

EOSA MASTERCLASS #1



European
Open Source
Academy

Building and Sustaining Open Source Impact

How open source business owners and corporate users can drive the change.

Amandine Le Pape



Funded by
the European Union

Lesson #5: Navigating the Corporate Buyer's Dilemma



Masterclass Overview

- [Lesson #0](#) – The Story of Matrix and Element
- [Lesson #1](#) – Recognising the Open Source Opportunity
- [Lesson #2](#) – Foundational Elements for the Success of an Open Source Business
- [Lesson #3](#) – Leveraging the Right Enablers
- [Lesson #4](#) – Finding Business Models That Work
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Navigating the Corporate Buyer's Dilemma

- There are different reasons for organisations to buy open source.
- And there is a sticking mental image that
open source = free (as in beer) 🍺
- But open source doesn't materialises itself, and projects need to supported.
- Not all business models are well recognised, and not all contributions are equal.
- This lesson aims to clarify **why and how open source should be financially supported.**

Why Do Organisations Use Open Source?

There are several potential reasons for an organisation to wish to use an open source product:

1. Best in class product
2. Flexibility and ability to customise
3. Speed of innovation
4. Transparency and trust
5. Ecosystem and interoperability
6. Community support and collaboration
7. Lack of vendor lock-in, i.e. sovereignty
8. Open source requirement from leadership
9. Cost efficiency (i.e. cheaper)

But!

**Whilst an organisation may be keen
to use open source products...**

... it's a whole different story when it comes to
support the project or company building it.

Risks

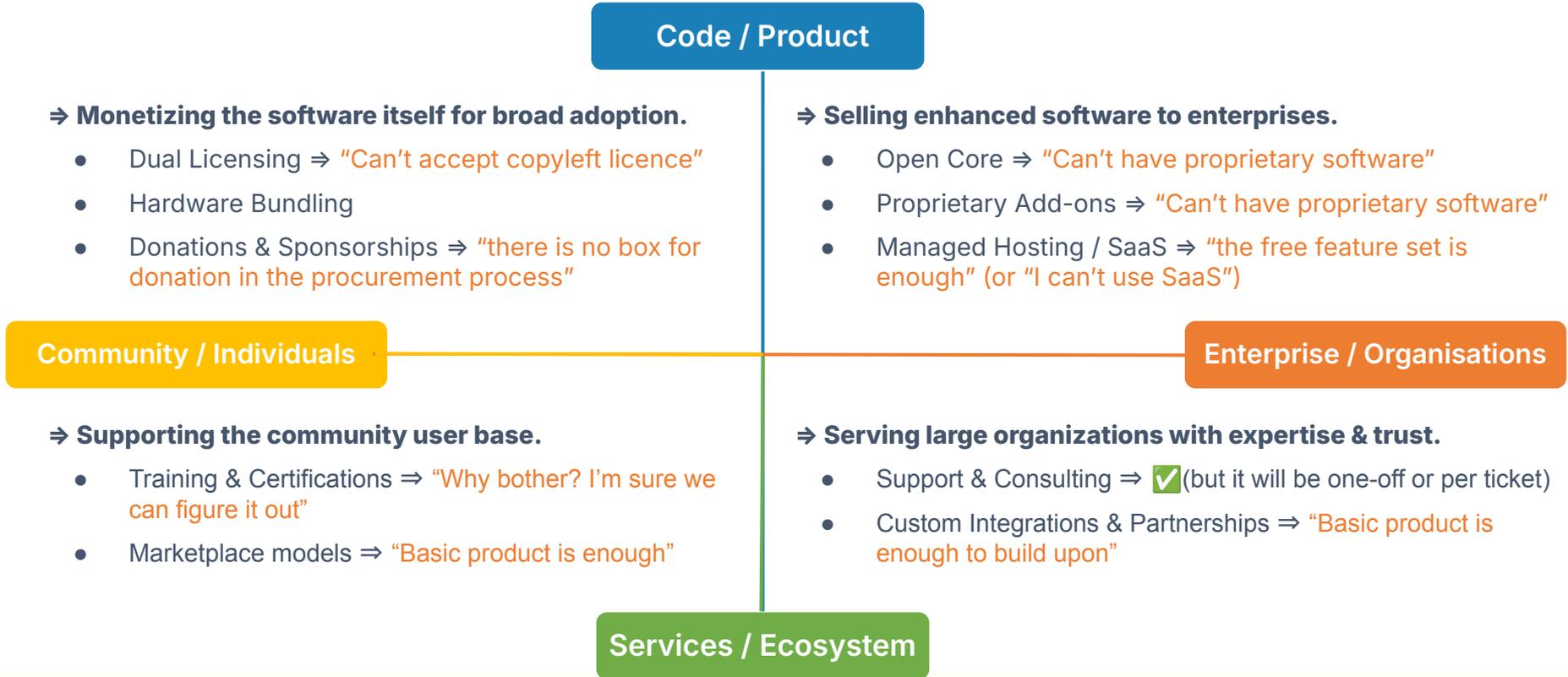
What happens if open source projects are not supported in a sustainable way?

