

Open Source as a Business

Strategy, Struggle & Success

Philipp Krenn

@xeraa

[...] allow software to be
freely used, modified, and
shared.

<https://opensource.org/licenses>

Four Freedoms: Use, Study, Share, Improve

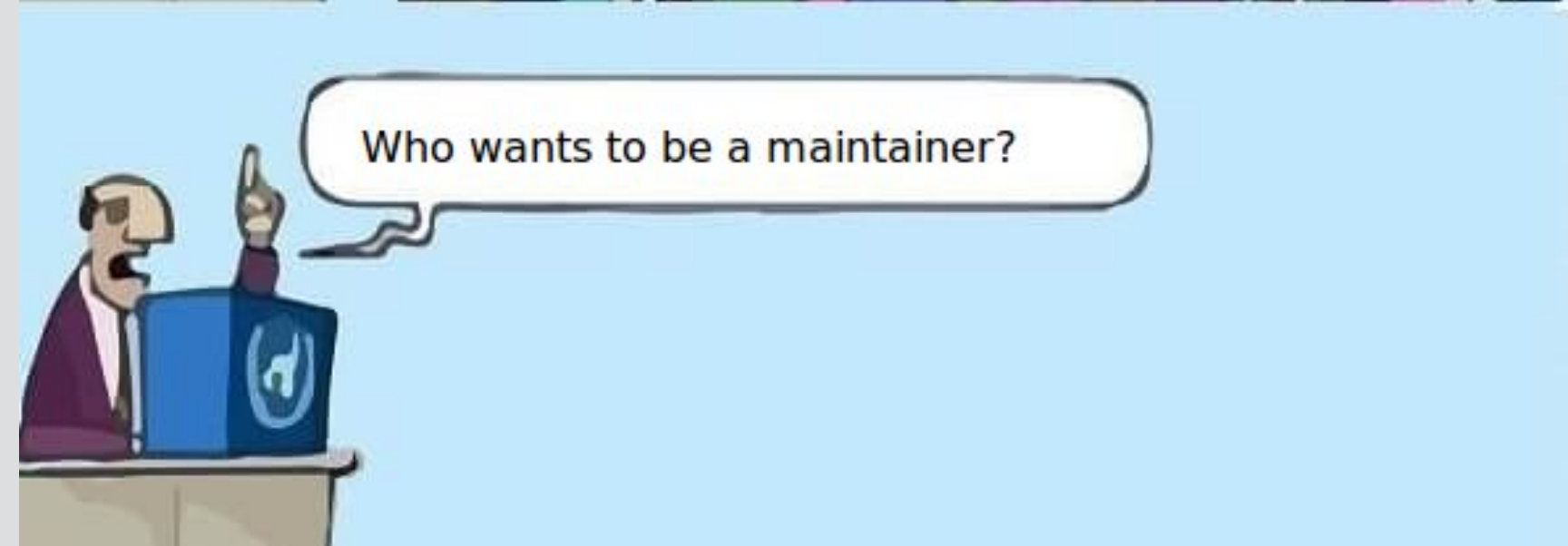
[https://fsfe.org/freesoftware/basics/
4freedoms.en.html](https://fsfe.org/freesoftware/basics/4freedoms.en.html)

Who is
using OSS?

Who is
opening issues?

Who is
contributing back?

<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.

Luke Kaines (founder of Puppet), <https://www.geekwire.com/2018/might-time-big-cloud-share-wealth-open-source-startups/>

Open Source \neq Business Model

Open source is a distribution
model that allows us to build
community. It's a force
multiplier.

Shay Banon, Elastic



Get Datomic On-Prem

All Datomic On-Prem licenses are **perpetual** and include **all features**:

- Unlimited Peers and/or Clients
- [High Availability](#) for Failover
- Integrated [memcached](#) Support
- Supports [all Storages](#)

The available editions vary by availability of maintenance and support. Choose the one that best fits your needs.

Starter	Pro	Enterprise
No Cost	\$5000 per Year per System Includes Maintenance and Updates	Enterprise Integration Support
Maintenance/Updates Limited to 1 Year	Standard EULA	Negotiated License Terms
Standard EULA	2 Day Business-Hours- Only Support	24x7 Support
Community Supported		
Download Starter	Purchase Pro	Contact Us



