



The Free Software and Open Source
Foundation for Africa

ict@innovation

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African FOSS Business Models

ICT@INNOVATION PROJECT

- Creating Business and Learning Opportunities with Free and Open Source Software (FOSS) in Africa
 - Pillar A : African FOSS Business Models
 - Pillar B : Certification in Africa
 - Pillar C : Coding FOSS in Africa
- Balancing sustainability and afford-ability

African FOSS Business Models

FOSS Ecosystem

FOSSFA believes that one of the most significant success factors to the acceleration of FOSS adoption is to establish and support a **healthy Ecosystem** at both International and Regional levels to support the supply and demand value chain

African FOSS Business Models

Concepts & Terminologies

- Free Software : Freedom to share, study, modify (term used by Free Software Foundation, FSF) – The **user** is free
- Open Source Software : Harnessing power of distributed peer review, and transparency process (term used by Open Source Initiative, OSI) – Promises better quality, higher reliability, more flexibility, lower cost, vendor neutral to **user**

African FOSS Business Models

Concepts & Terminologies ..

- Free and Open Source Software, FOSS – unifies both FSF and OSI point of view. Trying to undo ambiguity of “free”. FOSS and FLOSS are sometimes used interchangeably
- So what is not free about other software ?
 - Read EULA for any proprietary software and observe the similarities

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The Linux story

- Note: FOSS did not begin with inception of Linux Operating System but ;
- FOSS practices brought Linux into prominence
 - GNU General Public License (GNU GPL)
 - Access to Internet (collaboration)
 - Minimal resources
 - Good management

African FOSS Business Models

FOSS Development model

- Bazaar model provides software engineers an alternative to the Cathedral model
- Bazaar model has produced a number of successful application e.g Ubuntu OS, Sendmail, Apache, MySQL, Pidgin, Gnome and OpenOffice
- Business view between FOSS and Closed Source Software

African FOSS Business Models

CLOSED SOURCE	OPEN SOURCE
Buy, don't build or code	Access code, free download, and reuse
Vendor locked-in	Freedom to modify, customize code if you can , or contract someone else
Lack customized features for some customers	Everyone can customize software according to his/her own need

Some Myths about FOSS

“Its a Linux versus Windows thing”

“FOSS is not reliable and supported”

“Big companies do not use FOSS”

“FOSS is hostile to 'intellectual' property”

“There is no money to be made on FOSS”

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Examples of FOSS Software

- There is a good number of FOSS Software running on both Windows and Linux environment, even Mac e.g Open Office, PDF Creator, LAMP stack, GIMP
- Blogging (WordPress), CMS (Joomla), Shopping Cart (Magento), SMS Gateway (Kannel), Network Monitoring (Nagios), WorkFlow (cuteFlow), HRM (Orange CRM)

African FOSS Business Models

FOSS Business Globaly

- The value that comes from FOSS
 - Selection / Integration
 - Basic substitution / Migration
 - New deployment
 - Selling services
 - Selling products
- Categories of business companies - Models
 - Horizontal service firms Vs Vertical firms

African FOSS Business Models

Horizontal Services

Service Type	ABC	Evergreen	Package 3	Package n
Development				
Installation	X	X	X	X
Integration	X	X	X	X
Maint. Support	X	X	X	X
Training				
Certification				
Migration				

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Vertical Services (explained)

Service Type	ABC	Evergreen	Package 3	Package n
Development		X		
Installation		X		
Integration		X		
Maint. Support		X		
Training		X		
Certification		X		
Migration		X		

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FOSS Business Globally ..

- Software as a Service (SaaS) and the network effect
- Developing and BRIC countries

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FOSS Licensing models

- FOSS licenses can be categorized to one of the following types :-
 - Public domain
 - Permissive licenses e.g BSD
 - Copy left licenses e.g GNU GPL
- Dual licenses

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FOSS Resources (eco-Space)

- News, interviews and conferences on FOSS and business e.g <http://slashdot.org>
- Software repository e.g <http://freshmeat.net> & <http://sourceforge.net>
- FOSS related networks/institutions e.g FOSSFA, FSF, OSI, SFD, LUG

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CASE STUDIES

MODULE 2

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