The Evolution of an Open Source Business model

"Case study: eZ Systems"

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How can a relatively small Norwegian company?

- Get on this list:
- "The Blueships of Enterprise Content Management" (German JDK evaluate the ECM market in 2005)
    - 1 Open Text (Canada)
    - 2 Oracle (USA)
    - **3 eZ systems (Norway)**
    - 4 Microsoft (USA)
    - 5 EMC (USA)

Share your information

eZ systems

How can a relatively small Norwegian company?

- ... gather 350 people from 28 nationalities to Skien, a small town in Norway.

- ...making the event the biggest Content Management event in Europe last year.

QuickTime™ and a
TIFF (Uncompressed) decompressor
are needed to see this picture.

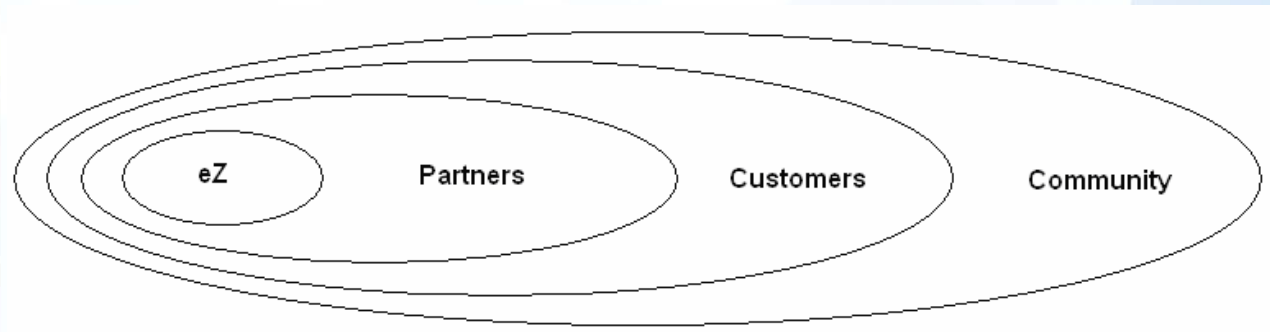# How can a relatively small Norwegian company?

- Get a customer list like this:

  - **IT/Telecom**: MySQL, Mandriva, Zend, Catch, Telenet Belgium, Orange, France Telecom, Phonzo...

  - **Media:** National Geografic, Swiss TV, Swiss Radio, Vogue, Prisma pub, Elle...

  - **Educational Institutions:** MiT, Copenhagen Business School, INRA, HiO, HiT, HiA...

  - **Non Profit Organizations:** Amnesty International, Norwegian Church Aid, OneWorld.net, United Nations, ICBL...

  - **Public Sector:** Florida State, Agricoltura Italiana Online, Ministry of Science and Technology Israel, Ministry of Fisheries Norway...

  - **Other institutions:** US Navy, NASA, Belgium Nuclear Research Institute, Norwegian National Library, French Ministry of Defence..

  - **Larger Enterprises:**INEO (SUEZ), Sparkassen Informatik, Dorma, KPMG, Hitachi, VPS...

Share your information

Answer:

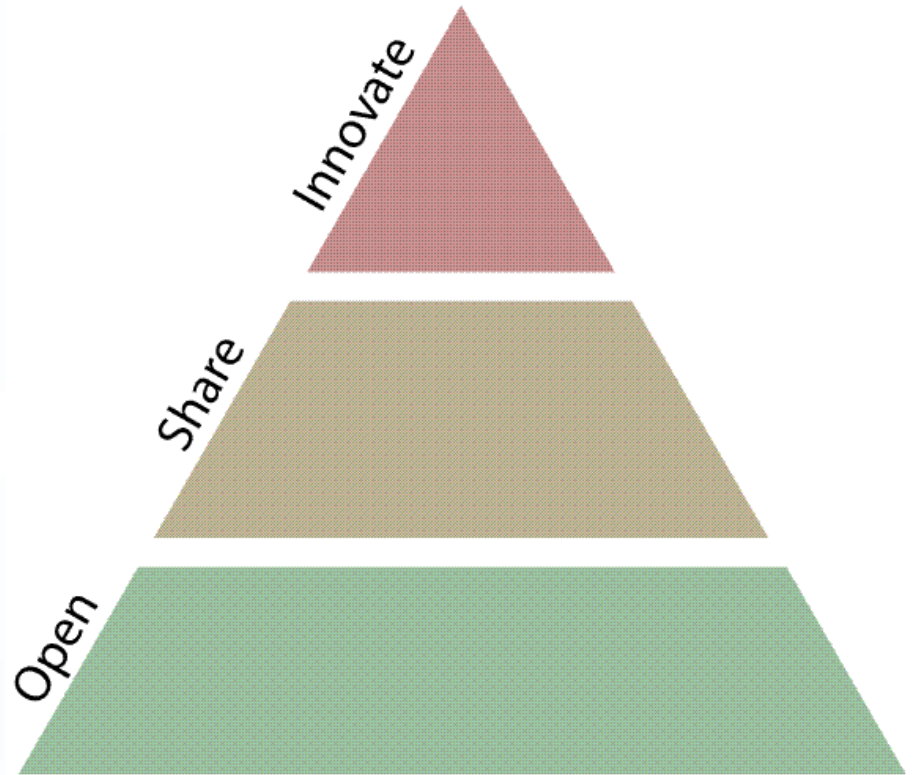- The little Norwegian Company is not alone...

