



Putting Open Source to Work

NORTH BRIDGE

venture partners

**The Future of Open Source:
Exploring the Investments,
Innovations, Applications,
Opportunities and Threats**

Michael Skok

General Partner

North Bridge Venture Partners

March 2008

Our Panel

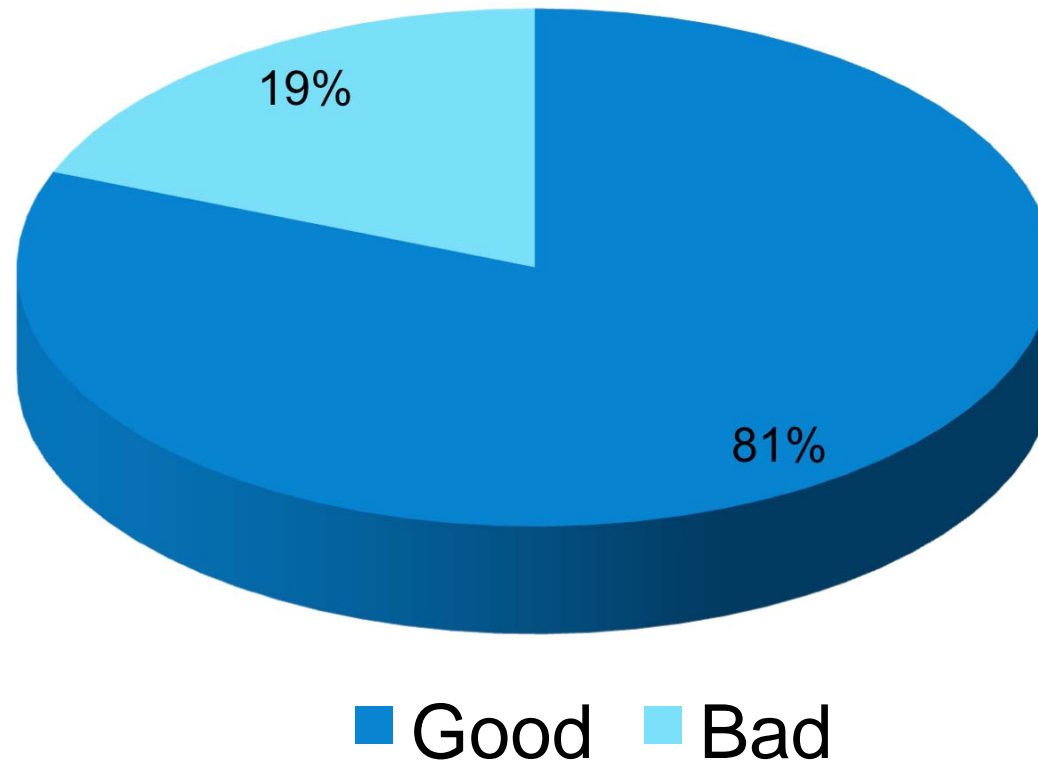
- **Roger Burkhardt**, President & CEO, Ingres
- **Marten Mickos**, SVP, Sun Microsystems
- **John Roberts**, Chairman, CEO, SugarCRM
- **Mark Shuttleworth**, Founder, Ubuntu
- **Jeff Whatcott**, VP Marketing, Acquia, Inc.

