

Is Open Source the right model in the Cloud Rush era?

Gabriele Columbro

Sr. Product Manager. Core Platform / API, Alfresco Software

 @mindthegabz

The Open Source Cloud Journey

A look at our [presentation](#) agenda

Born in the OSS

Sketches, notes and sensations from an Open Source decade

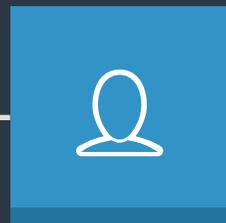
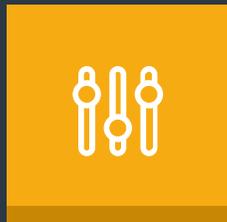


Trends of the Cloud Era

SaaSification of Products and Enterprises, *aaS and value-based offerings

Open Source vs. Cloud

Trends, fears, value of software vs. services in the SaaS world, do software licenses even makes sense nowadays?

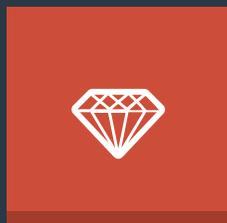


Open Source + Cloud

There would be no cloud with open source, the Devops movement, the Github generation

OSS as a business model

The Open Source product and services model in the cloud era



The Commoditization Era

Open Source has commoditized software, Cloud has commoditized hardware



Take-aways

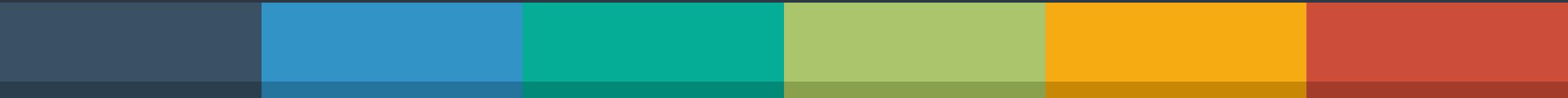
If you were bored, or just lazy, this is really the part you want to remember! :)

The End

A look at our [presentation](#) agenda

Born in the OSS

Doubts of an open source fundamentalist in the SaaS world





-Gabriele Columbro-

Sr. Product Manager, Core Platform / API, Alfresco Software

”Grown in the flourishing Open Source Enterprise ecosystem of the last decade, bringing a wealth of expertise on ECM, Application Lifecycle Management, Developer ergonomics, SaaS and PaaS architectures, both in terms of Product and People leadership”



sourcesense
making sense of open source

The early integrator days

ApacheCon EU Dublin 2006





The early product days

In the end, you don't want it to be 'just work' - John Powell, Alfresco CEO 2010



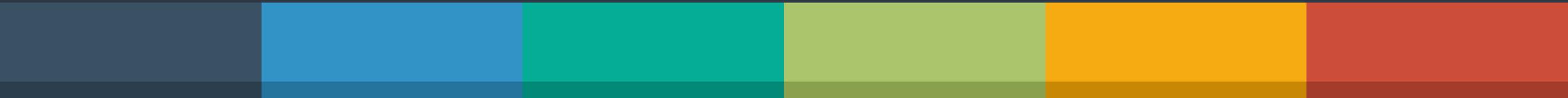
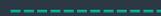


Apache
Chemistry



The Apache Way

Working up the meritocracy ladder



And then came the Cloud

With all its goods and bads

No more software downloads?

Wait no more hardware either?

Where's my source?

Is the Open Source model even still relevant?



The Open Source Model?

A **persona** driven view on Open Source



For the Developer

A software development approach based on community and ecosystem collaboration, where results of your work are publicly available and contribute to create your portfolio



For the End User

A software delivery methodology which enables users to access sources and binaries, install, evaluate and use the product with no charge

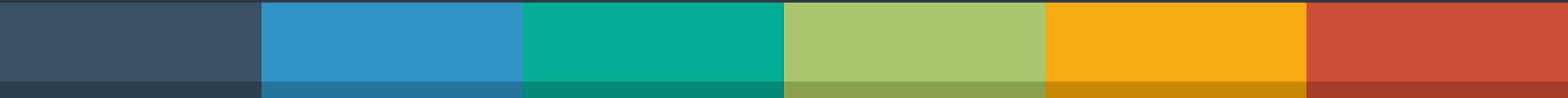


For the Entrepreneur

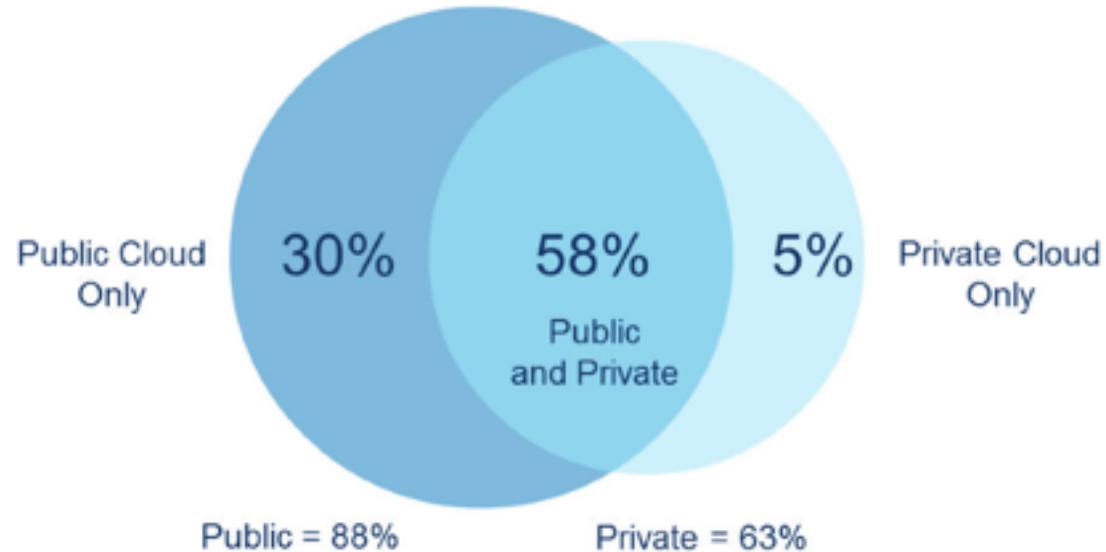
A market differentiator on which to build a product or services company profitable business model

