

Why Product Vendors Invest in Open Source

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Bitkom Forum Open Source 2017 – 2017-06-20

1. Legal innovation
2. Process innovation
3. Software tool innovation
4. **Business model innovation**

Open Source “Business Models”

- Non-profit open source
 - **Community projects** without foundation
 - Open source **developer foundations**
 - Open source **user foundations**
- For-profit open source
 - **Service and support firms**
 - Open source **distributor firms**
 - **Single-vendor** open source **firms**

Evolution of Open Source Projects

User foundations

2005 Kuali Foundation
 2009 GenIVI Alliance

Single vendor (“commercial”) open source firms

1995 MySQL
 2004 SugarCRM, Jaspersoft, Hyperic, ...

Developer foundations

1999 Apache Software Foundation
 2004 Eclipse Foundation
 2007 Linux Foundation

Service and support firms

1989 Cygnus Solutions
 2005 Automattic
 2009 MariaDB
 2011 Hortonworks

Distributor firms

1992 Suse
 1994 Red Hat
 2002 Univention
 2004 Canonical

Community projects

1984 GNU Emacs
 1987 GCC
 1991 Linux kernel
 1993 Debian
 1996 PostgreSQL
 2004 CentOS

year →

Not a complete history: Events have been chosen for illustration purposes

Open Source Developer Foundations [R10a]

- An **open source developer foundation** is
 - a **non-profit organization** (foundation, consortium)
 - with the purpose of **managing and performing the development** of
 - **non-differentiating open source software**
 - made available to foundation members and **the general public**
- Typical members of a developer foundation are
 - Software vendors
 - Service providers
 - Consulting firms

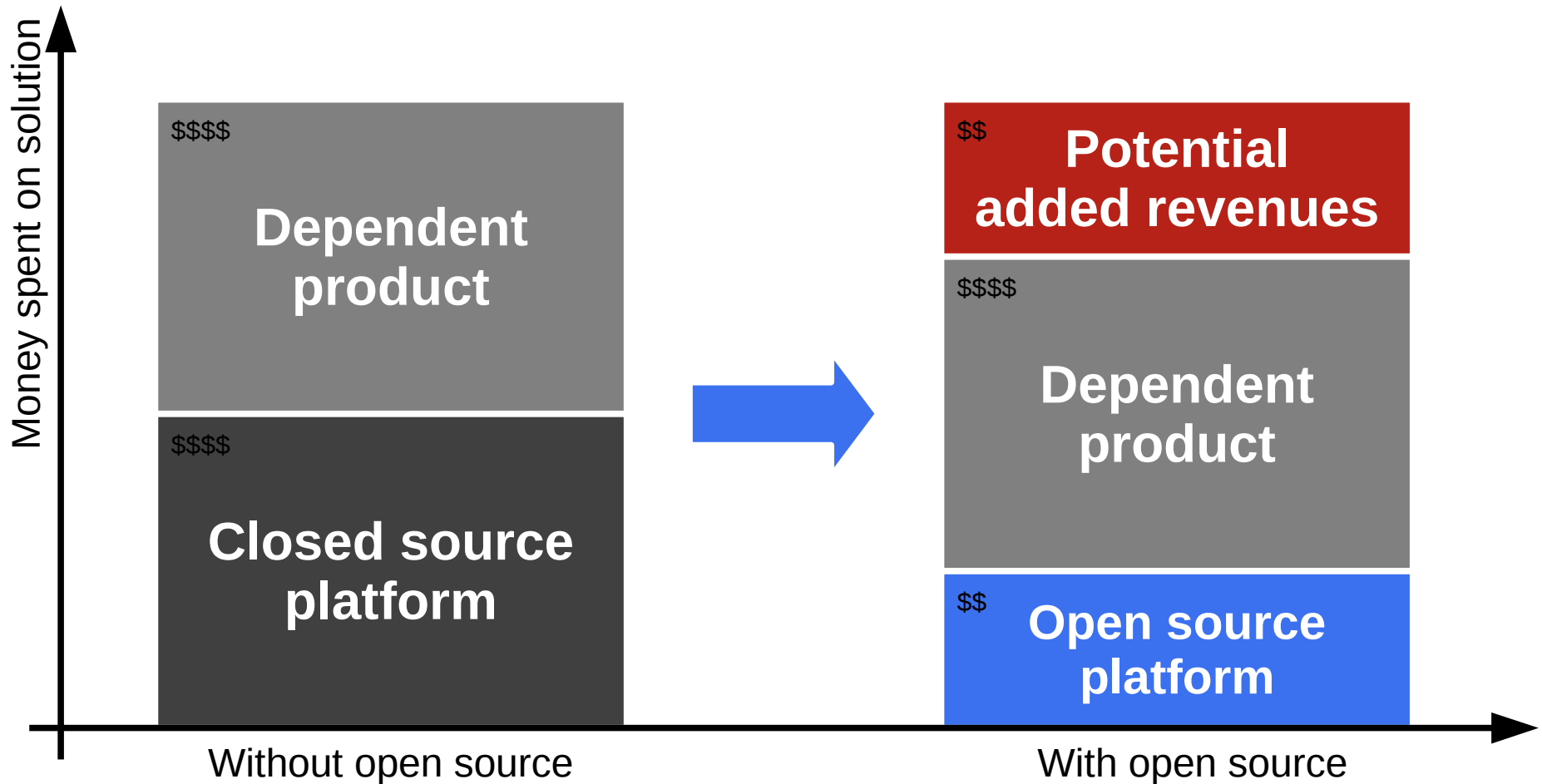
Motivation for Developer Foundations 1 / 3