- **Michael Skok**, GP, North Bridge Venture Partners

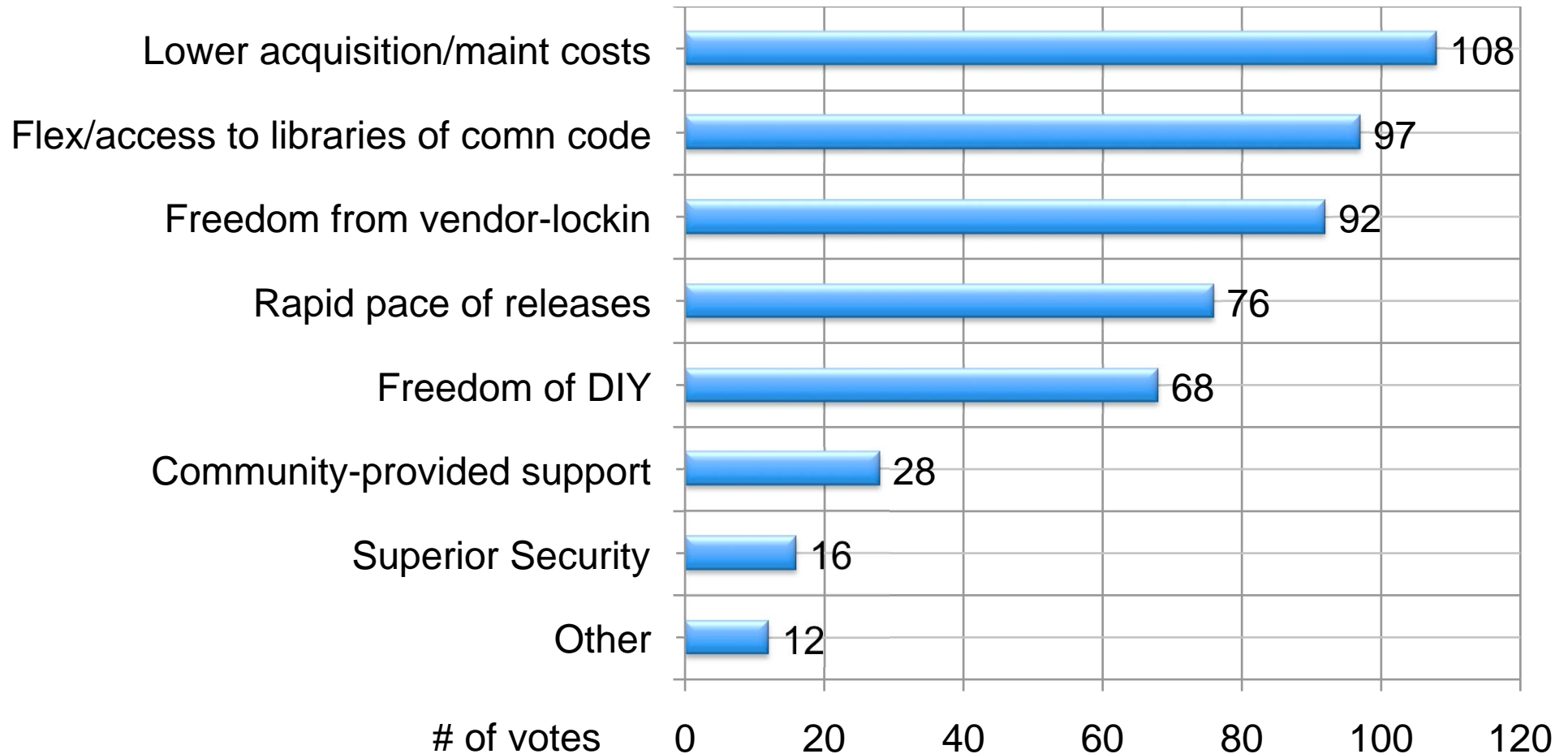
Annual Survey Results 2008

Respondents include OSBC attendees and customers from all of the panelist's companies

