
FOSS Business Workshop

By ago

Published: 5 Sep 2008 - 11:48

This section summarizes the outcomes of the workshop discussions (as recalled afterwards), and provides an opportunity for you to share your comments, edits, additions and further thoughts and ideas.

The workshop outcomes were first published on the Wikieducator, before they were moved here to the [ict@innovation](#) portal. If you are interested in the revision history, go to the [original publication on Wikieducator](#).

The section on Wikieducator on [FLOSSBusiness](#) - provides detailed thoughts on the issue by one of the working groups.

Update (May 08): We have created a [scenario for the ict@innovation pillar A](#), which will be a capacity building programme on business related aspects of FOSS. It will take a train-the-trainer approach, with regional train-the-trainer and national follow-up trainings.

- [Day 1: African FOSS Business Models](#)
- [Day 2: Roles in ict@innovation](#)
- [Day 2: Programme Objective and Activities](#)
- [Day 2: Indicators and Risks](#)
- [Day 2: Further Stakeholders to involve](#)

[< Content Creation Workshop Day 1: African FOSS Business Models >](#)

Day 1: African FOSS Business Models

By ago

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The topic of African FOSS Business Models was explored. What are good business models for FOSS in African countries? What are the experiences of participants? And which topics should therefore be among the contents of a business-related training, that would be helpful for ICT/FOSS-based SMEs to learn about?

Outcomes of Discussion:

Possible topics for business-related FOSS trainings:

* See [FLOSS Business Curriculum](#)

Financial Support

- Access to adequate financing for IT-SMEs (see module of InWEnt-PROCESS on this)
- Learn how to complete a business prospectus and cashflow for financing
- Learn how to leverage IT skills with capital market

Market Intelligence(Research)

- Learn how to conduct relevant local market intelligence (research) for IT and FOSS in particular (market research first step to viable business model,
- Determine size of market

-Assess the exact needs of customers by sector

Sales and Marketing

-How to create a distinct FOSS brand for Africa

-Learn fundamental marketing skills

-Create strategy to employ political pressure of IT-SMEs to have a positive FOSS procurement policies

NOTE: Article on procurement issues see [http://wikieducator.org/FLOSS_Business_Curriculum]

Operations

-Learn basic financial accounting and management (not to be dependent on external help for financial management)

-Human resource management, particularly how to upgrade your workforce in customer relations, soft business skills ie. communication skills,

-Develop strategies for internal training

-Effective succession planning

-Craft a viable business plan and brief business prospectus necessary for funding)

Resources: Balthas: see here the training material available by DEG bank and by infodev

Resources:

*
[http://www.canadabusiness.ca/servlet/ContentServer?pagename=CBSC_ON/CBSC_WebPage/CBSC_

Cooperative vs Competition

*Co-opetition: Working together will enable local FOSS companies be able to get bigger tenders = win against multinationals, make client feel that there is critical mass of support available.

* Also big discussion around missing co-opetition: Sometimes companies turn down clients, if they themselves do not offer the services, instead of transferring the customer to „friendly“ fellow-company.

-Discussion on the issue why should FOSS businesses share experiences with your fellow FOSS-businesses who share the same challenges and problems), why the „co-opetition“ models is important for FOSS businesses (work with your competitor on mutually interesting issues, e.g. to build the market for FOSS by lobbying together, for that you need trust among the competitors, or: outsource all marketing together to be more effective e.g. several companies hire one lobbyist / FOSS-marketing person

Note: See best practice of a Cooperative business organization:

Open Source Consortium in the UK

The OSC is a trade organisation representing IT companies providing products and services around Free and Open Source Software. We aim to help our members by helping them find business directly and by working to increase the overall size of the market for Open Source Software. This guide covers one aspect of the OSC's work : how OSC members can gain work through the OSC

[<http://www.opensourceconsortium.org/content/view/63/71/>]

African FOSS business models:

* It seems that for African FOSS-businesses, it will be particularly important to offer a „basket“ of FOSS related business models to be able to react to an erratic market for one model and to have at

least one model with immediate revenue stream to build up the others. In this case, you have to have a „margin optimized business design“, meaning that you always check, which part of your business is most profitable, and where you do not really make money to focus on margin- optimized parts.

