

Licenze e modelli di business nel settore informatico

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Why?

Software Licenses

IT Business models

Intersection between IT Business Models and Software Licenses

Wrapping up

About me

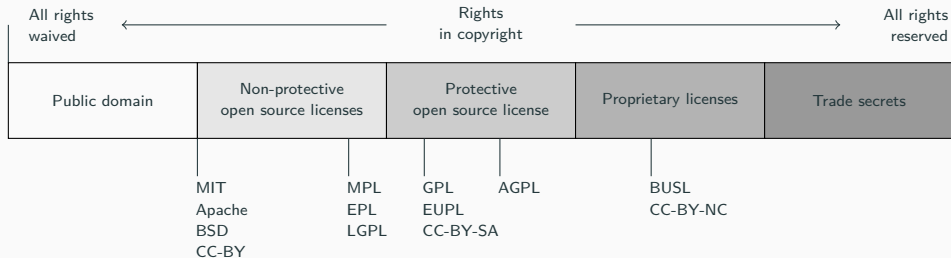
- Working in IT since 2004
 - Worked as a freelancer
 - Founded a few companies
 - Worked in SMB companies
 - Worked in large companies
 - Worked in more than 10 countries
- Author of 5 books
- EMEA Associate Principal Specialist Solution Architect @ Red Hat

Why?

Free Software is like Free Puppies. Adopting them is not really “free”.

Software Licenses

A spectrum of freedoms



IT Business models

Disclaimer

Academic definitions rarely match exactly the real world.
Sometimes, they match better to product lines than companies.

The Business Models available in the IT space

- Software Vendor
- (XaaS) Service Provider
- (Layered) Service Provider
- (Traditional) Service Provider
- Time Seller

Software Vendor

- Companies providing software in (virtual) boxes
- **Examples:** Apple, Microsoft (Windows, Office), Nvidia
- **Earning source:** Customers pay for the (virtual) boxes
- **License risk:** High (GPL-like licenses and stricter)
- **Strengths:**
 - Enterprise License Agreements (ELAs)
 - Lock-in (?)
 - Huge margins
- **Weaknesses:**
 - Convince customers to buy
 - Initial investment
 - Copycats

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(XaaS) Service Provider

- Companies providing access to resources as a Service (XaaS)
- **Examples:** Adobe (creative cloud), Amazon (AWS), Google (GCP)
- **Earning source:** Customers pay recurringly to rent a service or resource
- **License risk:** Medium (AGPL-like licenses only)
- **Strengths:**
 - Enterprise License Agreements (ELAs)
 - Lock-in (?)
 - Branding (?)
- **Weaknesses:**
 - Convince customers to buy
 - Copycats
 - Small margins

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(Layered) Service Provider

- Companies providing services (e.g., consulting, support, training, certification) on top of software or services offered by service providers
- **Subkinds:** first-party and third-party service
- **Examples:** Cisco (Network Academy), Pluralsight, Red Hat
- **Earning source:** Customers pay for a (usually one-time) service
- **License risk:** Low
- **Strengths:**
 - Branding
 - Low-investment business
 - High margins (?)
- **Weaknesses:**
 - Convince customers to buy
 - Credibility
 - Copycats

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(Traditional) Service Provider

- Companies providing traditional services in an “improved” way by using IT
- **Examples:** Uber, Airbnb
- **Earning source:** Customers pay for a non-IT service
- **License risk:** Low
- **Strengths:**
 - Branding
 - “Traditional business”: hard to clone
 - “Traditional business”: service quality (?)
- **Weaknesses:**
 - Convince customers to buy
 - “Traditional business”: hard to scale
 - “Traditional business”: low margins (?)

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Time Seller

- Companies providing (their employees) time and knowledge.
- **Example:** Kyndryl, TCS, Wipro
- **Earning source:** Customers pay for people time (usually in T&M contracts)
- **License risk:** Low
- **Strengths:**
 - Huge contracts, usually tenders
 - Pricing
 - Near-zero initial investment
- **Weaknesses:**
 - Convince customers to buy
 - Retain customers (usually tenders)
 - Near-zero margins

Intersection between IT Business Models and Software Licenses

Case Study: Qt Company

- Type 1 (Hardware/Software Vendor)
- Founded in 1994 as Trolltech
- Complex history (including IPO, delisting, 2 acquisitions)
- 1994-1998: Various iterations of non-FLOSS licenses
- 1998-present: Double license GPL + Commercial
- FY2022 (ending 2022/12/31)
 - 600+ employee
 - Total revenue: \$155M
 - Operating profit (EBIT): \$36.9M

Case Study: Hashicorp

- Type 1 (Hardware/Software Vendor)
- Founded in 2012
- 6 VC rounds totaling ~\$350M (Seed/2013: \$1M @\$5M, A/2014: \$10M @\$50M, B/2016: \$24M @\$250M, C/2017: \$40M @\$500M, D/2018: \$100M @\$1.9B, E/2020: \$175M @\$4.9B)
- Expected VC rounds ROI: Seed 10-20x, A 5-10x, B+ 2-5x
- 2021/12/09 - IPO at \$80.00 (@\$16B)
- 2024Q1 (ending 2023/07/31)
 - 2400+ employee
 - Total revenue: \$143M
 - Total operating expenses: \$196M
 - Net loss (EBIT): \$66M
- 2023/08/09 - Stock closing at \$28.32 (market cap: ~\$5.5B)
- 2023/08/10 - License change to BUSL

Wrapping up

Wrapping up

- Not all IT businesses have the same business model
- Open Source can be easier with some business models
- Open Source makes some business models **very** hard
- Free Software is like Free Puppies. Adopting them is not really “free”.

Questions?

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