- Support and protect people and their projects
 - Support and protect people
 - Take administrative work off their hands
 - Protect developers from lawsuits
 - Support and protect projects
 - Ensure open source governance
 - Legally represent project interests

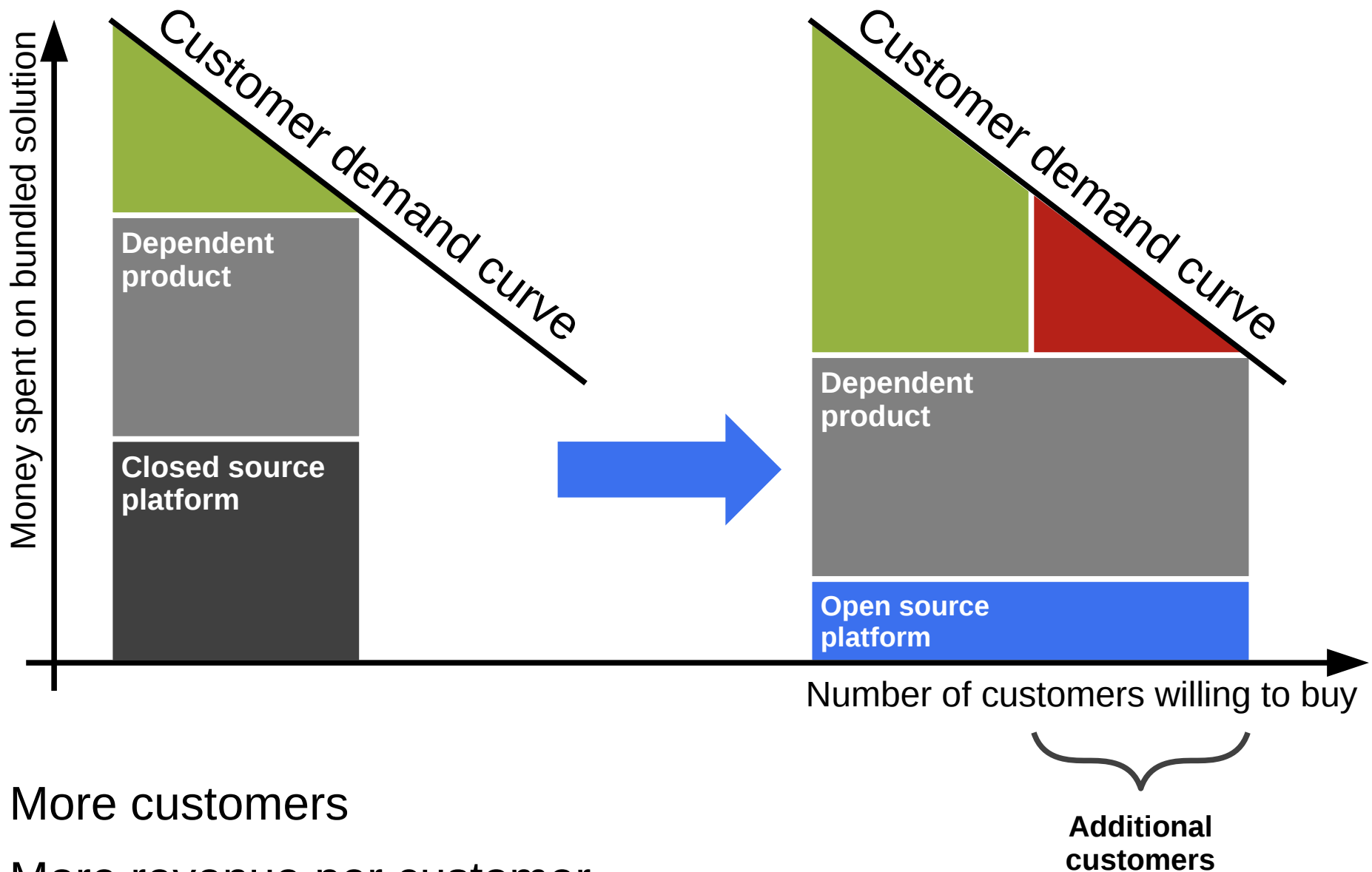
Motivation of Developer Foundations 2 / 3

- Create a stronger more competitive ecosystem [R07] [R10a]
 - Increase share of customer wallet
 - Reach more price-sensitive customers
 - Grow addressable market