Chronicles from the Cloud Rush Era

Trends and data on Cloud and Open Source



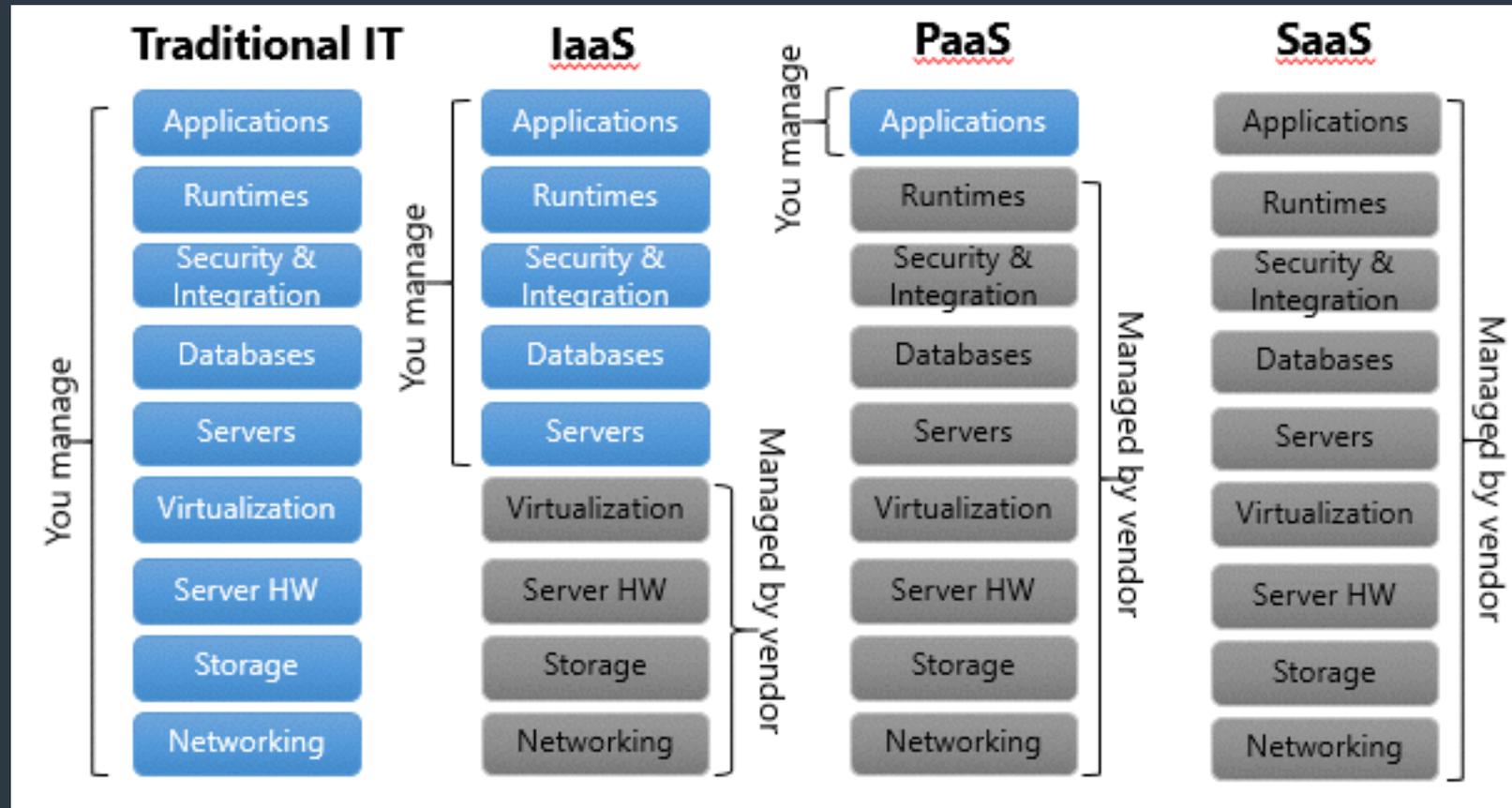
93% of Respondents Are Using Cloud



Source: RightScale 2015 State of the Cloud Report

Cloud adoption soaring 2015

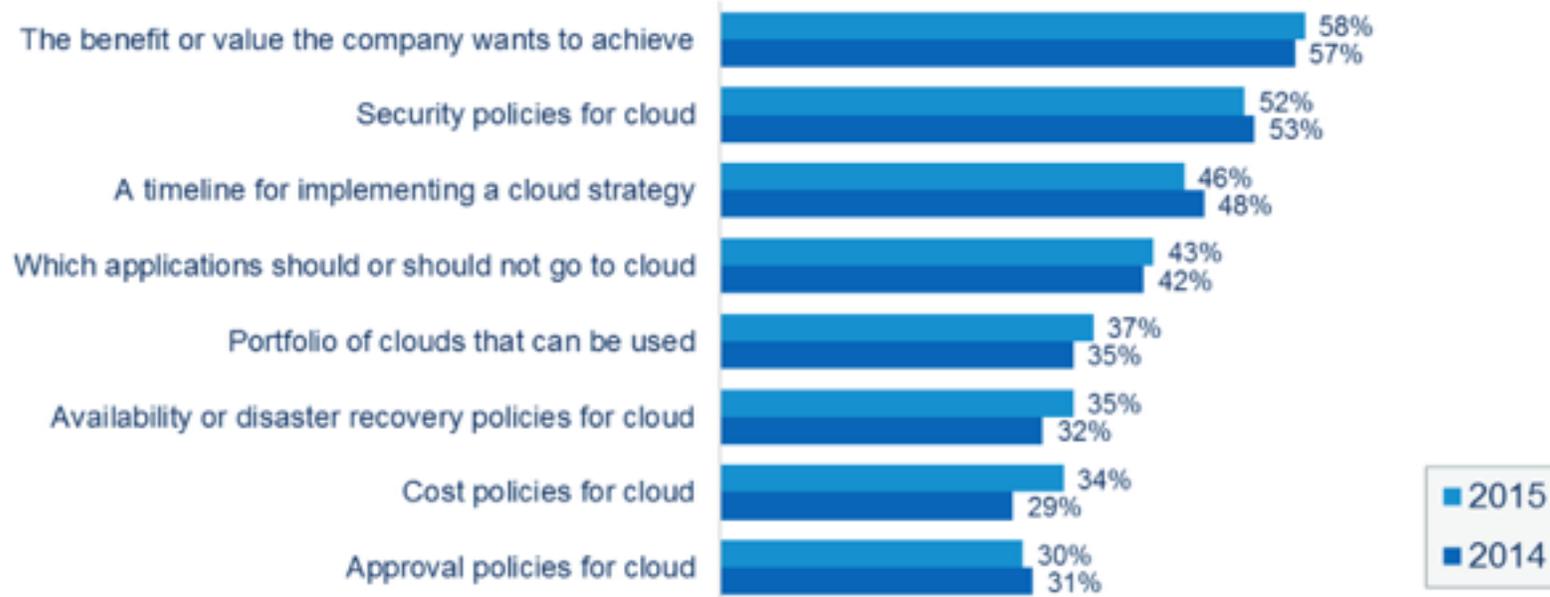
<http://assets.rightscale.com/uploads/pdfs/RightScale-2015-State-of-the-Cloud-Report.pdf>



