

RED HAT :: CHICAGO :: 2009

SUMMIT

The Rising Open Source Ecosystem

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September 2, 2009

presented by



Agenda

Silver lining in the bad economy is...open source

Why? Open source delivers

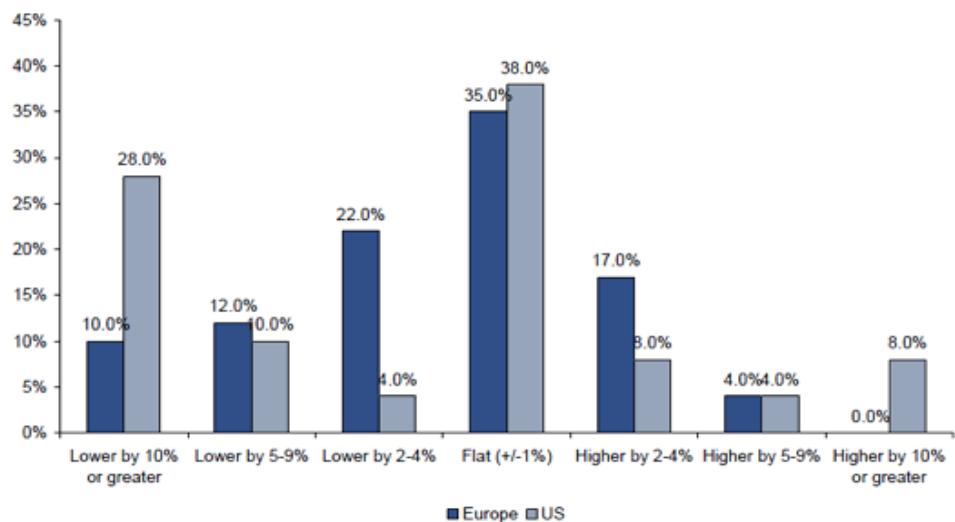
The role of vendors in the open-source ecosystem

We need both community and commercial participants in open source: both feed each other

2008 was bad; 2009 is worse

Anticipated 2009 IT Budget

If your 2009 budget is set, how does it compare to 2008? If not, how do you expect your 2009 IT spending budget to compare to 2008 based upon preliminary figures or your own estimates (i.e. "gut-feel")?



Source: Citi Investment Research

Getting worse (Gartner 2009)

46% of CIOs chopped their Q1 budgets

90% of these cut by at least 7%

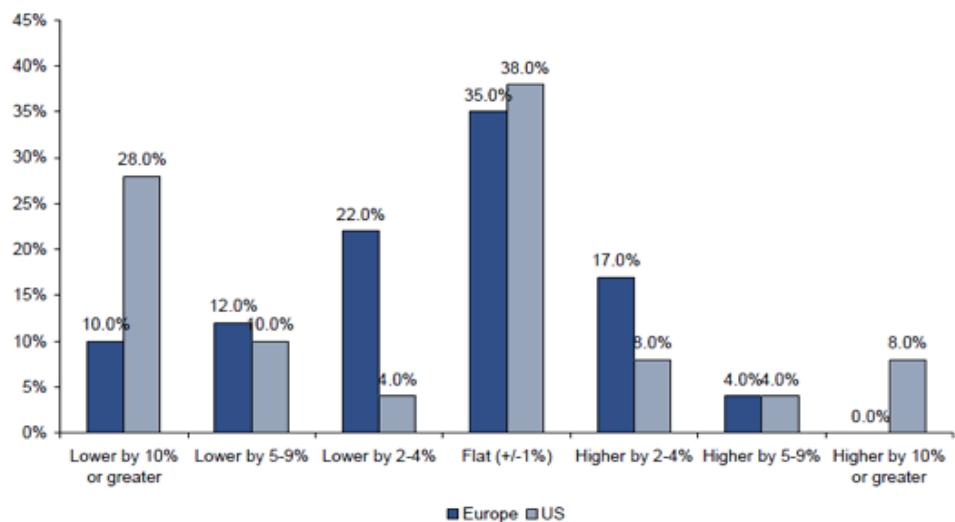
Mostly head-count reductions and vendor renegotiations to achieve cost targets