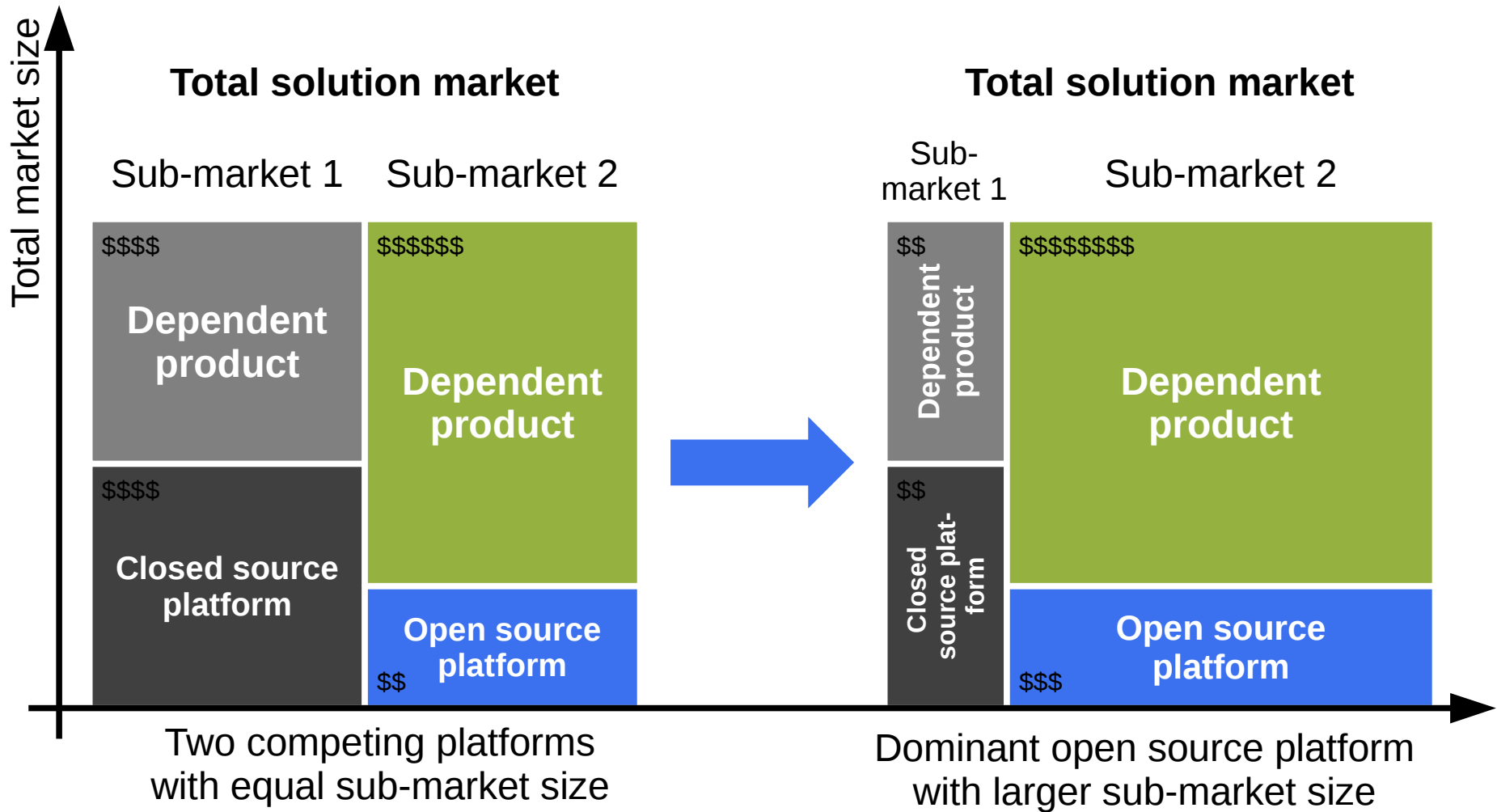
Increase Share of Wallet



Reach More Price-Sensitive Customers



Grow Addressable Market



Motivation for Developer Foundations 3 / 3

- Create a fair and equal playing field for members
 - Regulate access to intellectual property
 - Regulate access to marketing channels
 - Regulate product roadmap and development

Application vs. Platform Developer Foundation

- An **application developer foundation** is
 - A **developer foundation** focused on developing a particular **application**
 - Examples: Wordpress foundation, Drupal foundation, Blender foundation
- A **platform developer foundation** is
 - A **developer foundation** focused on developing a particular **platform**
 - Examples: Linux foundation, Eclipse foundation, Openstack foundation
- The difference is one of quantity and quality (for now)

Examples of Application Developer Foundations



WORDPRESS



The Document
Foundation



mozilla
FOUNDATION



WIKIMEDIA
FOUNDATION



Creating Partner Ecosystems

- Benefits of open source foundation
 - Trust: Conduct business in the open
 - Profit: Clearly defined rules and regulations
 - Risk: Influence through open governance
- Ultimately, still a research hypothesis

Examples of Platform Developer Foundations



CLOUDFOUNDRY



History of The Linux Foundation

1993-current



2000-2007



2007-current



Platinum Members of Linux Foundation [1]

