

DrupalCon Dublin - September 28th, 2016 by Taco

The 3 phases of successful open software companies





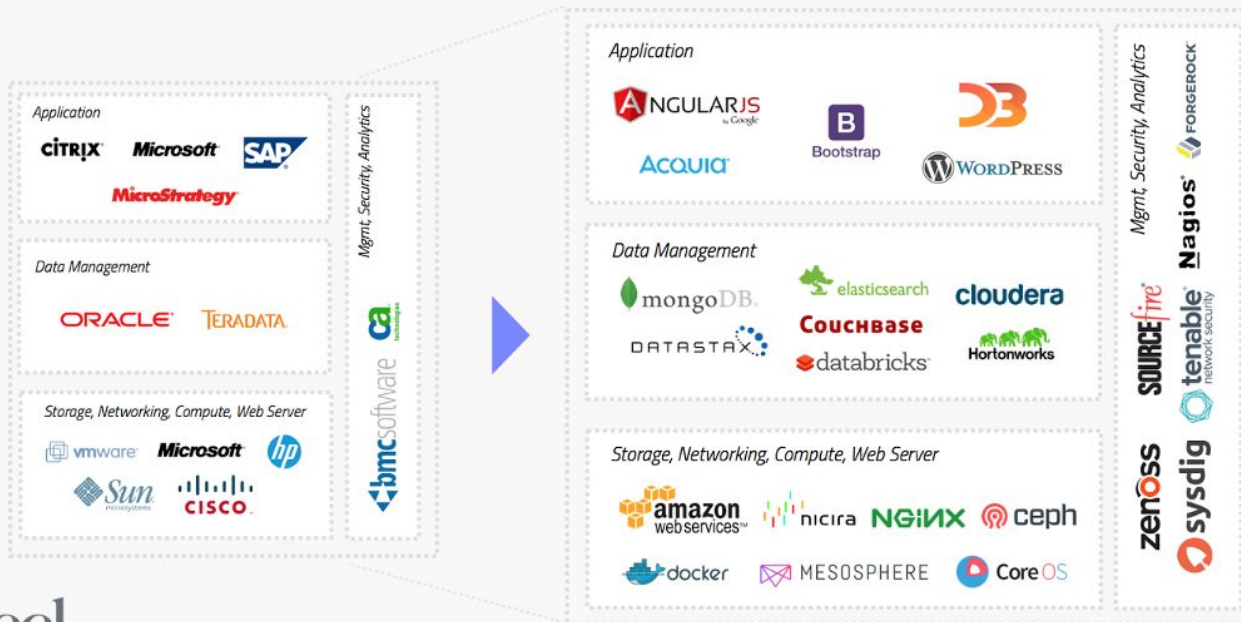
More than 78% of enterprises run on open source

Fewer than 3% indicate they don't rely on open software in any way

Market survey by Black Duck Software

Redrawing of the enterprise IT stack

through open adoption software



Accel

While open source describes a software development methodology,

we want to talk about a new **go-to-market** and **company-building** philosophy.

based on the 3P model of Accel.



Taco Potze (32)

- Over 8 years on Drupal.org
- Co-Founder GoalGorilla
- 4 years Dutch Drupal Association
- Co-Founder Open Social project and Product Owner
- Based in Amsterdam, The Netherlands



StartupDelta

THE GATEWAY TO EUROPE

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SILICON VALLEY

LONDON

BEIJING

BERLIN

AMSTERDAM 1239

TWENTE 87



Recap: Why do we want to sell products?

- More **focus** for the team
- Build **better** software
- Creation of **recurring income**
 - ◆ **Stability**
 - ◆ **Earn more**
- Make open-source **sustainable**

FREE is not a business model for products

“I want to build a billion dollar company.”

Dries

1st generation of OS companies failed. Why?

Greater control in the hands of the customer
→ *decreased* market opportunity.

1st generation of OS companies failed. Why?

Charge only for support and services
→ no motivation to *innovate* and improve.