elastic

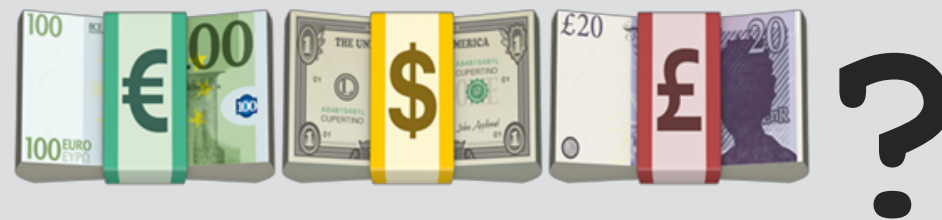
Developer







Where is the



Agenda

Strategy

Struggle

Success

Strategy

Services



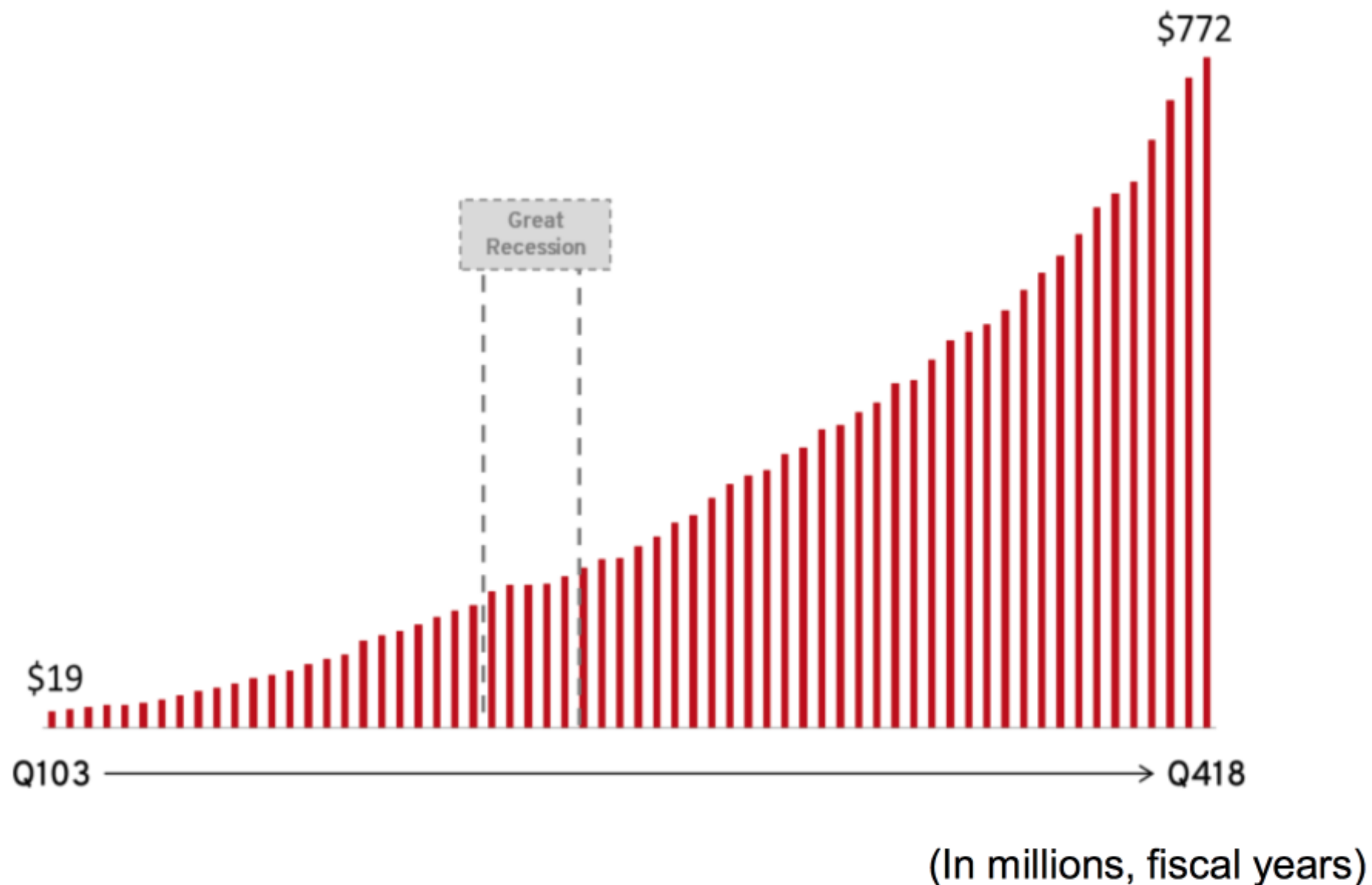
Support, Consulting, Training, Certification

CANONICAL



redhat.®

64 Quarters of Revenue Growth





Support Problem

Ease of Use

Support Problem

Renewal Rates

Consulting & Training Problem

Service-Only Competition

Red Hat has a unique business model crafted in the late 90's/early 00's when open source lived in a much stronger ideological environment.

Sacha Labourey (Hudson / Jenkins / CloudBees), <https://medium.com/@sachalabourey/ibm-acquires-red-hat-where-is-google-b2fe186ccfe4>



<https://techcrunch.com/2019/03/15/suse-is-once-again-an-independent-company/>

Open Core









Problem

Competing Tools

Problem

Less Open, More Commercial

Problem

Cloud Providers

Cloud Service









Problem

Cloud Providers

With the advent of the public cloud, pure open source models are very hard to defend.

Sacha Labourey (Hudson / Jenkins / CloudBees), <https://medium.com/@sachalabourey/ibm-acquires-red-hat-where-is-google-b2fe186ccfe4>

Cost in the Cloud

OSS Company

Margin
Operational costs
OSS development
Cloud provider's margin
Server, network, electricity, cooling,...

Cloud Provider

Margin
Operational costs
Server, network, electricity, cooling,...

