

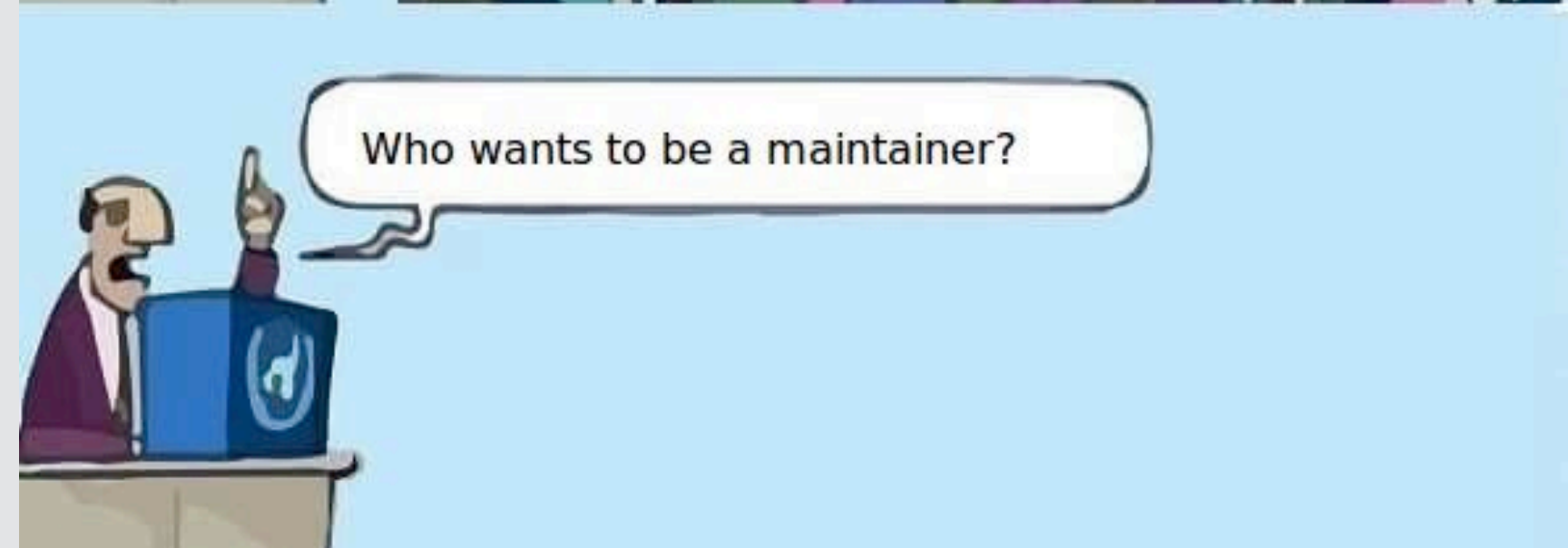
# Open Source as a Business

Strategy, Struggle & Success

Philipp Krenn

@xeraa

<https://twitter.com/geowolf/status/971811346823221248>



Ninety-eight-point-five percent of the code  
ever put into the core of Puppet was put in  
there by somebody I paid.

<https://www.geekwire.com/2018/might-time-big-cloud-share-wealth-open-source-startups/>

