Building a Successful(?) Open Source Business around LibreOffice

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Collabora Online

LibreOffice®

"Stand at the crossroads and look; ask for the ancient paths, ask where the good way is, and walk in it, and you will find rest for your souls..." - Jeremiah 6:16

The root challenge:

building an **economically sustainable Free Software business** that works in symbiosis with its diverse community.

Punch lines:

Its hard.

No one-size-fits all cookie-cutter.

FLOSS heresy 101:

economically sustainable ===

someone needs to pay **something**
in return for **something** scarce

Why a heresy ?

- The most amazing **volunteers** in our project.

- Humbled by their generosity, enthusiasm, thirst for learning & depth of contribution

- I was one once as a student

- If *"Floss is written by volunteers"*
  - perhaps no-one needs to pay anything ?
  - OpenSSL ... still amazing.

- Lots of businesses want:
  - To fund their programming addiction
  - Accelerate growth eg. Evolution.

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economically sustainable ===

someone needs to pay **something**
in return for **something** scarce

Scarcities people might pay to solve …

Scarcity of skills: Consultancy

- eg. Cygnus, C'bra

- **Pros:**
  - The 'easiest' most compatible FLOSS model.
  - Represent your customer's interest in a project
  - Satisfaction of delivering well to a clear spec.
  - Skills are initially scarce.

- **Con:**
  - FLOSS Maintenance
    - hard to sell, badly needed
  - Hard to scale (risky)
    - estimating Fixed Price ...
  - The best eat their own market / customers.
    - Budgeting: renewal is not automatic / expected.
  - Sometimes no public git
  - **Scarcity of skills: off-shore?**

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Scarcity of binaries: Enterprise distro

- eg. RHEL (2003), SUSE
    - Editorial compilation of FLOSS produced by others.
    - A pay-wall for old content: stable / enterprise versions
    - Latest & greatest is free: Fedora, openSUSE, etc.
- **Pro:**
    - Subscribe to our news-paper
        - Budget presumption: renew.

- **Pro:**
    - ARR / subscriptions
    - the holy grail.
- **Con:**
    - Cloning: CentOS, Oracle Un-breakable Linux.
    - Now hiding source
    - **Cute-ness** Re: copy-left: per-copy / seat subscription licenses
        - Used to be controversial

Scarcity: Proprietary Periphery

- eg. evolution-exchange
- **known as Open-Core**
  - focus on selling & engineering the proprietary pieces.
  - Often great commitment to growing the open Core.

- **Pro:**
  - Very simple value-prop.

- **Pro:**
  - Brand-sharing:
    - FLOSS community as advertising / lead-gen
- **Con:**
  - © assignment necessary
  - FLOSS / competition focus on re-implementing the periphery piece-meal
  - Enterprise'y periphery

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Abundance: donations

- Donation funded development
  - The *Sagrada Família* development model.
    - If we start building it – they will come ?
  - Need a big brand & significant project
- **Pro:**
  - Free money – to invest.

- **Con**
  - Shame – people feel they have to donate
  - Some think they are buying a product.
  - Who do you employ ?
  - Low conversion rates: <20% of $ yield vs. convenience sales

Scarcity: convenience …

- eg. gcompris, Krita

- Windows binaries:

  – a sin-tax turned into:

- App-store sales

  – Very simple route to market.

  – Sell binaries of FLOSS in app-store

- **Pro:**

  – **App-store Effective**

    - low to no cost of sales

- **Con:**

  – Differentiation problem: anyone can re-compile and ship.

    - cf. Windows app-store

  – Brand driven differentiation.

    - Need a known brand.

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Donation vs. Bought convenience

- LibreOffice Vanilla: install for $3 eg.

Price	Downloads/ month	$/convenience	$/downloads
$0	12,000	$0	$480
$3	700	$2,100	$450(?)
$16	250	$4,000	$470(?)

- Make it clear – free download elsewhere ... so just convenience on offer.

- Yield – five times higher for paid downloads.