Server sales dropped 25% in Q1 2009

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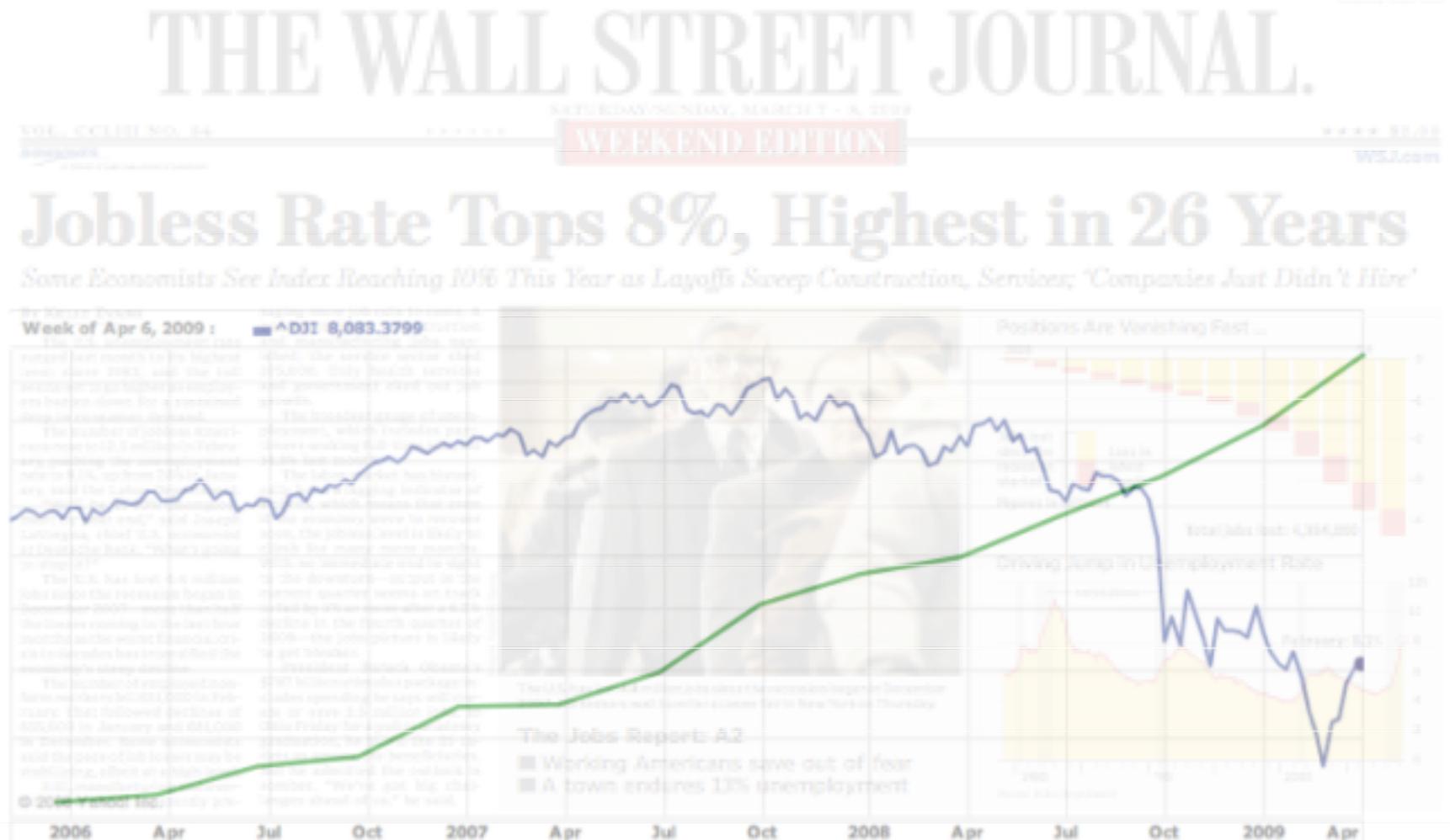
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All is not as it seems...

