



# **From values to value creation in the French F/OSS industry**

***POSS 2018***

By Stefane Fermigier, Co-President, CNLL

# About CNLL

# Who we are ?

French Union of Free / Open (Software) Companies

Aka “Conseil National du Logiciel Libre” (*French Open Source Software Council*)

= French association, founded in 2010 by joining 12 regional clusters, representing around 300 companies in France

***Our mission : bring together open digital companies (“ENL”) in a spirit of community and around **shared values**; and represent, defend, and promote the free / open source software and open digital industry in France***

# Our vision

The CNLL is at the service of the ENL (Open Digital Companies) in France. It aims to create an environment conducive to their development by:

- Increasing the awareness on the specificities of our activity (**core values**; business models; customer benefits: economic, technical and strategic...)
- Encouraging both **collaboration** and **fair competition** between our companies, and collaboration with other players in the free software and open innovation ecosystem
- Removing institutional and environmental obstacles that could oppose their growth
- Collaborating with all organisations that share similar goals (in France and Europe, mostly)

# Which values ?

- Technical excellence: transparency (-> pride in the code we're publishing), willingness to tackle technical challenges and learn new technologies, curiosity, "hacker spirit", striving for excellence...
- Way of working: collaboration, autonomy, willingness to share knowledge, fostering and leveraging interoperability...
- Sense of belonging, being driven by a mission

# **Our ecosystem and its values**

# A highly diverse ecosystem

- Companies / non-profits (including “foundations”, research, etc.) / individual developers
- Software vendors / systems integrators / consultancies / cloud providers
- Producers / consumers of open source software and/or services
- Beyond open source software: open hardware / open data / open government / ...

# Systems integrators (traditional)

- Main motivation / KPI: sell “man days”
- Often master several technologies, but invest in knowledge in an "opportunistic" way
- Quality approach "focused on the short term" (maintenance provides predictable revenue with higher margin)

# Systems integrators in the F/OSS ecosystem

- Open source integrators are often (but not always) more involved in a process of co-creation (ex: patches / modules) with either their customers and/or non-profit communities
- Motivated by the desire to appear as experts in technology (branding)
- This approach, added to the adherence to the open source values, implies a greater commitment on the rise in competence of the teams

# Software vendors (traditional)

- Focus on passive and recurring income
- Strive to attain a dominant position, usually through massive initial capital expenditure
- Must work with multiple integrators, and convince them to use their technology
- Also offer "value-added professional services" that should not (usually) compete with the integrators' offer
- Quality approach that should take into account the short and medium term (technical debt management)