How Collabora (~75%) works:

standard subscription;
support & maintenance product

How do you make money in Free Software

Bob Young – Founder of RedHat (sold for $34 billion) Open Sources:

"**<u>No one expects it to be easy</u>** *to make money in free software. While making money with free software is a challenge, the challenge is not necessarily greater than with proprietary software. In fact you make money in free software exactly the same way you do it in proprietary software: by*
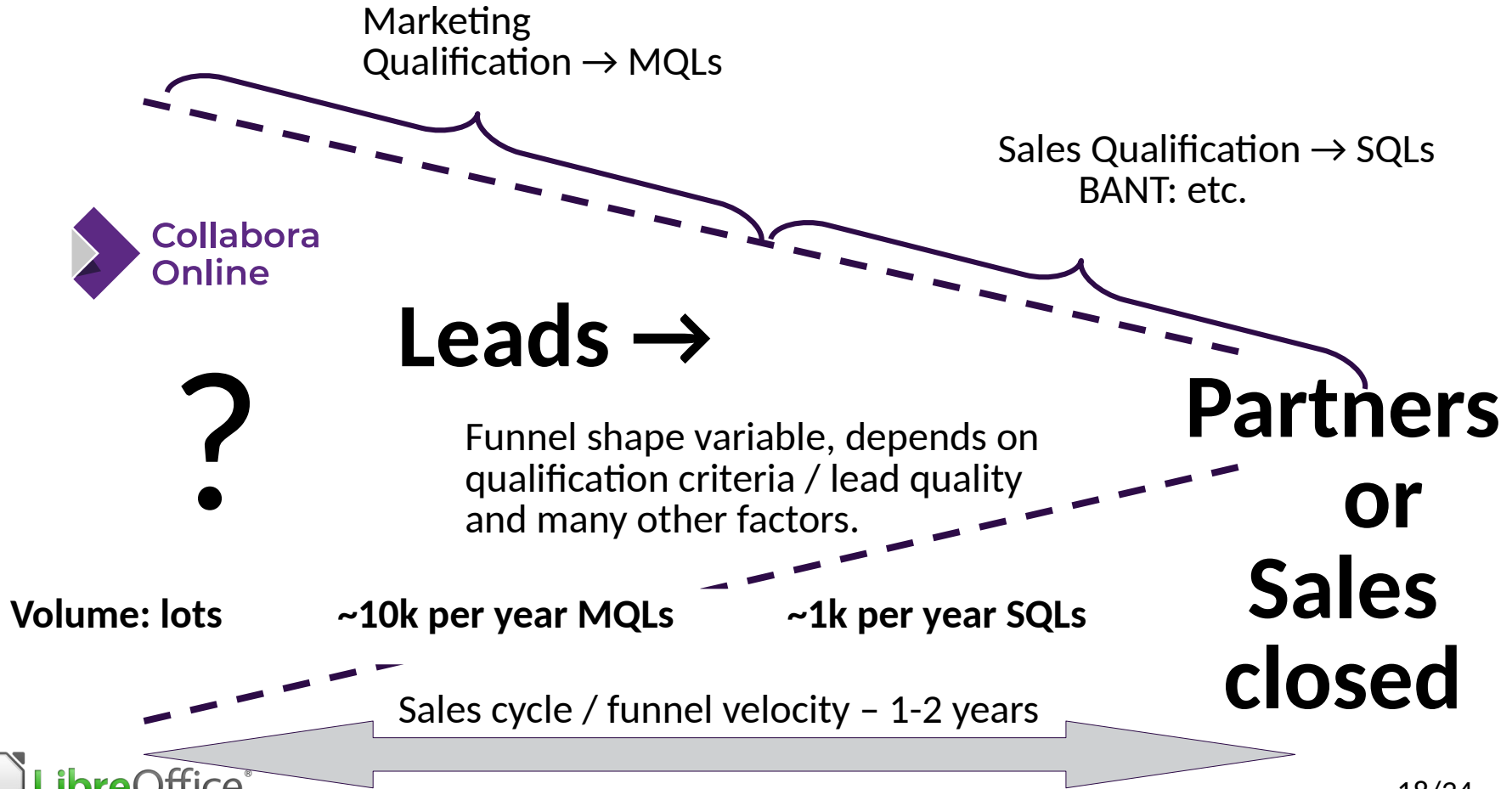
- ***building a great product,***
- ***marketing it with skill and imagination,***
- *looking after your customers, and thereby*
- ***building a brand*** *that stands for **quality** and **customer service**.*"

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Under the hood:

A very standard product flow:

An activity based sales pipeline:

Marketing
Qualification → MQLs

Sales Qualification → SQLs
BANT: etc.