Down and deep in the stack

<http://www.mazikglobal.com/blog/wp-content/uploads/2014/06/Cloud-Service-Models.png>

Enterprises with Key Elements of Cloud Strategy Defined



Source: RightScale 2015 State of the Cloud Report

Cloud strategy is focused on value

<http://assets.rightscale.com/uploads/pdfs/RightScale-2015-State-of-the-Cloud-Report.pdf>

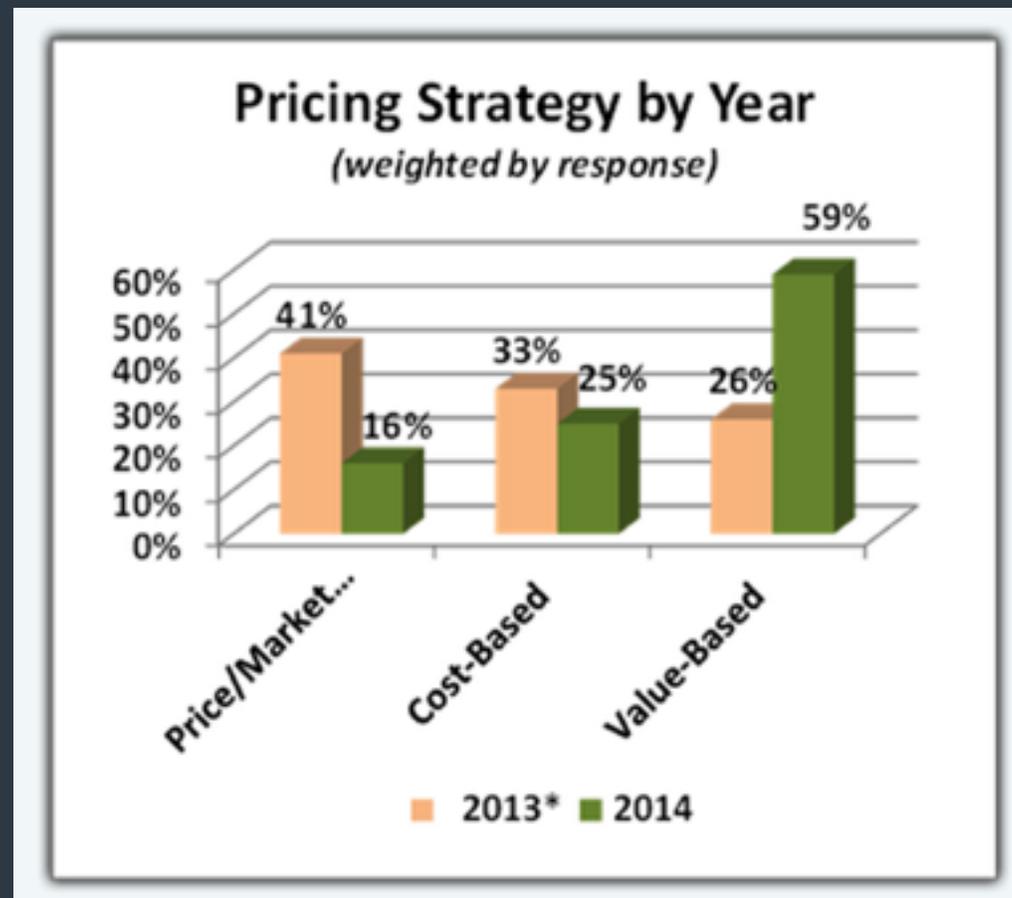
Value based pricing

Timothy Mantanovic - Technology Services Industry Association

<http://blog.tsia.com/blog/book-excerpt-profitable-technology-services-pricing-by-timothy-mantanovich>

Value pricing is an organizational belief system with the core tenet that price should be based on the economic impact of a service on the customer's business, i.e., the economic value delivered, relative to competitive alternatives.





Fastest growing SaaS embrace value-based

<http://blog.kaseya.com/blog/2015/02/09/msp-pricing-survey-growth-leaders-sell-value/>

The rush for SaaSification

No SaaS, no party

1. Private, hybrid and public cloud adoption is rising quickly in the Enterprise, faster than what was predicted years ago. 2015 is a key year.
2. On Premise Product companies are quickly moving towards providing SaaS offerings to respond to market demand and compete on innovation with pure SaaS players
3. SaaS, IaaS, PaaS, BaaS, *aaS are commoditizing lower and lower layers of the stack and lowering the entry barrier for companies entering the brave new world
4. Cost and pricing focus is quickly switching from software to actual value (ROI) a company can realize by using your service

