



# Open Source Business Models

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# Four key economic concepts

- **Scarcity**, (*limited resources to meet unlimited wants*)
- **Supply and demand**, (*what options are there and the need*)
- **Costs and benefits**, (*max value for min costs*)
- **Incentives** (*the reward, the motivator*)

The above can help explain many decisions that humans make and are factors to consider when looking at how to select business models

# Support and Service Models



## Concept

Core software is free while support and services are sold.



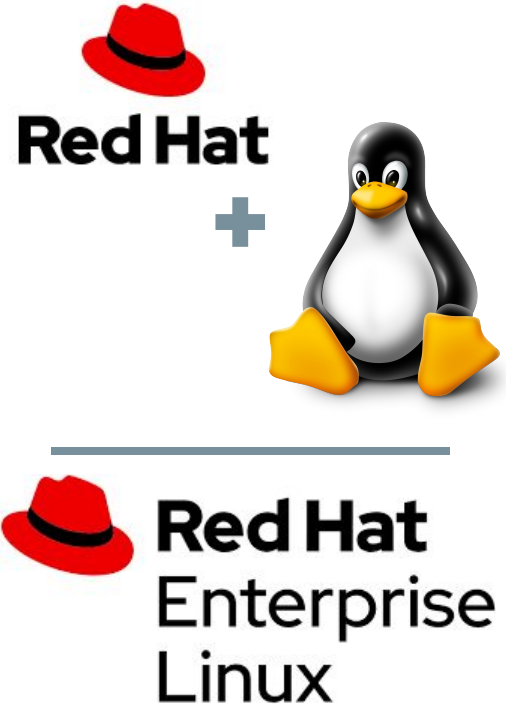
## Revenue

Sell subscriptions to premium distribution, which is appeals to enterprises due to rigorous testing and stability. Additionally, software certification can be sold to developers.



## Challenge

Viability driven by market size and cost appetite. It could work with a large enough user based, but competition is strong for a limited market and something to consider.



# Advertising Partnership



## Concept

Support partner advertising on the platform.



## Revenue

Partners pay to be included as built-in advertisements. With Mozilla, that includes drop-down search options in the browser for Yahoo, Google, and Amazon, all of whom paid millions to be included.



## Challenge

The intrusiveness and LMIC settings are factors to consider as well as the data that will flow back to the advertisers. Systems need to consider the size of the user base.



# Open core / dual licensing



## Concept

Build a free core and then sell additional features or offer a “commercial” version.



## Revenue

Sell additional features on top of the core software, or sell enterprise or commercial versions with greater functionality while maintaining a free core version for others.



## Challenge

There are issues around equity, particularly for LMICs, and arguments can be made that it is not truly “open”. Need for contributors to sign contributor license agreements to regulate copyright terms.



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# Software-as-a-Service



## Concept

Software provided as centrally hosted service accessible through subscription.



## Revenue

Sell subscriptions based on volume, transaction, users, or defined time period.



## Challenge

Lower user base of solution users relative to other successful SaaS solutions. Bespoke nature and chosen service areas (LMIC's) need to be reviewed for economic viability



# Distribution partnership



## Concept

Partner can sell add-ons but must keep core open and include commitment to LMICs



## Revenue

Partner acquires open source distribution. Core will be kept open while the partner can sell add-ons.



## Challenge

Finding a suitable partner



Open**LMIS**



IQVIA

IBM®

 eclipse

# Combination



## Concept

Combine two of the options above or consider a unique blend suitable to the tool.

Review the market size, appetite and suppliers and find a merged model.





# Thoughts

- Find comparable success stories
- Look for the value of combined models
- Don't group all systems or approaches under the same banner
- Be realistic to your market
- #Throw The Box Away - find the value outside of normal paths.

# Q&A

Thank you

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