Open Source  $\neq$   
Business Model



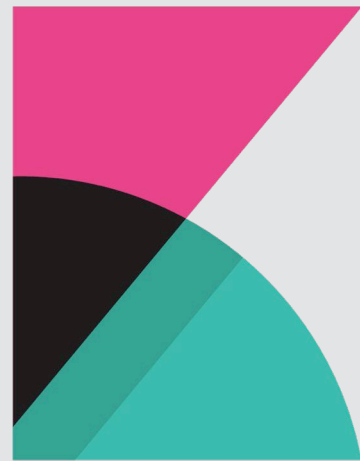
# elastic

Developer





elasticsearch



kibana

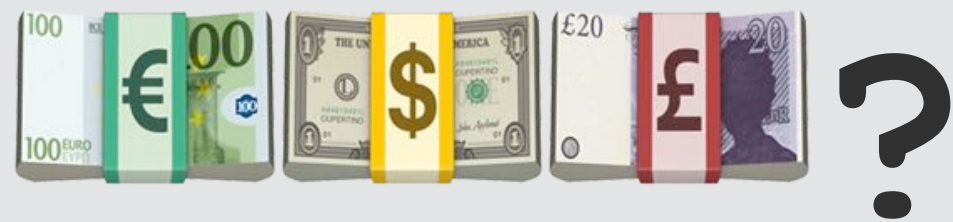


beats



logstash

# Where is the



# Services

Support, Consulting, Training, Certification

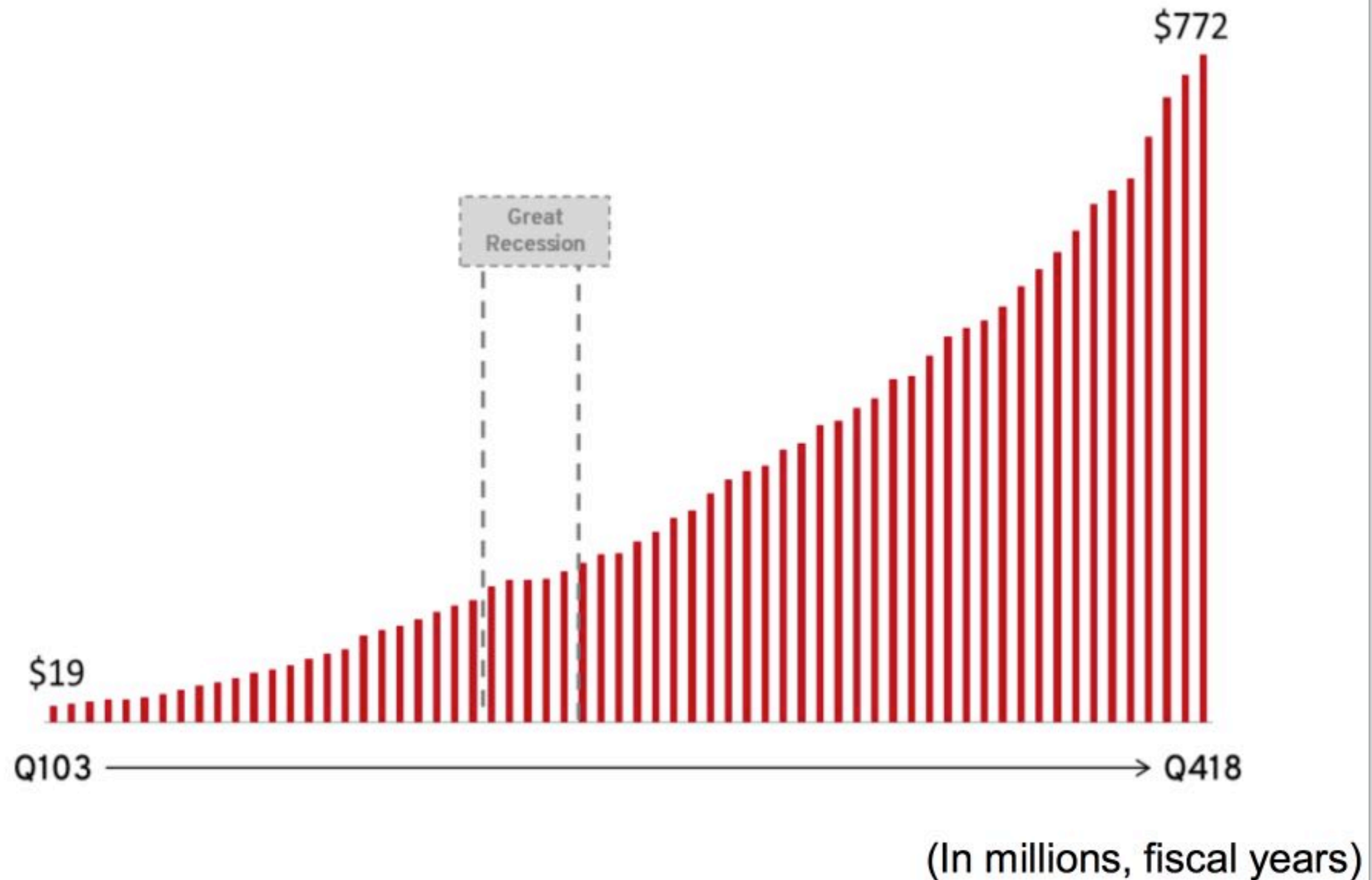


# CANONICAL



redhat.®

# 64 Quarters of Revenue Growth









Support Problem

**Ease of Use**

Support Problem

# Renewal Rates

Service Problem

# Consulting-Only Competition

# Open Core





MAPR



Problem

Alternatives

Problem

Cloud Providers

Problem

**Lock-In**

# Cloud Service







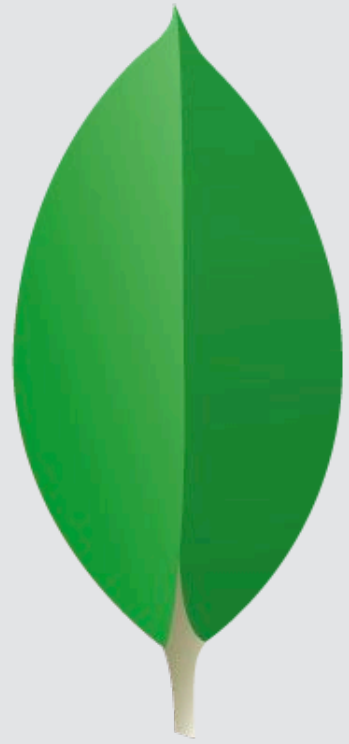


Problem

Cloud Providers

The intent of open source software was not so that someone else can take the exact same software and offer it as a service.

<https://www.geekwire.com/2018/might-time-big-cloud-share-wealth-open-source-startups/>



mongoDB



# Struggle







[...] If you are MSFT and I ask you if you've used Redis and you say "you mean Azure Redis Cache?", that's not a good sign.

<https://twitter.com/jensenharris/status/984268950136537088>

If you are claiming your startup/company is  
open source and you aren't contributing to some  
form of upstream... then you aren't really.  
Sorry not sorry.

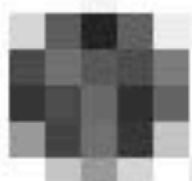
<https://twitter.com/jessfraz/status/954802380125736961>





## 🔒 Elasticsearch-rails & -ruby are abandoned 🖋️

■ Elasticsearch



Oct '17

It was pointed out 3 months ago [here](#) 54 and nothing has changed - 66 PRs and a lot of bugs not being fixed.