Compare Search terms ▾

Open source
Search term

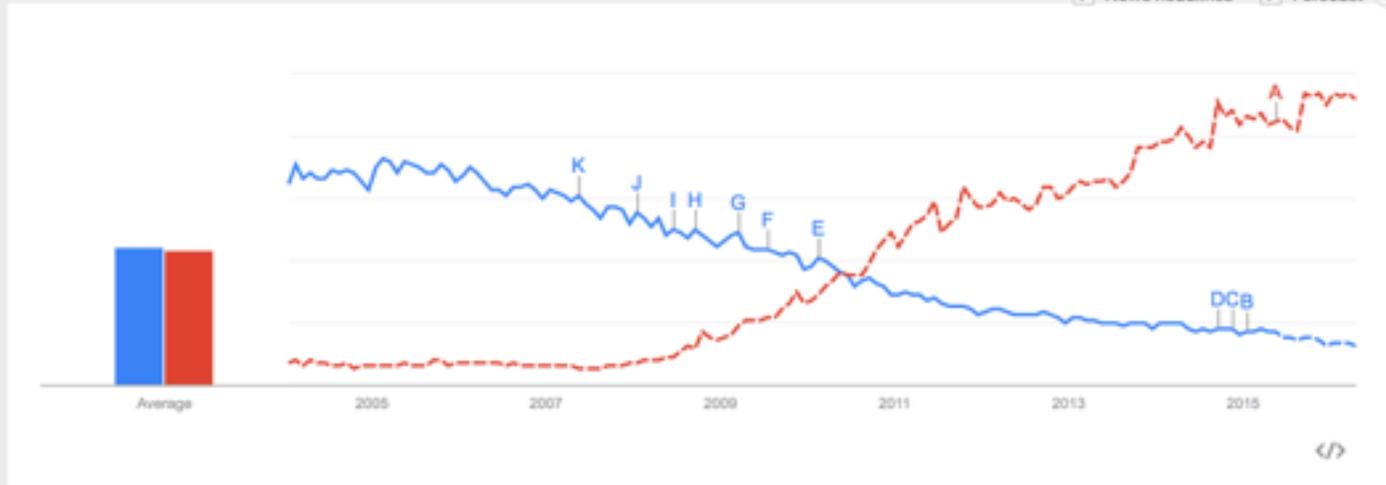
Cloud computing
Software grouping

+ Add term

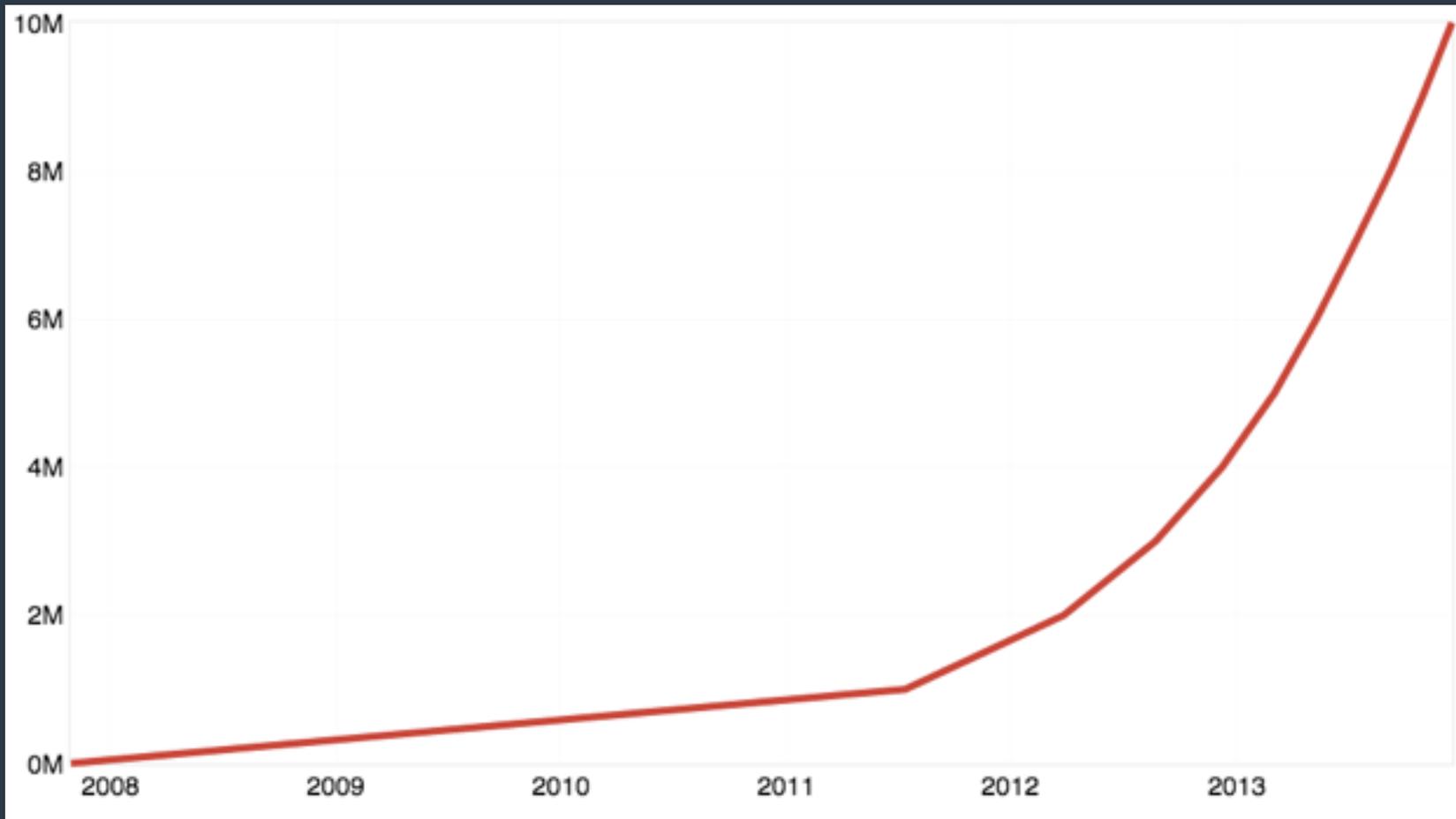
Beta: Measuring search interest in topics is a beta feature which quickly provides accurate measurements of overall search interest. To measure search interest for a specific query, select the "search term" option. [?](#)

Interest over time [?](#)

News headlines Forecast [?](#)



So is Cloud killing the Open Source model?



The Github generation

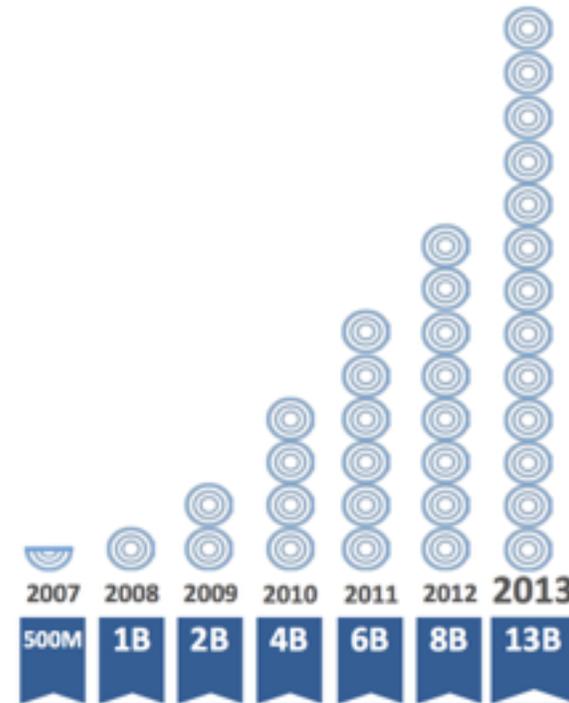
<https://camo.githubusercontent.com/9df81964b288254547c6607fe29e55b0e7dcef6a/68747470733a2f2f662e636c6f75642e6769746875622e636f6d2f6173736574732f343438332f313830333636372f62306564363634652d366332342d313165332d393535392d6535373032323135633437612e706e67>