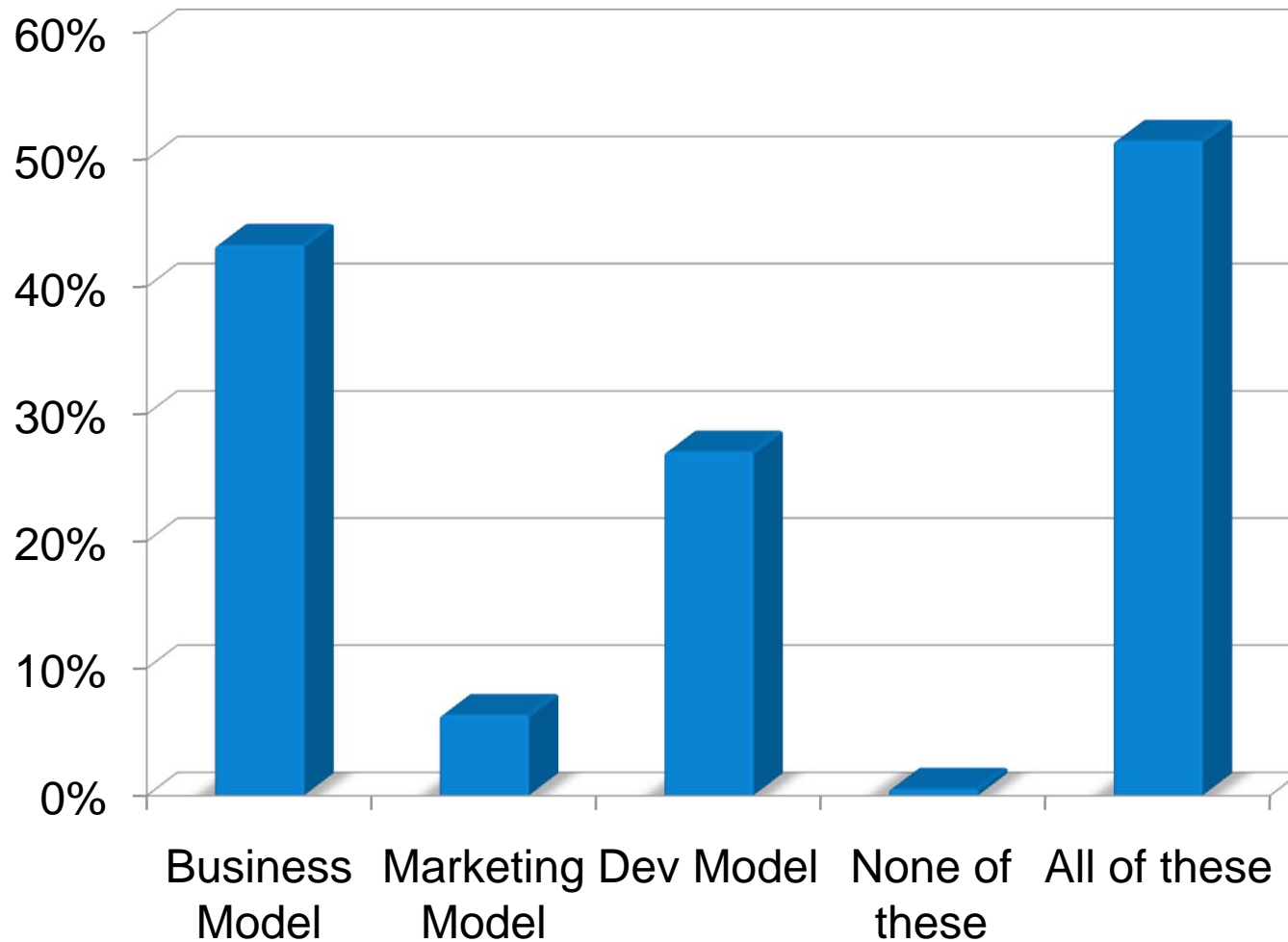
Is the economy's turbulence good or bad for open source software?



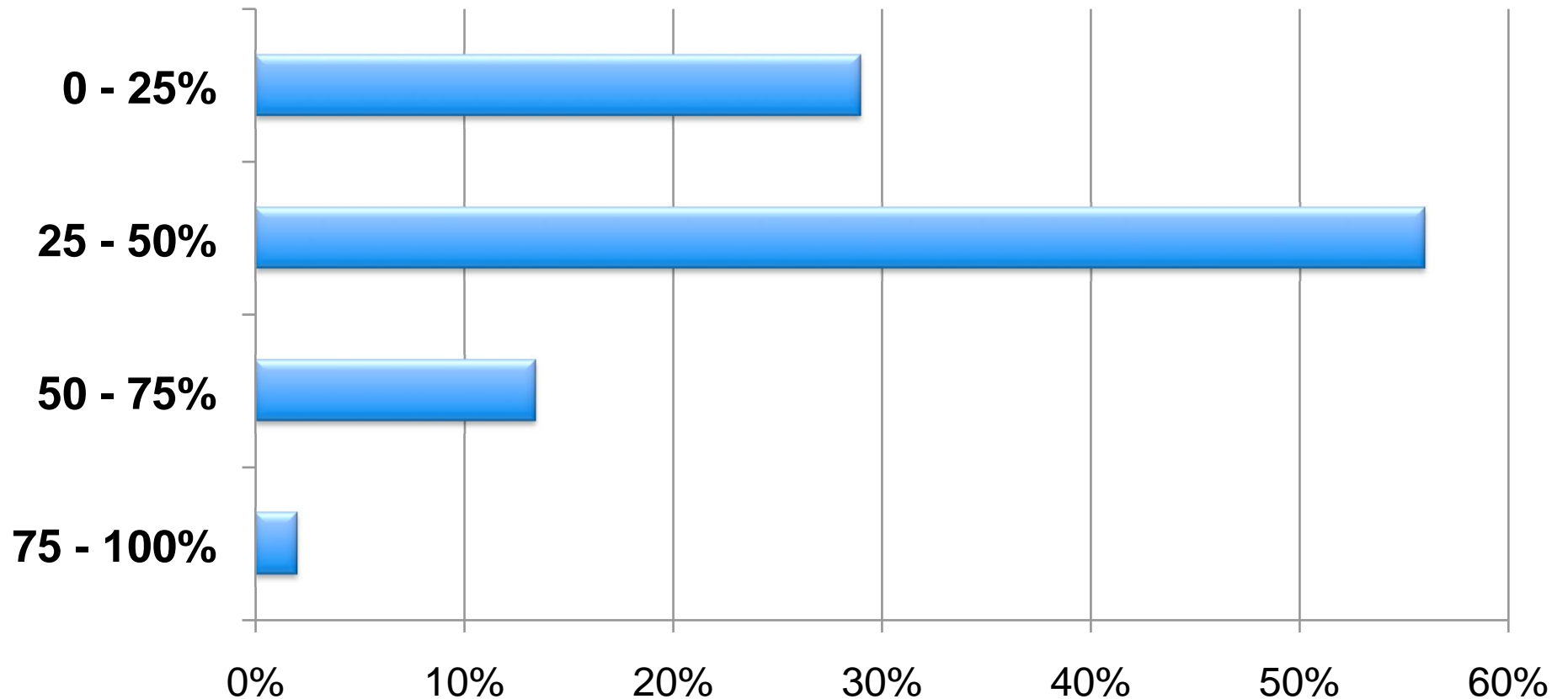
What are the top 3 factors that make open source software attractive?