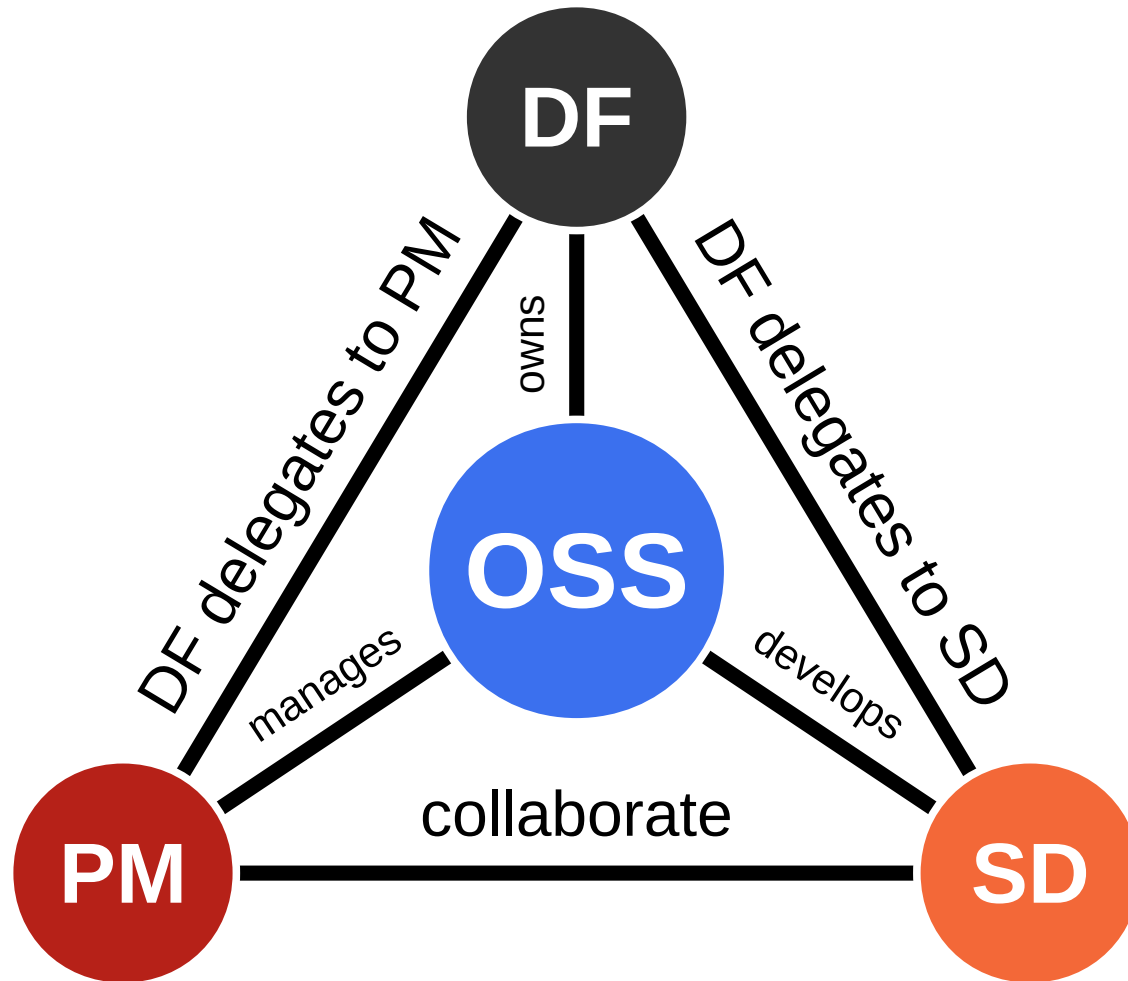


[1] Platinum members donate US\$ 500,000 annually (2015)

“Ganging Up on the 800lb Gorilla”

