New challenges for Free Software business models



Why are working business models important?

- In a digital society everybody deserves software freedom to stay in control of their live
- We want to conqueror the world
- We don't only want to maintain the status quo
- We want to innovate
 - → Therefore we we need to compete with large organizations and be able to invest in Free Software innovations

Free Software relevance

- •75% of mobile phones use Android (May 2019)
- •72% of IoT devices use Linux (2018)
- All top 500 supercomputers run Linux (June 2019)
- Free Software dominates the laaS
- → Easy to adapt, fosters innovation, supports SMEs



Still more and more companies struggle to find a sustainable business model



Three waves of Free Software business models









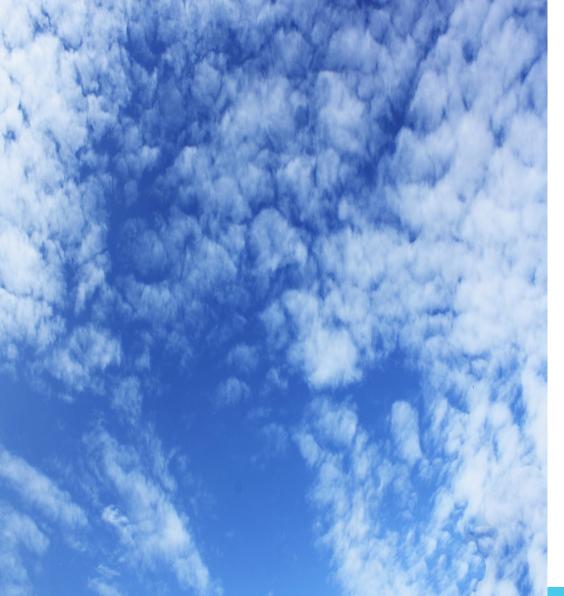
Benefits

for the customers

- Low costs
- Easy to scale
- A toolbox with everything you need
- Redundancy
- Security
- Backups

→ everything just works





But

what about the companies behind the software?

- laaS provided by large organizations
- They have the people to run it by their own
- ... and the knowledge to run it by their own
- Even strong copyleft is not an issue for them
- laaS providers are also not afraid of forking
- They don't need a subscription
- And their customers don't need it either



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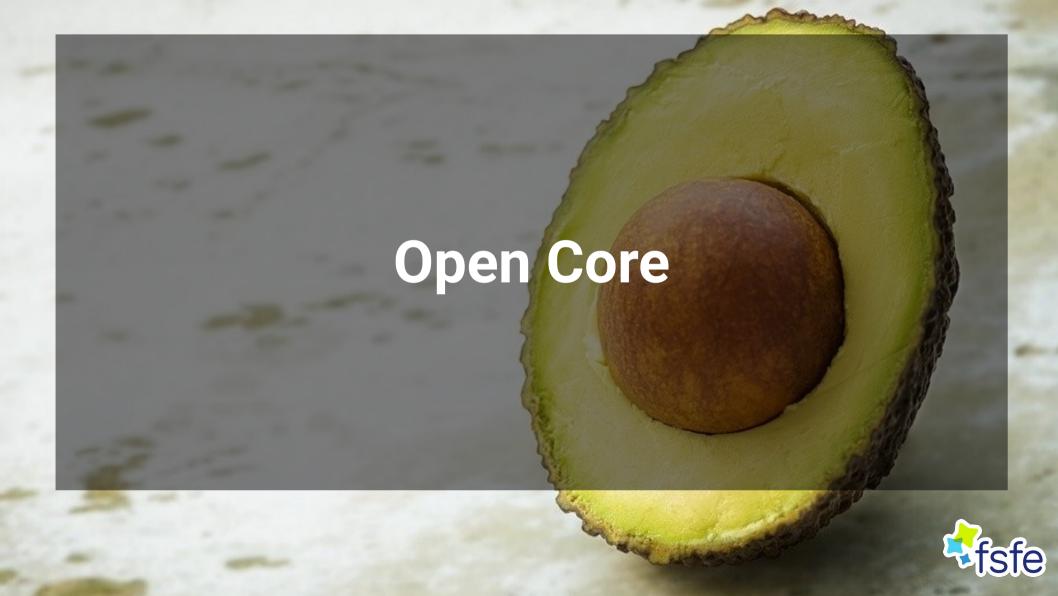
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- Confluent Community License: simply prohibit the use of the software for any services

What does this mean?

- If they succeed, they will sustain their business but we will lose large parts of the Free Software ecosystem
- Also other companies might follow
- If they fail, we will lose the driving force between many important Free Software components





Another approach

- Business Source License (MariaDB):
 - Software author can define some restrictions
 - Software author defines how long this restrictions are valid, not more then 4 years
 - Software author defines a Free Software license for after the max 4 years, license needs to be a GNU GPL compatible Free Software license





Do we need new business models?



How does the future look like?

- Going back to more small (consulting) companies?
 - ... But would it allow us to innovate?
- The laaS providers will realize that they need the companies behind the software to sustain their own business?
- Are there complete new business models out there?
- What values can be added by a Free Software company?
- Is innovation and speed the key differentiator?



What do you think?

