The Open Source Ecosystem Needs More Companies

Emily Omier

About Me

Product strategy consultant for open source startups

Host of The Business of Open Source podcast

Open Source Founders Summit co-organizer

Open source hippies, raise your hands

- Open source is free to use, but it is not free to create

- Today, serious projects are expected to be tested, and not just on a random dev's laptop. That = $$ in cloud costs.

- The humans behind open source projects have to eat too. And that's not free.
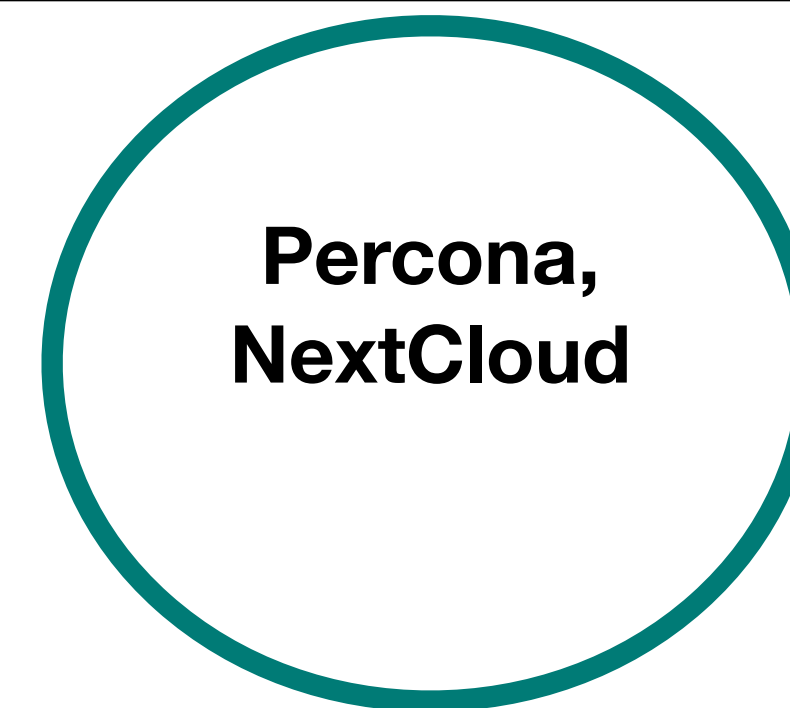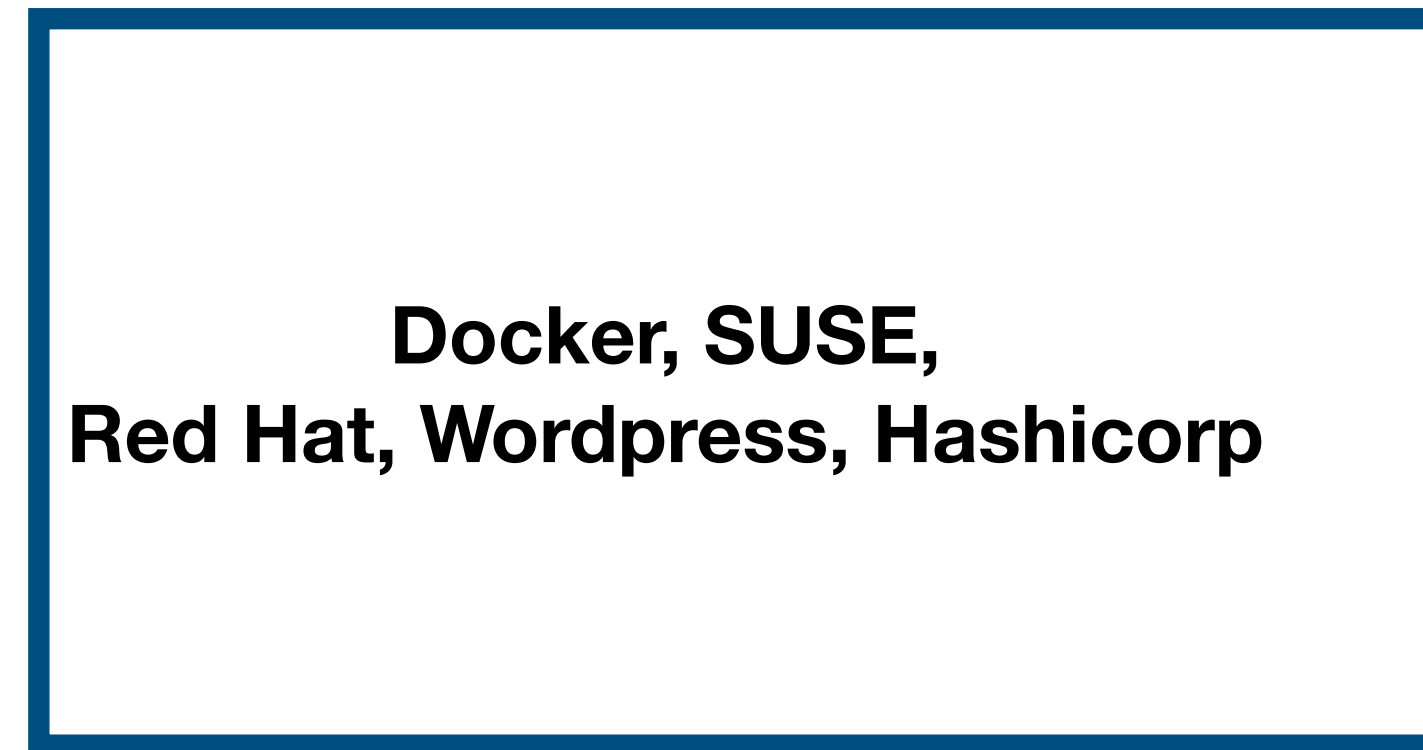
Funding models