13 BILLION¹

OPEN SOURCE SOFTWARE
COMPONENT REQUESTS

11 MILLION²

DEVELOPERS WORLDWIDE

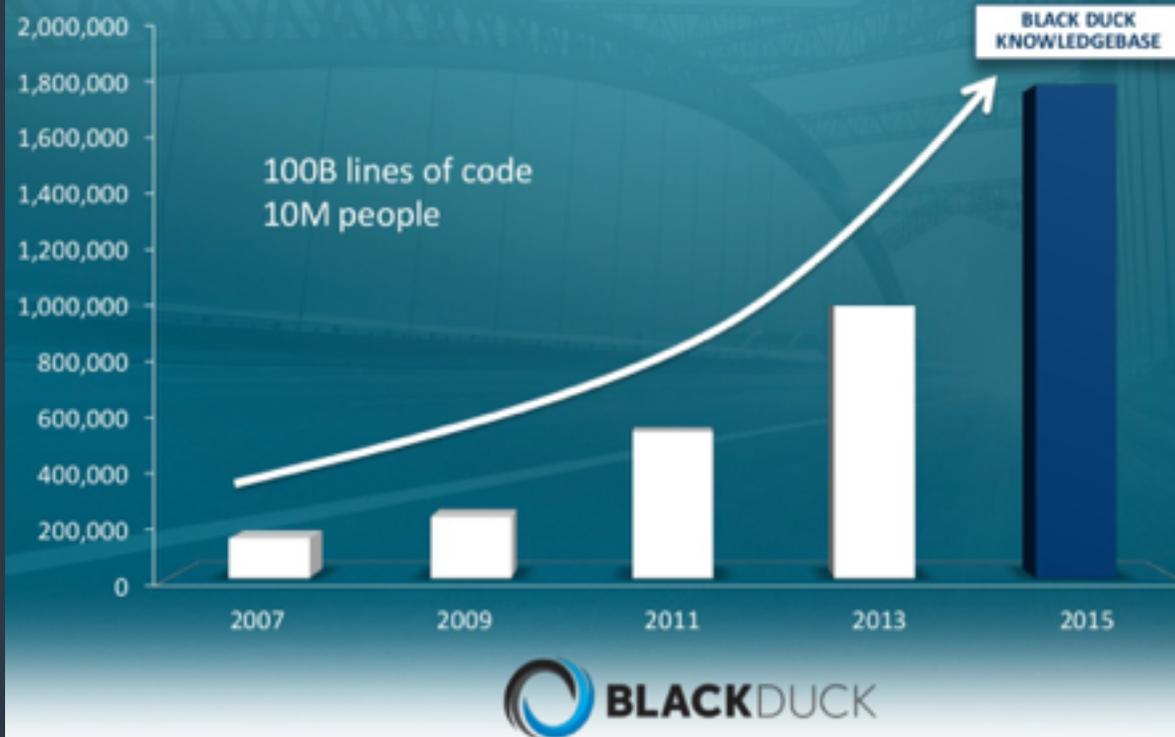


Source: ¹Sonatype, Inc. analysis of the (Maven) Central Repository; ²IDC

Central Repository explosion

http://img.en25.com/Web/SonatypeInc/%7B138a2551-edac-46a3-bfcb-240352a42fed%7D_2014SurveyResults_july-14-14.pdf

OPEN SOURCE PROJECTS



Blackduck projects growth

<https://www.blackducksoftware.com/news/releases/2014-future-open-source-survey-results-revealed>

An Open Source Cloud infrastructure army

The Cloud would not exist *without* Open Source



"Facebook is built on open source from top to bottom, and could not exist without it" -
<https://www.facebook.com/notes/facebook-engineering/folly-the-facebook-open-source-library/10150864656793920>

"Open source can exist without cloud computing, but cloud computing can't exist without open source" - Jim Whitehurst
<http://thevarguy.com/var-guy/red-hat-ceo-cloud-cant-exist-without-open-source>

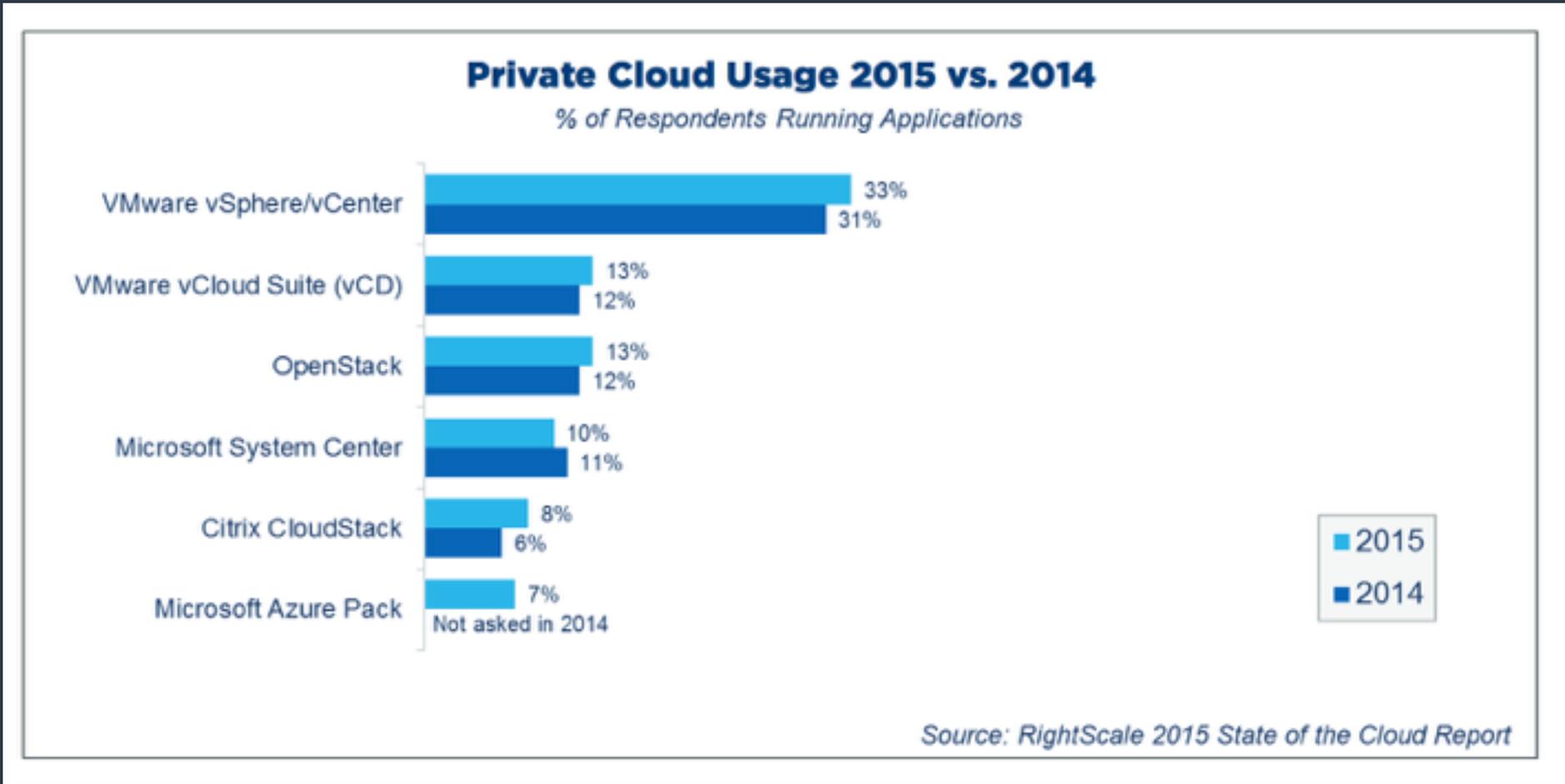
And what about the Public Cloud itself?