3 Customer-driven changes that drive open software:

1. The Need for Speed and Control

- Companies need more agility

2. Everything is Web Scale

- Deliver solutions to a global, ever-connected base of users

3. Developer Power and Network Effect

- CIOs are empowering frontline developers

The Cloud levels the Playing Field

Software is becoming a service.
And IT infrastructure a utility

Software revenue generated from public cloud (SaaS/PaaS) subscriptions grows

2014 12.6% of software market

2019 22.2%

On-premise CAGR of 2.9%

Cloud CAGR of 18%

Due to customer demands and technological trends, open software is quickly becoming a **dominant model** for how enterprises build and deliver IT.

Did open source win?







Yes.

But, who did too?

Commercial software vendors.

The new version of Microsoft ASP.NET is completely open source. It even runs natively on Linux.

Microsoft open source: PowerShell, CNTK, the JavaScript engine for Edge, Xamarin and the AI framework of Cortana ao.

Organizations with the most open source contributors		
	Microsoft	16,419
	facebook	15,682
	docker	14,059
	angular	12,841
	google	12,140
	atom	9,698
	FortAwesome	9,617
	elastic	7,220
	Apache	6,999
	npm	6,815

**Both commercial and open-source
software companies move to
service-oriented business models**

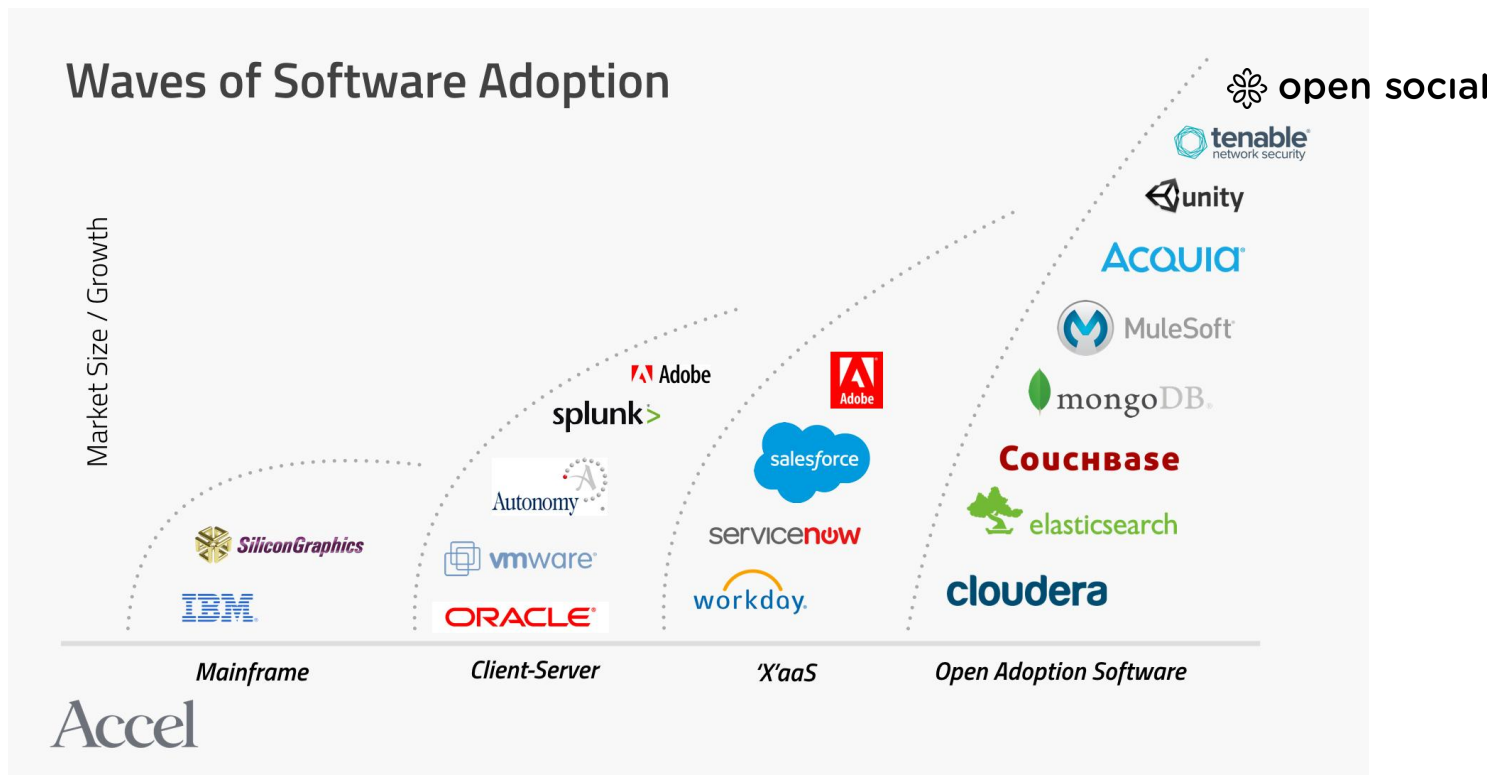
**Open software development is not
about cheaper alternatives.**

