

Open source is **NOT** dead - what makes it such a *popular* business model?

Predrag Tasevski

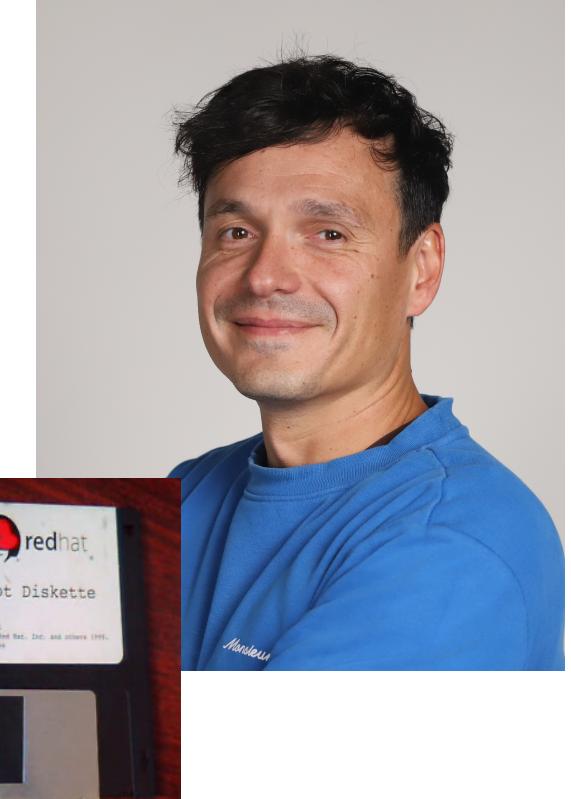
Berlin, 27.02.2025

Disclaimer: The views and opinions expressed in this presentation are solely my own and do not represent the views, policies, or positions of the company I work for or any organizations I am affiliated with. This talk is based on my personal insights and experiences in the open-source community.

\$whoami

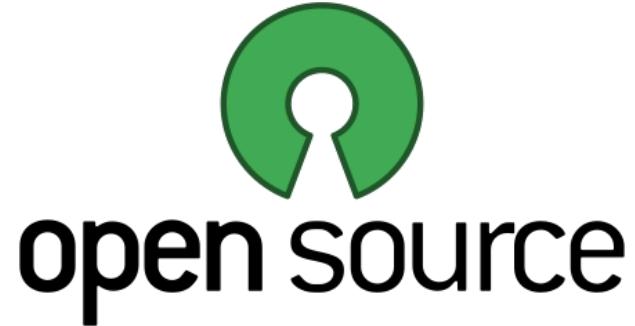
- **Education**
 - B.Sc. – Bulgaria
 - M.Sc. – Estonia
 - Post-Master – France
- **Professional**
 - Worked in consulting, startups, finance, banking, international organizations & projects
 - Author of two books, international research papers, and magazine articles
 - Member & co-founder of IGF-MKD, ISOC-MKD, and other global organizations
- **Hobbies & Interests**
 - 🏃 Running | 🍳 Cooking | 🎿 Skiing | 🎵 Brit-pop | 💻 Open-source

More about me at predragtasevski.com



FOSS – More Alive Than Ever

- Free and Open Source Software (FOSS) powers [96%+ of modern software](#) (Linux, Kubernetes, PostgreSQL, etc.)
- \$33.4B industry in 2024 (Red Hat, GitLab, HashiCorp, etc.)
- Shift from free code to sustainable open-core, SaaS, and service-based models



The Evolution of Open Source Business Models



1990s-2000s: Open source as "free software"



Red Hat



elastic



GitLab

2010s: Open-core, SaaS, and managed services



Hugging Face



2020s: AI-driven open source

Open Source ≠ No Money

1. Support & Consulting (Freemium Model)



Red Hat



3. Open-Core Licensing (Base version free, premium features locked)



elastic

mongoDB®



GitLab



HashiCorp

2. Cloud & SaaS (Managed Services)



Hugging Face



WORDPRESS



databricks

4. Marketplace & Ecosystem (Plugins, extensions, etc.)



docker



Kong



OpenAI

Examples

1



Red Hat

- Started with free Linux, monetized via enterprise support & services
- Sold to [IBM](#) for [\\$34B in 2019](#)
- Proves that support-driven models can be [billion-dollar businesses](#)

2



GitLab

- [Open-core model](#) (some features free, advanced paid)
- [IPO in 2021](#), valued at [\\$11B](#)
- Competes with GitHub, which was acquired by Microsoft ([\\$7.5B](#))

Examples

3



- Switched from open-source to SSPL due to cloud giants (AWS, Azure)
- Now a SaaS-first company with [MongoDB Atlas](#) (Cloud DBaaS)
- Revenue \$1.5B+ in 2023