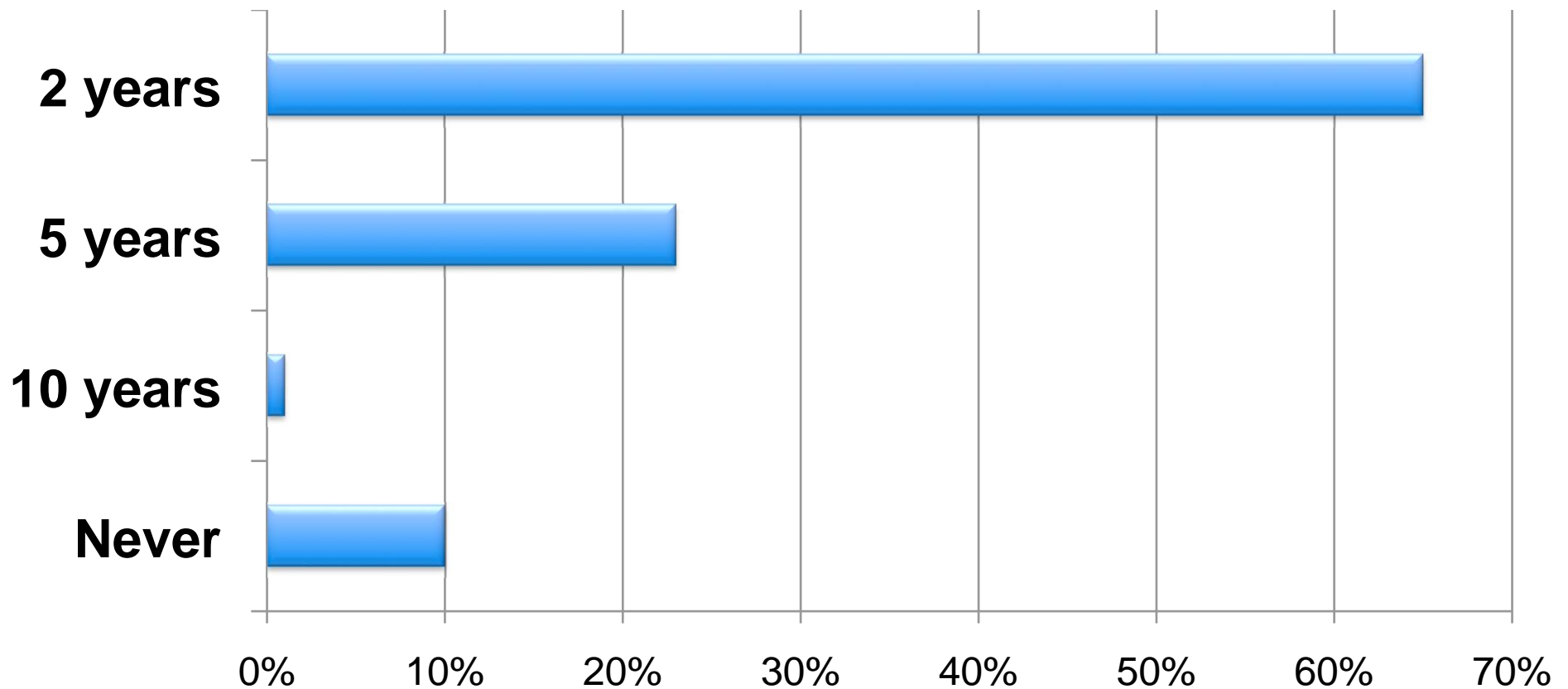
Is open source a ...