Public and Private clouds *live and breathe* open source



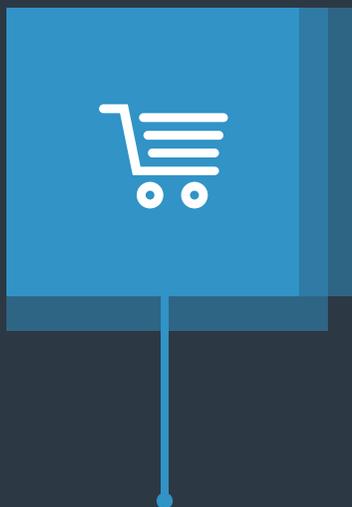
And private Clouds?

Public and Private clouds *live and breathe* open source



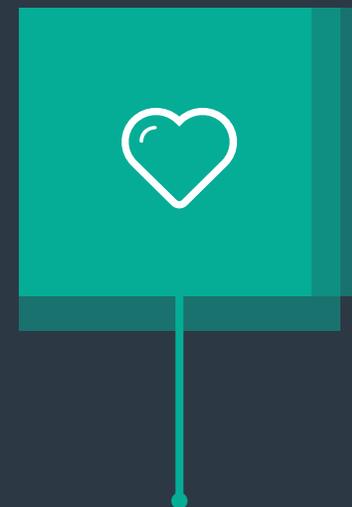
So it's Open Source + Cloud!

The *rationale* behind this is twofold



Scale Economies

Open source licensing enables horizontal scaling and commoditization of software on top commoditized hardware



Cultural roots

Cloud is powered by DevOps, a natively global culture with strong roots in Open Source values like sharing and the "bazaar"

And what about the User?

Stephen O'Grady - RedMonk

<http://redmonk.com/sograd/2015/03/17/open-source-and-aas/>

If it's easier to download and spin up an open source database than talk to a salesperson, it's even easier to download nothing at all and make setup, operation and backup of that database someone else's problem.



The Open Source Model?

A *persona* driven view on Open Source



For the Developer

A software development approach based on community and ecosystem collaboration, where results of your work are publicly available and contribute to create your portfolio



For the End User

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For the Entrepreneur

A market differentiator on which to build a product or services company profitable business model



Open Source business model history

So is Open Source **dead** as a business model?

1993

1994



First Redhat Linux distribution

Redhat NYSE Listing

2006

First Successful Commercial Open Source stock exchange listing



2008

Mysql Acquisition



Bought for \$1B (although rumors say revenue was only \$65M at the time of acquisition)

2010

Pentaho



“The Open Source Business Intelligence and data integration leader”

Alfresco Software

2010

“The leader in Open Source Enterprise Content Management”



SugarCRM

2010

“The world fastest growing open source CRM company”



2011

Matthew Aslett - 451 Group



"The decline of 'open source' as an identifying differentiator"

<http://blogs.the451group.com/opensource/2011/06/27/the-decline-of-open-source-as-an-identifying-differentiator/>

Matt Asay

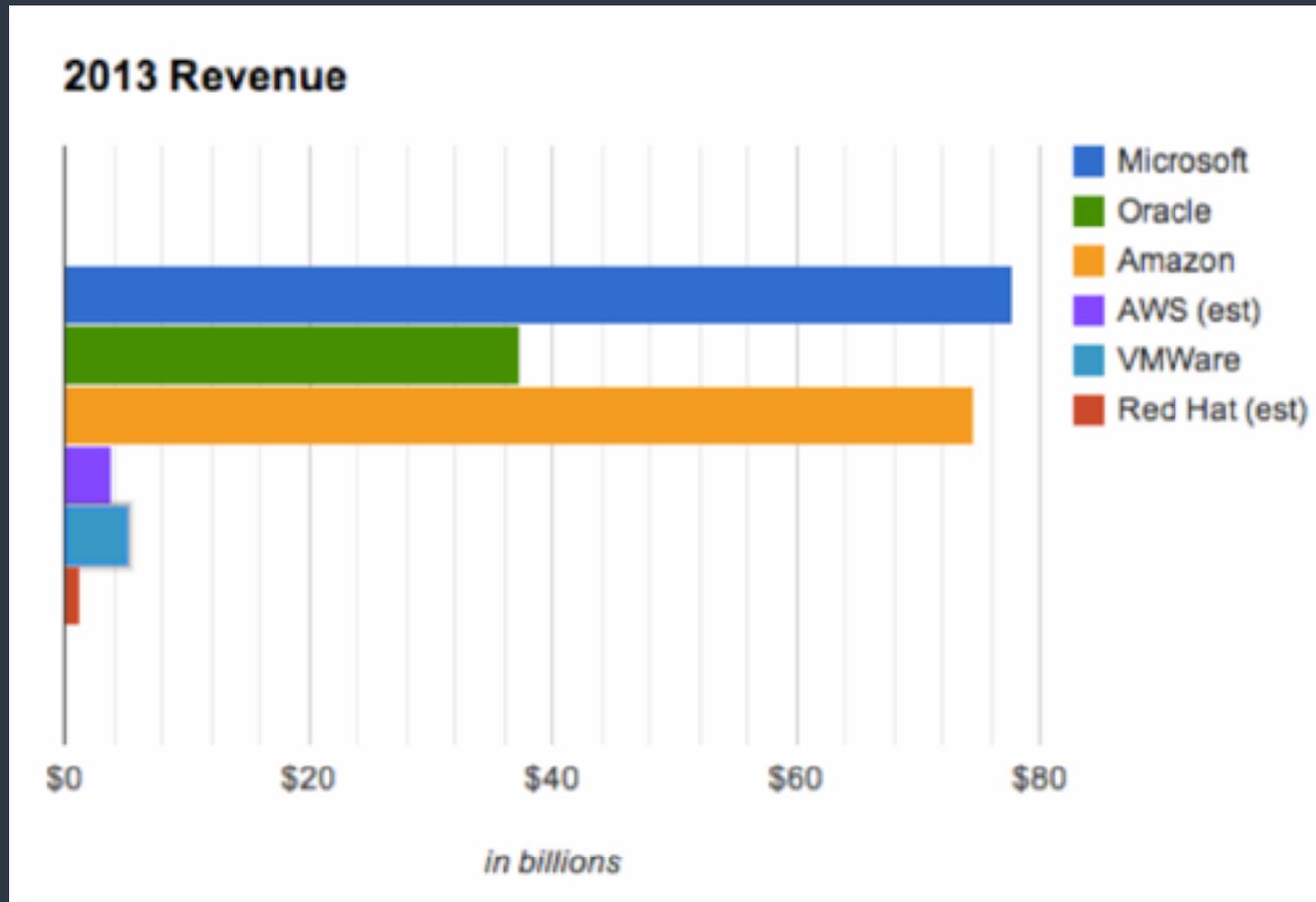
2014

We are living in a post open source world!