- Single contributor burning out
- Company behind the product going bankrupt
- No accountability
- Project taken over by a non-open source company

Why does Procurement Struggle with Open Source?

- Some **business models are well understood**, like support, services or SaaS.
- But **others are more complex or less common** to individuals and organisations used to buy proprietary software
- Or it **does not match the mental image** of open source being free.

Example of Pushback Against Business Models



In Short

- **At best:**

- The procurement team understands that software may be propped by a community, but there is a cost to it.
- The blockers are the procurement rules

- **At worst:**

- Only the technical buyer is familiar with the model of open source.
- The procurement team looks at open source as a free service and fails to map openness with value, being too used to buy “obscure value” with closed source software being a black box.

⇒ **Good news! Rules are changeable and teams can be educated!**

Key Facts on Open Source Products

- They are **built by humans**, either within or outside their work time.
- A professional organisation relying on open source products needs to **make sure they will not disappear**.
- **Contributing code is like giving someone a kitten:** while generous, the cost of maintenance lasts a lifetime.
- A user-facing open source product needs a minimum of resources to be able to compete with closed source alternatives.



Supporting the Ecosystem

Open source ecosystems behind a given product can be varied:

- Community of volunteers working on it in their free time
- Foundation leading a group of contributors from various players in the market (commercial organisations and volunteers)
- Professional organisation leading the development

... or any combination of the three!

Smart buying strategies are needed to ensure the organisation's goal is reached, whilst fitting in the constraints, and whilst supporting the project.

Smart Buying Strategies

Project led by a Community of Volunteers

- **Motivation:** Fun of the project, pride in the work they do
- **What can help them:**
 - More volunteers and support.
 - Help corralling the project.
 - Additional revenue to ensure they can spare the time to work on the project (sometimes).
- **Smart buying strategy:**
 - Recurring donation.
 - Commit some resource to support the project.

Smart Buying Strategies

Project led by a Foundation

- **Motivation:** Sustainability of the project
- **What can help them:**
 - Probably depends on the foundation structure.
 - In any case, recurring funding should help unlock a lot (e.g. management of the project, grant for developers, research projects, audits, etc).
- **Smart buying strategy:**
 - Recurring donation.
 - Whatever the foundation recommends → There may be partnership opportunities.

Smart Buying Strategies

Project led by a Professional Organisation

- **Motivation:** Sustainability and growth of the project and their own organisation
- **What can help them:**
 - **Recurring revenue** so they can commit a team and improve the project
- **Smart buying strategy:**
 - Buy the products the organisation sell
 - Buy from organisations who support the project
 - Recurring funding if no product makes sense

Summary

- Deciding to use open source software is a great way to have an impact on the world.
- But whatever the maintenance model behind an open source project, someone needs to help support it for it to:

Continue to exist and evolve

Stay reliable

Stay secure

- The ones better placed for it are organisations that rely on it professionally.
- But! Not all contributions are equal
 - a. **Financial support is an easy one**, but should be recurring
 - b. **Code contribution is more dangerous** and needs to come with maintenance support
 - c. **Other in kind support** (e.g. free audit, free hosting...) may also be valid if it doesn't bring additional burden

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