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Leads →

?

Funnel shape variable, depends on qualification criteria / lead quality and many other factors.

**Partners
or
Sales
closed**

Volume: lots   **~10k per year MQLs**   **~1k per year SQLs**

Sales cycle / funnel velocity – 1-2 years

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LibreOffice®

Marketing: 1→many activities

- Website / forms

- case-studies

- demo accounts

- white-papers

- videos - interviews / feature-friday /

- talks / webinars

- social-media

- blogs

- advertising

- personal contact

- nurturing / scoring / metrics

- conferences

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Sales: 1→1 activities

- Contact
- Nurture
- Listen
- Negotiate
- **Sign Partners**
- Sales Engineering
  - Setup, support
  - Integrate, advise

How:

- calls, E-mails, chat
- offers, quotes,
- Contracts / Tenders
- Signatures
- Invoicing
- chasing unpaid bills.

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Backend / Delivery / Management ...

Minimal viable team size ~5-10 (?)

Backend functions:

- Release engineering

- Support

- Level – 3 code-fix
  - per component deep expertise

- Quality Assurance

- Security mgmt

- Legal & Compliance

- Finance & Control

- Product & Account Management

- Personnel Operations

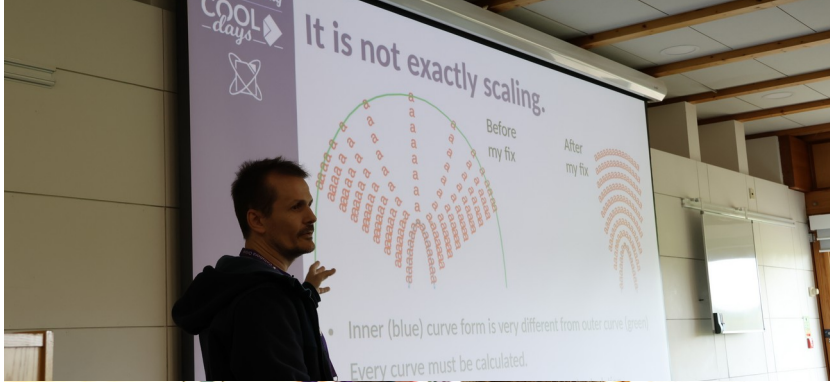- Certification – ISO 9k1 / 27k1 eg.

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Partners as B2B route to market:

How we get to the (enterprise) customer ?

COOL Days - Team Building

COOL Days 2024

Things TDF does that strengthen the ecosystem contribution to their mission:

Helpful things:

- Certified Professionals
  - Really useful for customers, and users.
  - Neutral 3rd party stamp of approval
  - Easy to find developers / migrators / trainers
    - Get certified
  - Effective.

- LibreOffice in Business
  - Small hit-count …
- LibreOffice Technology
  - Great umbrella brand for many good things re-using LibreOffice
    - *Thanks to Italo*
- "LibreOffice Community"
  - Nice try – no measurable effect.

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Areas that can be improved:

What does the ecosystem need ?

- Predictability

- Stability

- Dependable contract commitments

- Visibility for contribution / credit.

- Defined domain for TDF's activities

- Limited co-branding:
  - Clearer rules on LibreOffice Technology usage
  - Driving Makers not Takers.

- Confidence vs. brand weaponization
  - Attacking lead-flows ...

- Matching strengths

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Branding & Licensing a case-study

A quick look over the fence …

draw.io case study ...

draw.io – is no longer open-source:

- Apache v2 license plus a new Clause 10:

    - *10. None of the Work may be used in any form as part, or whole, of an integration, plugin or app that integrates with **Atlassian's Confluence or Jira** products.*

- **Why?**
    - *"We fund the project entirely from sales of the Confluence integration. I've taken a reasonably lassiez faire approach to date, generally ignoring draw.io integrations to Confluence that use our codebase. However, last week we received a review on the app:"*

draw.io Diagrams & Whiteboards

by Seibert Media - draw.io

for Confluence Cloud, Confluence Server 9.0.0 - 9.0.2, Confluence Data Center 9.0.0 - 9.0.2 and more

3.9/4 ★★★★ 1.1k ⬇ 70 010 installs 🏰 CLOUD FORTIFIED

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DK ★★★★

by Dave Kinne on Aug 22nd 2024

Not a model I'm suggesting for LibreOffice from TDF

Draw.io is free! Why does this application cost anything?
Its costs WAY to much anyway. Just install any of the free draw.io add-ons. Dont get scammed.