<http://www.infoworld.com/article/2608576/open-source-software/open-source-software-we-re-living-in-a-post-open-source-world.html>

2015



Economics of open source

<http://peter.a16z.com/2014/02/14/why-there-will-never-be-another-redhat-the-economics-of-open-source/>

Considerations on commercial Open Source

why **Open Source** per se does not make sense as a business model

1. Open Source seemed has won battle for software commoditization, i.e. it's no more a differentiator, it's table stakes (especially at infra level)
2. The talent pool available to work on Open Source projects has immensely grown over the last decade, so value in providing high-cost specialized open source support services is decreasing
3. SaaS is driving the switch to value-based economics so that focus is no more on software and it's nature, but on value
4. The major (and most successful) open source contributors are not Open Source companies, nor they sell software.
6. While enterprise interest for declines for Open Source per se (de facto standard), Open Standards is highly ranked in IT and Business departments as a key differentiator

Open Standards on Open Source

1. Open Standards are better implemented in an Open Source environment fostering collaboration on a meritocratic public arena that mediates corporate interests
2. HTTPd or Chemistry OpenCMIS
3. **Behendorf**: Every successful internet standard came from open source protocols. [#ApacheCon](#)
4. **Warning**: Too many open source projects for the same purpose might kill the purpose for an Open Standard, e.g. OpenStack vs. CloudStack vs. NetflixOSS. Open standards (and innovation) can benefit from consolidation of open source projects.

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So ultimately...

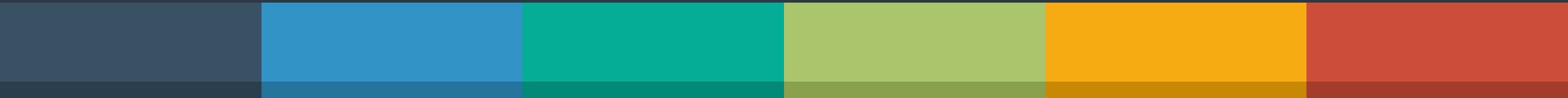
True Open Source **won again!**

The Cloud is driving the real value of Open Source, i.e. that software and knowledge should be common domain and revenue is attached to value-add services based on open source components rather than on mere one-size-fit-all maintenance and service price tags for OSS projects



Conclusions and take-aways

Ok, this is really somewhat important for you to listen to :)



Take-aways

Just not to forget



Open Source + Cloud

It's not open source vs. *aaS, openSource + *aaS for the win!



There's no cloud without open source

Open Source is the fabric of the cloud, as that's where the whole economy of scale lies, i.e. commoditized SW on top of commoditized HW



But Cloud is giving back

By fostering the proliferation of open source technologies, who no more play catch up mode to proprietary alternative but drive innovation



Open Source is table stakes in the Cloud IT

Open source is growingly commoditized, i.e. CIOs expects open source or a reason not to, especially in the cloud commoditized world



Open Standards are the real value

Enterprises and vendors are increasingly understanding the value of open standards, especially at cloud scale, and the Open Source development model fosters high quality and adoption of standards



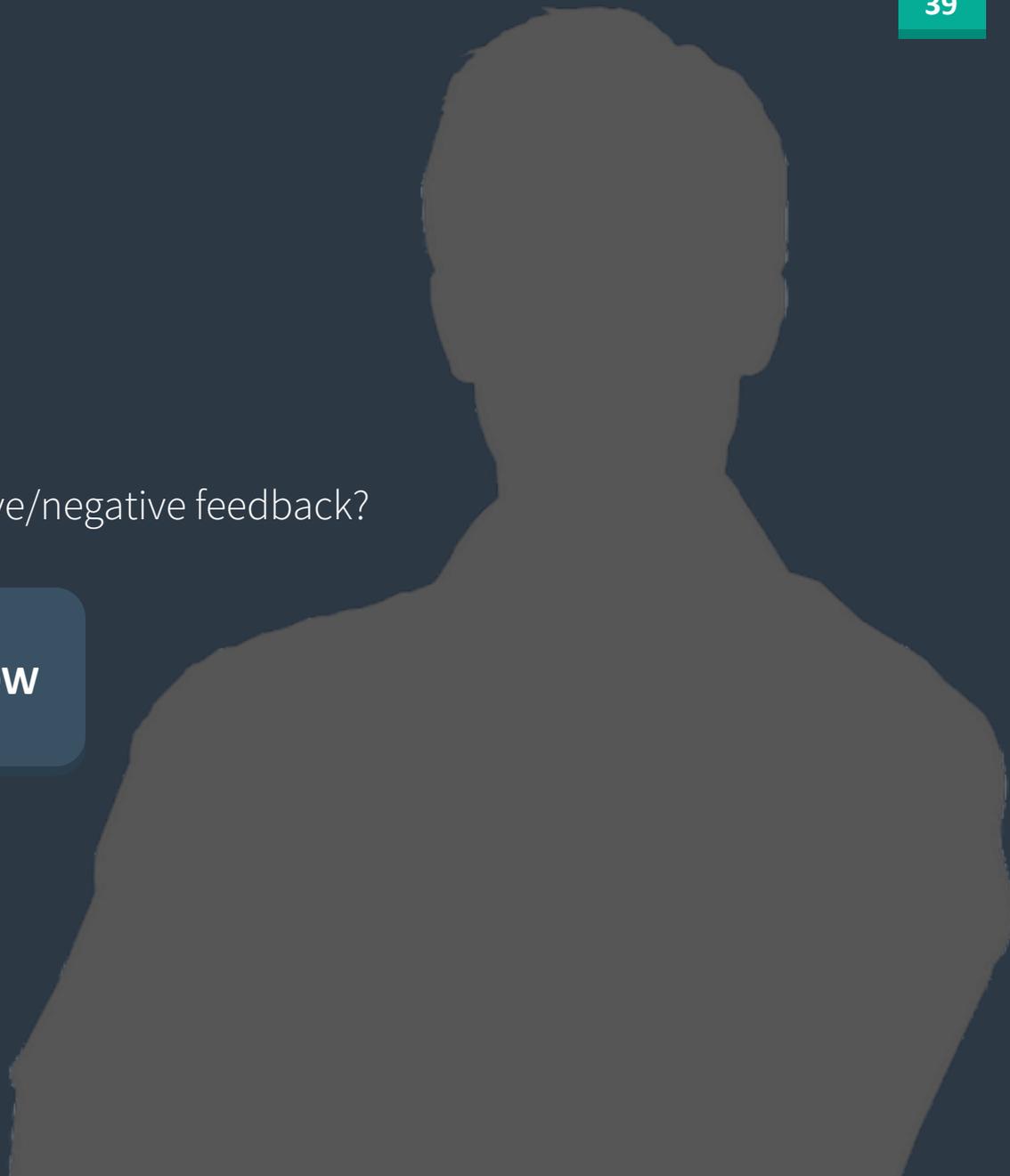
The new open source cloud business model