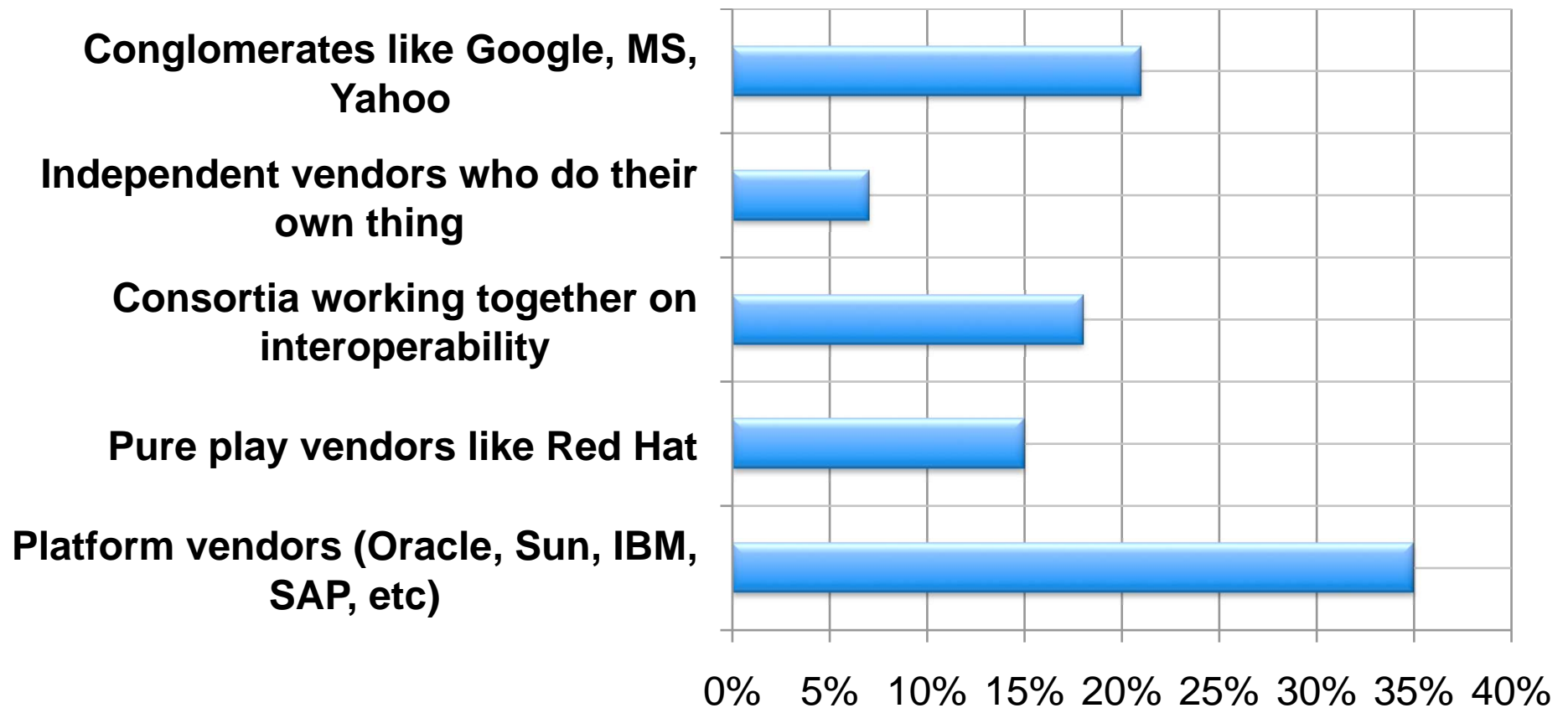
In 5 years, what % of purchased software will be open source ?