Latest commit was made 5+ months ago.

elasticsearch-rails will be incompatible with an upcoming Rails 5.2 and it looks like nobody cares. How can we rely on a product with such bad support?



**warkolm**  Mark Walkom [Elastic Team Member](#)

Oct '17

Would you be willing to take on some of the maintainer load to assist?

2 Replies 

5 Likes



 Reply



[Redacted]

Oct '17

Of course not. Can't you hire 1 more developer?



 Reply

If you're unhappy with an open source project you're entitled to a full, immediate refund to the \$0.00 you paid for it. Alternatively, get involved with the project to make it better.

<https://twitter.com/MikeMcQuaid/status/970000490468708352>



**softwaredoug** Doug Turnbull

Oct '17

Wow! Come on man, you're getting this stuff for free. Don't be a freeloader, if you see problems share the load! That's the joy and burden of open source 😊

5 Likes



Reply



[Redacted]

Oct '17

Are you sure I'm using it for free? Elasticsearch is a commercial product with \$104m of funding and a lot of [paid subscriptions](#) 5, why the hell would I work for them for free?  
Btw, you're walking on the streets and breathing air for free - do you clean them up and plant new trees from time to time (also for free)? Nope? Why not?



Reply

&lt;&gt; Code

! Issues 28

🔗 Pull requests 5

📁 Projects 0

📖 Wiki

📊 Insights

⚙️ Settings

Pulse

Contributors

Community

Traffic

Commits

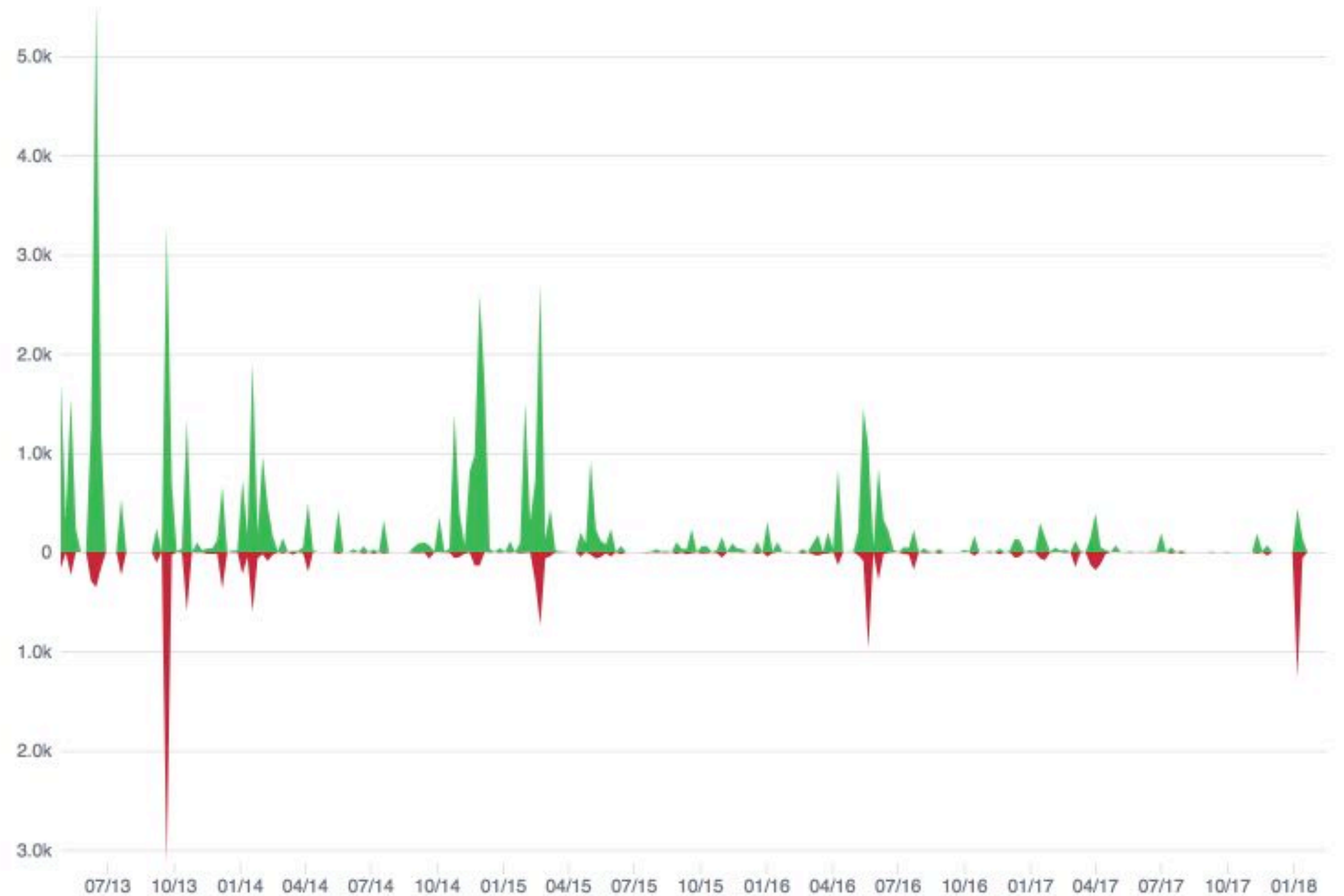
**Code frequency**

Dependency graph

Network

Forks

Additions and Deletions per week





# Ruby on Rails Integrations Engineer

[APPLY NOW](#)

**Location:** Anywhere EMEA or US

**Department:** Engineering

At Elastic, we have a simple goal: to solve the world's data problems with products that delight and inspire. As the company behind the popular open source projects — Elasticsearch, Kibana, Logstash, and Beats — we help people around the world do great things with their data. From stock quotes to real time Twitter streams, Apache logs to WordPress blogs, our products are extending what's possible with data, delivering on the promise that good things come from connecting the dots. The Elastic family unites employees across 30+ countries into one coherent team, while the broader community spans across over 100 countries.

