

Commercial Open Source



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Commercializing Open Source



Open source, by definition and license, is

- Not competitively differentiating; everyone can have it / use it for free

Companies commercialize open source by

- Identifying, developing, and selling **closed complements**

Open source creates value, the closed complement captures it

Open Source and Closed Complements

	Open Source	Complement
Hardware	Tensorflow	Google's TPUs
Software	Drupal	Acquia Drupal
Operations	Gradle	Gradle Enterprise
Consulting	PostgreSQL	Credativ
Support	gcc	Clever Solutions

Patterned Business Models



1. Service and support firms
2. Single-vendor open source firms
3. Open source distributor firms

Service and Support Firms



Provide human labor for a community open source project

Community open source is

- Open source with a widely shared copyright
- No single controlling (commercial) entity

Human labor here is

- Consulting and implementation services
- Administration and operations
- Various levels of support

Service Directory

by [Free Software Foundation](#) – Published on Apr 07, 2005 12:43 PM

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2. You will not take advantage of contact made through the Service Directory to advertise an unrelated business (e.g., sales of proprietary information). You may spontaneously mention your availability for general consulting, but you should not promote a specific unrelated business unless the client asks.

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Single Vendor Open Source Firms [1]

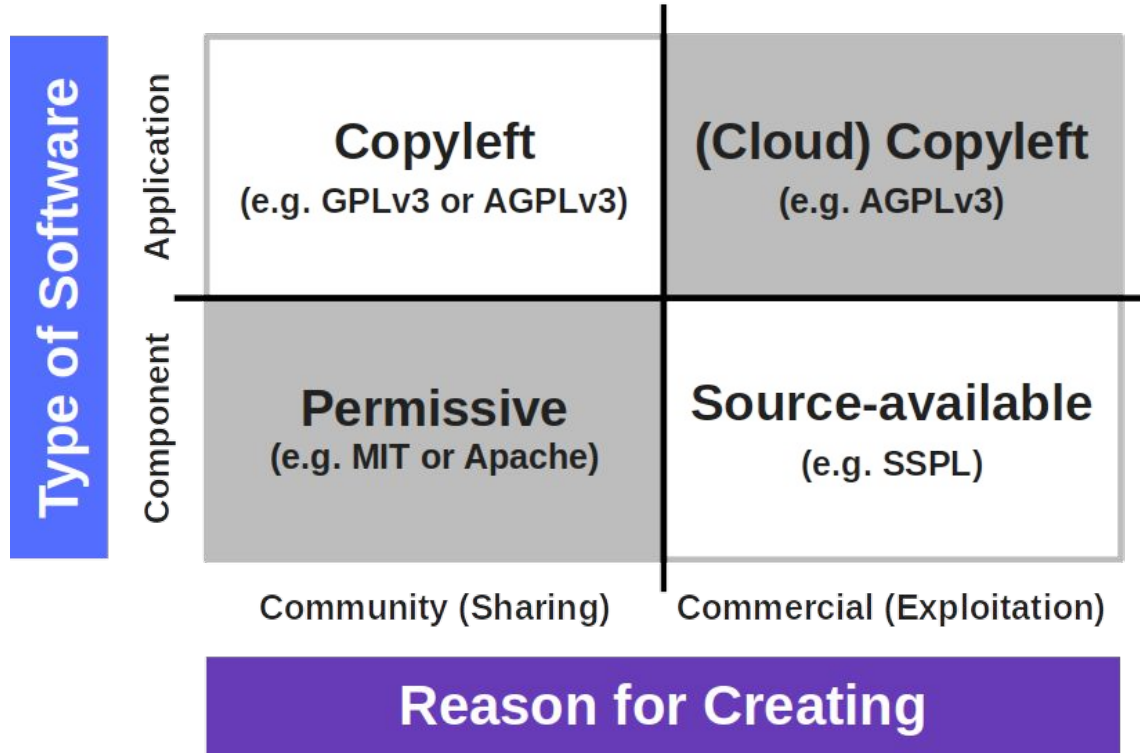


Single-vendor (commercial) open source is

- Open source application / component
- Developed for exploitation
- By a single vendor

[1] Also see <https://dirkriehle.com/publications/2020-selected/single-vendor-open-source-firms-and-their-intellectual-property-strategies/>

The Struggle for Value Capture



Why Open Source Then?



The purpose of open sourcing is driving adoption; broad adoption provides

- Upsell opportunities
- Free believable marketing
- Product management learning
- Reduced engineering costs, ...

Open Source Distributor Firms [1]



A commercial open source distribution is

- A comprehensive integrated platform built from open source components

The complements are based on “what’s in between components”, e.g.

- Configuration databases
- Tests and test suites
- Compatibility matrices
- Support knowledge bases

Examples of Open Source Distributions



	Growth	Mature
Commercial distribution	Kubernetes: OpenShift, Mesosphere, Kubermatic	Linux: RHEL, SLES, Univention
	OpenStack: VMware, Mirantis, Fusionsphere	Python: ActivePython, Anaconda
Community distribution	ROS: OpenRobotics	OpenJDK: Corretto
		TeX: Live, MacTeX, MiKTeX

Thank You! Any Questions?



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