

New challenges for Free Software business models

16 November 2019 · FSFE Community Meeting, Bolzano

Björn Schießle · Coordinator Germany · [schiessle.org](https://www.schiessle.org)

[@bjoern@mastodon.social](https://mstdn.social/@bjoern)

[@schiessle](https://twitter.com/schiessle)



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 IaaS**
- **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



1. Wave

Selling copies



2. Wave

Selling services to big enterprises

3. Wave

Everything is moving to the cloud

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?

- IaaS 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
- IaaS providers are also not afraid of forking
- **They don't need a subscription**
- **And their customers don't need it either**

The first reaction

- **Commons Clause (Redis): prohibits to offer commercial services, and every kind of consulting or support**

The first reaction

- **Commons Clause** (Redis): **prohibits** to offer **commercial services**, and every kind of **consulting** or **support**
- **Server Side Public License** (MongoDB): based on the GNU AGPLv3: **extend the copyleft** effect to cover **all tools** used to **manage the service**, **backup tools**, **automation** and **monitoring** tools, **storage solutions** and even the **operating system**.

The first reaction

- **Commons Clause** (Redis): prohibits to offer **commercial services**, and every kind of **consulting** or **support**
- **Server Side Public License** (MongoDB): based on the GNU AGPLv3: **extend the copyleft** effect to cover **all tools** used to **manage the service**, **backup tools**, **automation** and **monitoring** tools, **storage solutions** and even the **operating system**.
- **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



Open Core

Another approach

- **Business Source License** (MariaDB):
 - Software author can **define some restrictions**
 - Software author defines how long this restrictions are valid, **not more than 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**

There are also positive examples

“Vendor-driven development and distribution models that most closely align with FOSS principles, which the open source community holds as its highest standard, will always find the greatest levels of acceptance and success”

– Holger Mueller, Vice President Chef

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 IaaS 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?

16 November 2019 · FSFE Community Meeting, Bolzano

Björn Schießle · Coordinator Germany · [schiessle.org](https://www.schiessle.org)

@bjoern@mastodon.social

[@schiessle](https://twitter.com/schiessle)

