/category/ecology-of-value