* promising FOSS business models in African countries are:

Training (high margin possible)

Support (Dorcas: here upgrades are a good market)

Software Integration/Customization Services

Software Development (Wilfred: is underexploited, would be big market in Africa, is easier than customizing Western software sometimes. Dorcas: market has not yet understood this model.)

""Other points:""

* „first to market“ was stressed as an important point for FOSS businesses.

* Other need in African market, that could be targeted by FOSS solutions: „stationary“ is second biggest cost item in companies after personnell (example Thulani, who made all bank printers print paper on both sides)

* It is normal practice for VAR software channels to provide a marketing toolkit which includes of sales slicks, presentations, promotional items, swag etc. This produces a professional impression in the marketplace

[< FOSS Business WorkshopupDay 2: Roles in ict@innovation >](#)

Day 2: Roles in ict@innovation

By ago

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- * Steering InWEnt: Balthas Seibold, Petra Hagemann
- * Steering FOSSFA: James Wire Lunghabo
- * International Coordination: Andrea Goetzke, Geraldine de Bastion (newthinking communications)
- * African Coordinator: George Nyambuya
- * Advisory Board: Nnenna Nwakanma (FOSSFA), Thandikile Mbvundula (OSISA), Balthas Seibold (InWEnt), Petra Hagemann (InWEnt), John Maddog Hall (Linux Int.), Kim Tucker (Meraka Institute), Rishab Aiyer Ghosh (UNU-Merit) further African representatives TBD (from academia, business ...)
- * Programme Coordinators and trainers Pillar A, B, C: TBD (Tendering Process)
- * Strategic Partners: [that engage in initiatives that are complementary to ict@innovation]: FOSSFA, UWC, UNU Merit, it@ab, Meraka Institute, ...
- * Implementing Partners / Mediators = participants of Training of trainer: IT associations, IT training institutions, universities
- * Resource Persons: e.g. editors for training materials, trainers, ...
- * Target Groups: IT-SME, IT consultants + trainers

[< Day 1: African FOSS Business Models](#)[upDay 2: Programme Objective and Activities >](#)

Day 2: Programme Objective and Activities

By ago

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The summarized discussion points are added to each activity (> bullet points).

== Pillar 1: African Business Models and Skills for ICT-based SMEs ==

== Performance Objective ==

ICT associations, their members, ICT-training institutions, universities as well as of other change agents of the ICT field know about regional best practices and compile examples of adapted business models and marketing-related skills in the field of Free and Open Source Software (FOSS). This enables them to spread practical key knowledge and skills to small and medium enterprises (SME) of the IT-field on how to create innovative local businesses with FOSS.

== Planned Activities ==

Action 1: Development of hands-on training material on "African FOSS business models", including African case studies (collaborative process involving key stakeholders)

* there should be a network of FOSS business people and trainers who routinely share and update the resources on FOSS business models; so that it is not a one-off training manual, but the content is generated in a network of experience exchange (> I asked if the FOSS business people in the room were willing to share their experiences in such a network and they said yes)

* form "Master Mind" groups > that help each other develop sustainable business models; there should be facilitator guides for such groups

* and there should be regional links for the groups, to know what's happening in a particular countries, and to deal with particularities of the country (> see also below national FOSS councils)

* develop an FOSS-entrepreneur kit

Action 2: Development of hands-on open training material on "How to communicate FOSS to customers" and on "How to innovate through open approaches" / "building a FOSS ecosystem".

- * need for communication with clients, and also with all other stakeholders (> creating your own market) was emphasized

- * this includes skills on understanding the needs of the client, understanding how ICT and FOSS can be an enabler for the client (in other sectors, like trade, finance, products industry, healthcare etc.) and to communicate this to the client

- * also general SME business skills needed; often IT people don't understand much about business and marketing/communication - but they should; as we are talking of small businesses and also individual entrepreneurs, where you cannot have a staff member for each function - don't think as in a conventional business

Action 3: Regional trainings for FOSS associations, training institutions and SME on "African FOSS business models" and the other topics above (targeting regional and national intermediary organizations/associations in the field of FOSS (particularly training and multiplier organizations and InWEnt alumni of it@ab), ICTs and business and SME with outreach potential)

Action 4: Support to national follow-up trainings (through regional training capacity and voucher systems).

