



# *OSS Biz Models*



Robin Rowe

CinePaint Project Leader

[Robin.Rowe@CinePaint.org](mailto:Robin.Rowe@CinePaint.org)

**Ubuntu FOSScamp**

**December 5, 2008**

**2pm-3pm**

Location:

Google, Inc.

Crittenden Campus, Asguard Room

1400 Crittenden Lane

Mountain View, CA 94043



# OSS \$\$\$ Success Stories

- Red Hat - Carrier/Support
- MySQL - Acquired, \$1.8B
- Live Journal - Acquired, \$10M
- Firefox - Disrupt IE, carrier, ads \$60M Google
- Word Press - Acquired \$150M
- IBM LTC/Eclipse - \$1B+
- Intel - HW, \$1B+
- Sun OpenSolaris - HW, \$100M
- Novell/SUSE/Ximian
- Google/Android - GSOC as hiring program
- Apple Mac OS X
- more...



# *More OSS \$\$\$ Stories*

- Sugar CRM
- Apache
- O'Reilly - Offers Creative Commons SA books
- HP - Probably making more than IBM on Linux, Shutterfish acquisition
- ILM OpenEXR
- Real Helix - Carrier
- Nokia - Trolltech acquisition
- TiVo - Disruptive
- Cisco - Linksys acquisition



# *Not Really - Pretenders*

- Everyone who uses OSS and contributes nothing
- VA Linux - stock bubble
- Microsoft - losing money in OSS on each SUSE license sold, open source initiatives too small to matter, yet growing
- LinuxCare



# *Successful OSS Biz Models*

- Disruptive: must face major competitor or cartel
- IPO: not a good plan for current market...
- Get acquired: must be disruptive
- Carrier: serve all markets, be strategic
- Hardware: need strategic partner (IBM, MS)
- Consulting: need reputation (IBM)
- Support: need bugs and other issues to fix
- Lawsuit: capital intensive, need rich partners
- VC: need end strategy, acquisition or IPO?
- Lower Cost: need to be better and cheaper than entrenched competitors and stay that way
- Advertising supported: need huge reach



# *OSS Business Models*



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