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

Salil Deshpande (Bain Capital), <https://www.geekwire.com/2018/might-time-big-cloud-share-wealth-open-source-startups/>

Partnerships





Problem

Domain Specific

Donations





WIKIMEDIA
FOUNDATION

Problem

Scaling & Planning

For Patreon/donations to be a viable business model, have to put in just as much work as you'd have to do selling services/product, likely ending up w less from donations

You can point to donation models that had it easy & I can point to traditional businesses that got lucky too

Stephanie Hurlburt (Entrepreneur, Founder), <https://twitter.com/sehurlburt/status/1036091578060656640>

Certified Partners



moodle

Problem

Requires Commercial Ecosystem

Ads





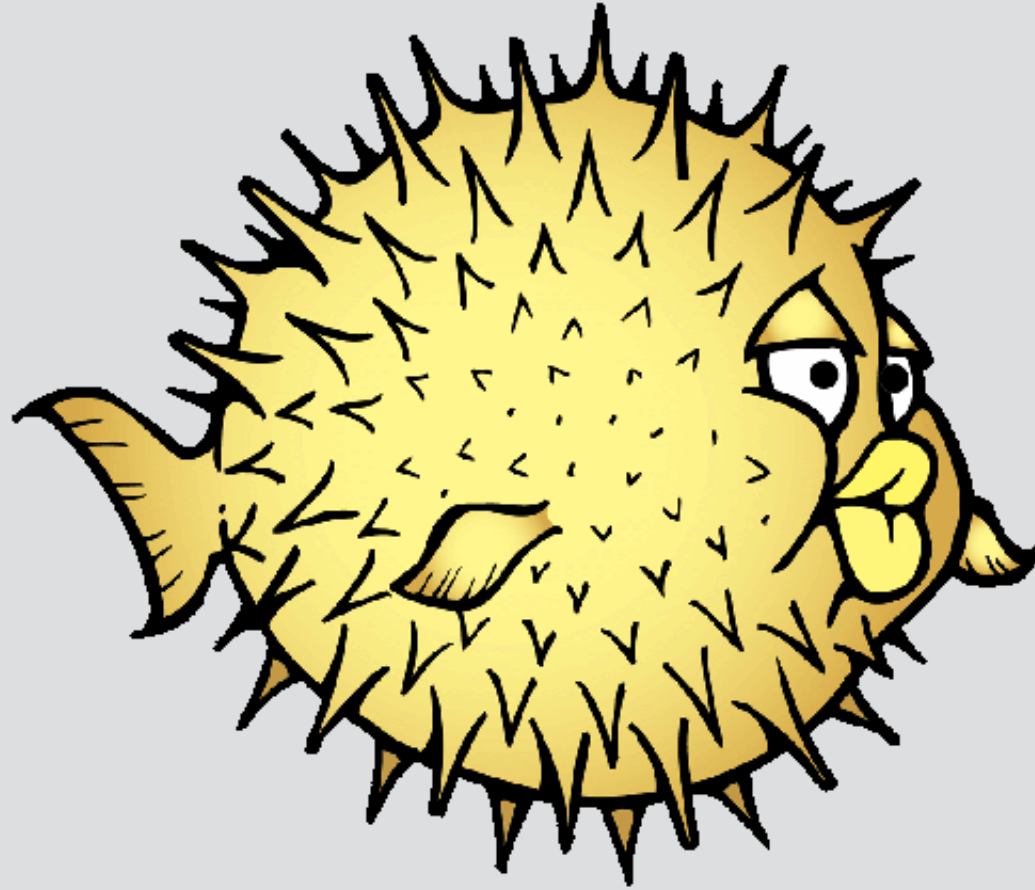
AdBlock

Problem

What Is (the Price to Be)
Acceptable

Merchandise





***Open*BSD**

Problem

Revenue

Bounty / Crowdfunding 💰

Wataclass

DATKIDASS

Abba



Problem

Vision & Maintainability

Corporate Sponsoring





Google Summer of Code

Problem

Incentives

Struggle

Philosophy 🧠

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.

Jessie Frazelle (Keyser Söze of containers), <https://twitter.com/jessfraz/status/954802380125736961>