4

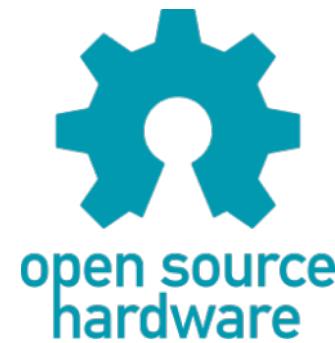


Hugging Face

- Built an AI platform with open-source transformers
- Valued at \$4.5B (2023) despite giving models away for free
- Monetizes through enterprise features, training, and cloud APIs

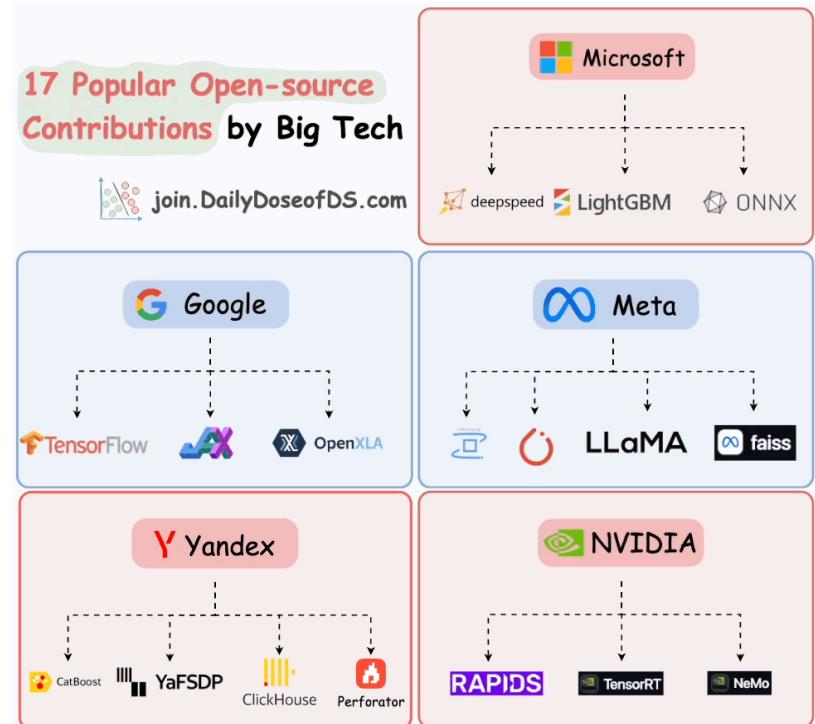
The Role of Community & Developers

- Open source thrives on community contributions & trust
- Companies benefit from free R&D, bug fixes, freedom from vendor lock and security audits
- FOSS funding & support
- Example: Linux has 15,000+ contributors from companies like Google, Intel, IBM



Open Source vs Big Tech

- Big Tech loves open source but also exploits it
- [AWS vs. ElasticSearch](#) – Forked OpenSearch after licensing changes
- Google's Chromium is open-source, but Chrome is not



Source: [LINK](#).

Open Source Licensing

- GPL, MIT, Apache, SSPL – How licensing affects business
- Shift towards SSPL (MongoDB) and BSL (HashiCorp) to protect revenue
- Balance between open innovation & business sustainability
- Choose an open source license



BSD



mozilla

Home

Licenses

Open source licenses grant permission for anybody to use, modify, and share licensed software for any purpose, subject to conditions preserving openness and freedom of the software. The following licenses are sorted by the number of conditions, from most (GNU AGPLv3) to none (Unlicense). Notice that the popular licenses featured on the [home page](#) (GNU GPLv3 and MIT) fall within this spectrum.

If you're looking for a reference table of every license on choosealicense.com, see the [appendix](#).

GNU AGPLv3	Permissions	Conditions	Limitations
Permissions of this strongest copyleft license are conditioned on making available complete source code of licensed works and modifications, which include larger works using a licensed work, under the same license. Copyright and license notices must be preserved. Contributors provide an express grant of patent rights. When a modified version is used to provide a service over a network, the complete source code of the modified version must be made available.	<ul style="list-style-type: none">Commercial useDistributionModificationPatent usePrivate use	<ul style="list-style-type: none">Disclose sourceLicense and copyright noticeNetwork use is distributionSame licenseState changes	<ul style="list-style-type: none">LiabilityWarranty

[View full GNU Affero General Public License v3.0](#)

GNU GPLv3	Permissions	Conditions	Limitations
Permissions of this strong copyleft license are conditioned on making available complete source code of licensed works and modifications, which include larger works using a licensed work, under the same license. Copyright and license notices must be preserved. Contributors provide an express grant of patent rights.	<ul style="list-style-type: none">Commercial useDistributionModificationPatent usePrivate use	<ul style="list-style-type: none">Disclose sourceLicense and copyright noticeSame licenseState changes	<ul style="list-style-type: none">LiabilityWarranty