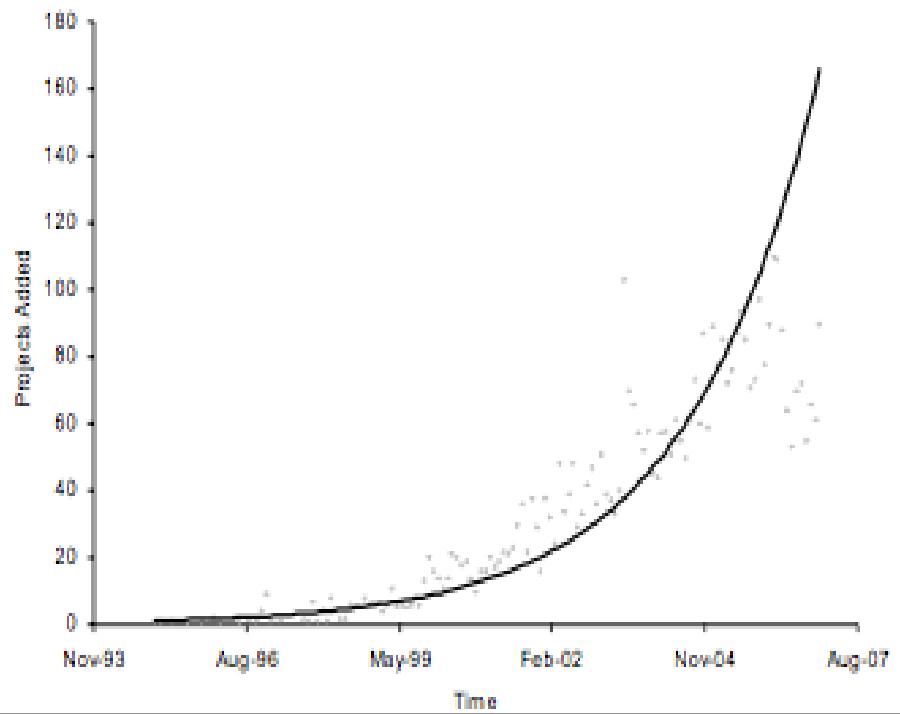
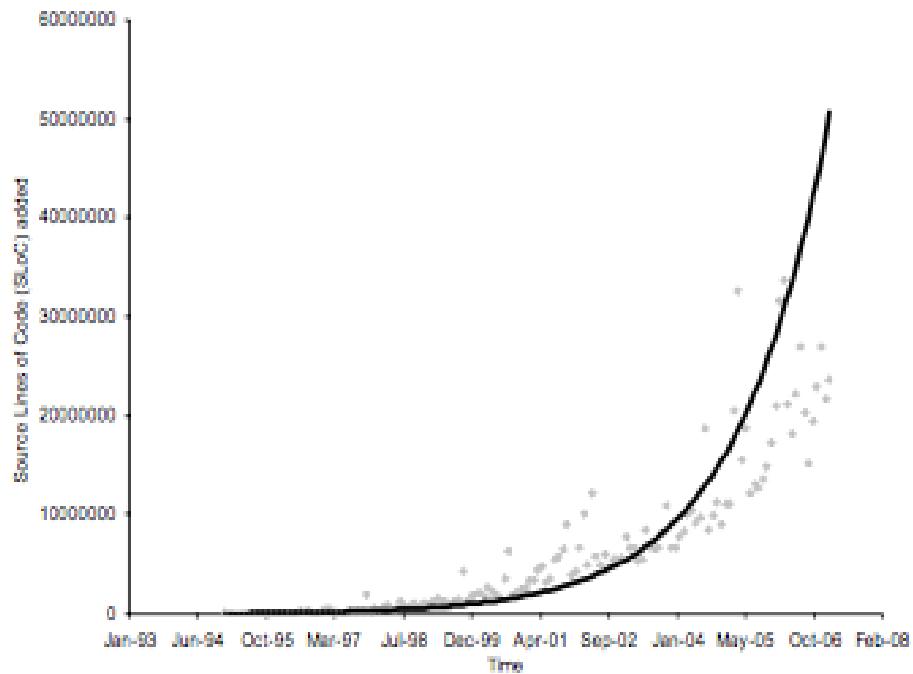


The economy's silver lining



Open-source growth exploding

Whether measured in terms of lines of code added or new projects, open-source growth is phenomenal



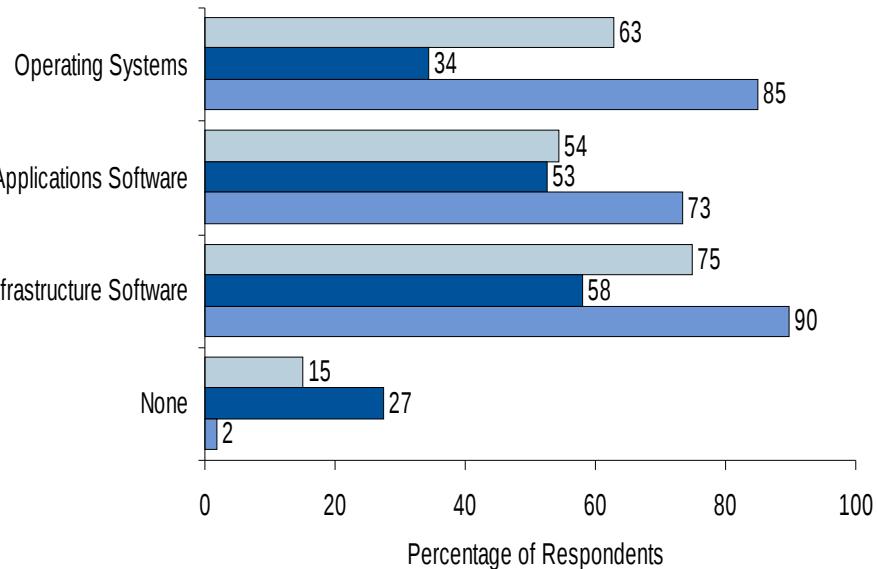
The question is: What will you do with it?