Contributors 

Users 

Consumers 

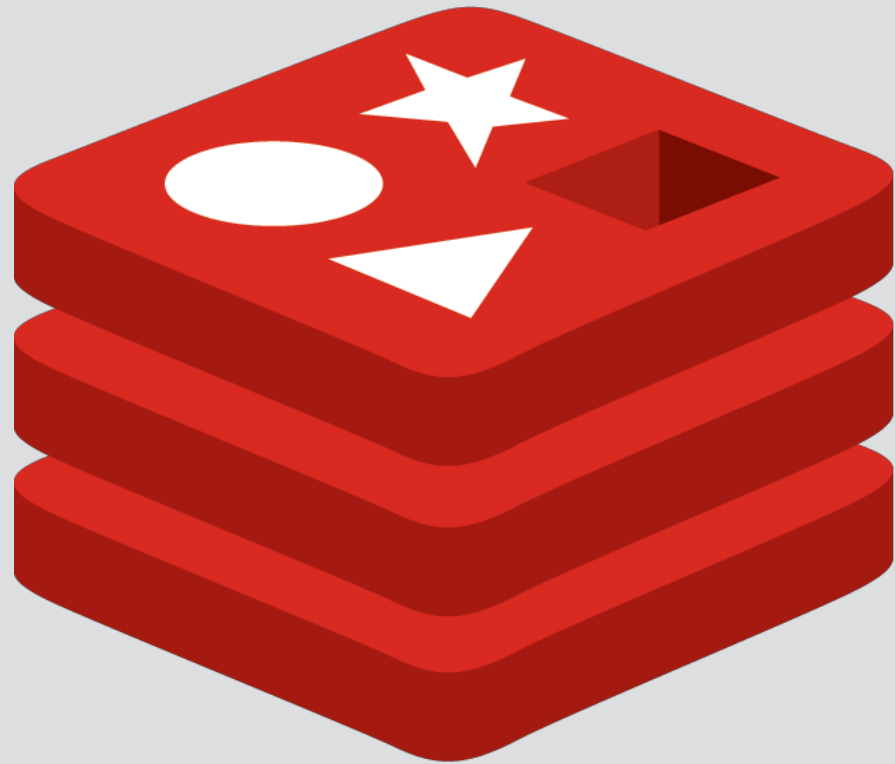


[...] Amazon, on one hand, bashes the open source ecosystem and highlights the advantage of its own tools, while at the same time taking projects like Presto, which was developed in the open by Facebook, and turning it into a packaged, revenue-generating product (the newly announced Athena service).

<https://dzone.com/articles/did-amazon-just-kill-open-source>

[...] 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>



redis

Redis Labs Modules: AGPL

Redisearch, Redis Graph, ReJSON, ReBloom,
Redis-ML

Apache 2 modified with Commons Clause (2018/08)

Without limiting other conditions in the License, the grant of rights under the License will not include, and the License does not grant to you, the right to Sell the Software.

<https://commonsclause.com>

Confusion

CC

Apache 2 modified with Commons Clause
<https://commons.apache.org>

Some rabid open-source wonks accused Redis Labs of trying to trick the community into thinking that modules were open source, because they used the word "Apache."

<https://techcrunch.com/2018/09/07/commons-clause-stops-open-source-abuse/>

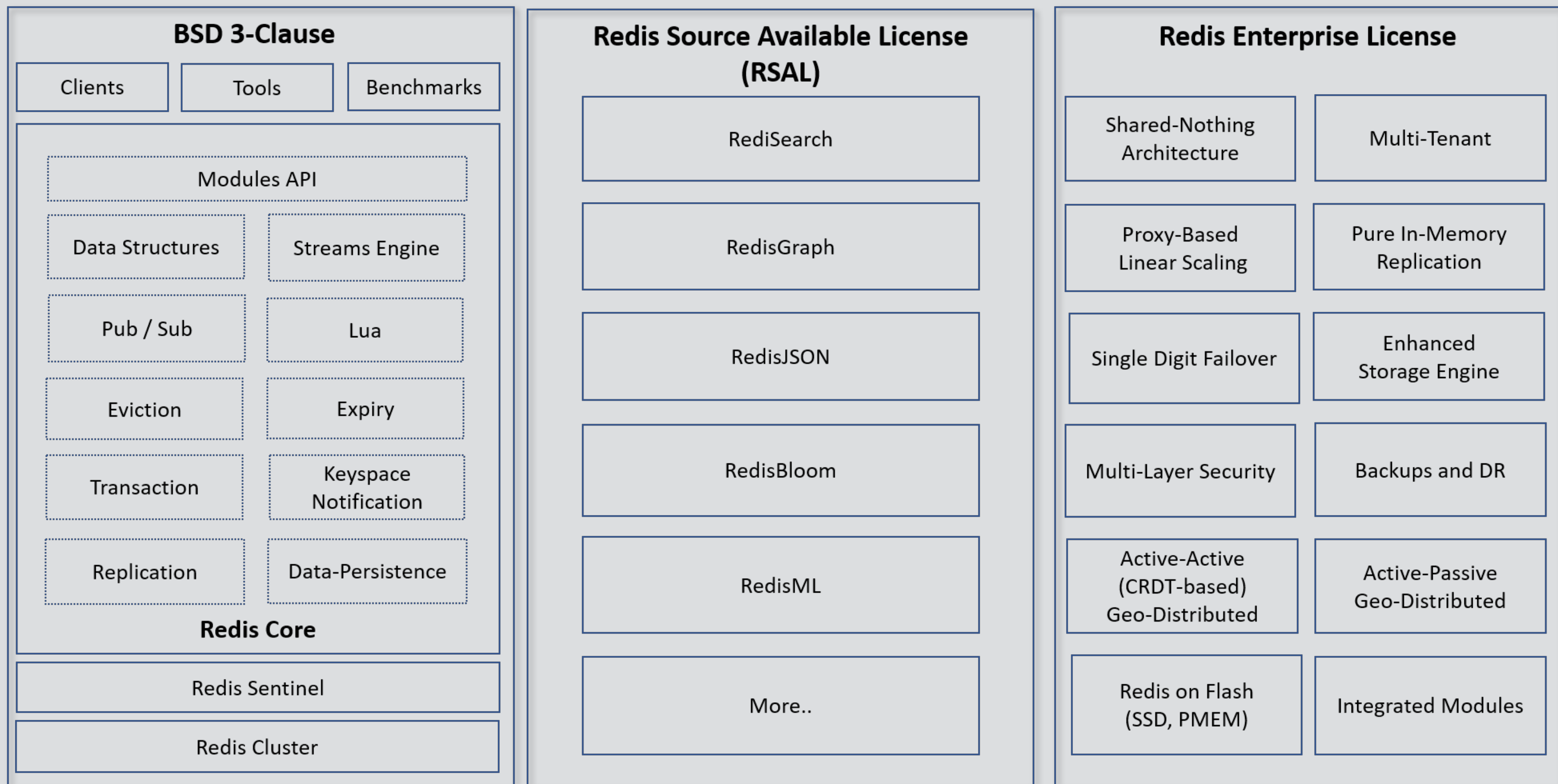
Be aware that the debate starting up about the Common Clause license due to Redis Labs adopting it will likely be heavily tainted by large corporations who have a lot of free labor to lose suddenly pretending to be huge champions of free software ideals.

