

# Making the business case for *contributing* to open source

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**OPEN SOURCE**  
STRATEGY FORUM  
2018



*“In short, software is eating the world.”*

*—Marc Andreessen, WSJ, August 20, 2011.*





*"In short, ~~software~~ is eating the world."*

*open source*

*—Marc Andreessen, WSJ, August 20, 2011.*

96%

OF APPS CONTAIN  
OPEN SOURCE COMPONENTS

57%

OF CODEBASE IS  
OPEN SOURCE

Source: Black Duck 2018 OSSRA



A wide-angle photograph of Earth from space, showing the curvature of the planet and a dense network of city lights at night. The lights are concentrated in the lower half of the frame, with a thin blue line of the atmosphere visible above them. The background is a deep black space filled with stars.

**And yet...**



# Why should companies ***contribute*** to open source?

Common good

The Right Thing To Do™

Paying it forward

Etc.







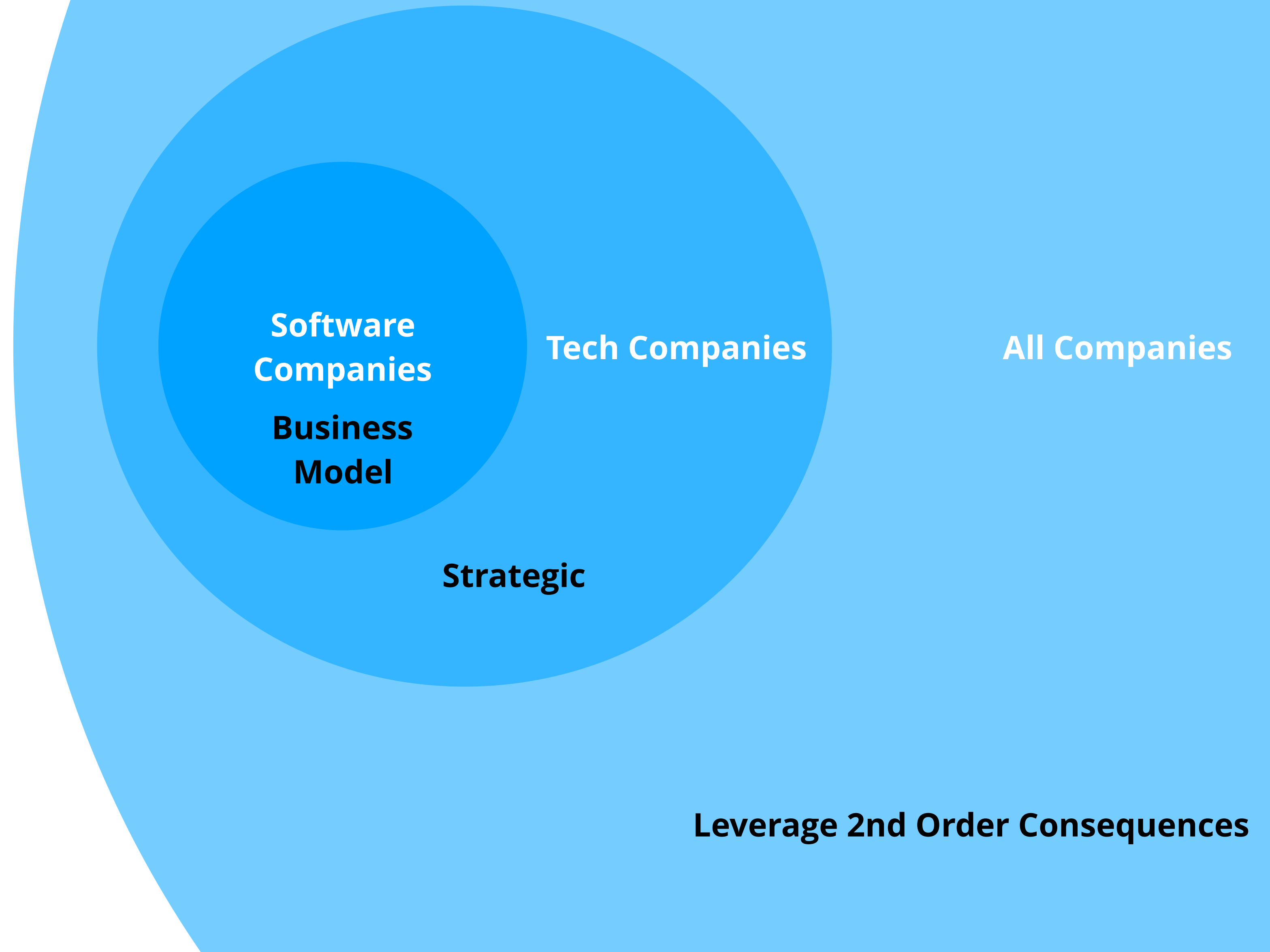
The ROI of ***using*** open source is well understood.