# Software vendors in the F/OSS ecosystem

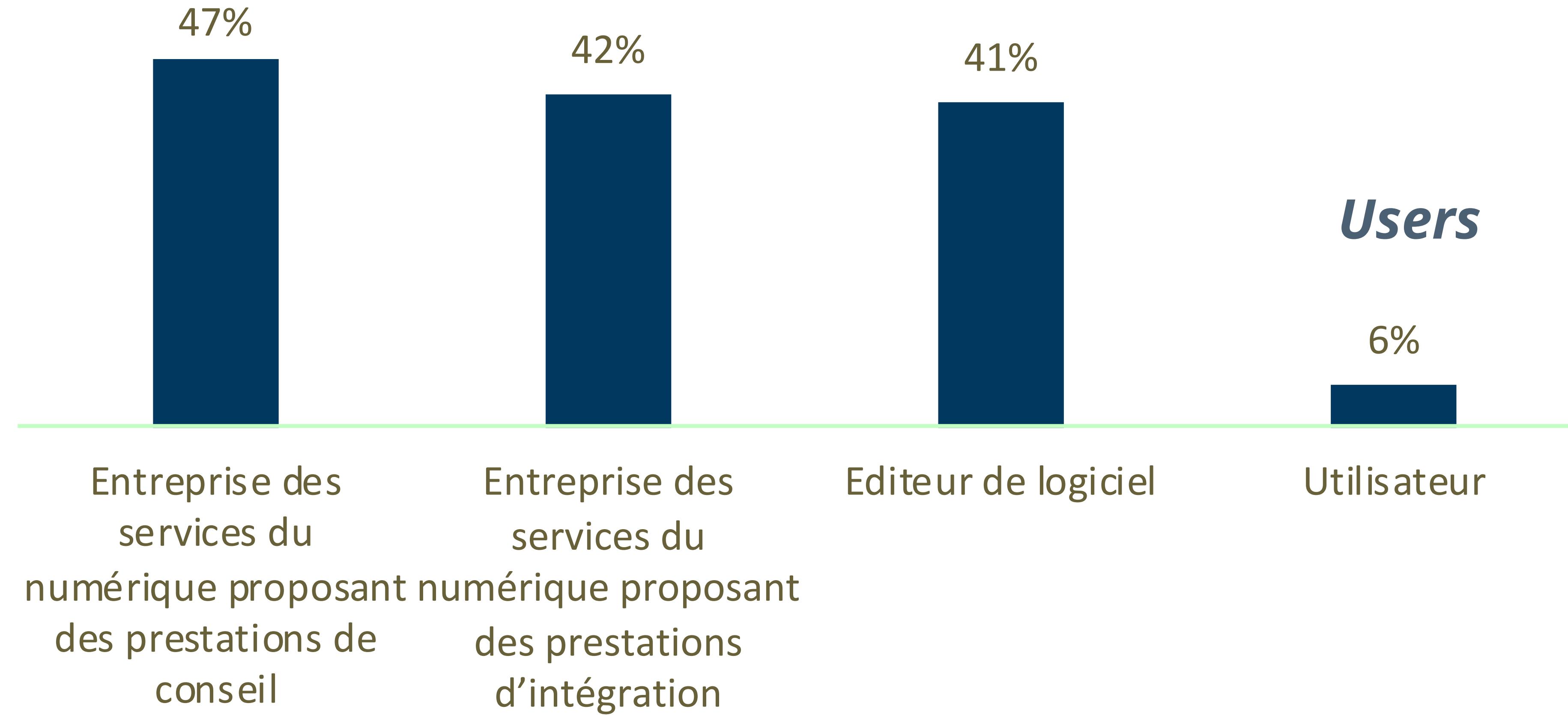
- More difficult to be in a dominant position, notably because of the risk of fork, which invites to favour persuasion rather than brutality in their approach to partnerships
  - Except for VC-backed startups, which share several characteristics of traditional software vendors
- Business models are potentially more fragile
- An open source software vendor is often more motivated and able to develop a community around his software (but this costs \$\$\$)
- Balance to find between control and community

# Distribution of business models among our OS industry

*Services (consulting)*

*Software vendors*

*Services (sys integration)*



# Large companies (i.e. our customers, or not)

- Seeking (too) often to **reduce their costs**, either directly or by developing means of pressure on their traditional suppliers, and **manage risks**
  - Ex: "Purchasing policies" that favour large suppliers
  - Some large users of open source software still believe that software grows on trees (i.e. "in the community"), and that vendor-led (specially by VC-backed vendors) projects must be avoided
- Can search externally for a capacity for **innovation** that they do not always have ("there are more brains outside our company")
  - Are able to invest in POCs, but often have considerable inertia for large scale production
- Now sometimes practice "**inner sourcing**", which is a testament to the power of the values and practices of open source development, but doesn't necessarily share the value with the outside of the company

# **Focus on HR issues**

# Our annual study (2018) on HR needs in our (OS) industry



## 347 students

Answered a survey on:

1. How they perceive open source
2. Their ideal employer
3. If they had specific training on open source



## 94 recent recruits in the open source industry

Answered a survey on:

1. Their professional experience
2. La perception du métier
3. L'attractivité du métier



## 90 companies

Answered a survey and/or were interviewed on:

1. How open source technologies fit in their business strategy
2. Their recruiting needs
3. Their ideal candidates
4. Their approach to HR management

