

that discussion it became clear that some of the executive team had added their own thought processes to Rick's play. They had hatched an idea that was so daft that the entire venture was under threat. That idea, which would undermine the whole ecosystem approach, was to differentiate on stuff that didn't matter — the APIs. I warned that this would lead to a lack of focus, a collective prisoner dilemma of companies differentiating, a failure to counter the ecosystem benefit that Amazon had and a host of other problems but they were adamant. By use of their own API they would take away all the advantages of Amazon and dominate the market. Eventually, as one executive told me, Amazon would have to adopt their API to survive. The place was dripping in arrogance and self confidence.

I tried to support as much as I could but nevertheless I had quite a few public spats on this API idea. In the end by 2012 I had concluded that OpenStack rather than being the great hope for a competitive market was a 'dead duck' forced to fighting VMware in what will ultimately be a dying and crowded space whilst Amazon (and other players) took away the future. I admire the level of marketing, effort and excitement that OpenStack has created and certainly there are niches for it to create a profitable existence (e.g. in the network equipment space) but despite the belief that it would challenge Amazon, it has lost. The confidence of OpenStack was ultimately its failure. The hubris, the failure to be pragmatic, its decision not to exploit the ecosystems that already existed and its own self-belief has not served it well. It was a cascade failure of significant proportions with people believing OpenStack would win just because others in their circles were saying