- * in the project structure, it is important to work with / and to form! national FOSS committee, including the different actors in FOSS in the country; the economic, political and ICT situation and the laws etc. are different in each country; especially for the FOSS business component, here also include business associations in the committees

- * don't work just with one multiplying partner at the national level, but rather a group of partners

- * there was a debate on if at the national level ict@innovation should partner with groups like LinuxChix, or rather with established business schools and universities - because of reasons of institutional strength and sustainability; LinuxChix does not have a strong structure that could take over activities and sustainably be in charge for them

- * customizable content > to be able to change over time and in the different countries

- * have top-class training materials, including appealing design, that are equal to the proprietary certificate training materials

- * use WikiEducator for Learning Materials

- [African FLOSS Business Models](#)

< [Day 2: Roles in ict@innovationupAfrican FLOSS Business Models](#) >

African FLOSS Business Models

By c_timana

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Learning Objectives:

To understand some of the various services and solutions offered by ICT-Based SMEs in Africa.

To know the types of FOSS clientèle in Africa
To understand how clients needs can be addressed by FOSS.

To know the types of FOSS solutions that can be offered in Africa.

To see the advantages and challenges FOSS can present to clients and startup businesses.

To understand barriers of entry into FOSS business in Africa (FOSS licenses--lower).

To know some profitable service sectors

To understand the importance of networking with FOSS strategic partners and communities.

To understand problems encountered and possible solutions in doing FOSS business in African.

To understand what the FOSS business risks are and how to mitigate against them in certain industries.
Duration in days: 17.5hrs (2:30hrs per case study, depending on audience, presenters choice, etc.)

[< Day 2: Programme Objective and ActivitiesupDay 2: Indicators and Risks >](#)

Day 2: Indicators and Risks

By ago

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Summarized discussion points are added (> bullet points).

== Indicators ==

1. Number and relevance of captured business models, which are promising within African context

* You first need to establish your baselines against which to measure your success.

2. Numbers of modules of open, relevant and hands-on training material

3. Number of intermediaries with improved knowledge base and problem solving abilities

4. Number of national follow-up trainings on the topics of the training

Additional:

- Percentage of women acting as trainers and within FOSS-SMEs

- Number of IT-SME getting key knowledge through follow-up trainings and adapting the skills to their situation

- First steps towards change of attitude towards innovation, open approaches and a give-and-take culture (esp. through module "How to innovate through open approaches") --> more measurably proxy indicators to be developed

* You should formulate your indicators like any venture-capitalist: measure return on investment; that would mean - how much more do the training institutions earn with including the FOSS

trainings, because this is indeed a measure of success, this will mean that courses are being asked for as well as conducted, and that the training institutions earn money with them there was some debate on this, if revenue of the training institution is really the indicator to measure (e.g. for universities)

* add: Percentage of SME clients that have "bought" FOSS services / solutions

== Risks (for entire ict-innovation) ==

1. Ability of local IT-SMEs to adapt to rapid cycles of innovation, changes of business models

-> Influencing factor to reduce the risks: The main focus of the planned activities lies on activities that reduce this risk, like developing of skills concerning business models, communication and change of attitude and alternative approaches

* This is a risk for all businesses.

2. Lack of structure and budget of national FOSS-/IT-intermediaries impeding outreach to large numbers of local IT-SMEs

-> Influencing factor to reduce the risks: Building on existing structures, strict criteria for selection procedures for regional intermediaries, who have interest and necessary structural requirements, support of regional intermediaries, continuous monitoring of project management,

3. Lack of interest of IT-SME in FOSS-certification and lack of resources for training activities

-> Influencing factor to reduce the risks: co-financing of follow-up trainings until a critical number of certified IT-SME makes an impact and can serve as a model role

* Participants said that there would be interest among IT-SME.