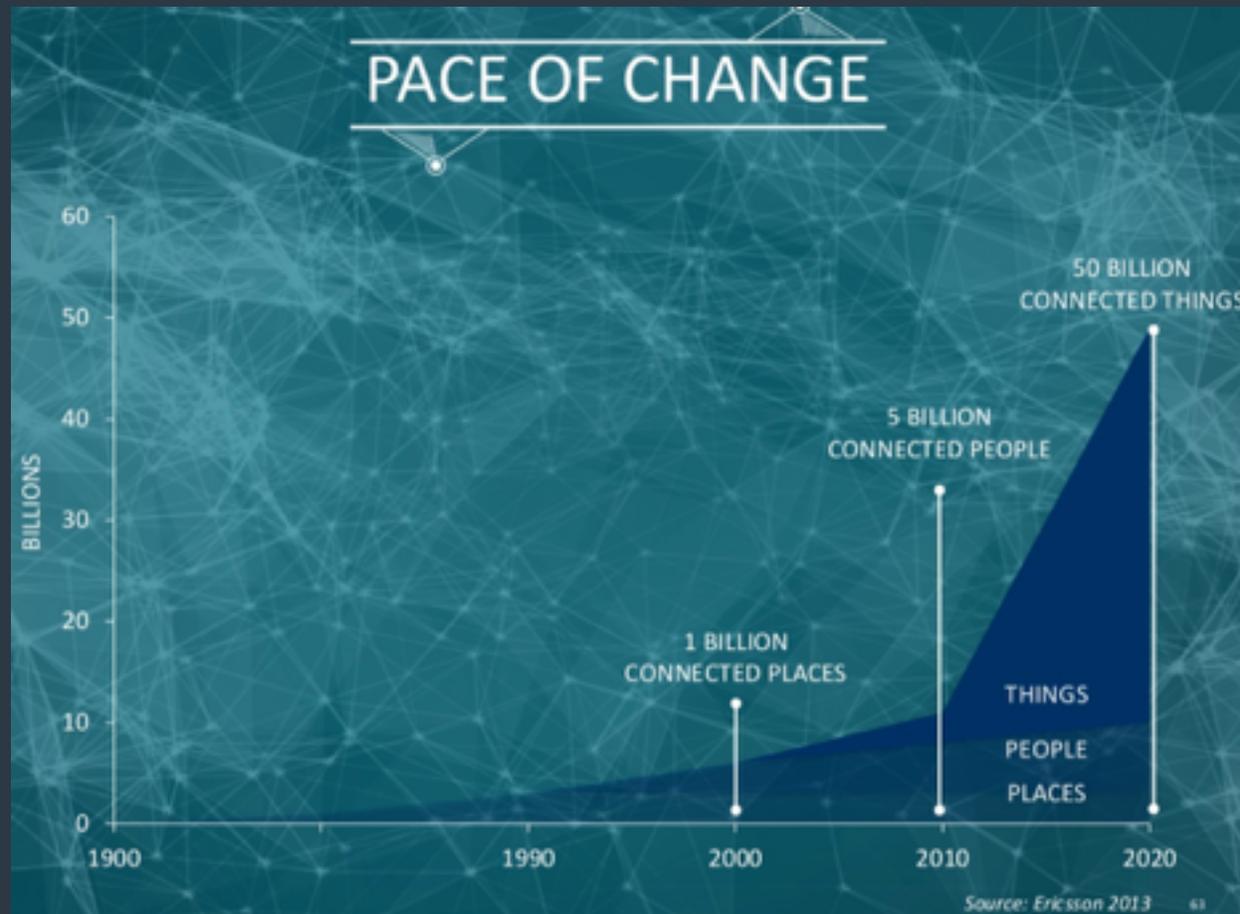
Delivering value to users in a service fashion leveraging open source technologies is the new de-facto standard of customer-driven and successful SaaS companies

Any Question???

Or comment, suggestion, praise, applause, yawn or wildly positive/negative feedback?

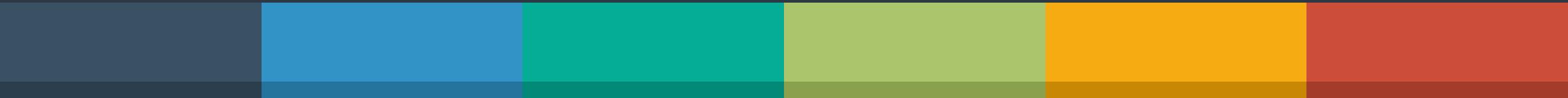
- WHAT
- WHY
- WHERE
- WHEN
- WHO
- HOW





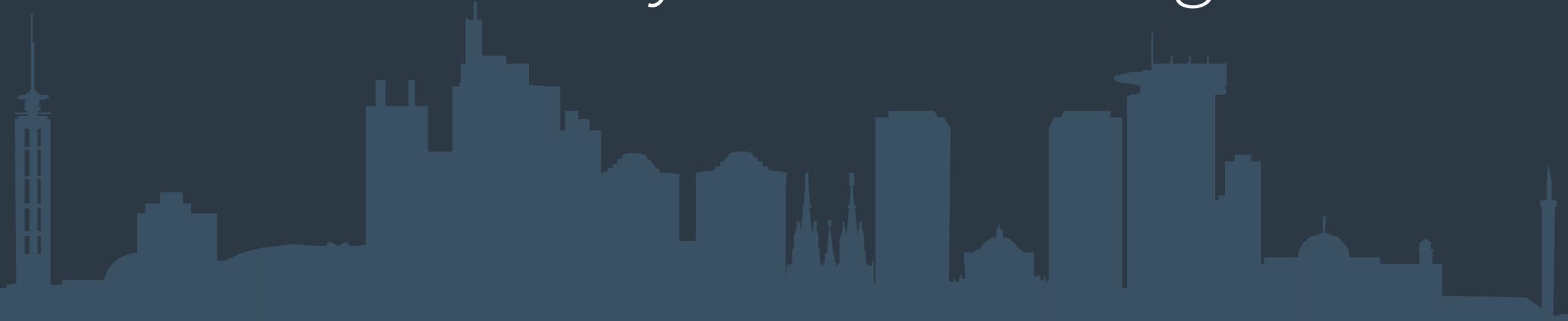
And what about the internet of things?

<https://www.blackducksoftware.com/news/releases/2014-future-open-source-survey-results-revealed>





Thank you for listening!



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