# 3 main preoccupations for HRs in our companies



- Recruiting



- Managing

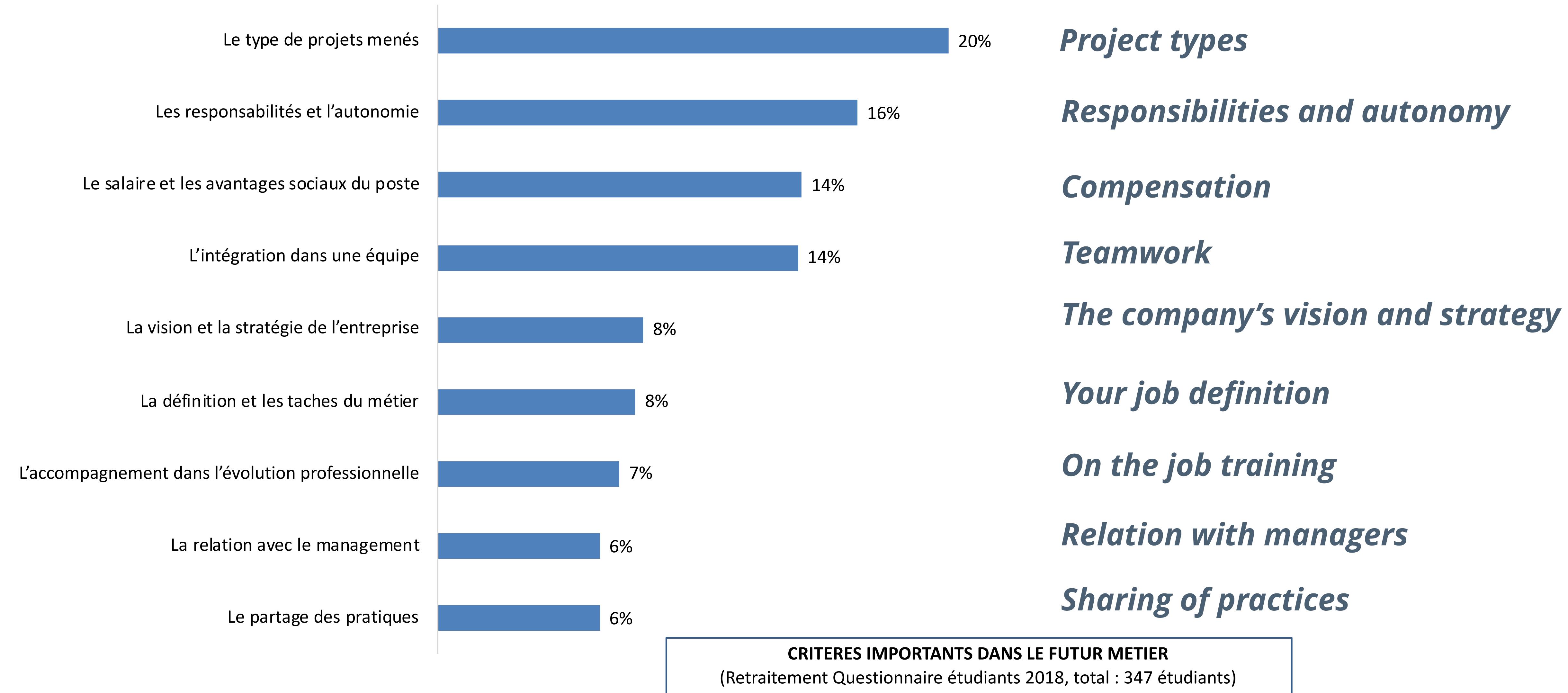


- Retaining

# Recruiting and retaining employees

- Our companies have a hard time filling open positions
  - Competitions from “startups”, large companies, even the government
  - Tension is particularly high on profiles such as: data scientists, back-end and full-stack developers, devops
  - We’re looking for highly trained candidates (including PhDs: 13%)
- Employee turnover is generally high (up to 30% / year) in the IT industry
- Significantly lower (~10%) in the open source pure players