Source: Dirk Riehle, SAP

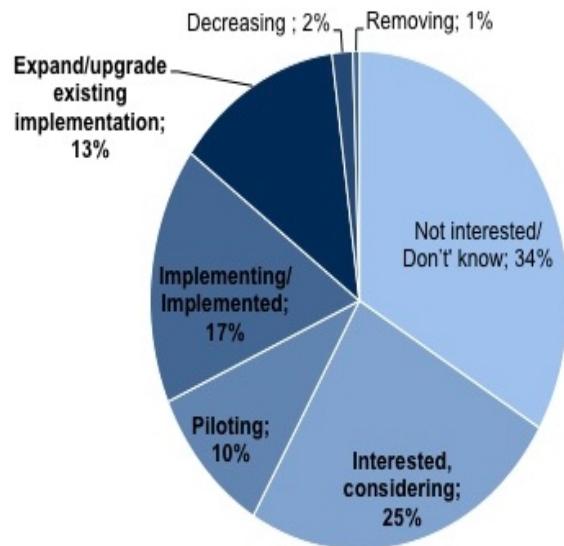
Open source is mainstream

plan to use in the next budget year, an open-source project or product as an alternative to commercial software?

“What are your firm’s plans to implement or expand its use of open source software in the next 12 months?”



■ Currently Using in This Budget Year ■ Plan to Use in Next Budget Year ■ Currently Using and Plan to Use in Next Budget Year



Base: 2,227 software decision makers at North American and European enterprises.

Source: Enterprise And SMB Software Survey, North America And Europe, Q4 2008

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Source: Gartner 2008

Number of respondents = 274; Multiple responses allowed.

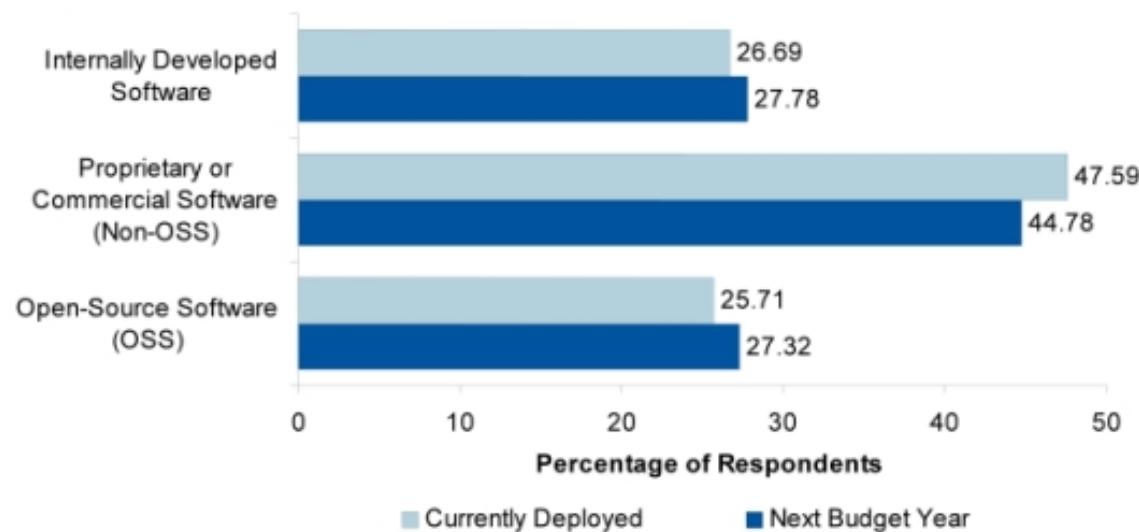
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Across product segments, 100% of enterprises will use open source by 2010.

