



Sustainable Financing of Open Source - an insider's view

Agenda

- About me and XWiki
- The objective
- Usual Open Source business models
- Some problems
- Novel business models
- XWiki's approach
- What could the community do ?

About me and XWiki

- me
 - 10 years running XWiki
 - Passionate about Open Source
 - Technical innovation
 - Openness needed for more equality
- XWiki
 - Collaborative platform
 - Competitive market
 - Innovative (not a me too)
 - LGPL Licence
 - 100% Open Source
 - 1,3M revenue / year (2014)

The objective

- Creating Open Source
- Building a competitive solution
- Being an healthy Business
- Sustainable in the long term

Usual business models

- Foundations: Multiple Companies collaborating on core, differentiate on binaries and distributions (linux, android, eclipse, drupal)
- Singular: One Company mainly drives the software, differentiate with add-ons
 - Double licensing
 - Open Core
- Service: Companies collaborate doing services on Open Source software.
- "Take the Money and run" (sell to investors).
- Sometimes the models are mixed

Is it sustainable ?

- Foundations: yes but works only for very large projects, smaller projects lack driving
- Singular: many companies use investors, close significant part of products
 - We get code but no community
- Service: contributions can be very low, product lacks driving

The investors issue

- Investors want more control (monetization)
- Projects are open core, or double licensed
- Contributors don't have control
- Uncertainty hinders contribution
- Example: MySQL -> forked as a smaller company

The "Fully Open Source" issue

- Users like "free", would like everything free
- Services scale less
- Partners do not contribute enough
- Prisoner's dilemma
- Tougher to be a healthy business

Novel business models: Moodle HQ

- Controls the brand and the distribution
- Certifies partners and licenses the brand
- Partners give 10% of their revenue
- 60 partners

Novel business models: Piwik

- Separate R&D from Service company using the brand
- R&D done in New Zealand
- Cloud and Support services run from Poland
- Piwik.com pays fees to Piwik.org

XWiki's Approach

- Commitment to Open Source
 - We want to produce a lot of Open Source code
- Sells Services and Support
- 50% more cost for services for clients without "support contracts"
- Cloud offer (tough)
- Promises reversibility (you can have the best tool without us)

XWiki's Approach: how did we finance ?

- Margin of services
- Research projects
- Clients paying new features
- Contributions

Models we look at

- XWiki Collaboration Suite package distribution
- App Store monetization
- Interested in the Moodle model
- Tougher license
- Crowdfunding

Challenge: competition from companies not contributing

Challenge: maximum distribution vs monetization

What could the community do ?

- Users look at who does R&D when buying services
- More collaboration between companies to fund R&D
- More contributors from service companies
- Commitment to Open Source from Singular projects (Manifestos)
- How to punish commercial "free-riders" ?
- Way to differentiate "good players" (Labels ?)
- More projects using Moodle's model ?

Q&A



Me

Contact

Ludovic Dubost

ludovic@xwiki.com

skype: ldubost

<http://xwiki.org>

<http://xwiki.com>