Tip jar 🙁😡

**Big corporates pay salaries
and other expenses**

**The project maintainers
build a company around the project**

Who you wanna be?

- Street musician = tip jar

- Jingles for commercials = big corporates pay your salary

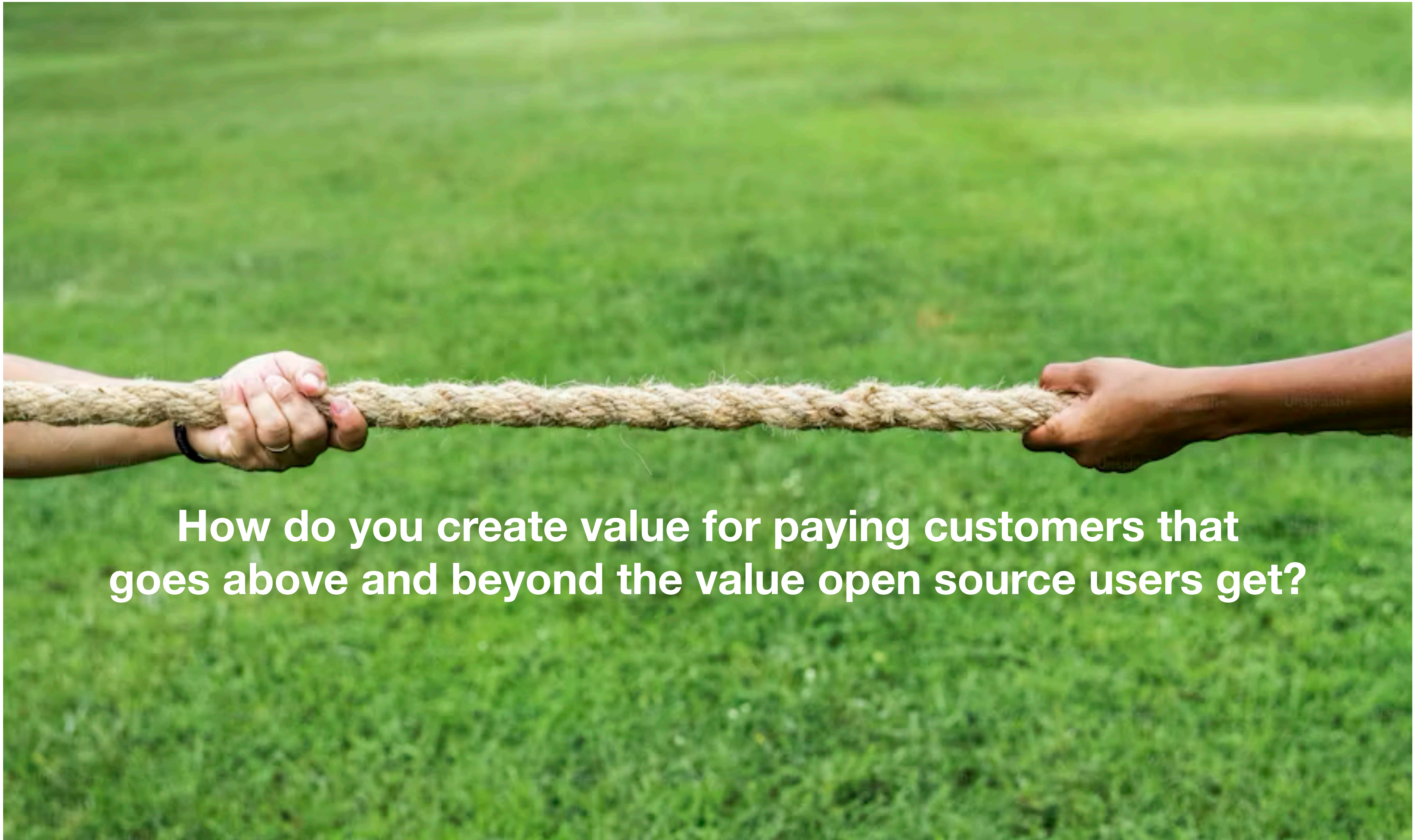- Build your own company = Taylor Swift

Open source companies

Ghost, Mastadon

Docker, SUSE,
Red Hat, Wordpress, Hashicorp

Mailvelope,
Snikket, Pretix

Percona,
NextCloud

You get to choose the size and shape.

Building Open Source Companies

How do you create value for paying customers that goes above and beyond the value open source users get?

What is the delta in value?

- Without it, you can not build an open source company.

- This is the only thing you make money on.

- Only the delta matters! Pay attention to it.

Some ways to create value

- Consulting (Bitergia, Verso)

- Support and services (Percona)

- A hosted version of your project (loads of examples)

- An enterprise distro with some cool added enterprise-y features (here too)

- An enterprise distro with compliance, support etc but feature parity (System Initiative)

