

Economic Aspects of Libre Software

Master on Libre Software (URJC)

<http://master.libresoft.es>

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Activity: identify FLOSS business models



Description

- We present the names of 5 different companies.
- For each company, you must find their main business model, according to the taxonomy from “FLOSS: a guide for SMEs”.
- Some companies might present more than one key business model.
- Document your answers as much as possible.

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List of companies

- ① BlackDuck. <http://www.blackducksoftware.com/>
- ② Zimbra. <http://www.zimbra.com/>
- ③ IBM (libre software projects).
<http://www.ibm.com/developerworks/views/opensource/projects.jsp>
- ④ Jaspersoft. <http://www.jaspersoft.com/>
- ⑤ Funambol. <http://www.funambol.com/>

Activity: the open core debate



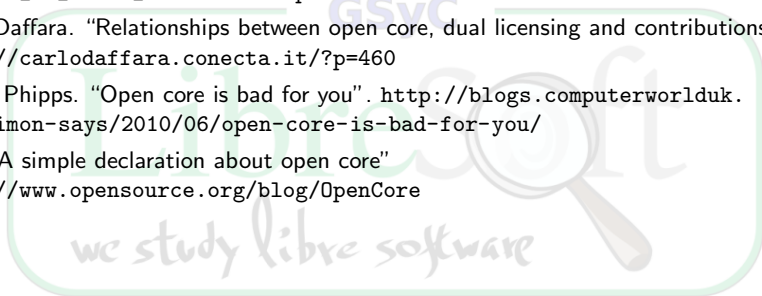
Introduction

- *Open core* is one of the frequent, yet most controversial business model strategies around FLOSS.
- Open core companies defend their right to maintain proprietary licenses on strategic features and modules.
- FLOSS advocates argue that this approach takes benefit from FLOSS without giving substantial feedback to communities and projects.

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References

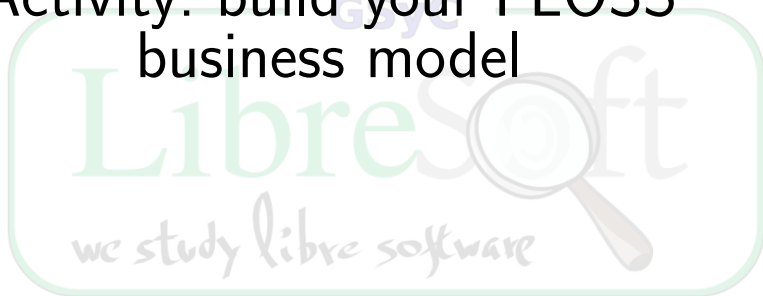
- ① Lampitt. "Open core licensing..." http://alampitt.typepad.com/lampitt_or_leave_it/2008/08/open-core-licen.html
- ② Carlo Daffara. "Relationships between open core, dual licensing and contributions" <http://carlodaffara.conecta.it/?p=460>
- ③ Simon Phipps. "Open core is bad for you". <http://blogs.computerworlduk.com/simon-says/2010/06/open-core-is-bad-for-you/>
- ④ OSI. "A simple declaration about open core" <http://www.opensource.org/blog/OpenCore>



Questions

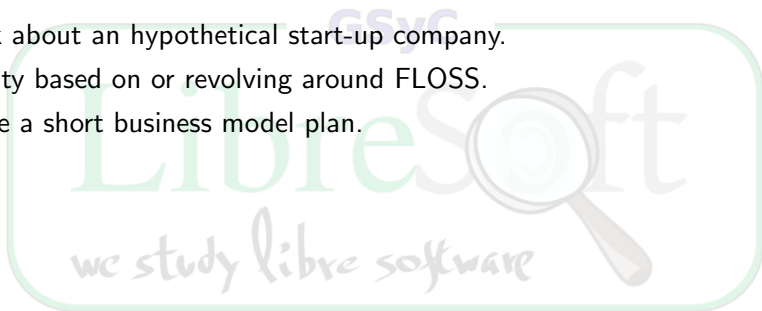
- Find 3 examples of companies following open core strategies.
- Could any of these companies switch to a different business model and ensure sustainability? How?
- Do these companies make any claims on this issue? Summarize their arguments.
- After learning the arguments from both sides of the story, what is your own opinion on this issue?