Right now, we are looking to add a talented Ruby Engineer with a deep understanding of Rails and real passion for open source development to collaborate within our small, but globally distributed team.

## **Responsibilities**

Your primary responsibility will be to develop and maintain the integration between the Ruby on Rails platform and the Elastic stack. This includes:

&lt;&gt; Code

! Issues 169

🔗 Pull requests 12

📁 Projects 5

📖 Wiki

📊 Insights

Pulse

Contributors

Community

Commits

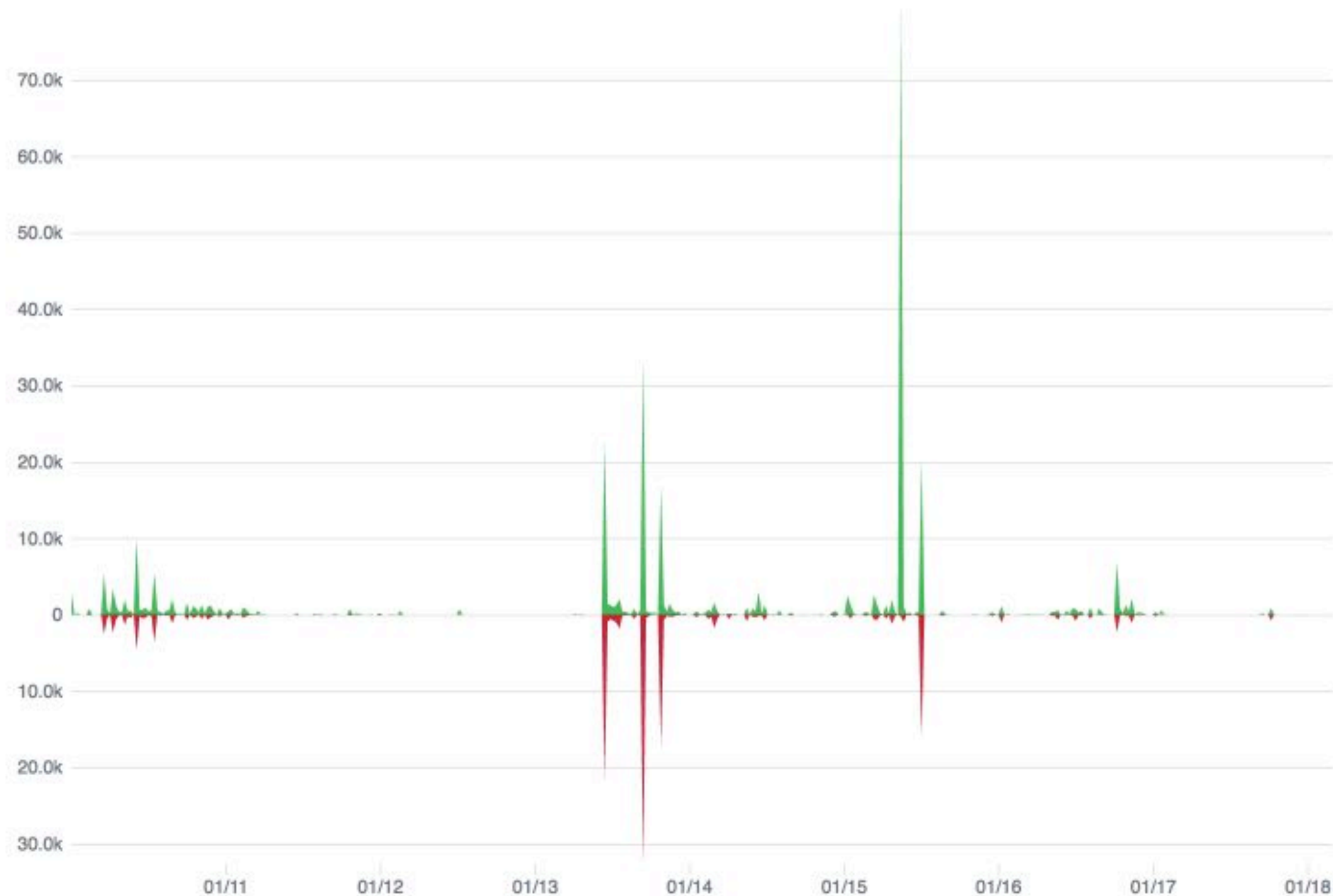
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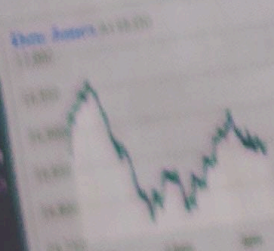


# Business

Daily Telegraph  
Printed and  
bound

Markets  
FTSE 100  
13,100

Shares  
664.4p  
+0.1%



FTSE 100	13,100.22
FTSE All Share	3,471.20
FTSE All Share Yield	3.30
FTSE Europe 100	2,854.82
Nikkei 225	8,022.99
DAX Eurozone 30	3,220.40

US  
Rate  
1.5314  
Change  
-4.03c

££  
Rate  
1.3628

## Commodities

Gold  
AU\$0.00

▼  
**\$1146.06**  
(£748)  
-0.94 (-0.08pc)

Brent Crude  
AU\$0.00

▲  
**\$52.14**  
(November)  
-0.54 (-1.03pc)

## News

Long haul  
for Tesco  
Company  
halts sales  
spiral but  
profits fall

ALL  
1.100.000



# Venture Capital

Accelerated development vs business dynamics

Where is the  
☢️⚠️☣️?