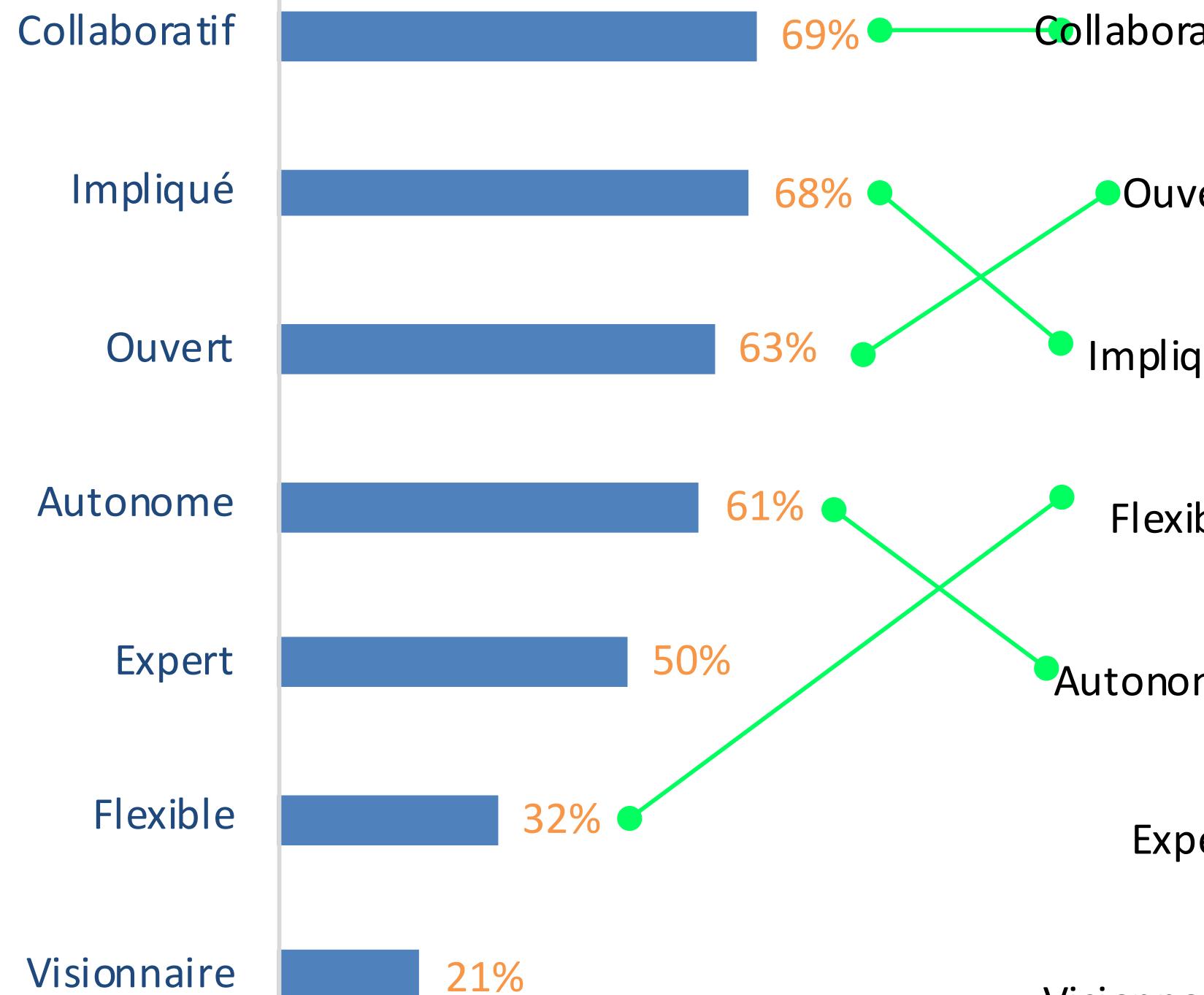
# Expectations from future graduates