<https://twitter.com/taotetek/status/1032248562116186112>

Redis : BSD

"Redis will remain BSD licensed" <http://antirez.com/news/120>
"Redis is not "open core" <http://antirez.com/news/121>

RedisLabs Modules: Redis Source Available License (2019/03)



<https://redislabs.com/community/licenses/>



mongoDB

AGPL Server / Apache Clients

Server Side Public License

(2018/10)

~~"13. Remote Network
Interaction; Use with the GNU
General Public License."~~
"13. Offering the Program as
a Service."

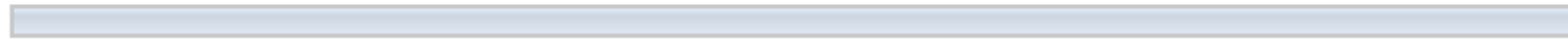
<https://www.mongodb.com/licensing/server-side-public-license>

More than Reciprocal

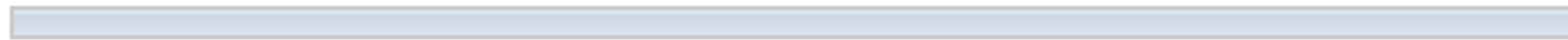
Permissive vs Copyleft vs SSPL

In the light of the MongoDB license changes...

I will continue using MongoDB Community, the change does not impact me (49%, 139 Votes)



I will look to replace MongoDB with a different data store (49%, 139 Votes)



I will have to purchase MongoDB Enterprise Subscription (1%, 4 Votes)



Total Voters: **282**

<https://www.percona.com/blog/2018/10/24/poll-mongodb-license-change/>

Timing

Effective Today

Clones



 **FoundationDB**
Amazon DocumentDB

[...] we are hereby withdrawing the SSPL from
OSI consideration.

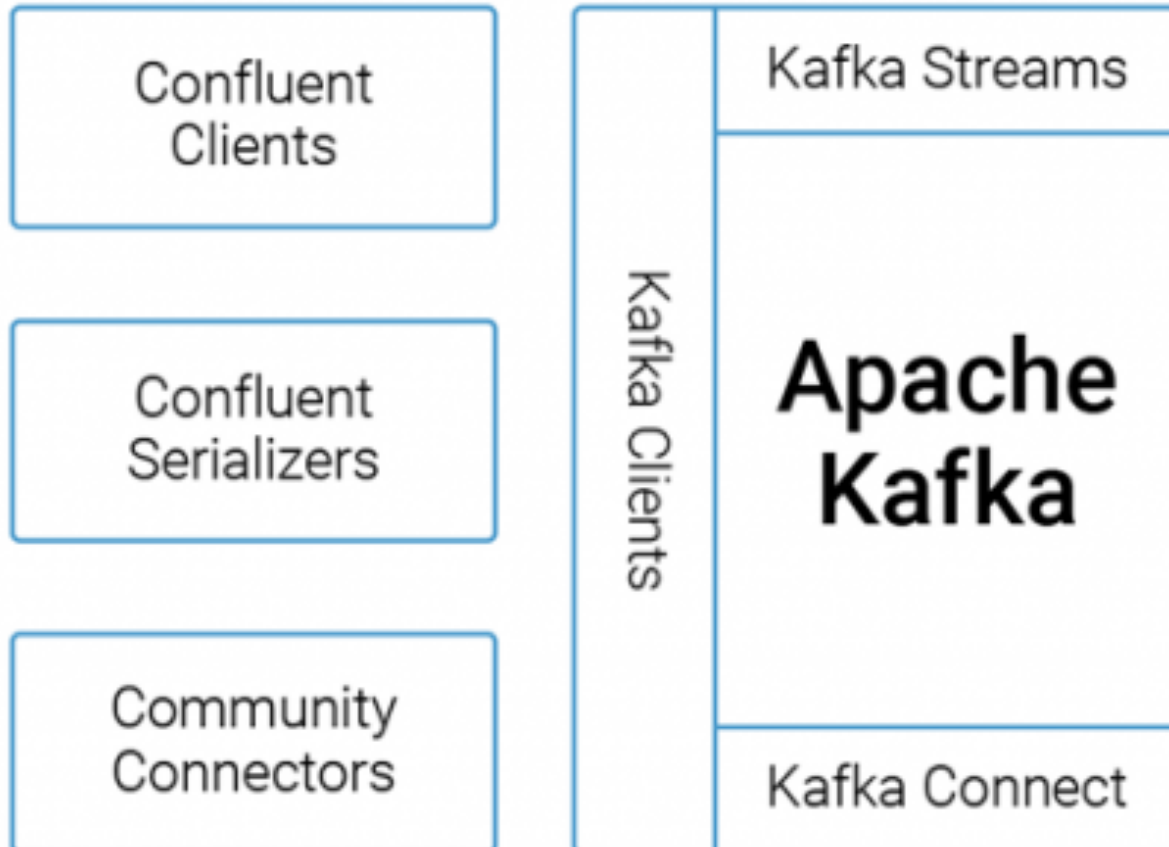
[http://lists.opensource.org/pipermail/license-review_lists.opensource.org/2019-
March/003989.html](http://lists.opensource.org/pipermail/license-review_lists.opensource.org/2019-March/003989.html)