Economy is good for open source, bad for proprietary



Survey Question: What percentage of your organization's currently deployed software (applications and infrastructure) is/will be classified into each of the following categories?



Number of respondents = 262, Mean
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Gartner.

Why is open source booming?

Open source delivers on several fronts

“Open source software solutions will directly compete with closed-source products in all ...markets.”

85% of enterprises currently use OSS
(The rest are lying)

45% use OSS for mission-critical applications (Continues to grow)

Why?

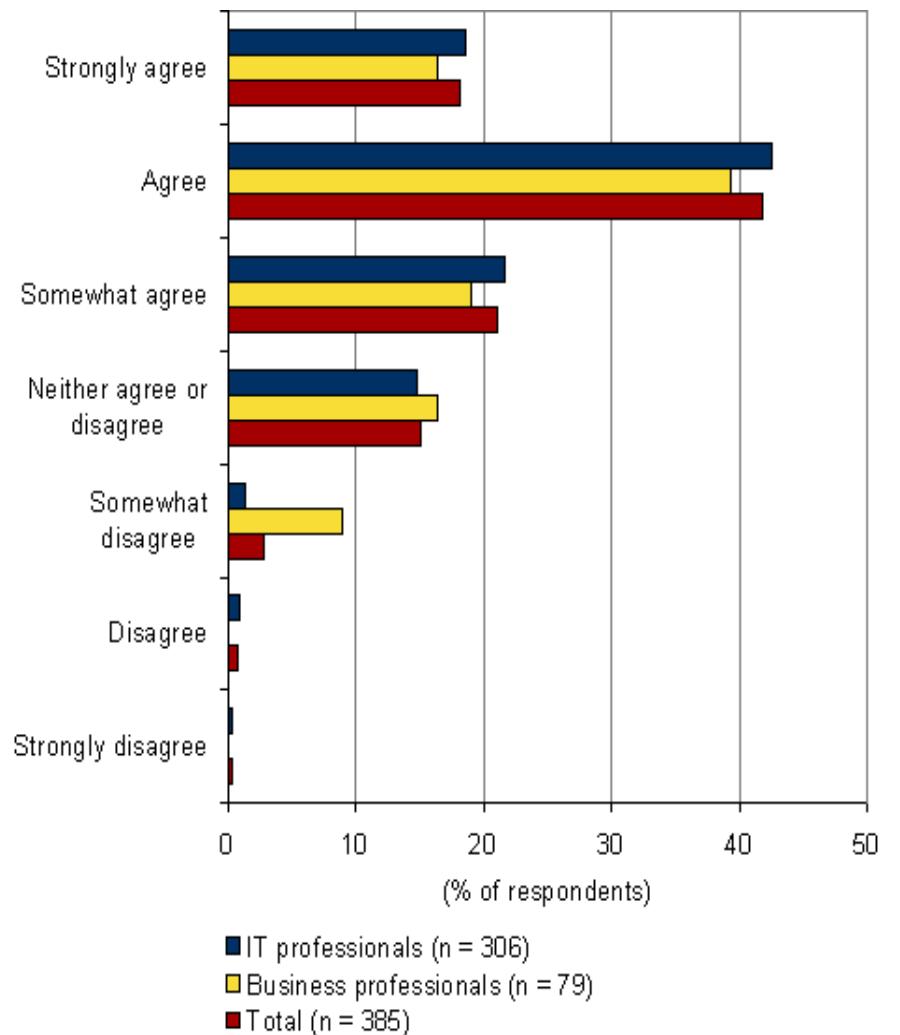
65% say open source has sparked innovation inside their companies

67% ... for lowered costs

“Lower TCO and flexibility to launch and develop cost-prohibitive projects continue to be top reasons for using OSS”