It is about creating new markets

It is innovative, it is developer-driven

It is the next wave of software adoption

The opportunity for open software is bigger than anything before



So, how do we build successful
open software **companies?**

The 3 Phases of successful Open Companies

The 3 Phases for Open Social with Drupal

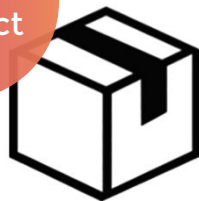
Phase I: project



Community

How do we build a high-energy, organic community around this open project, while ourselves becoming the leading voice/brand?

Phase II: product



Definition & packaging

How do we leverage inbound support/services engagements to help define product requirements and core customer needs?

Phase III: profit



Scale & Go-to-Market

How are we filtering through the sea of leads to hone in on our highest-intent users, while scaling our sales and marketing processes?

Greenpeace Greenwire



goalgrilla

Dutch Interactive Awards 2015



goalgorilla

We made a Pitch Deck and talked to investors

**“We will invest, but only if you make
your platform closed-source.”**

symbid

INVESTMENT OPPORTUNITIES

HOW IT WORKS

ABOUT US

SUCCESS STORIES

EN

EUR

Security



Award-Winning Social Software, Overfunding!

Drupal Social is the next generation of GoalGorilla's community software. A €1.25 million turnover business, this investment offers a 300% return in 3 years.

€210,500
INVESTED



€210,500
REQUIRED
10.53%
EQUITY

INVEST?

FOLLOW

INNER CIRCLE



GoalGorilla N.V.

COMPANY

Summary

Team

Product

Market

Sales

Finance

TO TOP



Share



Tweet



Share

154
INVESTORS

51
FOLLOWERS

Summary

The concept

De Nederlandse vertaling is beschikbaar op deze link.

After successfully raising €150,000 in 7 days we are now overfunding to reach the €200,000 for 10% of our equity. Report details about this in the 1.5 update.