# Development

Hobbled Product vs Starving Company



*influxdb*



RethinkDB



docker



# Releases

Multiple Products vs Proprietary Plugins

DATASTAX



# Open

## Open Source vs Open Code



GitLab



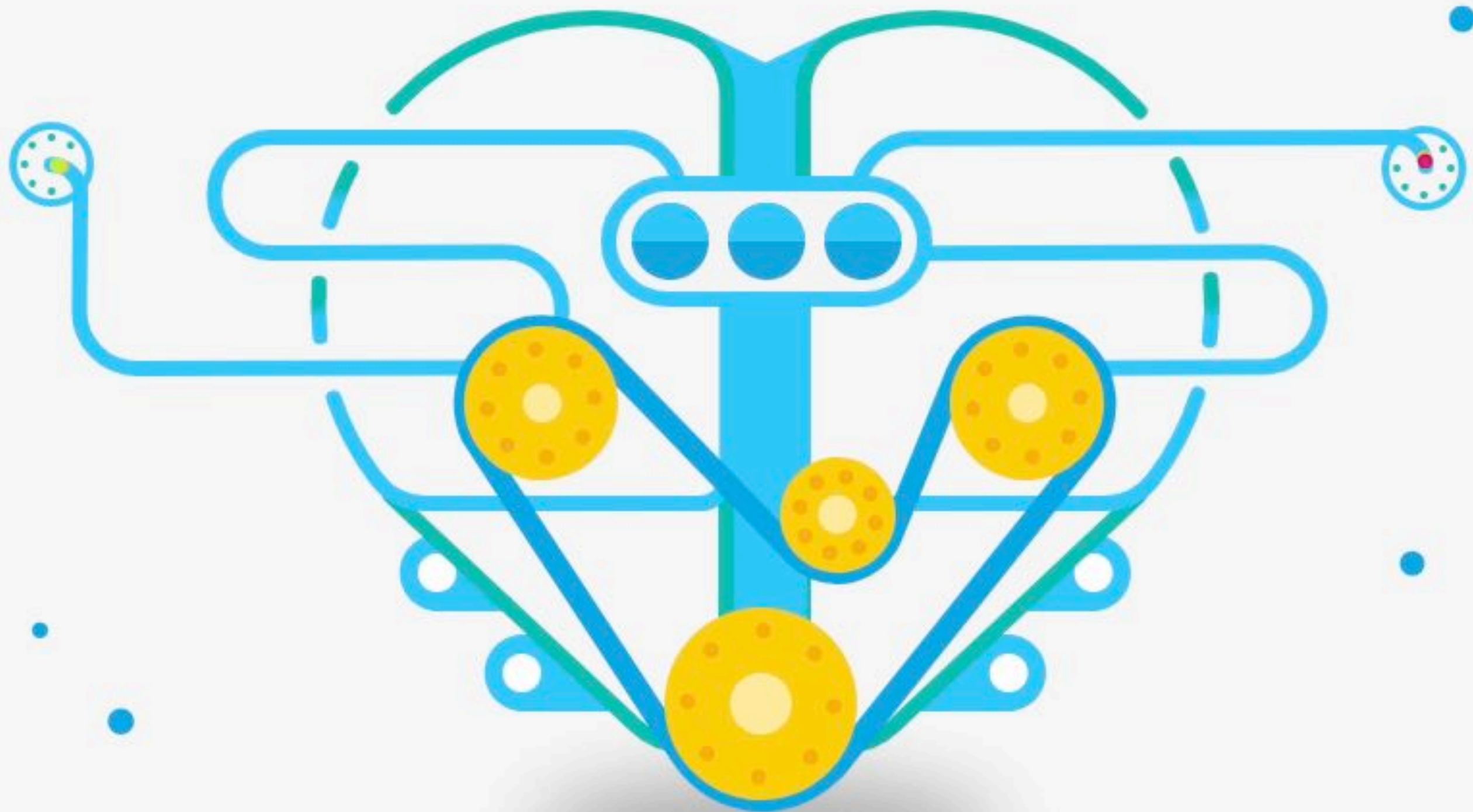
**Cockroach** LABS

# Commercial Features

Engineering (Open Source) vs Sales (Commercial)