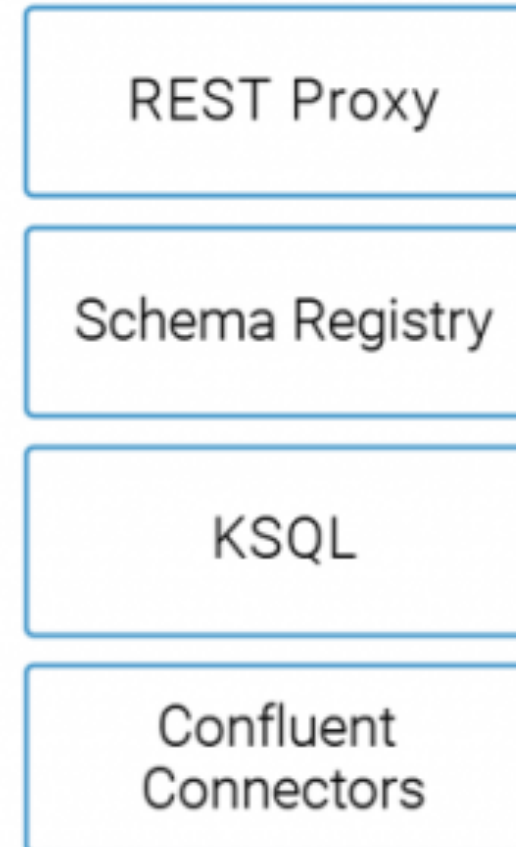
For purposes of this Agreement, “Excluded Purpose” means making available any software-as-a-service, platform-as-a-service, infrastructure-as-a-service or other similar online service that competes with Confluent products or services that provide the Software.

<https://www.confluent.io/confluent-community-license>

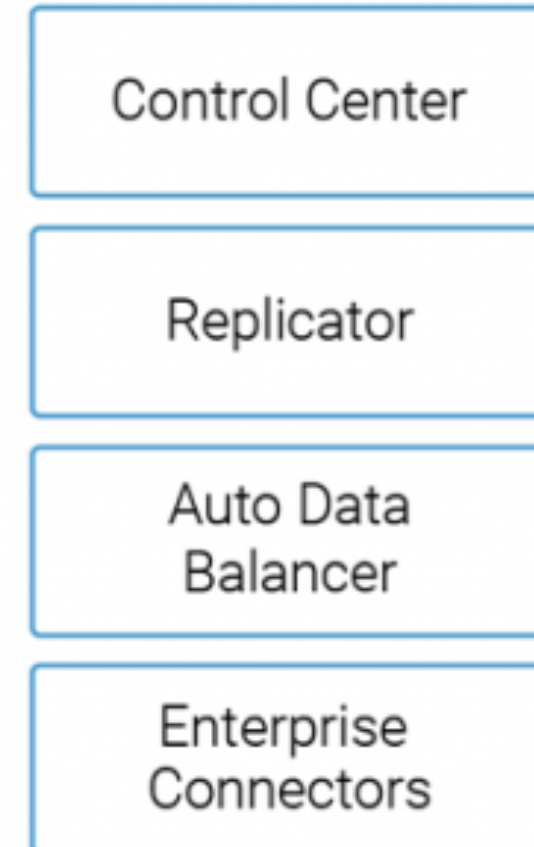
Apache 2.0 License



Confluent Community License



Confluent Enterprise License



<https://www.confluent.io/blog/license-changes-confluent-platform>

Money



Conflict of Interest

Open Source vs Commercial View



DATASTAX 

In case you needed proof, @zdatainc just released a #benchmark report where #DataStax6 outperforms #OpenSource #cassandra <http://bit.ly/2txOvW1> #databases #data

<https://twitter.com/DataStax/status/1012380187886055424>

SCYLLA.