Activity: build your FLOSS business model



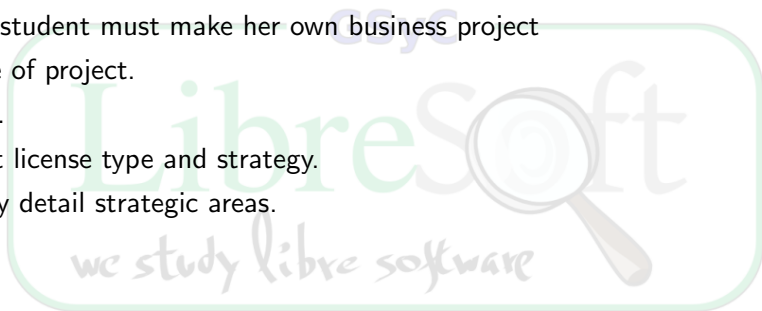
Description

- Think about an hypothetical start-up company.
- Activity based on or revolving around FLOSS.
- Create a short business model plan.



Organization

- Groups of up to three persons (for discussing the plan)
- Each student must make her own business project
- Name of project.
- Goals.
- Select license type and strategy.
- Briefly detail strategic areas.



Economic aspects









The Business Model Canvas

Designed for:

Designed by:

On: / /

Iteration: 1

Key Partners  Who are our Key Partners? Who are we relying upon? Which Key Resources are we acquiring from partners? Which Key Activities do partners perform? <small>Key Partnerships: 1. Strategic alliances 2. Joint ventures 3. Co-branding 4. Distribution partnerships 5. Supplier partnerships 6. Other partnerships</small>	Key Activities  What Key Activities do our Value Propositions require? Do Distribution Channels? Customer Relationship? Revenue streams? <small>Key Activities: 1. Production 2. Distribution 3. Marketing 4. Service 5. Other activities</small>	Value Propositions  What value do we deliver to the customer? Which one of our customer's problems are we helping to solve? What bundles of products and services are we offering to each Customer Segment? Which customer needs are we satisfying? <small>Value Propositions: 1. New products 2. New services 3. New channels 4. New relationships 5. New revenue streams 6. Other value propositions</small>	Customer Relationships  What type of relationship does each of our Customer Segments expect us to establish and maintain with them? Which ones have we established? How are they integrated with the rest of our business model? How easily can they be lost? <small>Customer Relationships: 1. Personal assistance 2. Self-service 3. Co-creation 4. Community 5. Other relationships</small>	Customer Segments  For whom are we creating value? Who are our most important customers? <small>Customer Segments: 1. Mass 2. Niche 3. Other segments</small>
	Key Resources  Which Resources do our Value Propositions require? Do Distribution Channels? Customer Relationship? Revenue streams? <small>Key Resources: 1. Human resources 2. Financial resources 3. Intellectual resources 4. Physical resources 5. Other resources</small>		Channels  Through which Channels do our Customer Segments want to be reached? How are we reaching them now? How are our Channels integrated? Which ones are best? Which ones are most cost-efficient? How are we integrating them with customer relationship? <small>Channels: 1. Direct sales 2. Indirect sales 3. Distribution 4. Other channels</small>	
Cost Structure What are the most important costs inherent in our business model? Which Key Resources are most expensive? Which Key Activities are most expensive? <small>Cost Structure: 1. Fixed costs 2. Variable costs 3. Other costs</small>		Revenue Streams  For what value are our customers really willing to pay? For what do they currently pay? How are they currently paying? How much does each Revenue Stream contribute to overall revenues? <small>Revenue Streams: 1. Sales 2. Subscriptions 3. Other revenue streams</small>		

www.businessmodelgeneration.com

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Osterwalder's model

Suggested order to fill in the canvas.

- Clients segments
- Value proposal
- Channels
- Key resources
- Cost structure
- Revenues streams.
- Customer relationships
- Key activities
- Key partners



References

- <http://www.businessmodelalchemist.com/>
- Business Model Generation: A Handbook for Visionaries, Game Changers, and Challengers, A. Osterwalder and Yves Pigneur. Wiley, July 2010.
- How to analyze an OSS business model (part 1 to 5).
 - <http://carlodaffara.conecta.it/?p=372>
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 - <http://carlodaffara.conecta.it/?p=395>
 - <http://carlodaffara.conecta.it/?p=413>