81% ... for better quality software

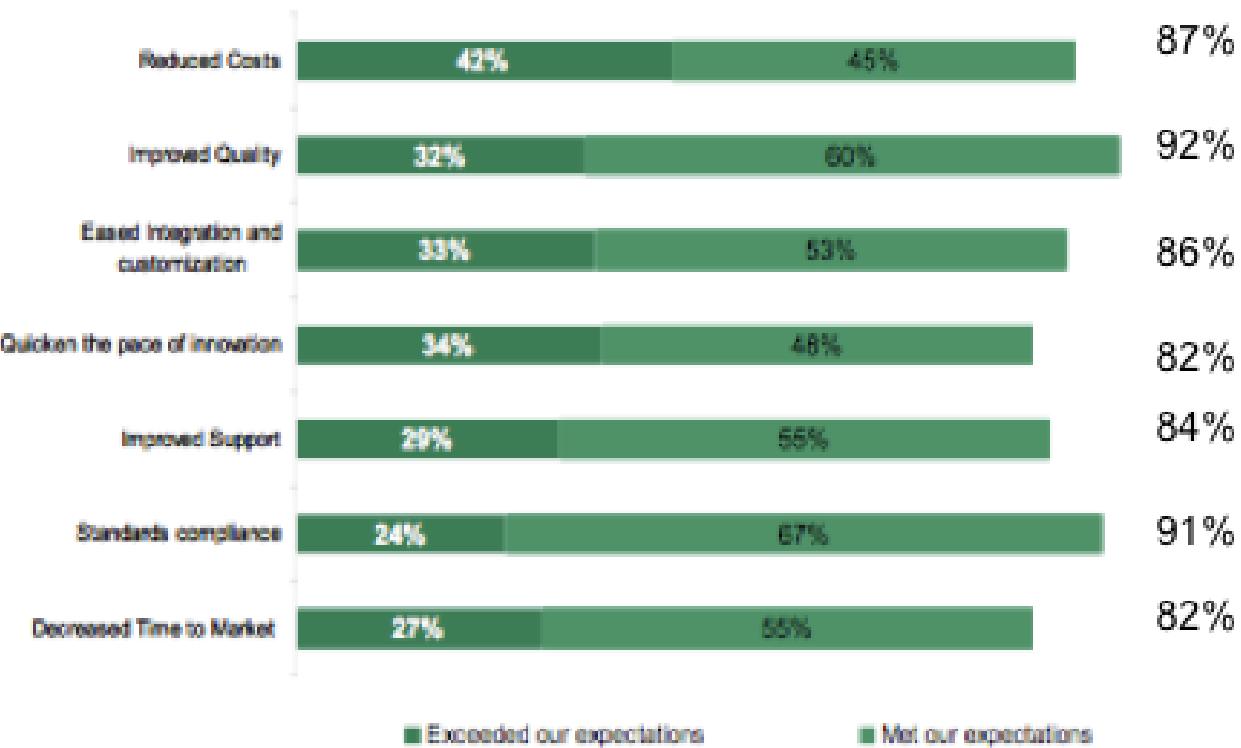
“Open source produces better software.”



Sources: Gartner (2008), CIO Insight (2006), IDC (2006)

Because it works as advertised

"How has open source software met your organization's expectations in the following areas?"



Base: 102 Senior Business & IT Executives involved in the decision making for open source software technology and related services in large enterprises. Western European OSS Online Survey conducted by Forrester Consulting and commissioned by BULL, September 2008

And largely because of vendors

Vendors comprise an increasingly important component of open-source communities

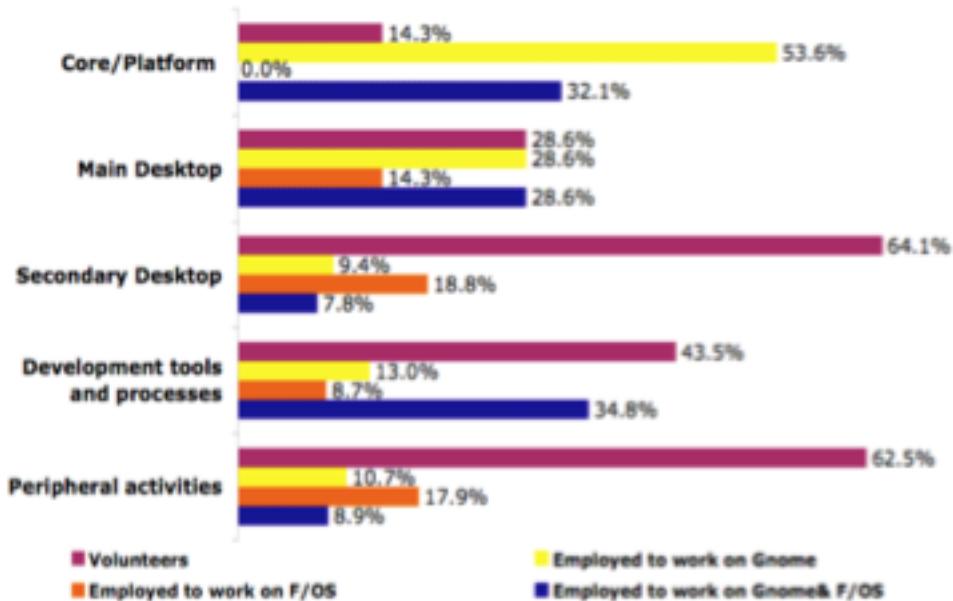


Figure 6-2: Analysis of involvement of paid and volunteer GNOME contributors in principal areas of development at the short-term level