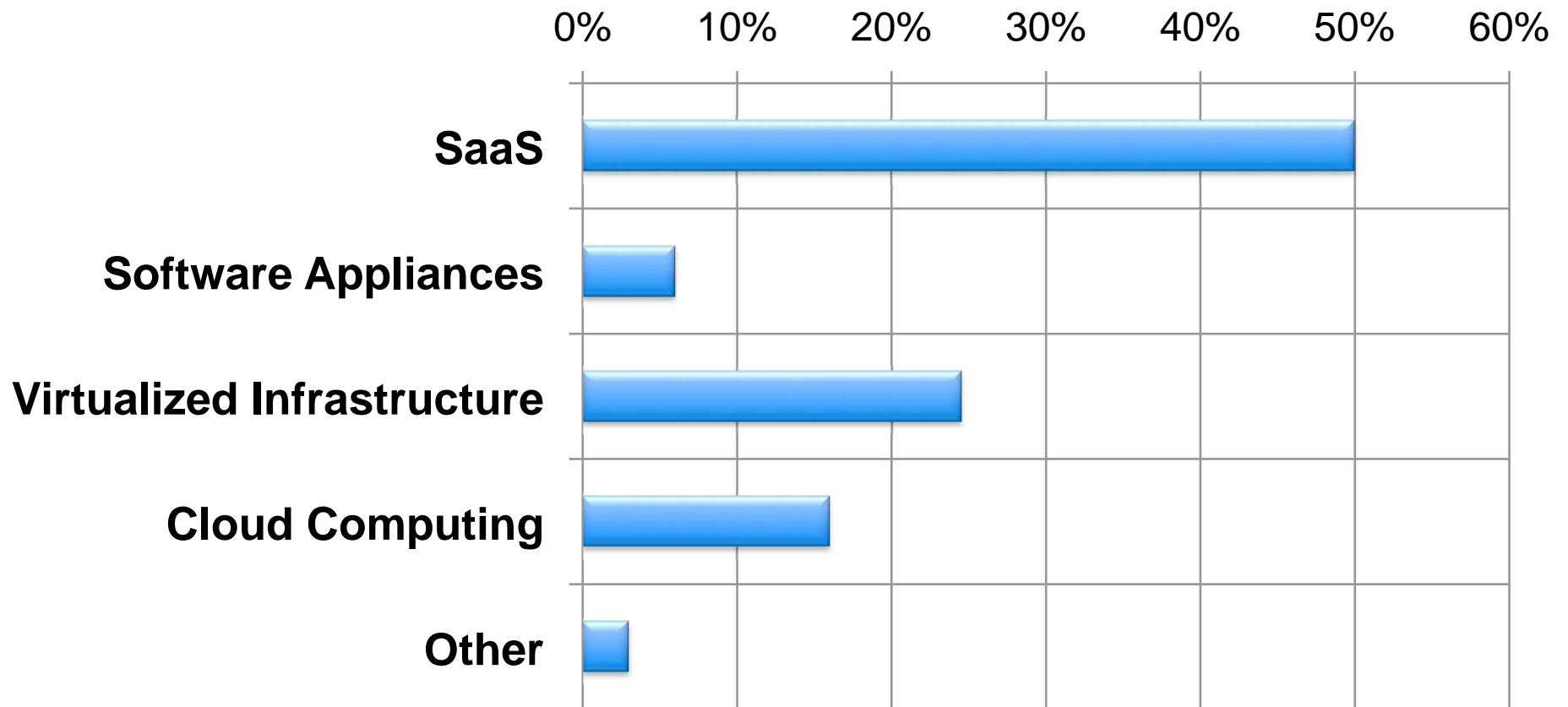
When will there be another open source company with the stature of Red Hat?