# Elastic's Strategy





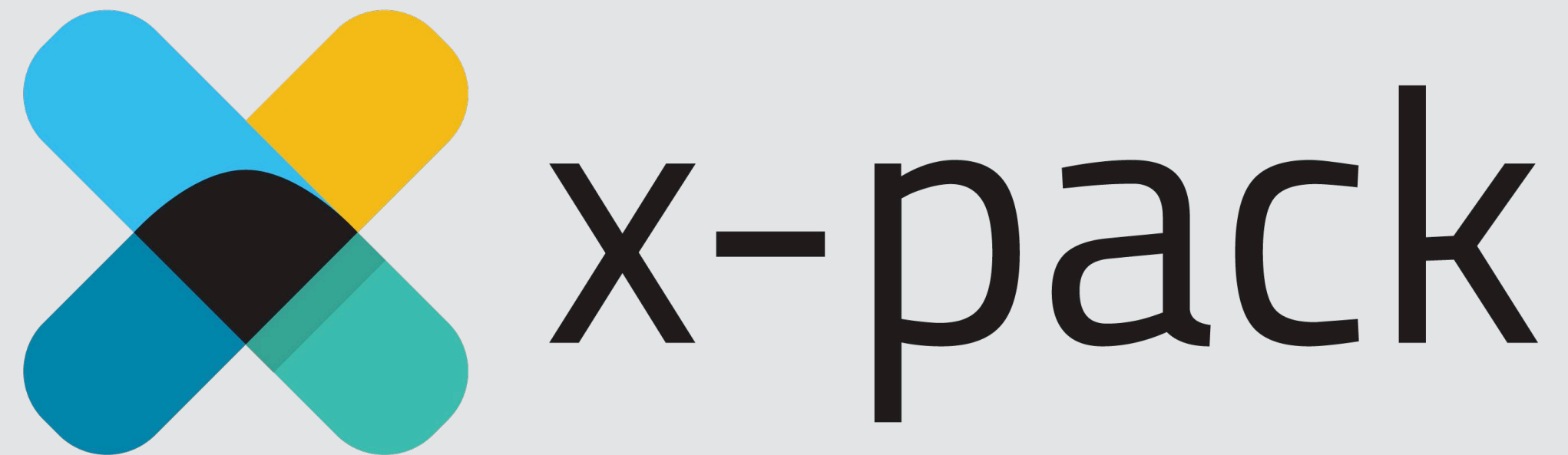
	OPEN SOURCE	BASIC	GOLD	PLATINUM	ENTERPRISE
	Free Download	Free License	Request Info	Request Info	Request Info

## THE ELASTIC STACK

Elasticsearch	✓	✓	✓	✓	✓
Kibana	✓	✓	✓	✓	✓
Beats	✓	✓	✓	✓	✓
Logstash	✓	✓	✓	✓	✓
APM - agents and server (Beta)	✓	✓	✓	✓	✓

## X-PACK

✓ Security (formerly Shield)			✓	✓	✓
✓ Monitoring (formerly Marvel)		✓	✓	✓	✓
✓ Management		✓	✓	✓	✓
✓ Alerting (via Watcher)			✓	✓	✓
✓ Machine Learning				✓	
✓ APM (Beta)		✓	✓	✓	✓

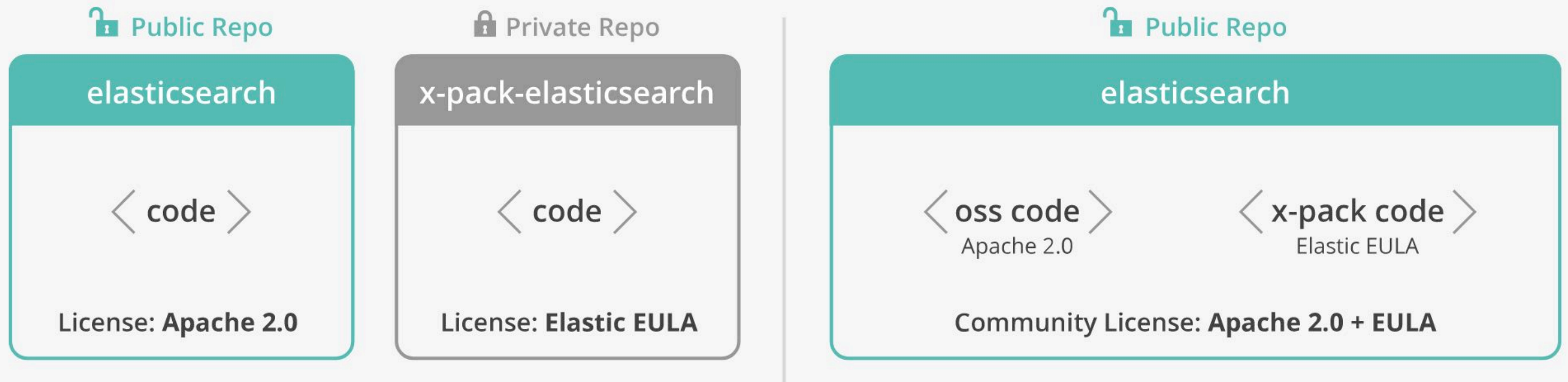


Support & Plugins

**All Code Open**

**Not Open Source –**

**Apache 2 & Elastic EULA**





Graph Reporting  
Machine Learning  
Canvas  
SQL Monitoring CSV

X-PACK

PAID  
FREE

OPEN

Search Engine Data Collection  
Agents Dashboard Visualizations  
Ingestions Enrichment  
Edge Collection Distributed  
OSS