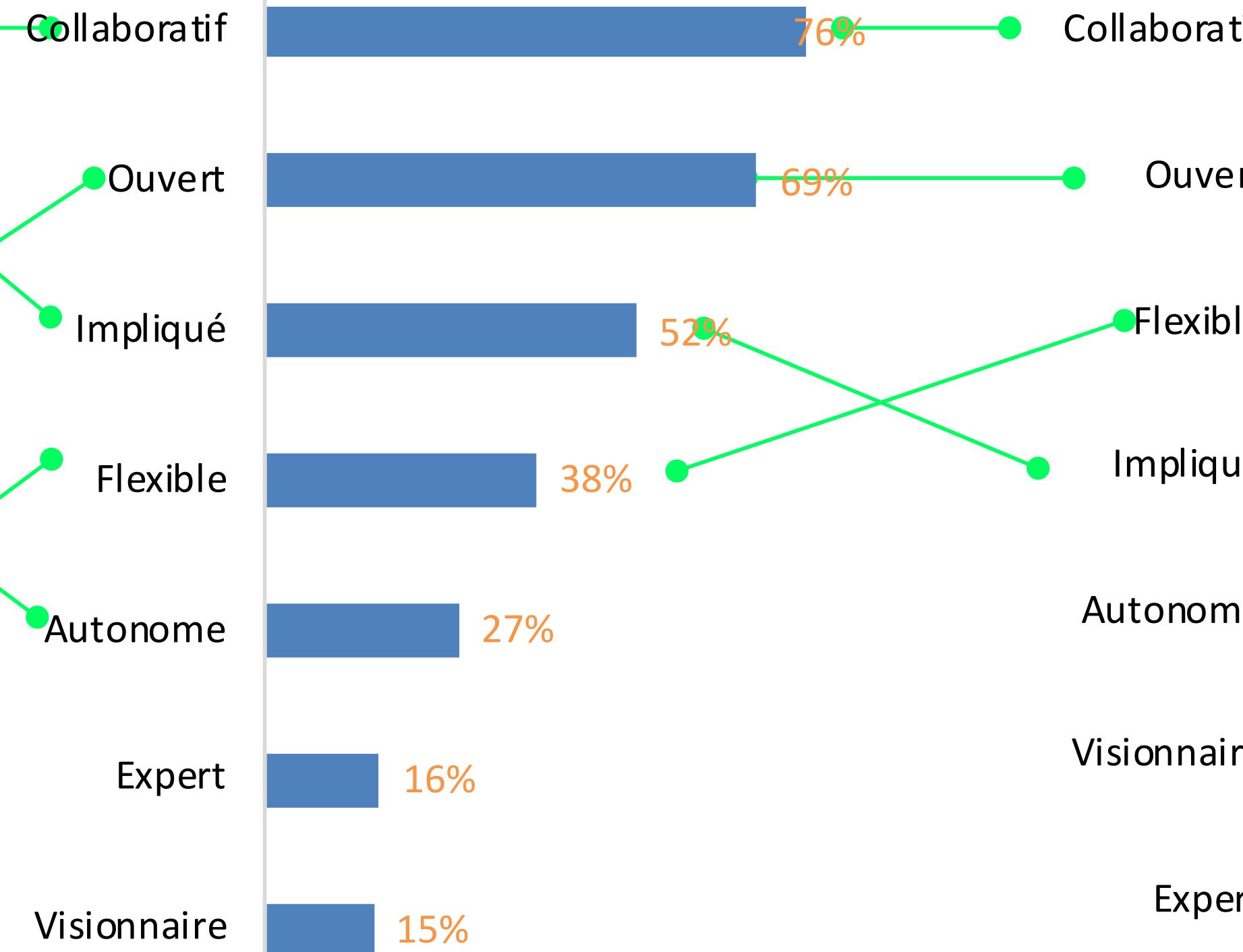
# Which values are shared between companies and employees?