- A product (SaaS or on-prem) that is complementary to your project (Spring, Deepfence)
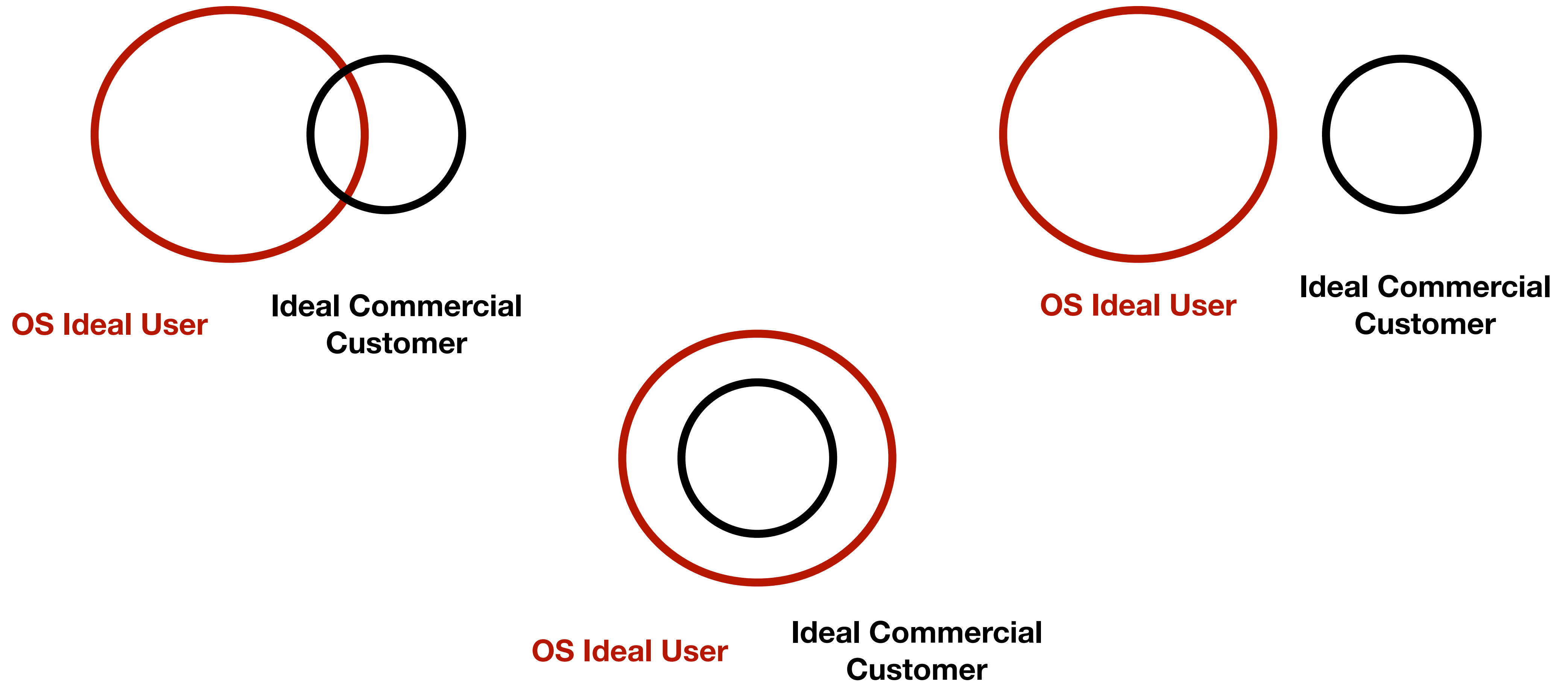
What is unique about your project?

- What are the competitive alternatives to your project?

- Why should someone decide to use your project over the primary alternatives?

- How can you use the differentiating value of your project to help you decide what value to deliver to your paying customers?

What is your project doing for your company?

- Brand awareness

- Concrete lead generation

- Provides enterprise customers with transparency and insurance

- Feedback from users

- Community loyalty

If you know what you want the project to do for the business, you can measure the results, iterate, and improve results.

User community ≠ Customer base

OS Ideal User

Ideal Commercial Customer

OS Ideal User

Ideal Commercial Customer

OS Ideal User

Ideal Commercial Customer

Core positioning

- Are your project and product in fundamentally the same market, or a different one?

- How are they positioned both in the ecosystem, and in relation to each other?

Write that Sh*t Down

- What does your project do for the company?

- What is the relationship between project and product?

- What is the differentiated value of the project and product? What is the delta in value between them?

- What is the target market for users and for customers? How are they related to each other?

Let's Wrap Up

- You want to be a bad-ass businesswoman like Taylor Swift

- If you want to do so, you have two north stars:

    - The delta in value received between open source users and paying customers

    - How your open source project contributes to your business

eBook: emilyomier.com/free-e-book
Podcast: The Business of Open Source
Website: www.emilyomier.com
Email: emily@emilyomier.com