# Training Consulting





# cloud Enterprise



Home

All

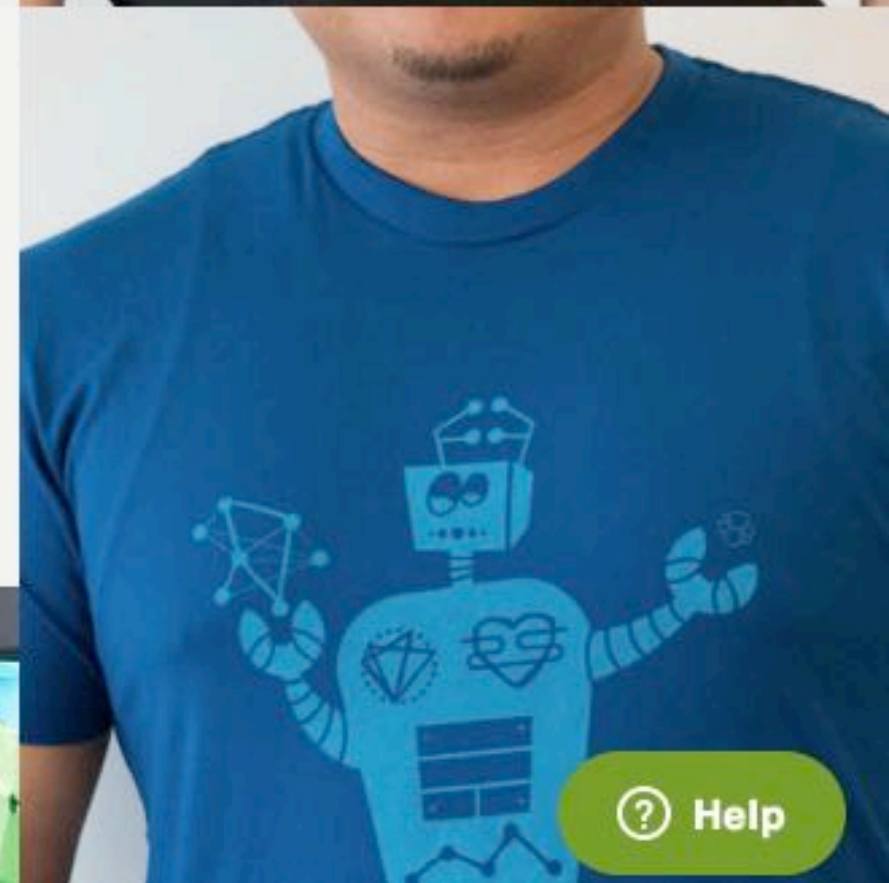
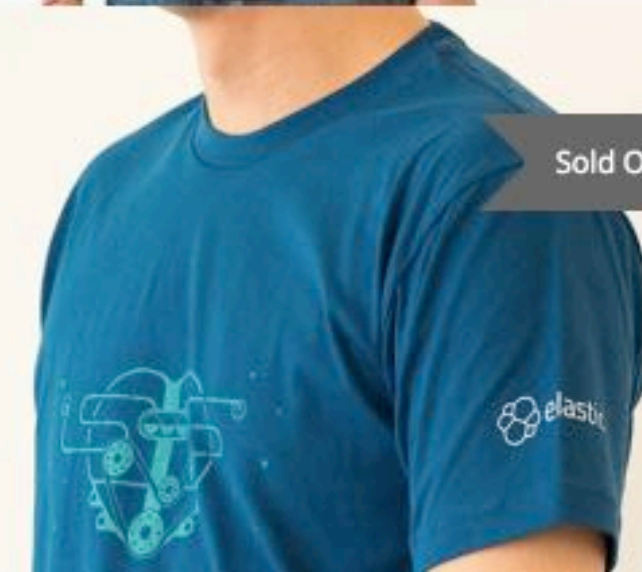
Apparel

Gadgets



Newsletter About us FAQ's

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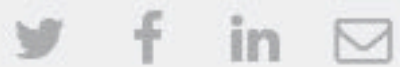