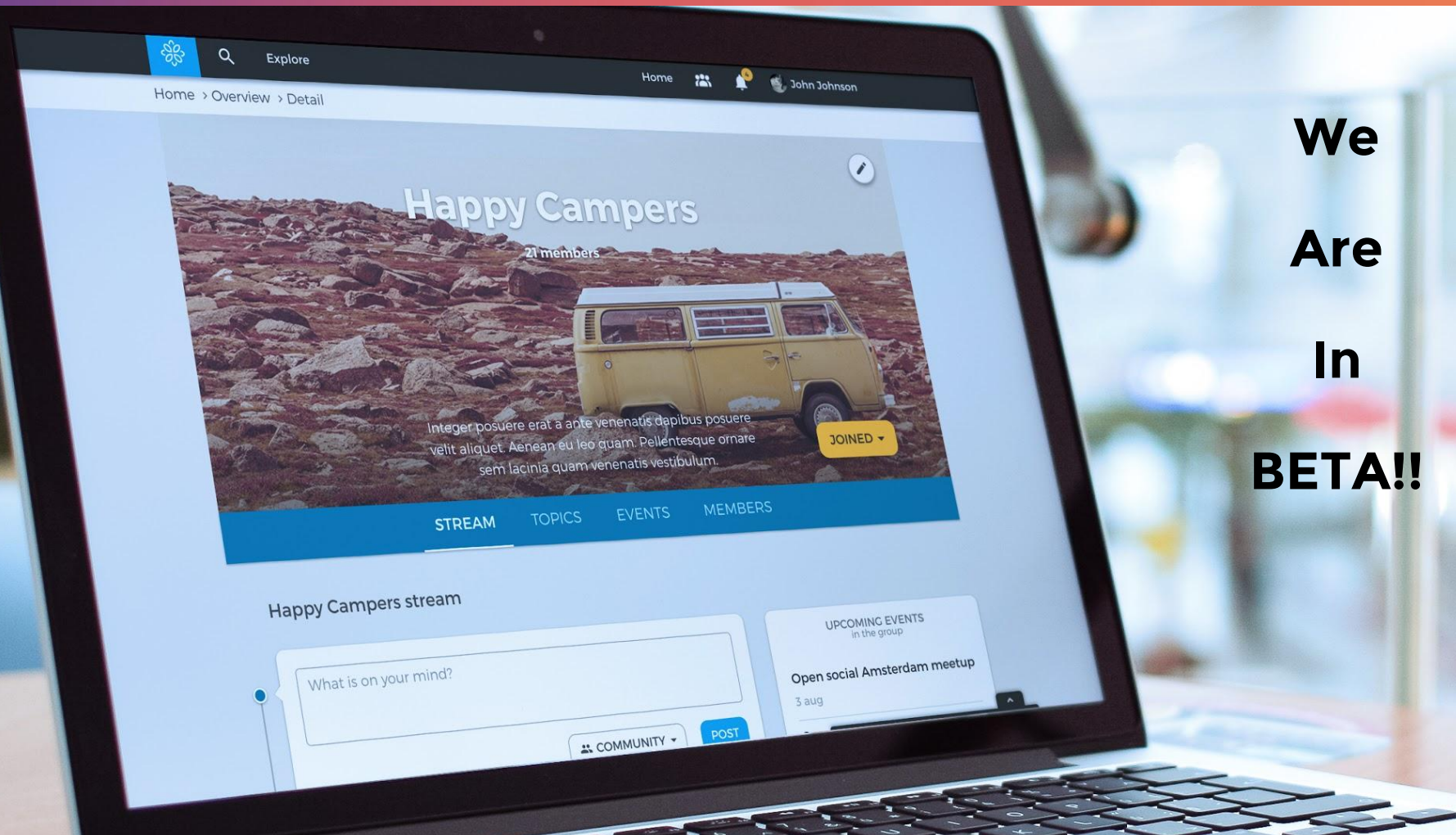
Setting up Open Social within GoalGorilla

- 10% shares for our employees
- Dedicated Open Social dev team
- Moved office to TQ incubator
- Setup marketing team
- **Think like a SaaS startup**





**We
Are
In
BETA!!**



The 3 Phases of successful Open Companies



Phase I: project



Community

How do we build a high-energy, organic community around this open project, while ourselves becoming the leading voice/brand?

Open Social - Project Phase

- Open Social Manifesto
- Roadmap, Sprint and Release notes
- GitHub wiki (Install, Contrib, Support etc)
- Docker & Composer installation support
- 7 Alpha releases (June), 2 Beta releases (Sept)
on [Drupal.org/project/social](https://www.drupal.org/project/social)

See:
<https://www.drupal.org/project/social>

Open Social - Project Support

- Case study
- Issue queue support
- IRC Support hours
- Social media (Twitter/FB) and Newsletter
- Reply to emails
- Try Open Social on Platform.sh

Open Social - Project Support

- Manuals, video tutorials etc.
 - FAQs
 - Developer onboarding
 - Nightly Demo
 - More features!
 - etc. etc.
-
- Oh and more features..!

The project phase is very time, energy and budget consuming.

But we believe the community will bring us a lot of **value**, and they already are..!

Open Social - Project Phase

- **More eyes on the code!**
- Bug reports
- Patches
- Feature requests (real world priority)
- Translations
- Clients

The 3 Phases of successful Open Companies

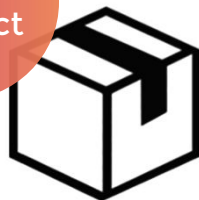
Phase I: project



Community

How do we build a high-energy, organic community around this open project, while ourselves becoming the leading voice/brand?