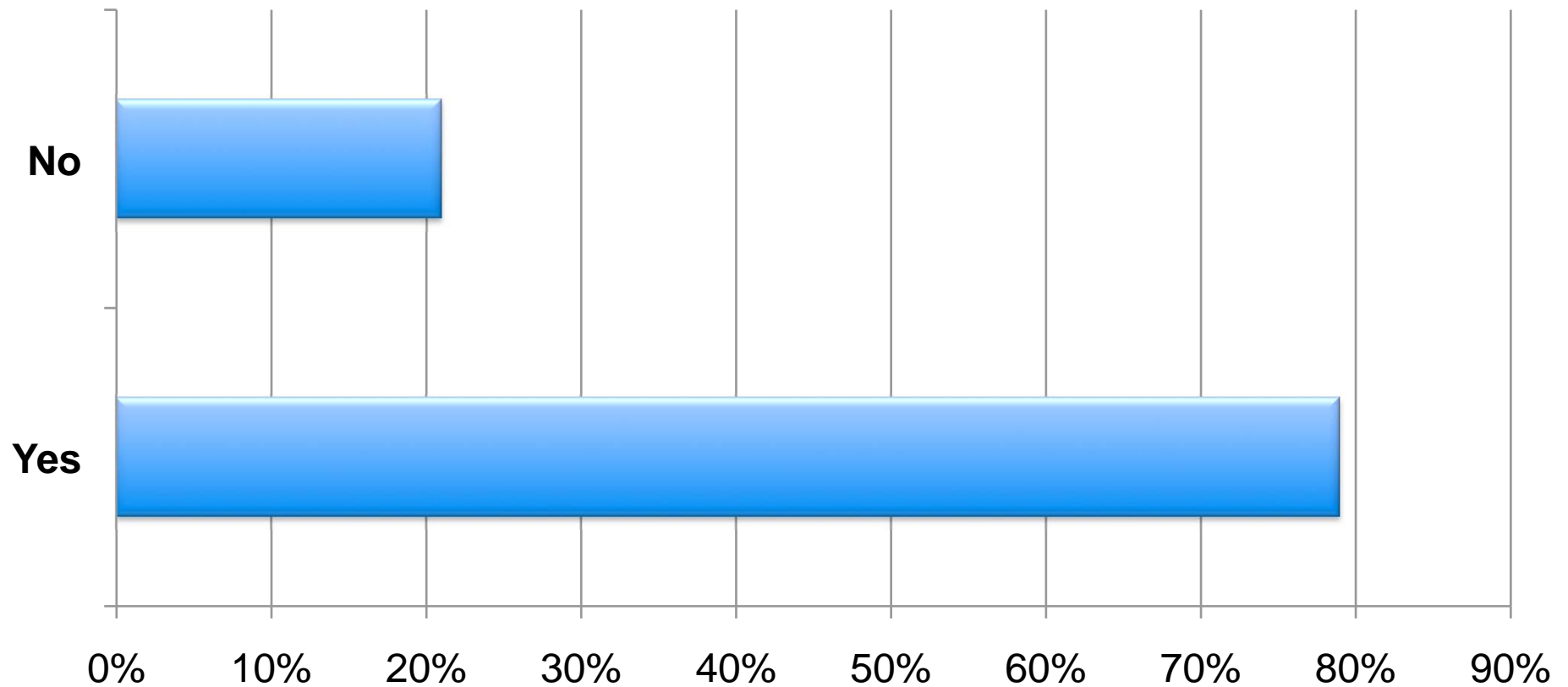
Who will command the majority of commercial OS software revenue (non-consulting) in 2012?



Which of the following will have GREATEST impact on software delivery and/or business models for OS apps and middleware vendors?



Can a startup software vendor realistically enter the (enterprise) market with a product/service that is NOT open source?



“I see more interesting work happening in the Web toolkit/CMS space than in more tested and mature technologies like kernels and the like.”

“...we'll see the regular ebb and flow of applications and projects, especially in the CMS space. For instance, I think that Drupal will be a dominant force for some time, but other CMSes might ebb a bit.”

Chris DiBona, Open Source Programs Manager, Google
Infoworld, March 25, 2007

Which sector of the software industry is MOST vulnerable to disruption by open source in the next 5 years?

- Top 3 answers:
 - Web Publishing/Content Mgmt
 - Social Software
 - Business Intelligence
- Bottom 3 answers:
 - Configuration Mgmt
 - Enterprise Portals
 - Security Tools

Which sectors of the software industry will NEVER be vulnerable to disruption?

- Top 3 answers:
 - Security Tools (consistent)
 - Business Intelligence (not so consistent?)
 - Enterprise Service Bus
- Many write-ins for “NONE!”



Putting Open Source to Work

NORTH BRIDGE
venture partners

Thank you
– panelists, participants
and audience

Michael Skok
North Bridge Venture Partners

March 2008

Putting Open Source to Work



**If you were one of the first 100
respondents to the
annual online survey, please pick up
your iTunes gift card at the back of
the room.**