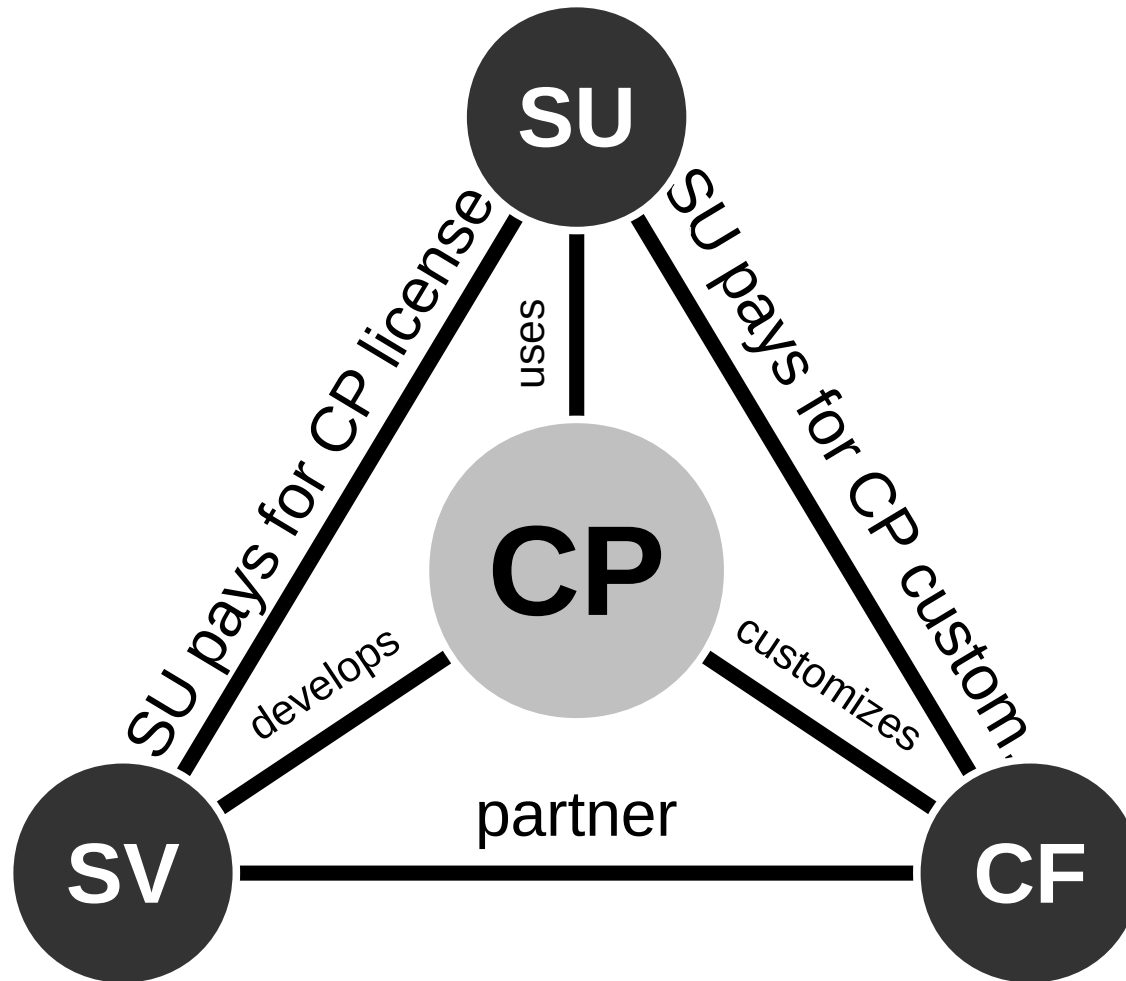


Community Software Development



DF = Developer Foundation
PM = Project Management (Committee)
SD = Software Developer (various)