[View full GNU General Public License v3.0](#)

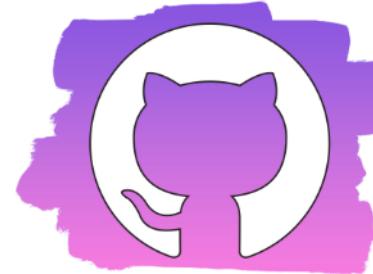
GNU LGPLv3	Permissions	Conditions	Limitations
Permissions of this strong copyleft license are conditioned on making available complete source code of licensed works and modifications, which include larger works using a licensed work, under the same license. Copyright and license notices must be preserved. Contributors provide an express grant of patent rights.	<ul style="list-style-type: none">Commercial useDistributionModificationPatent usePrivate use	<ul style="list-style-type: none">Disclose sourceLicense and copyright noticeSame licenseState changes	<ul style="list-style-type: none">LiabilityWarranty

[View full GNU Lesser General Public License v3.0](#)



The Future of Open Source Businesses

- AI & Open Source – Can models stay open?
- Decentralized funding – [GitHub Sponsors](#), [Open Collective](#)
- More hybrid models (open-source + cloud services)
- Contribution guide and community support



 open collective

Why Open Source Is the Future

- ✓ Faster innovation, security, and developer adoption

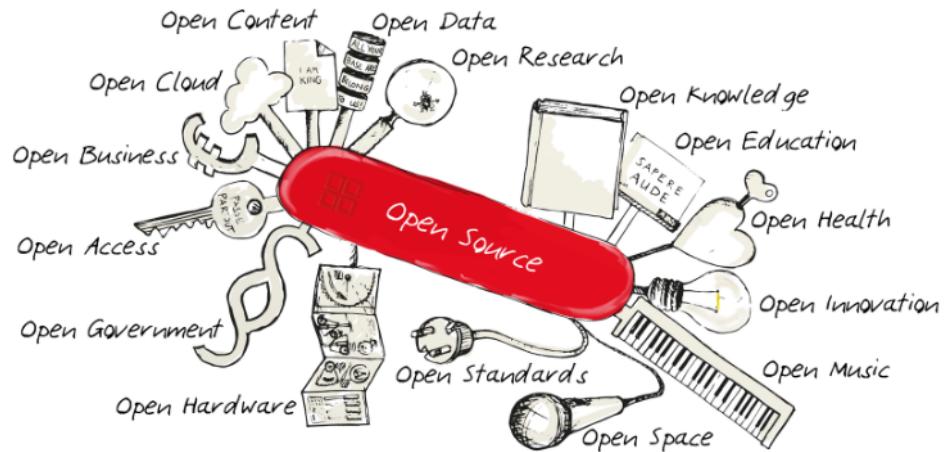
Read: [Open Source Software and Corporate Influence](#) by Andrew Lilley Brinker

- ✓ Open-source dominance in AI, DevOps, and cloud computing

Read: [How I build an AI company to save my open source project](#) by Geoffrey De Smet

- ✓ Companies trust open source for compliance & transparency

Read: [Why Open Source delivers transparency and security for enterprises?](#) By Kasey Babcock

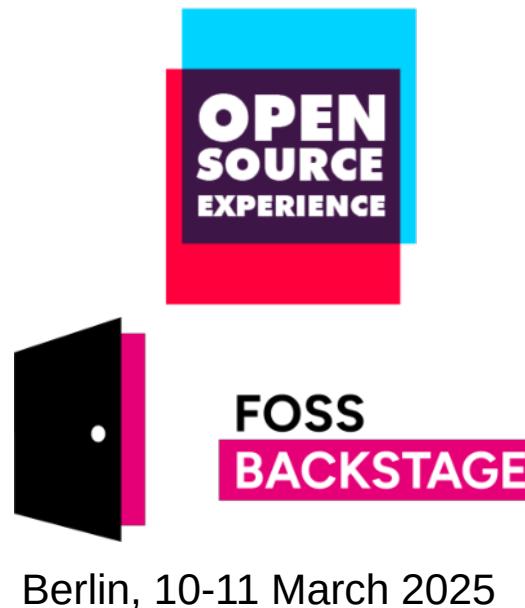


Conclusion & How to Contribute

- Open source is not dying – it's evolving
- Companies can make billions while staying open
- The community and developers drive the future



Brussels, 1-2 Feb 2025



Berlin, 10-11 March 2025



Brussels, 31 Jan 2025



U.S. - DC, 4 March 2025



Sankt Augustin, 16-17 Aug 2025

Questions

Thanks

<https://predragtasevski.com>