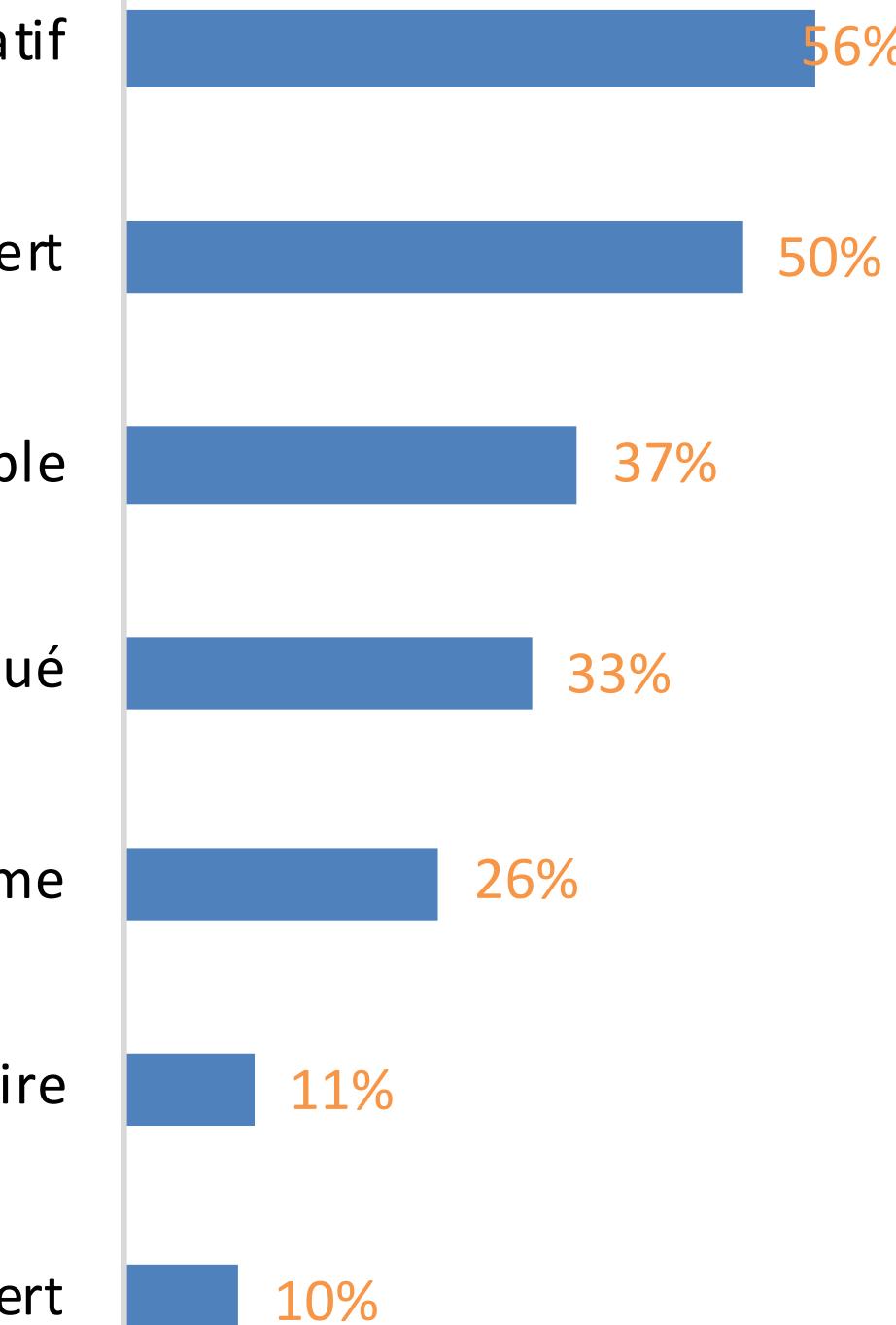
**AVIS ENTREPRISES**



**AVIS SALARIES**

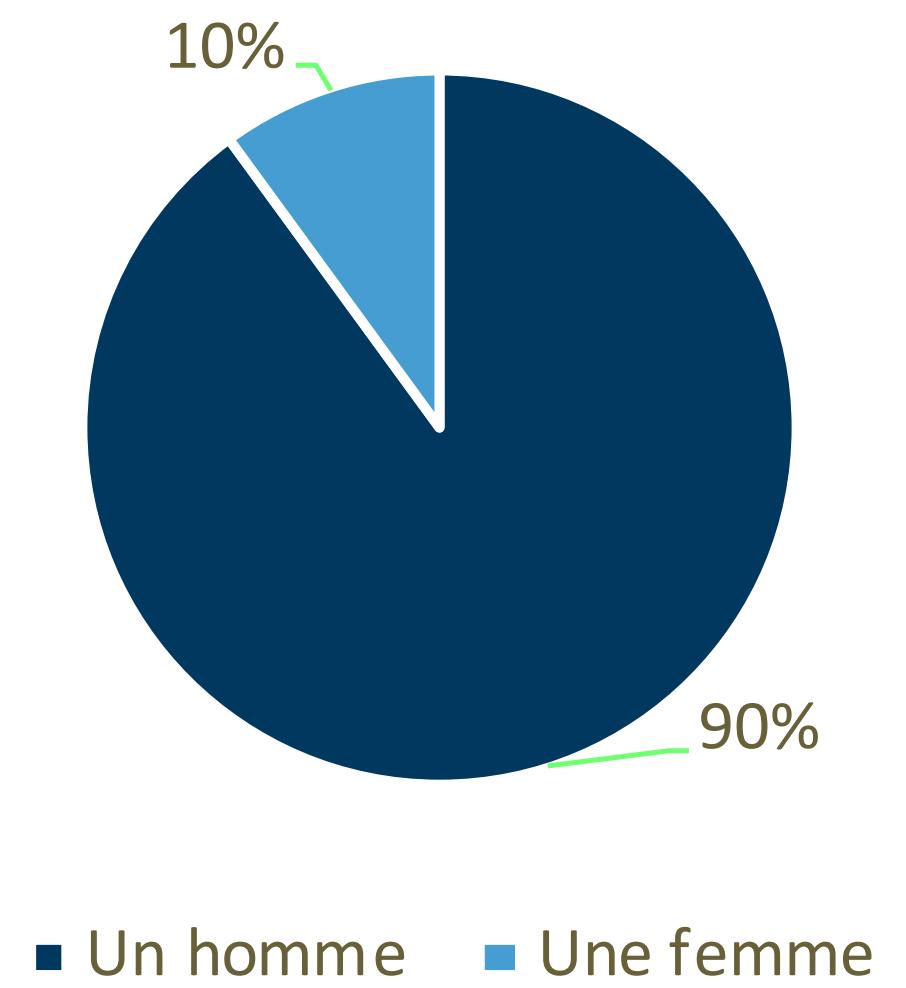


**AVIS ETUDIANTS**



# Diversity

- Only 10% female respondents to our poll among students
- Based on anecdotal data, this is the average for IT engineering schools, less than the (already problematic) 27,2% reported for general engineering schools
- Some open source communities (e.g. Python) have made deliberate efforts, with success, to foster more diversity in their ranks, and may serve as examples for the ecosystem as a whole



# **La Charte “Libre Emploi” / The Free Employment Charter (1/2)**

**Launched in 2013, with about 100 signatories who pledge to:**

- Provide a free / open source professional environment - operating system and application software - to each employee who wishes so.
- Promote employee contributions to free software communities, including by encouraging the redistribution of changes made to existing open source software in course of the company's business.
- ...

## **La Charte “Libre Emploi” / The Free Employment Charter (2/2)**

- ...
- Participate, by sending collaborators and / or through financial support, to events in the open source ecosystem.
- To allow employees to train themselves over the course of their career on open technologies in order to ensure their professional development in the field of free software.
- When paying the compulsory apprenticeship tax, consider first and foremost the higher education courses which offer a teaching of methods, techniques and tools specific to free software.

# Conclusion

We've identified 3 areas where free / open source values enable value creation for companies in our industry:

- More efficient **collaboration** with our customers, and within our ecosystem
- **Competitive** cost structures and risk patterns
- Attracting, training and retaining **talents**

And 3 areas where more effort would be useful:

- Keep communicating the **basic messages** around our models and values, and the necessity to give back somehow
- More / better initial **training** in universities and engineering schools
- More discussion to better align interests of open source software vendors and integrators, enterprise customers, and cloud providers (thorny topics)

A close-up photograph of a person's hand and arm. The person is wearing a dark, possibly black or dark blue, suit jacket over a white shirt. Their right hand is extended towards the camera, holding a plain white rectangular object, which appears to be a business card. The background is a solid, bright white.

# Contact

[www.cnll.fr](http://www.cnll.fr)

[contact@cnll.fr](mailto:contact@cnll.fr)