Source: GNOME Foundation survey, N=199

- Time
 - Who has time to write (lots of) free software?
 - Answer: Those that are employed to do so
- Interest
 - Who will take out the trash?
- Aptitude
 - The higher up the stack you go, the fewer the developers
- Familiarity with project
 - Poor documentation makes it hard to understand a project
 - Monolithic code base takes time to learn (Most won't bother)

Open source development: Myth and reality

<15 core developers do 85-100% of core development work

1000/10/1 (Users/ Bug Reporters/ Patch Submitters)

Community is difficult to achieve:

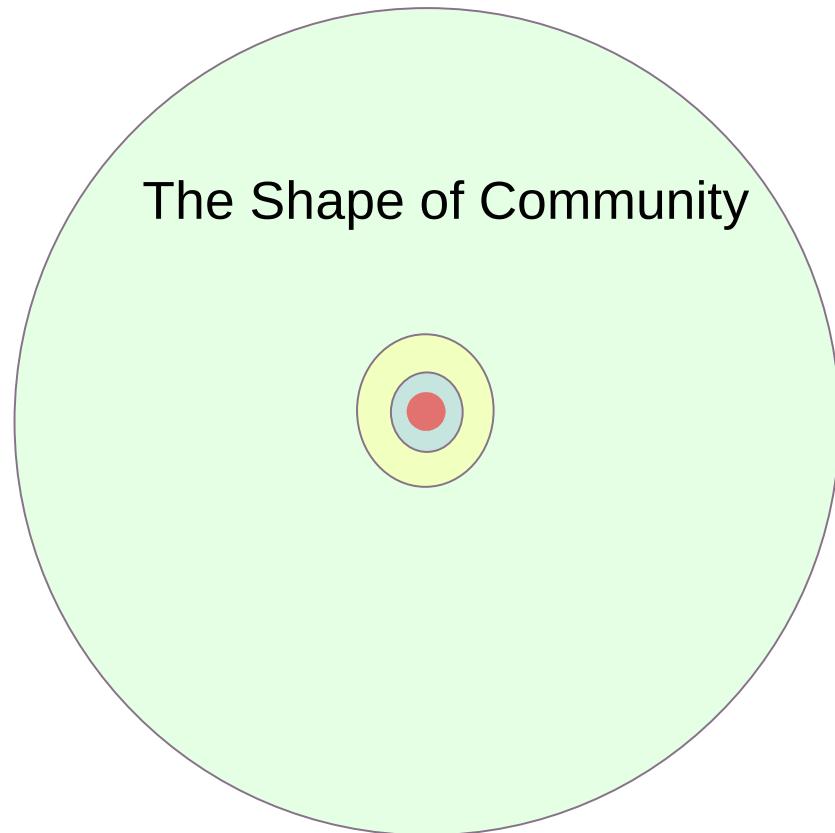
72% of “open source developers” write code for others like themselves

Most projects (55%) get no outside involvement at all

BUT...even big community projects are written by vendors

Up to 95% of Linux development sponsored by companies

The best place to solicit community involvement is in complements to a project, not the core



Sources: Marten Mickos (MySQLUC 2005); O'Mahony & West, 2005; Mockus et al., 2005

But it has always been thus

IBM commits \$1B to Linux in 200...and it takes off, moves to data center

Red Hat contributes over \$100M/year to Linux to accelerate innovation

Gartner: 50% of leading open-source projects sponsored (JBoss, MySQL, Alfresco, etc.)

Commercial open source market to top \$8.1B by 2013 (IDC)

Top Linux kernel contributors

Company Name	# of Changes	% of Total
(None)	9574	18.1%
Red Hat	6479	12.3%
(Unknown)	3811	7.2%
Intel	3631	6.9%
IBM	3328	6.3%
Novell	3104	5.9%
Oracle	1743	3.3%
(Consultant)	1288	2.4%
Fujitsu	985	1.9%
Renesas Technology	949	1.8%
Analog Devices	765	1.5%
(Academia)	650	1.2%
Atheros Communications	604	1.1%
AMD	597	1.1%
Sun	587	1.1%

Source: J. Corbett, LWN.net

Which would you rather have?