Phase II: product



Definition & packaging

How do we leverage inbound support/services engagements to help define product requirements and core customer needs?

Open Social - Product Phase

1. Distro
2. SaaS (Software-as-a-Service)
3. Enterprise

Open Social - Product Phase

1. Distro

Services - Composer + Try on Platform.sh

Support - Drupal.org & IRC

Requirements - Issue queue discussions

Marketing - Ads on Drupal.org, Social Media and Adwords

Open Social - Product Phase

2. SaaS

Services - Hosting (Platform.sh), Support and Updates

Support - E-mail

Requirements - tbd (receptive.io?)

Marketing - Social Media, Adwords, Events, Direct sales etc. etc.

SaaS only features - Analytics? Tbd

Open Social - Product Phase

3. Enterprise

Services - Hosting, Support, Updates, Consultancy, Training, Design and Development

Support - E-mail and Phone

Requirements - Client specific

Marketing - Social Media, Adwords, Events, Direct sales etc. etc.

Distribution

FREE

For developers and agencies.
Install, host and run it yourself

[Get the code](#)

[Try on platform.sh](#)

No support

No Hosting

No updates

Open

Free to adopt and modify

Most popular

**After BETA starts
at €490 / month**

For most organizations.
Fully maintained open
Software-as-a-Service

[Sign-up for BETA](#)

Support

Help-desk and service level
agreement.

Hosting

In an European or USA cloud of
choice.

Updates

Fully maintained security and
feature updates.

Open

Modular design allows flexibility
and Integrations. You can move
your community to Enterprise
if needed!

FREE IN BETA

Enterprise

Start at € 20.000,-

For large projects, with
custom requirements and
Integrations

[Contact us](#)

[GetOpenSocial.com](#)