Because with...

- More than 2 million downloads
- More than 27 000 registered community members
- More than 175 official partners
- That little Norwegian Company is not that little...

- eZ ecosystem:

eZ systems

The core values of an open ecosystem

- eZ Philosophy:

Innovate

Share

Open

eZ systems

Where does Open Source come in?

- It is the tool that allow Open Innovation to happen!

Some facts about the relative small Norwegian company

- eZ systems is the world largest Open Source Content Management Software company

- Headquartered in Skien, Norway

- Offices in Oslo, Copenhagen, Odessa, Dortmund, Lyon and Vancouver

- Main product is eZ Publish, Open Source Content Management System

- 85 employees from 23 nationalities

The start in 1999: "The vision of eZ"

- To be a global leading software company
  - Global position
  - Global scalable business model
- Making software and solutions for information sharing
- Following the eZ philosophy
  - 100 % Open Source, Open Standards, Open Architecture
  - Open, share and innovate

eZ systems

Share your information

So why an Open Source business strategy?

- It is a business model that creates most value for the entire ecosystem

But how to make money???

- When all software is available for free under an Open Source license

- Meaning anyone can download, install, use and distribute the software under an open source license

Evolution 1: Services

- Consulting
- Support
- Training

Problem: Going global...

Solution: Partners...

New problem: How to make business with partners?
As most of the services are delivered by them???

Evolution 2: Knowledge end expertise

- Expert services
- Training and certification
- Books and knowledge products

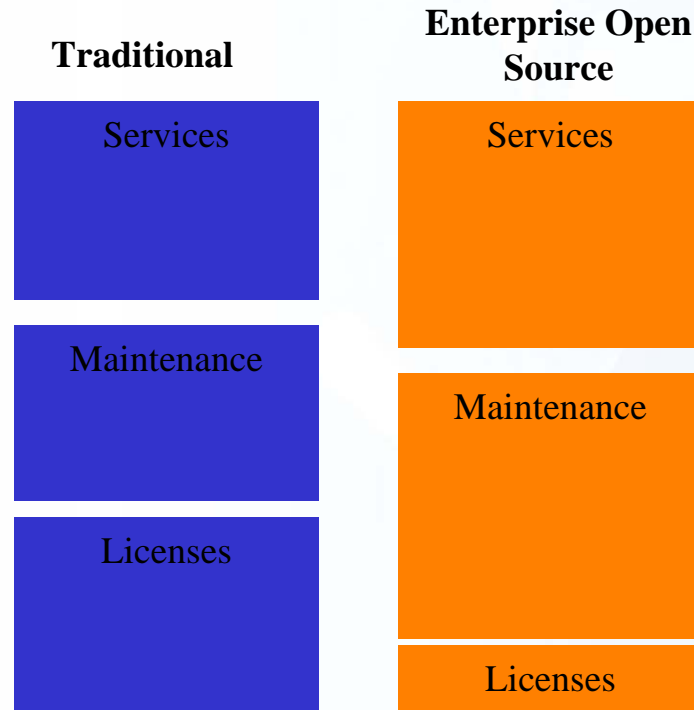Problem: How to scale the business???

Evolution 3: Responsibility

- Garantees and unlimited support

- Optional extented legal rights from proprietary license options

- Automatic maintenance tools and services

- Solution sertification

The Enterprise Open Source business model of eZ

- Expert services
- Knowledge products
- Subscriptions with Garantees and unlimited support, proprietary license options, Automatic maintenance tools and services

The Enterprise Open Source of eZ

- While this model has less direct license revenue than a normal software model, it is more recurring, which scales from automatic services provided through the subscription model

Traditional

| Services |
| Maintenance |
| Licenses |

Enterprise Open Source

| Services |
| Maintenance |
| Licenses |

Questions?