The Rising Open Source Ecosystem

Matt Asay
VP, Business Development, Alfresco
September 2, 2009
Agenda

Silver lining in the bad economy is...open source
Why? Open source delivers
The role of vendors in the open-source ecosystem
We need both community and commercial participants in open source: both feed each other
2008 was bad; 2009 is worse

Getting worse (Gartner 2009)

46% of CIOs chopped their Q1 budgets

90% of these cut by at least 7%

Mostly head-count reductions and vendor renegotiations to achieve cost targets

Server sales dropped 25% in Q1 2009

Source: Citi Investment Research
2008 was bad; 2009 is worse

Getting worse (Gartner 2009)

46% of CIOs chopped their Q1 budgets

90% of these cut by at least 7%

Mostly head-count reductions and vendor renegotiations to achieve cost targets

Server sales dropped 25% in Q1 2009
All is not as it seems...

L'ceci n'est pas une pipe.
The economy's silver lining
Open-source growth exploding

Whether measured in terms of lines of code added or new projects, open-source growth is phenomenal

The question is: What will you do with it?

Source: Dirk Riehle, SAP
Open source is mainstream

Plan to use in the next budget year, an open-source project or product as an alternative to commercial software?

“What are you firm’s plans to implement or expand its use of open source software in the next 12 months”

Across product segments, 100% of enterprises will use open source by 2010.
Economy is good for open source, bad for proprietary
Why is open source booming?
Open source delivers on several fronts

“Open source software solutions will directly compete with closed-source products in all …markets.”
85% of enterprises currently use OSS (The rest are lying)
45% use OSS for mission-critical applications (Continues to grow)

Why?
65% say open source has sparked innovation inside their companies
67% … for lowered costs
“Lower TCO and flexibility to launch and develop cost-prohibitive projects continue to be top reasons for using OSS”
81% … for better quality software

Because it works as advertised

“How has open source software met your organization’s expectations in the following areas?”

- Reduced Costs: 42% Met, 45% Exceeded
- Improved Quality: 32% Met, 60% Exceeded
- Eased Integration and customization: 33% Met, 53% Exceeded
- Quicken the pace of innovation: 34% Met, 48% Exceeded
- Improved Support: 29% Met, 55% Exceeded
- Standards compliance: 24% Met, 67% Exceeded
- Decreased Time to Market: 27% Met, 55% Exceeded

Base: 102 Senior Business & IT Executives involved in the decision making for open source software technology and related services in large enterprises. Western European OSS Online Survey conducted by Forrester Consulting and commissioned by Bull, September 2008.
And largely because of vendors
Vendors comprise an increasingly important component of open-source communities

- **Time**
  - Who has time to write (lots of) free software?
  - Answer: Those that are employed to do so

- **Interest**
  - Who will take out the trash?

- **Aptitude**
  - The higher up the stack you go, the fewer the developers

- **Familiarity with project**
  - Poor documentation makes it hard to understand a project
  - Monolithic code base takes time to learn (Most won’t bother)

---

**Figure 6-2:** Analysis of involvement of paid and volunteer GNOME contributors in principal areas of development at the short-term level

Source: GNOME Foundation survey, N=199
Open source development: Myth and reality

<15 core developers do 85-100% of core development work
1000/10/1 (Users/ Bug Reporters/ Patch Submitters)

Community is difficult to achieve:
72% of “open source developers” write code for others like themselves
Most projects (55%) get no outside involvement at all

**BUT…even big community projects are written by vendors**
Up to 95% of Linux development sponsored by companies

The best place to solicit community involvement is in complements to a project, not the core

Sources: Marten Mickos (MySQLUC 2005); O’Mahony & West, 2005; Mockus et al., 2005
But it has always been thus

IBM commits $1B to Linux in 200...and it takes off, moves to data center

Red Hat contributes over $100M/year to Linux to accelerate innovation

Gartner: 50% of leading open-source projects sponsored (JBoss, MySQL, Alfresco, etc.)

Commercial open source market to top $8.1B by 2013 (IDC)

Top Linux kernel contributors

<table>
<thead>
<tr>
<th>Company Name</th>
<th># of Changes</th>
<th>% of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>(None)</td>
<td>9574</td>
<td>18.1%</td>
</tr>
<tr>
<td>Red Hat</td>
<td>6479</td>
<td>12.3%</td>
</tr>
<tr>
<td>(Unknown)</td>
<td>3811</td>
<td>7.2%</td>
</tr>
<tr>
<td>Intel</td>
<td>3631</td>
<td>6.9%</td>
</tr>
<tr>
<td>IBM</td>
<td>3328</td>
<td>6.3%</td>
</tr>
<tr>
<td>Novell</td>
<td>3104</td>
<td>5.9%</td>
</tr>
<tr>
<td>Oracle</td>
<td>1743</td>
<td>3.3%</td>
</tr>
<tr>
<td>(Consultant)</td>
<td>1288</td>
<td>2.4%</td>
</tr>
<tr>
<td>Fujitsu</td>
<td>985</td>
<td>1.9%</td>
</tr>
<tr>
<td>Renesas Technology</td>
<td>949</td>
<td>1.8%</td>
</tr>
<tr>
<td>Analog Devices</td>
<td>765</td>
<td>1.5%</td>
</tr>
<tr>
<td>(Academia)</td>
<td>650</td>
<td>1.2%</td>
</tr>
<tr>
<td>Atheros Communications</td>
<td>604</td>
<td>1.1%</td>
</tr>
<tr>
<td>AMD</td>
<td>597</td>
<td>1.1%</td>
</tr>
<tr>
<td>Sun</td>
<td>587</td>
<td>1.1%</td>
</tr>
</tbody>
</table>

Source: J. Corbett, LWN.net
Which would you rather have?

CentOS Project Administrator Goes AWOL

An anonymous reader writes

"Lance Davis, the main project administrator for CentOS, a popular free 'rebuild' of Red Hat's Enterprise Linux, appears to have gone AWOL. In an open letter from his fellow CentOS developers, they describe the precarious situation the project has been put in. There have been attempts to contact him for some time now, as he's the sole administrator for the centos.org domain, the IRC channels, and apparently, CentOS funds. One can only hope that Lance gets in contact with them and gets things sorted out."

Red Hat: 'We spend over $100 million a year to advance Linux'

Matthew Szulik, Red Hat's former CEO and current chairman, has been in semi-retirement for the past two years, but you'd never know it from listening to his interview with the BBC's Peter Day. Szulik, over the revolutionary, talks up open source's opportunity to disrupt conventional software and promote social reform.

As he does so, however, he inadvertently describes Red Hat's winning open-source business model as directly parallel to the Web 2.0 business models deployed by Google and others. While this isn't surprising (I've written about it before), it was the first time I've heard Red Hat state it so baldly:

Think about (open source) like mining. There's all of these natural resources buried under the ground.
Critical tasks demand commercial support

Open source is becoming the heart of enterprise computing

Source: IDC's 2007 Industry Adoption of Open Source Software Survey
It shows in the company we keep
Vendors like Red Hat and Alfresco make open source work for you.
QUESTIONS?

TELL US WHAT YOU THINK:
REDHAT.COM/SUMMIT-SURVEY

matt.asay@alfresco.com | email
@mjasay | twitter
mjasay (skype, yim), mnasay (aim) | im
cnet.com/openroad | blog