3 Phases timeline

Phase I: project

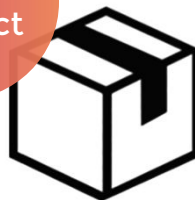


Community

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2016

Phase II: product

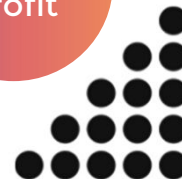


Definition & packaging

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2017

Phase III: profit



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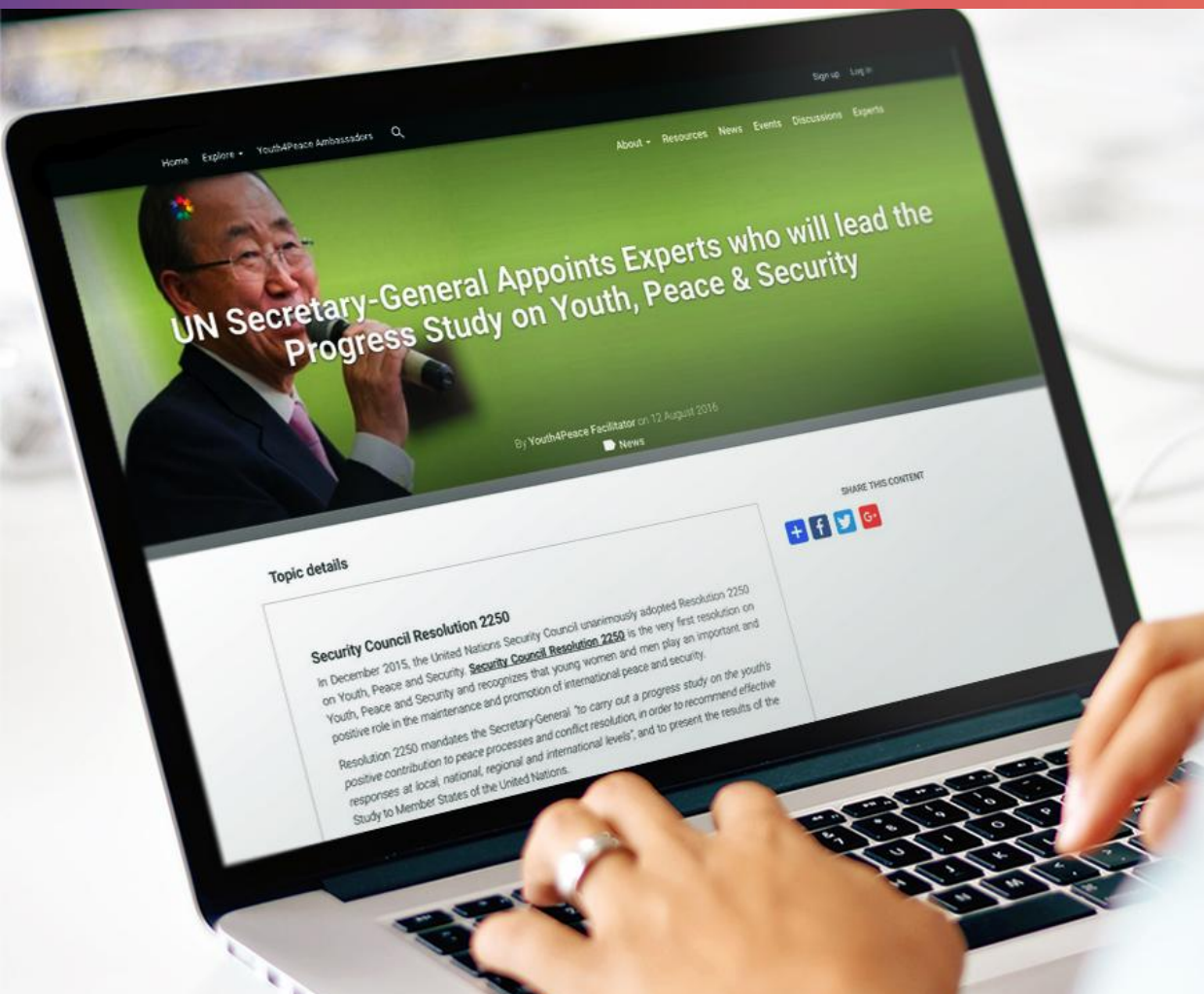
>2018

Accel's 3P model

Open Social - Profit Phase

- Roadmap to monetize the product
- Growing sustainable revenue streams
- Scale!

How do we go from a community of early adopters and software engineers to reaching a large net of paying customers?



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UN Secretary-General Appoints Experts who will lead the Progress Study on Youth, Peace & Security

By Youth4Peace Facilitator on 12 August 2016
News

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Topic details

Security Council Resolution 2250

In December 2015, the United Nations Security Council unanimously adopted Resolution 2250 on Youth, Peace and Security. **Security Council Resolution 2250** is the very first resolution on Youth, Peace and Security and recognizes that young women and men play an important and positive role in the maintenance and promotion of international peace and security.

Resolution 2250 mandates the Secretary-General "to carry out a progress study on the youth's positive contribution to peace processes and conflict resolution, in order to recommend effective responses at local, national, regional and international levels", and to present the results of the Study to Member States of the United Nations.

End of history?

No.

Decide which parts of our product will be **open** and which parts **won't**.

There is a risk in going **too open** and fail to monetize sufficiently.

We've been steadily executing on this vision; it is why we invest in **Open Source** (e.g. Drupal), **cloud infrastructure** (e.g. Acquia Cloud and Site Factory), and **data-centric business tools** (e.g. Acquia Lift).

- Dries

Building a **new kind** of company like we are doing is the **harder, less-traveled** path.

But we believe it is the **best path** for our **customers, our communities, and ultimately, our world.**

– Dries

The Next Big Wave in Software is Open Software

1. **Innovate** collaboratively at a massive scale.
2. **Open** to easily **extend** and integrate with other applications.
3. Open has grown from the “new” model to the **only model**.

Questions?



DUBLIN
DRUPALCON

JOIN US FOR CONTRIBUTION SPRINTS

First Time Sprinter Workshop - 9:00-12:00 - Room Wicklow 2A

Mentored Core Sprint - 9:00-18:00 - Wicklow Hall 2B

General Sprints - 9:00 - 18:00 - Wicklow Hall 2A



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WHAT DID YOU THINK?

Evaluate This Session

events.drupal.org/dublin2016/schedule

THANK YOU!

