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Strategy And Agility Knowledge And Innovation

Open Source Commercialization
TETRA x Explorers webinar

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technology to technologists

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About me: https://linkedin.com/in/ressoh

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| 10+ years with Atos | Various positions:
- **CTO** for Public Sector France
- **Deputy-Bid Manager Director** for Public Sector France
- **Head of Open Source** for Public Sector France
- **Head of Innovation and R&D** for Public Sector France
- **Global Business Development Director** for Atos International |

Core Skills / Years of experience

| **CEO**
12+ years | **COO**
4 years | **CTO / Open Source**
24+ years | **Innovation, R&D**
7+ years |

| **Business Development**
7+ years | **Startups Advisor &**
Venture Capital
15+ years | + started working on open source code in 1995 (PHP, Apache)
+ member of OW2 (formerly ObjectWeb) since 2004
+ former member of OpenStack Foundation (2012-2016)
+ Represented Atos on several OSS events
+ Advised open source startups (Videolabs/VLC, Wakanda JS, Fenq Office) |

Agenda

❏ How to transform an open source code into a product?

❏ Example of successful open source business models

❏ Tips from my experiences

How to transform an open source code into a product?

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OS CODE	PRODUCT	STARTUP
Developer	Market Positioning	Business Model
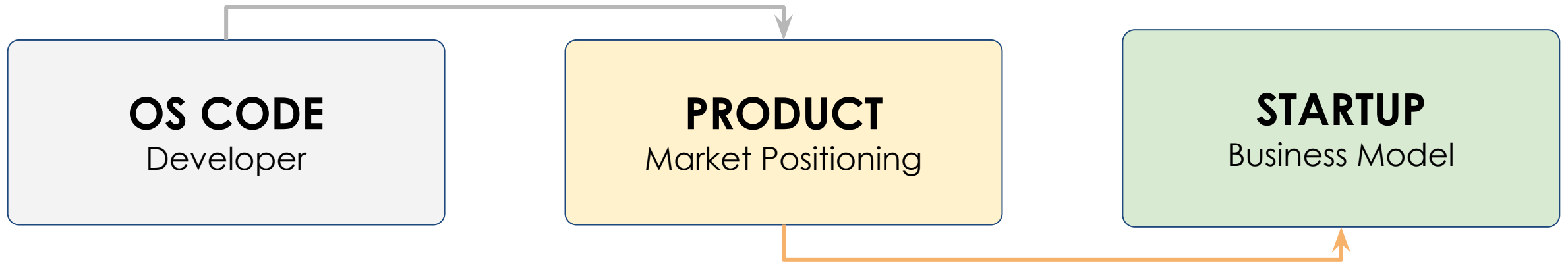
Main Challenges

Adoption by the community   Market Penetration   Revenue Models

How to select the right **open source license model** from the beginning !

How to select the right license for your OS project?

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The OS license selected will impact your entire project, product, and business model - You can decide to have a DUAL license (open source and commercial)...But selected wisely!

100% my code and I don't plan to integrate any third-party OS code and I allow my code to be integrated to any third-party solution. I want any modification (including derived work) of my code by a third-party to be reversed to my project.	**Not 100% or 100% my code** and I allow my code to be integrated to any third-party solution. I want any modification (including derived work) of my code by a third-party to be reversed to my project.	**100% my code and I want** to integrate third-party OS code or allow my code to be integrated to any third-party solution. I'm ok if a third-party uses my code without reversing the changes back to my project.
Strong Copyleft Licenses	**Weak Copyleft Licenses**	**Permissive Licenses**
- GPL license (GPL v2 and GPL v3), - AGPL License, - SSPL (MongoDB)	- LGPL License, - Mozilla Public License 2.0	- MIT license, - Apache License 2.0, - BSD clause-3, clause-2

Check OSI for more licenses: https://opensource.org/licenses/category

How to build an open source community?

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At this stage don't forget that **your OS CODE is your PRODUCT !**

And **your target CUSTOMERS are THE DEVELOPERS**

Developers must see/understand the

Value of your project
Engage & Listen to your community

Developers will engage also based on your

License Model
Meet your developers (online/offline events)

Developers need to see a clear

Road Map & a Good documentation
Invite key contributors to join the core team

How to turn an OS code into a product?

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It's just another **PRODUCT !**

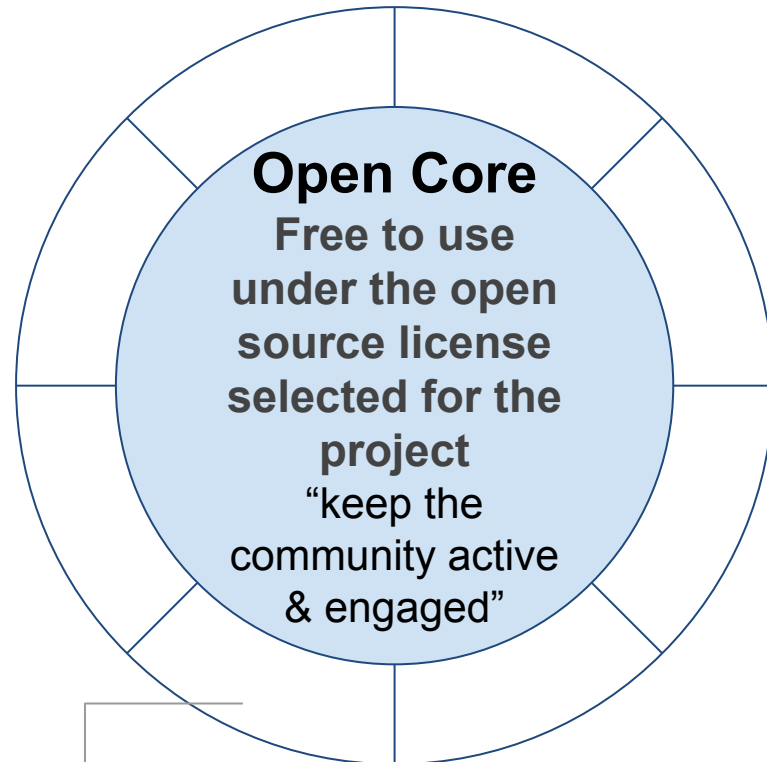| What is the Core Purpose of your product?	Who are your Tiers 1, 2 & 3 users?	What are your key user needs and challenges?