Venture Capital

Accelerated Development vs Calling the Shots



Couchbase

Development

Hobbled Product vs Starving Company



influxdb



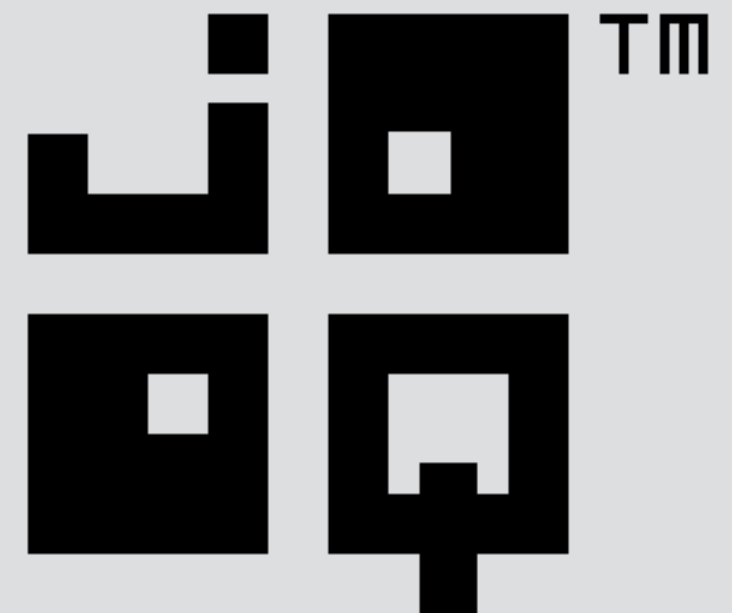
RethinkDB



docker

Tricks

Open Source but...



Success

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

It saddens me that closed source companies are
acclaimed for merely putting a piece of code on
GitHub, while commercial open source companies
get the worse shit for any action that involves
protecting their work.

Arnaud Porterie (former Docker engine lead),
<https://twitter.com/icecrime/status/1032155227368185856>

Time for an
Updated Model?

MongoDB seeks to do what the FSF failed to do in 2007: close the "ASP loophole." That is, to make the GPL (and open source) more relevant to the cloud era by ensuring those that modify and distribute open source as a cloud service contribute back.

Matt Asay (former MongoDB VP of Community),
<https://twitter.com/mjasay/status/1052191818937327616>



Today, we're adopting an extremely permissive version of the Business Source License (BSL). CockroachDB users can scale CockroachDB to any number of nodes. They can use CockroachDB or embed it in their applications (whether they ship those applications to customers or run them as a service). They can even run it as a service internally. *The one and only thing that you cannot do is offer a commercial version of CockroachDB as a service without buying a license.*

<https://www.cockroachlabs.com/blog/oss-relicensing-cockroachdb/>

What to Protect



CHEFTM

We release open source code under the Apache 2.0 license, which permits third parties to copy and redistribute the underlying software under the terms of the license. However, the Apache 2.0 license *does not provide any license or right to use any of the Chef Marks*. You may redistribute the applicable Chef open source software under the terms of the Apache 2.0 license, but you may not use the Chef Marks in doing so without express written permission from Chef or as expressly permitted in this Policy.

<https://www.chef.io/trademark-policy/>

The "Elasticsearch" word mark may be used in referring to Elasticsearch, such as "for Elasticsearch" or "compatible with Elasticsearch," etc. The reference must be correct, namely, the product must actually fully function with Elasticsearch.

<https://www.elastic.co/legal/trademarks/>

Elastic's Strategy

Elastic Stack subscriptions

The Elastic Stack — Elasticsearch, Kibana, Beats, and Logstash — powers a variety of use cases.
And we have flexible plans to help you get the most out of your on-prem subscriptions.

Open Source

Apache 2.0: Now and always.

[Free download](#)

Feature highlights include:

- Clustering & high availability
- Powerful search and analysis
- Data visualization and dashboarding
- And more (see full list)

Basic

The forever-free plan.

[Free download](#)

Everything in Open Source plus:

- Core security features
- Solutions such as APM, SIEM, Maps, and more
- Canvas
- And more (see full list)

Gold

More features. Dedicated support.

[Contact us](#)

Everything in Basic plus:

- Alerting
- Reporting
- Ingest management
- Business hours support
- And more (see full list)

Platinum

The fully loaded experience.

[Contact us](#)

Everything in Gold plus:

- Advanced security features
- Machine learning
- Cross-cluster replication
- 24/7/365 support
- And more (see full list)

All Code Open

Not Open Source –
Apache 2 & Elastic License



 Public Repo

elasticsearch

< code >

License: **Apache 2.0**

 Private Repo

x-pack-elasticsearch

< code >

License: **Elastic License**

 Public Repo

elasticsearch

< oss code >
Apache 2.0

< x-pack code >
Elastic License

Community License: **Apache 2.0 + Elastic License**

What (incentive | perception | behavior)
is (OSS | Basic | Gold | Platinum)
going to drive with (users | customers | OSS-
only users | competitors | sales | development)