Commercial Product Provision

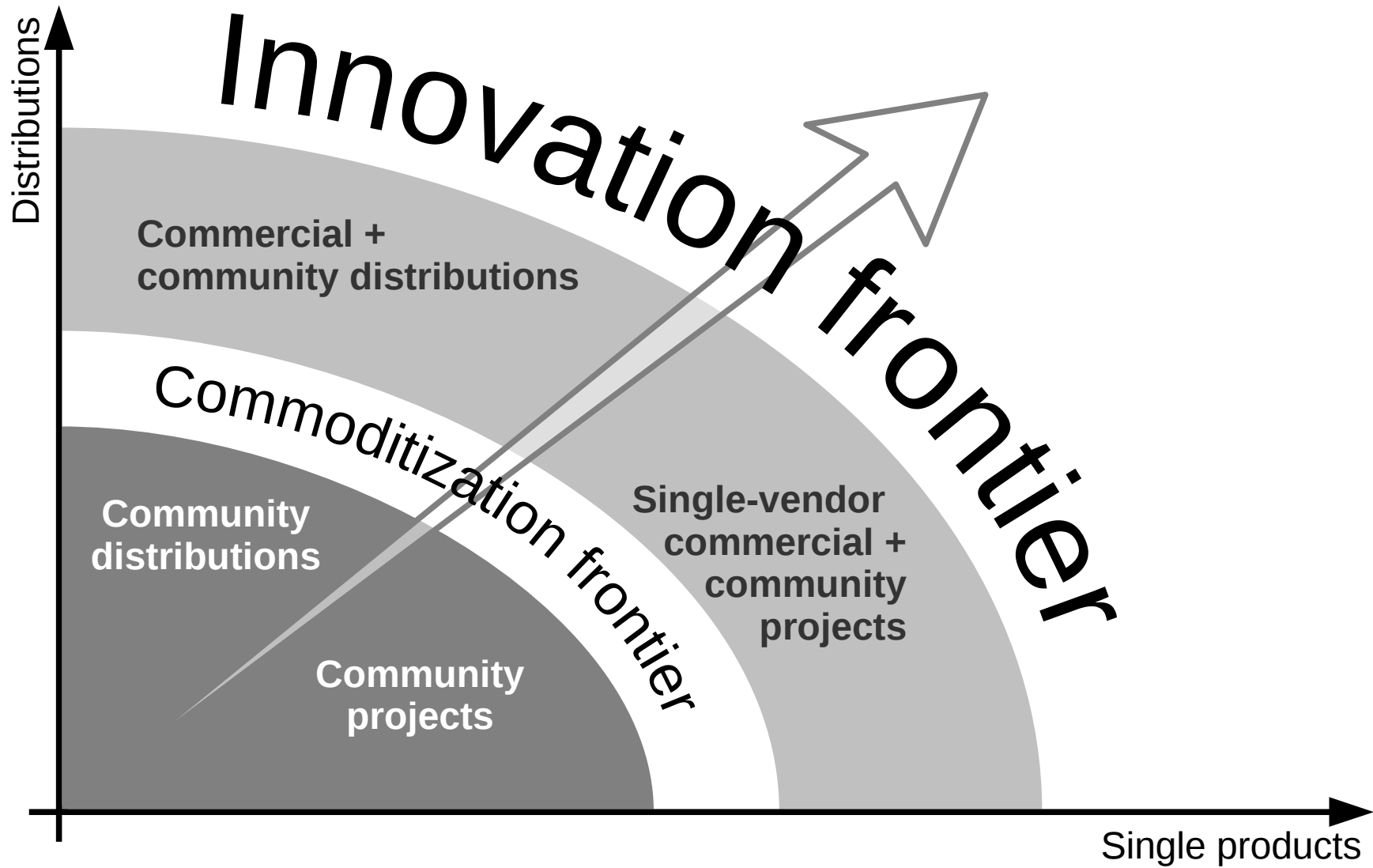


SU = Customer
SV = Software Vendor
CF = Consulting Firm

Blueprint for Developer Foundations [R10]

- General
 - Purpose
 - Incorporation
 - Membership
- Philosophy
 - Open source stance
 - Development model
- Intellectual property
 - Project license
 - Patent grant
 - IP ownership
- Governance
 - Board membership
 - Project membership
 - Member careers
 - Member level
- Financing
 - Foundation
 - Projects
- Operations
 - Infrastructure
 - Backoffice

Innovation and Commoditization



Thank you! Questions?

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