## **FLOSS Economics**

Making money partecipating to the Open Source movement

Fabio Alessandro Locati

27 October 2016

### Outline

Intro

**Definitions** 

Open Source or not Open Source, this is the question

Software types

Advantages

 ${\sf Disadvantages}$ 

Conclusions

## Intro

#### About me

- FLOSS user since 2001
- FLOSS contributor since 2002
- IT consultant since 2004

#### **FLOSS**

- FLOSS: Free Libre Open Source Software
- Software that respects the 4 core liberties as defined by Richard M Stallman:
  - To run the program as you wish, for any purpose
  - To study how the program works, and change it
  - To redistribute copies
  - To distribute copies of your modified versions to others

# Open Source or not Open Source,

this is the question

## **Software types**

- Your software is your product
- Your software is the base of your product
- You use the software internally

## Today every company is open sourcing their code

- Apple: CUPS, Swift, WebKit, ...
- Facebook: Cassandra, HHVM, Open Compute Project, ...
- GitHub: Atom, git LFS, Hubot, ...
- Google: Android, Angular, Chromium, ...
- Microsoft: .NET, PowerShell, Visual Studio Core, ...
- Twitter: Ambrose, Bootstrap, Bower, ...
- Uber: hyperbahn, ringpop, tchannel, ...

# Why open source your code

- Free developers
- Linus's Law
- Marketing
- Easier recruitment
- Karma

## Free developers

- Possibility to create a community
- Sporadic contributors

#### Linus's Law

#### **Definition**

Given a large enough beta-tester and co-developer base, almost every problem will be characterized quickly and the fix will be obvious to someone.

- Android: 157000+ bugs reported
- PowerShell: 1500+ bugs reported in less than 11 months
- PowerShell: 1000+ PRs in less than 11 months

## Marketing

- "PowerShell is Microsoft's latest open source release, coming to Linux, OS X" (Arstechnica)
- "Microsoft's open source .NET Core and ASP.NET Core hit 1.0" (TechCrunch)
- "Apple's new programming language Swift is now open source" (The Verge)
- "The 12 most exciting open source projects on the web" (creativebloq)

#### **Easier recruitment**

 "Open Source" and "Giving back to the community" has been listed as major drivers for people to accept a job offer

#### Karma

- More than 90% of Fortune 500 companies use FLOSS
- 100% of Fortune 500 companies in the following sectors use FLOSS:
  - Airlines
  - Telcos
  - Healtcare
  - Commercial Banks
  - Financial services
- Many others: CERN, all US executive departments, NYSE, LSE
- 99.79% of Top500 SuperComputer
- Probably every company, yours included

## Why not to open source your core

- Your competitor will look at your code
- Your competitor might use your code
- Your code could be used for something you believe being wrong

## Questions to open source a software

- Is it your product?
- Is it your competitive advantage?
- Are you willing to develop in an open source way?

#### Resources

- Slides: https://static.fale.io/slides/20161027-en-floss\_economy.pdf
- Choose a license: http://choosealicense.com