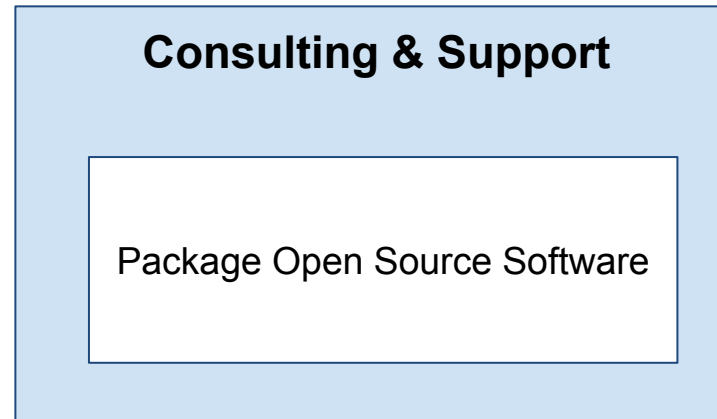| What are your product foundations?	What are your product keys success indicators?	What are your product keys features?

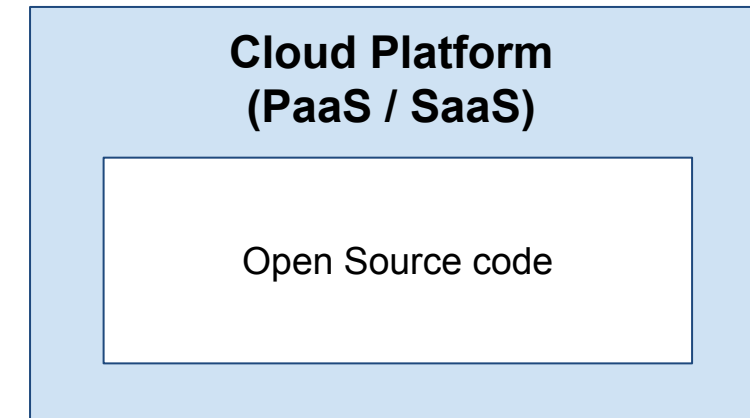Define and execute **online/field marketing plan** to initiate **market penetration**

How to select an open source business model?

Open Source Business Models Compared

@imranghory / Blossom Capital

	Open-Core	Proserv	Hosting	Marketplace
Margins	>80%	20% - 40%	40% - 70%	>60%
Defensibility	High	Low	Low	High
Scalability	High	Medium	Medium	High

Example of successful open source business models?

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Open-Core
business model

elastic

talend

Bonitasoft

ROCKET.CHAT

KNOWAGE

NUXEO

Alfresco

OSS Professional Services
business model

Red Hat

Atos

HORTONWORKS
Before joining Cloudera

OSS Hosting
business model

mongoDB
License: SSPL

redis
License: BSD-3 (Open-core),
RSAL (commercial)

NGINX
License: BSD-2 (Open-core),
NGINX Plus (commercial)

elastic talend
Alfresco

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Zooming Inside the Stack

OW2 Consortium

🔴	Talend Platform for Data Management	Subscription, commercial	All of below, + • Data quality & profiling • High availability
🔴	Talend Enterprise Data Integration	Subscription, commercial	All of below, + • Deployment environment • Collaborative repository • Productivity features
🔴	Talend Open Studio for Data Integration	GPL	• Development environment • Graphical studio • All connectors & components • Metadata management

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The Trade Offs

OW2
Consortium

→ "Community" Edition(s) vs. "Subscription" Edition(s)
  • Terms may vary... need a way to express clearly what is each

→ Careful arbitrage
  • Weigh each feature
  • Contribute equally to both

→ Must maintain the balance
  • Fork as way for community to react

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Standing on a Narrow Ridge

OW2 Consortium

→ Permanent balancing act

- Add too much to Community Edition/ too little to Enterprise Edition
  - Adoption up
  - Conversion down
- Add too much to Enterprise Edition/ too much to Enterprise Edition
  - Adoption down
  - Conversion up
- The key: keep the balance

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Tips: from my open source experiences

Advisor (Business Development & Partner Network)

Open-Core Business Model with dual license

+ **Open Source License:** unclear
+ **Enterprise License**

Advisor (Revenue & Business Development)

+ GPL v2

Professional Services Business Model

Disclaimer

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