Linux: CentOS Project Administrator Goes AWOL

Posted by [CmdrTaco](#) on Thursday July 30, @07:29AM
from the going-out-for-smokes dept.

An anonymous reader writes

"Lance Davis, the main project administrator for CentOS, a popular free 'rebuild' of Red Hat's Enterprise Linux, appears to have gone AWOL. In an [open letter](#) from his fellow CentOS developers, they describe the precarious situation the project has been put in. There have been attempts to contact him for some time now, as he's the sole administrator for the centos.org domain, the IRC channels, and apparently, CentOS funds. One can only hope that Lance gets in contact with them and gets things sorted out."



► businsurance fork opensource linux os story

Red Hat: 'We spend over \$100 million a year to advance Linux'

by [Matt Asay](#)

[A](#) [A](#) Font size [Print](#) [E-mail](#) [Share](#) [25 comments](#)

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diggs

dugg!

Matthew Szulik, Red Hat's former CEO and current chairman, has been in semi-retirement for the past two years, but you'd never know it from listening to his [interview with the BBC's Peter Day](#). Szulik, ever the revolutionary, talks up open source's opportunity to disrupt conventional software and promote social reform.

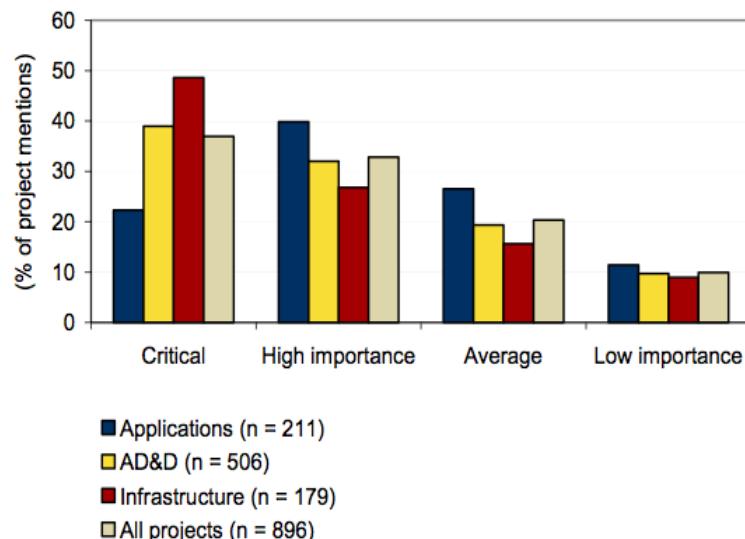
As he does so, however, he inadvertently describes Red Hat's winning open-source business model as directly parallel to the Web 2.0 business models deployed by Google and others. While this isn't surprising ([I've written about it before](#)), it was the first time I've heard Red Hat state it so baldly:

Think about [open source] like mining. There's all of these natural resources buried under the ground.



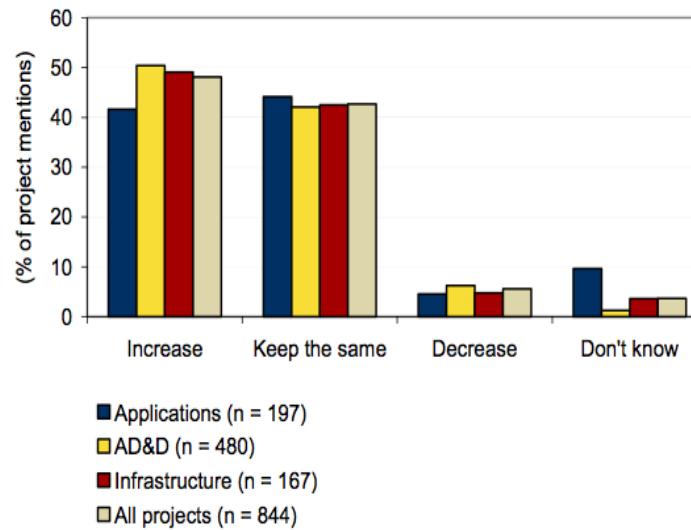
Critical tasks demand commercial support

Projects' Importance by Primary Software Market



Source: IDC's 2007 Industry Adoption of Open Source Software Survey

Planned Project Activity Level by Primary Software Market



Source: IDC's 2007 Industry Adoption of Open Source Software Survey

Open source is becoming the heart of enterprise computing

It shows in the company we keep



Vendors like Red Hat and Alfresco
make open source work for you.



QUESTIONS?

TELL US WHAT YOU THINK:

REDHAT.COM/SUMMIT-SURVEY

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