Training Consulting



elastic cloud



elastic cloud

enterprise



Home

All

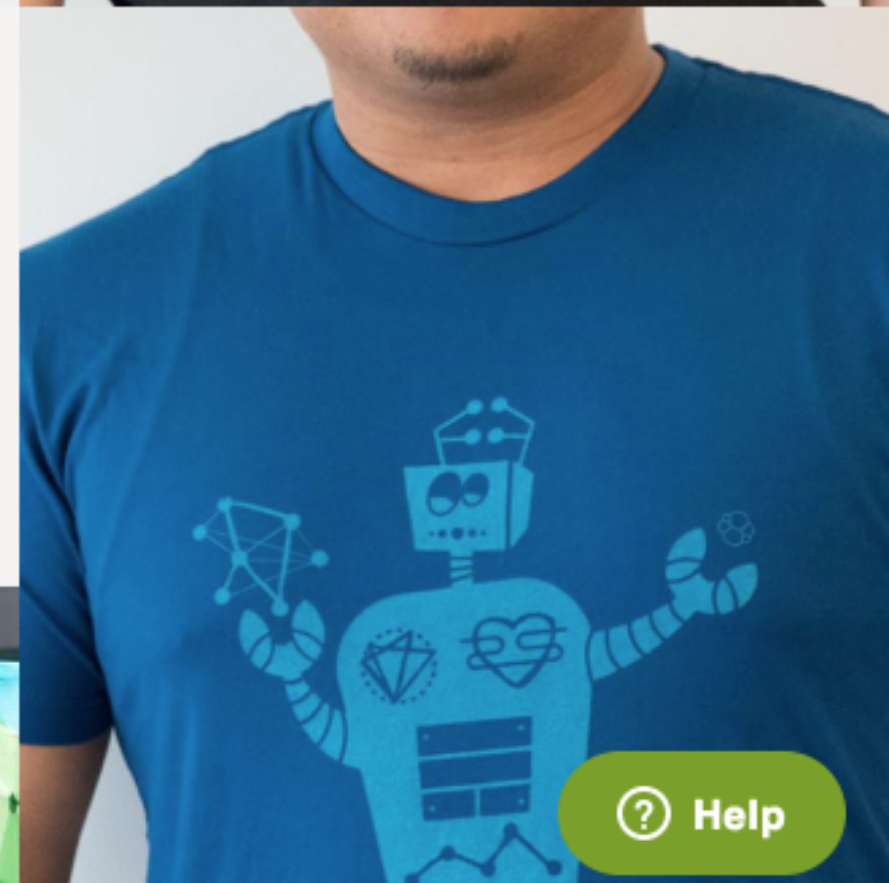
Apparel

Gadgets



Newsletter About us FAQ's

Copyright © 2018 Elasticsearch - All Rights Reserved



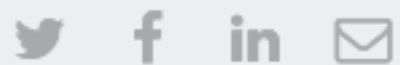


Home

All

Apparel

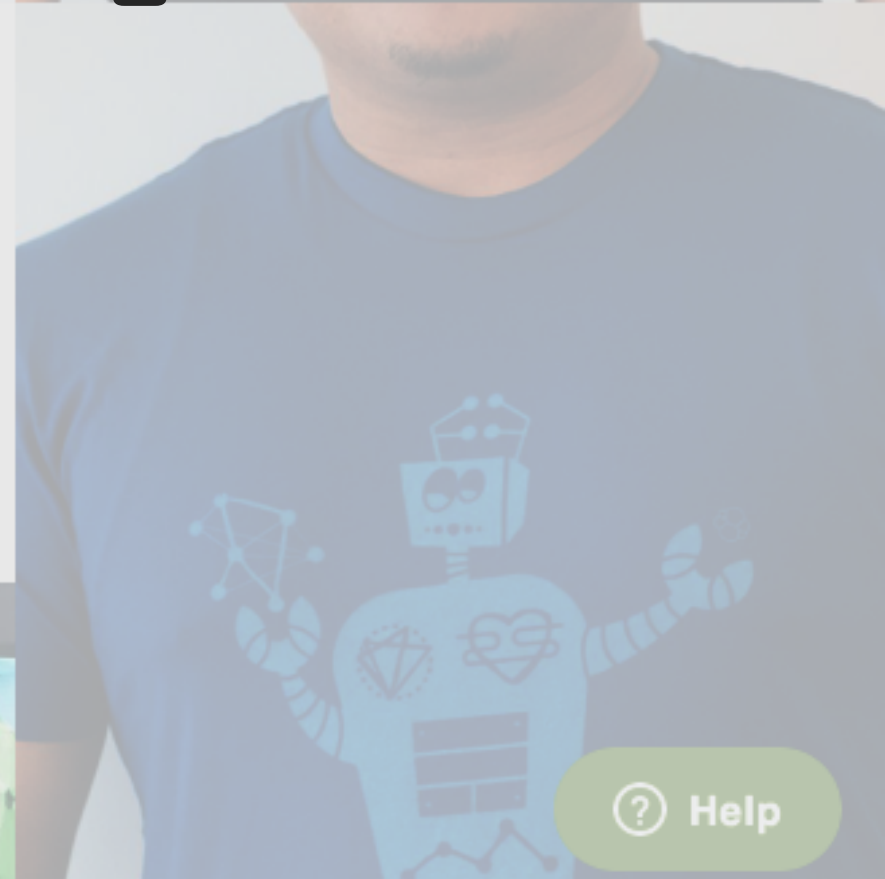
Gadgets



Newsletter About us FAQ's

Copyright © 2018 Elasticsearch - All Rights Reserved

<https://elastic.shop>



Questions? Disagreement?

Philipp Krenn

@xeraa