Home

All

Apparel

Gadgets

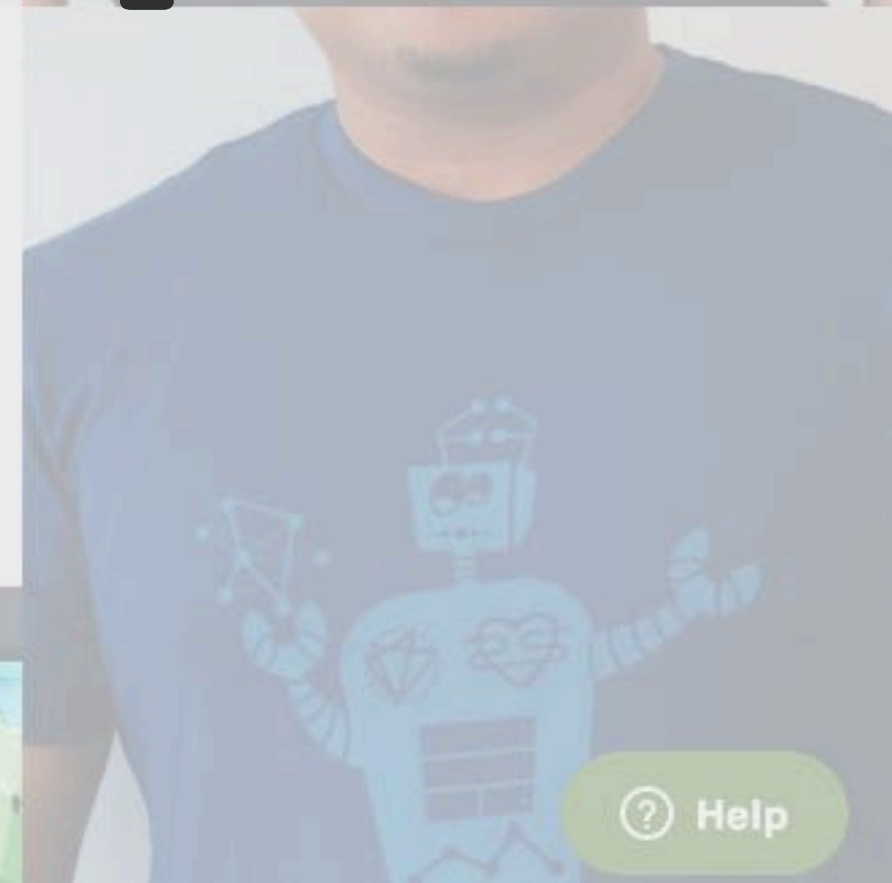
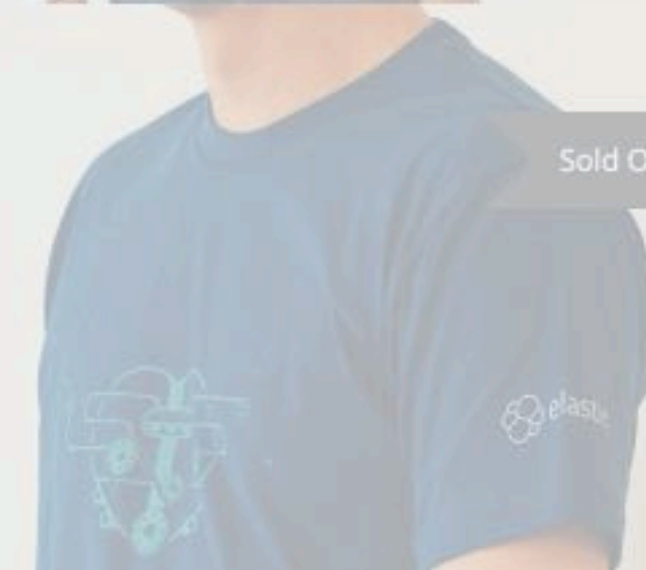


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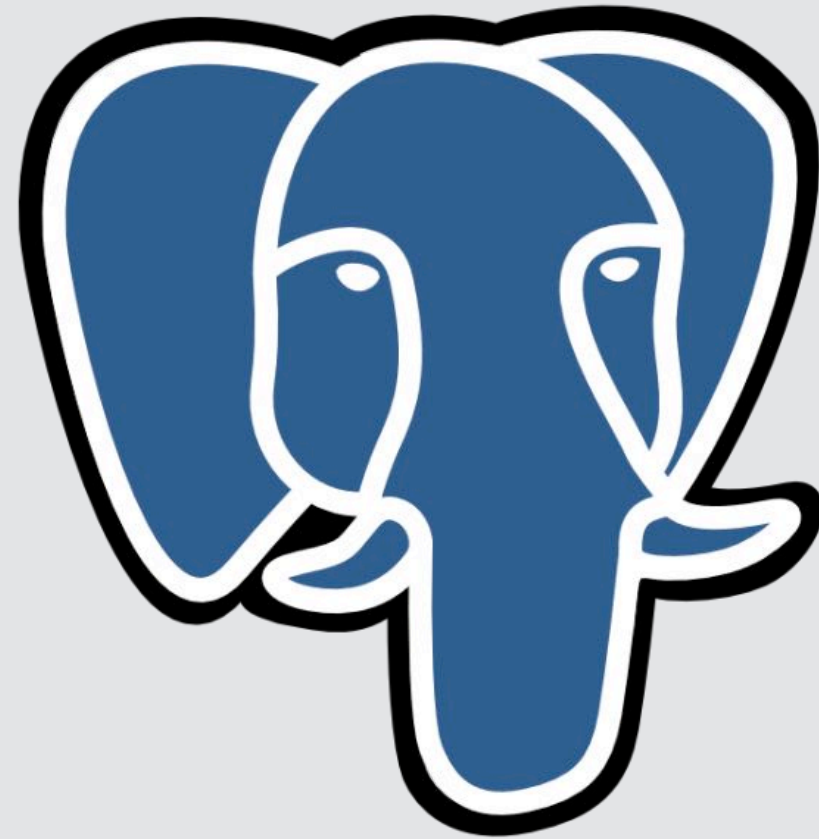
<https://elastic.shop>



# Conclusion



Business Is  
Optional



PostgreSQL



mattklein123

[Follow](#)

Engineer @lyft

Jun 17, 2017 · 6 min read

## Optimizing impact: why I will not start an Envoy platform company

*The following are my own views, and not that of my employer, Lyft.*

Although almost unbelievable to me, Envoy has gained exceptional traction since it was open sourced about 9 months ago. (If unfamiliar with Envoy see [here](#) and [here](#) for more information). Very early on I received inbound requests from investors and entrepreneurs who were attracted to a new solution in the burgeoning area of microservice networking and management and who wanted to discuss the potential for commercial opportunities around the software. Over the last few months, especially as excitement for the software has increased (a substantial partnership with Google, the launch of [Istio](#), uptake and excitement of other large companies, etc.), the amount of inbound requests and push by the investment community to figure out a

Business Is  
Complicated



Kibana



Elasticsearch



**X-Pack**

Security

Alerting

Monitoring

Graph

Reporting

Machine  
Learning



Logstash



Beats



Elastic Cloud

# Questions?

Philipp Krenn

@xeraa