**Slides are posted at
<http://acquia.com/northbridgesurvey>**

Extra slides and potential topics

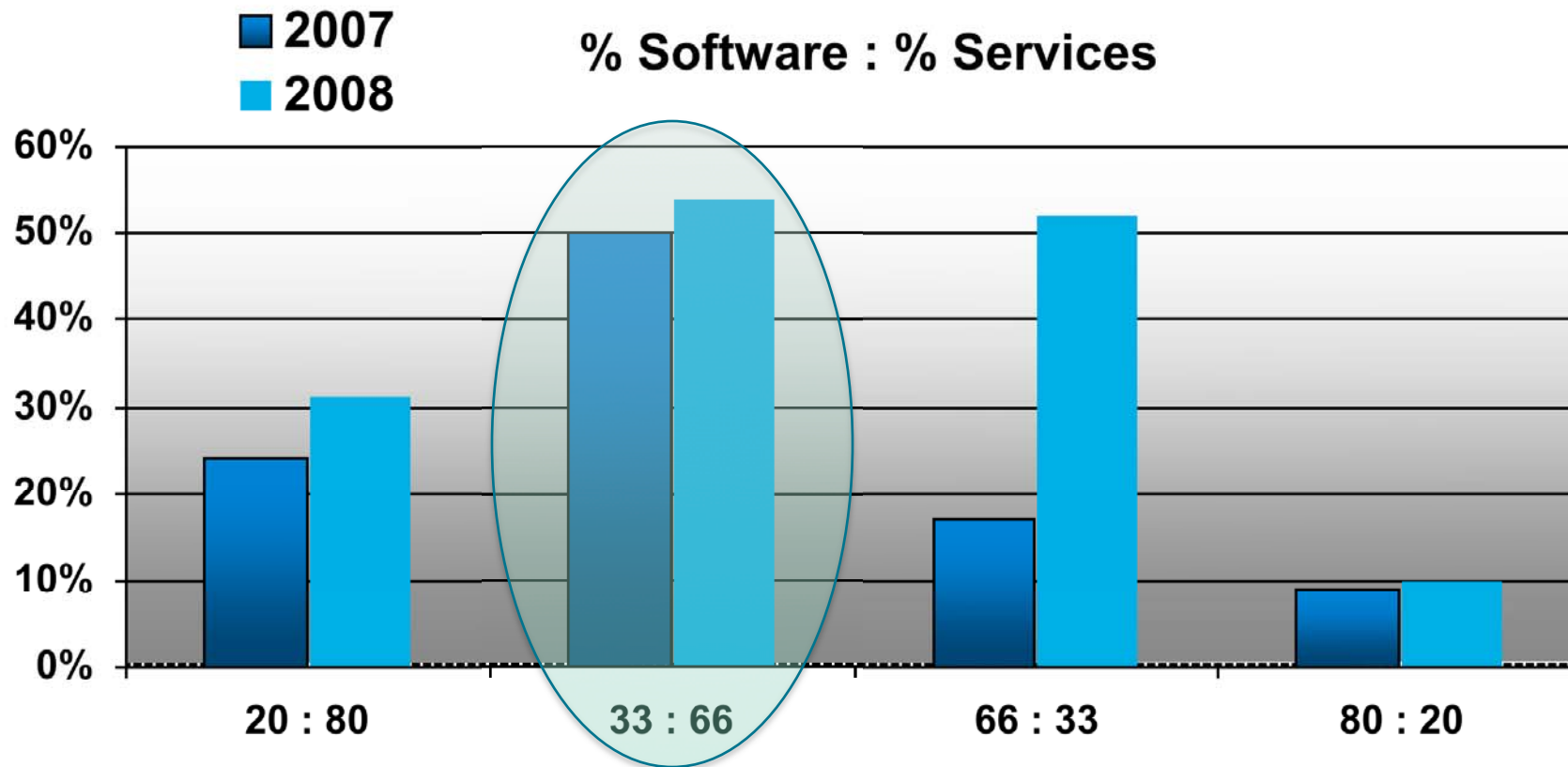
Additional debate topics

- Requested by panelists:
 - What happens when an open source startup is acquired and becomes part of a bigger organization? How does it survive? E.g. JBoss/Red Hat
 - What does it take to get an open source application ready for mission-critical distribution?

Survey respondents interests ...

- Serving millions of clients for free via OSS and how that changes software industry moving forward ?
- Commercial vs. Community open source, and their relative adoption ?
- How to keep OSS companies free from being acquired so they can grow further ? (x3)
- Future role of commercial enterprises in the OSS community ?
- Policy mgmt and long term OSS governance ?
- Impact of MS encouraging OSS dev to support windows ?
- Is there room for a bunch of OSS startups or only room for a few giant OS projects?
- Whats the business model for an OSS startup ?
- Legal trends in OSS?
- What do you see as the next big thing in OSS?
- How do SaaS and OSS fit together ?
- Why oss licensing organizations (eclipse, gpl) can't cooperate with each other?
- Will continuing law suits stifle corporate use of OSS ?
- What is blocking adoption of OSS in the enterprise and strategies to remove those barriers ?

In 5 years, what will be typical % software, % services revenue at an open source company?



In 5 years, what % of open source software licenses sold will be subscription vs. perpetual?