Was this Review Helpful?   Yes   No

*"Most of it I'm not overly fussed about. **However, if you call me a scammer, Dave**, there will be consequences. If any of those apps update their codebase to the current tag, they will be in copyright breach and I will apply all legal means I have at my disposal to get that app taken down."*

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Built with LibreOffice technology
Rich, interoperable, collaborative editing, everywhere
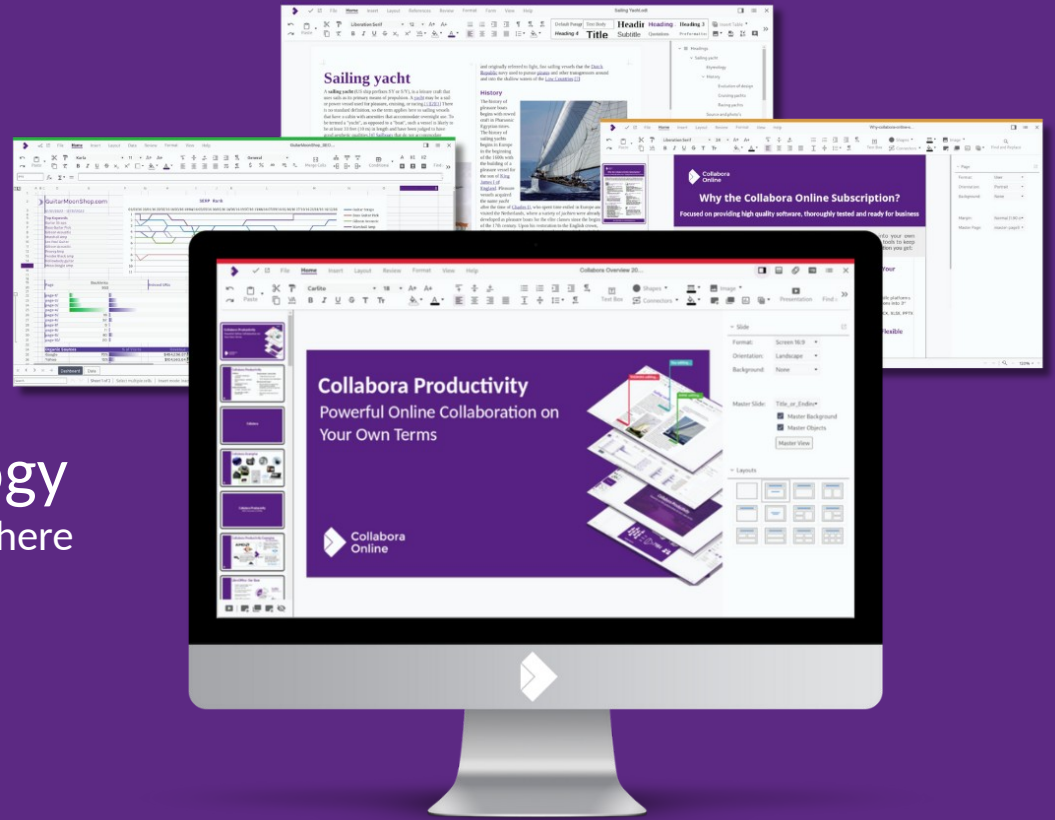
Questions ?

Wonderful new business ideas appreciated too ...

People who want to partner with us.

Oh, that my words were recorded, that they were written on a scroll, that they were inscribed with an iron tool on lead, or engraved in rock for ever! I know that my Redeemer lives, and that in the end he will stand upon the earth. And though this body has been destroyed yet in my flesh I will see God, I myself will see him, with my own eyes - I and not another. How my heart yearns within me.
- Job 19: 27

Thank you!

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