4. Lack of awareness of possibilities to address ICT needs with adapted FOSS solutions on client side, i.e. client demand not recognized and expressed

-> Influencing factor to reduce the risks: Integration of a communication/marketing module in trainings; integration of a module of praxis-related activities within locally relevant FOSS-solutions (proof of concept)

* confirmation: there needs to be a component on how to build your own market

Additional:

- Insufficient growth of local economy for IT-products & services for SMEs and public administration
 - Ability of local IT-SMEs to adapt to investments in FOSS-development
 - Ability of local IT-developers and experts to change working culture and business models towards open approaches
 - IT infrastructure, hardware, grade of diffusion of alternative forms of software (proprietary vendors).
 - Insufficient skills level of local trainers and IT-SMEs for international FOSS certification schemes.
- * This was confirmed as a valid risk.
- Difference of structure of national African markets for IT-services, which requires different business models
 - Lacking demand by IT-SMEs in FOSS-certification.
 - Political conditions for innovation and development of modern IT-service industry, pressure from vendors of proprietary software
 - Uneven skill level of local software-developers to manage FOSS solutions

[< African FLOSS Business ModelsupDay 2: Further Stakeholders to involve >](#)

Day 2: Further Stakeholders to involve

By ago

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== Strategic partners ==

FOSSFA, UWC, UNU Merit, it@ab, Meraka Institute, ...

== Training Partners (Participants) ==

- * include business schools!
- * several participants expressed interest in being a training partner

== Other Stakeholders to involve ==

e.g. also in the next planning workshop

- * important to involve governments (agreed on by many in the group), even though "the" government may be bought by MS, there are always people, like in the opposition, individual ministers - that are pro-FOSS
- * it's a matter of selling it to them as "their" idea, to achieve that some person in the government is really behind FOSS
- * so important to involve government side from the beginning, as otherwise they can put barriers in the way, and the other way they can be of help
- * and don't start at too low levels when it comes to government > rather legislative people, ministers etc.
- * involve also government as potential FOSS-client, e.g. from government ICT Board

- * IT Sector

* IT Businesses

* IT Association or General Business Association ie. Rotary or Lions Club

* SYNAQ and LinuxHoldings, IntoWeb, Metrics,

* National FOSS Forums be established to bring different stakeholders together and to better respond to specific local conditions

* Although some of the entires might be out of date, try [<http://www.go-opensource.org/gossip/GOSSIP>] - [<http://www.go-opensource.org/gossip/organisations/> organisations].

* business associations that represent IT clients, e.g. from agriculture or retail sectors

* NGOs

** LinuxChix

** WomensNet

** Ungana Afrika

* Donors (e.g. in Addis there are 600 donor organizations present) - influential + potential clients

* [<http://www.canonical.com/> Canonical]

* [<http://www.shuttleworthfoundation.org/> The Shuttleworth Foundation]

* Linux User Groups

== Specific Stakeholders in Countries ==

Kenya:

Strathmore University (they combine both business + FOSS, would be an ideal partner; they should be asked to host the next workshop, as they also have the facilities) + LPA + Skunkworks + Openworld

Note: Strathmore University has already agreed to host the next workshop.

South Africa:

Several companies that do both FOSS and training, like [<http://www.up.ac.za> U. Pretoria], [<http://www.uwc.ac.za> UWC], [<http://www.bcx.co.za/> Business Connexion], [<http://www.tut.ac.za/> Tshwane University of Technology], [<http://www.ast.co.za/> Gijima], [<http://www.choicetech.co.za/> Choice Technologies], [<http://www.ibm.com/za/> IBM], [<http://www.impilinux.co.za/> ImpiLinux], [<http://www.novell.co.za/> Novell], [<http://www.obsidian.co.za/> Obsidian Systems], [<http://www.sourcecom.co.za/> Sourcecom], [<http://www.sita.co.za/> SITA], [<http://www.tangent.co.za/> Tangent].

Tanzania:

TAFOSSA, several universities

Uganda:

Uganda Martyrs U., Uganda Christian U., Makerere, Mkuru (?) U.

Malawi:

University of Malawi - The Polytechnic, National College of Information Technology, BUMAS International, Malawi Institute of Management, Mzuzu University

[< Day 2: Indicators and RisksupComponent A Scenario >](#)