The ROI of ***contributing*** to open source: not so much.





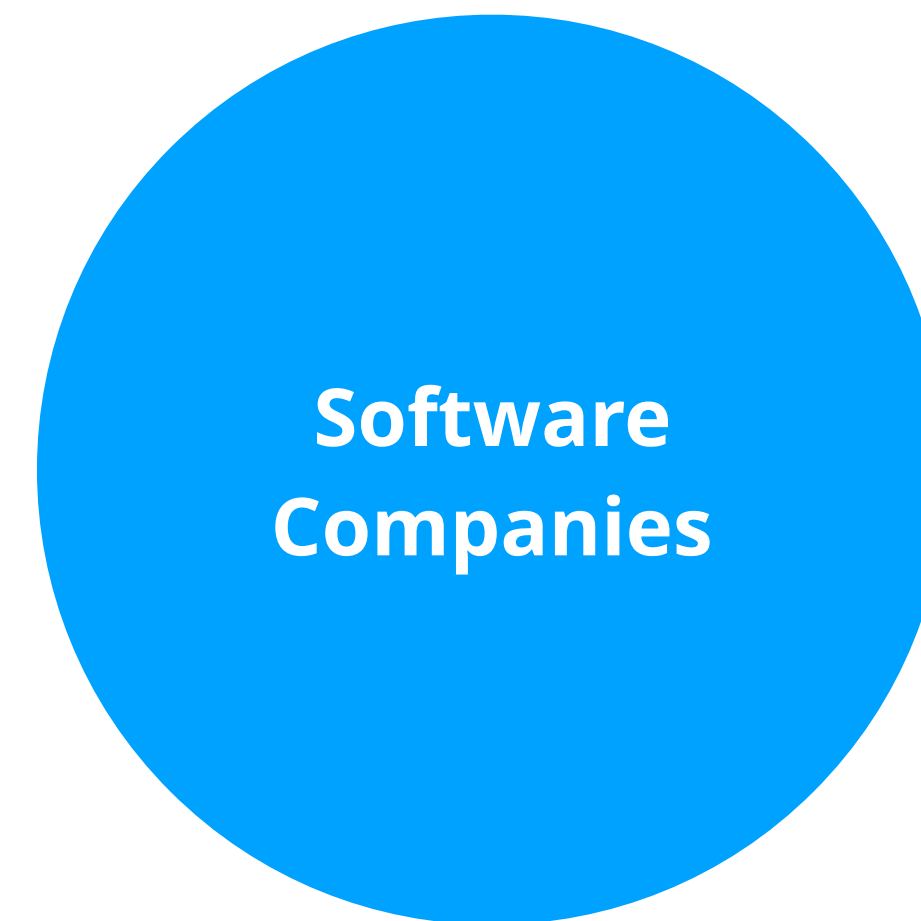
# ROI of *contributing* to open source







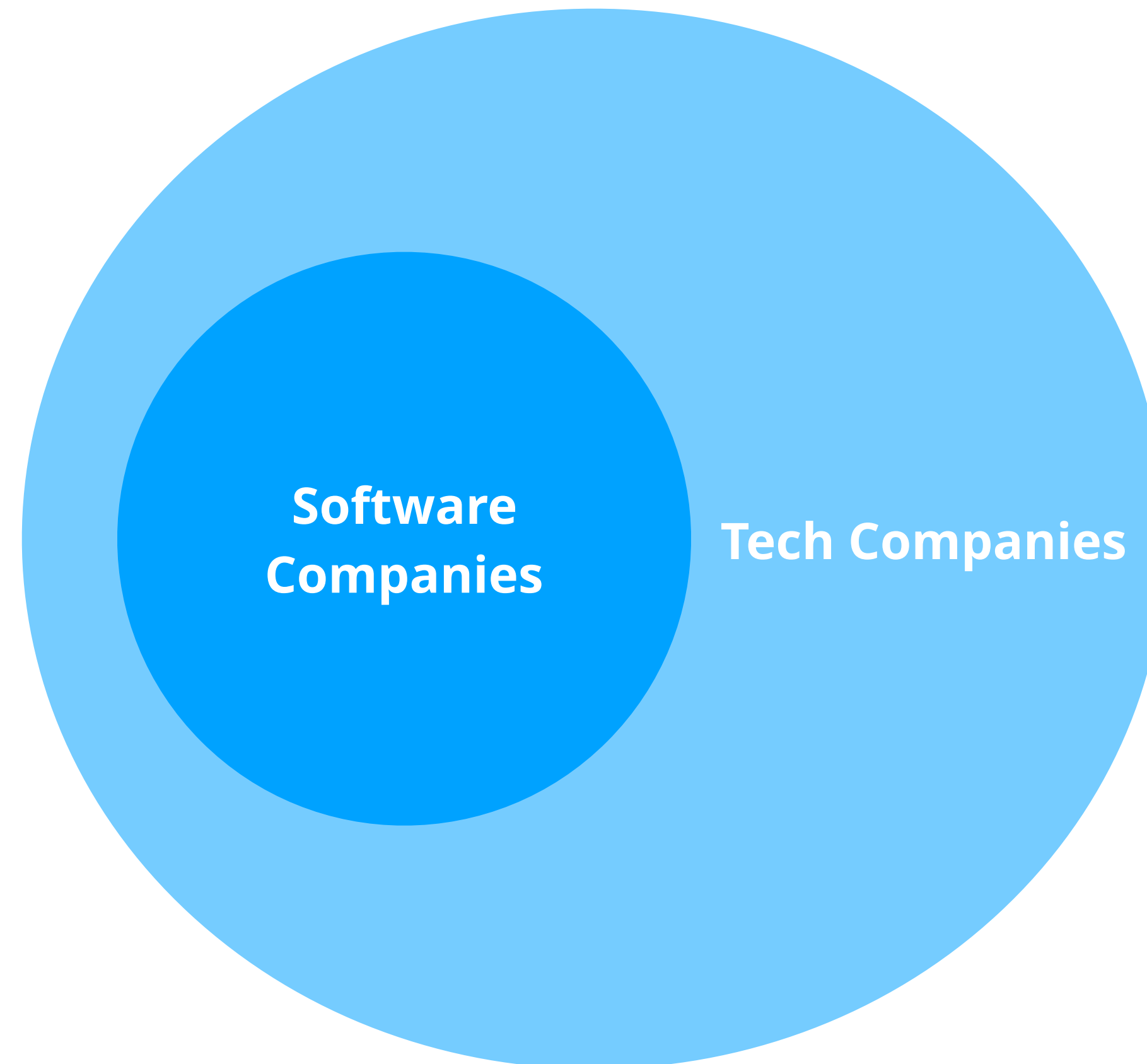
AUTOMATTIC



GitHub





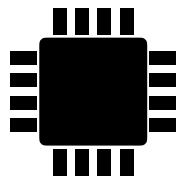





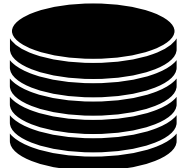









# Commoditize Your Complement

Company	Focus	Complement
		
		
		
		







Tech Companies

# On-ramp developers



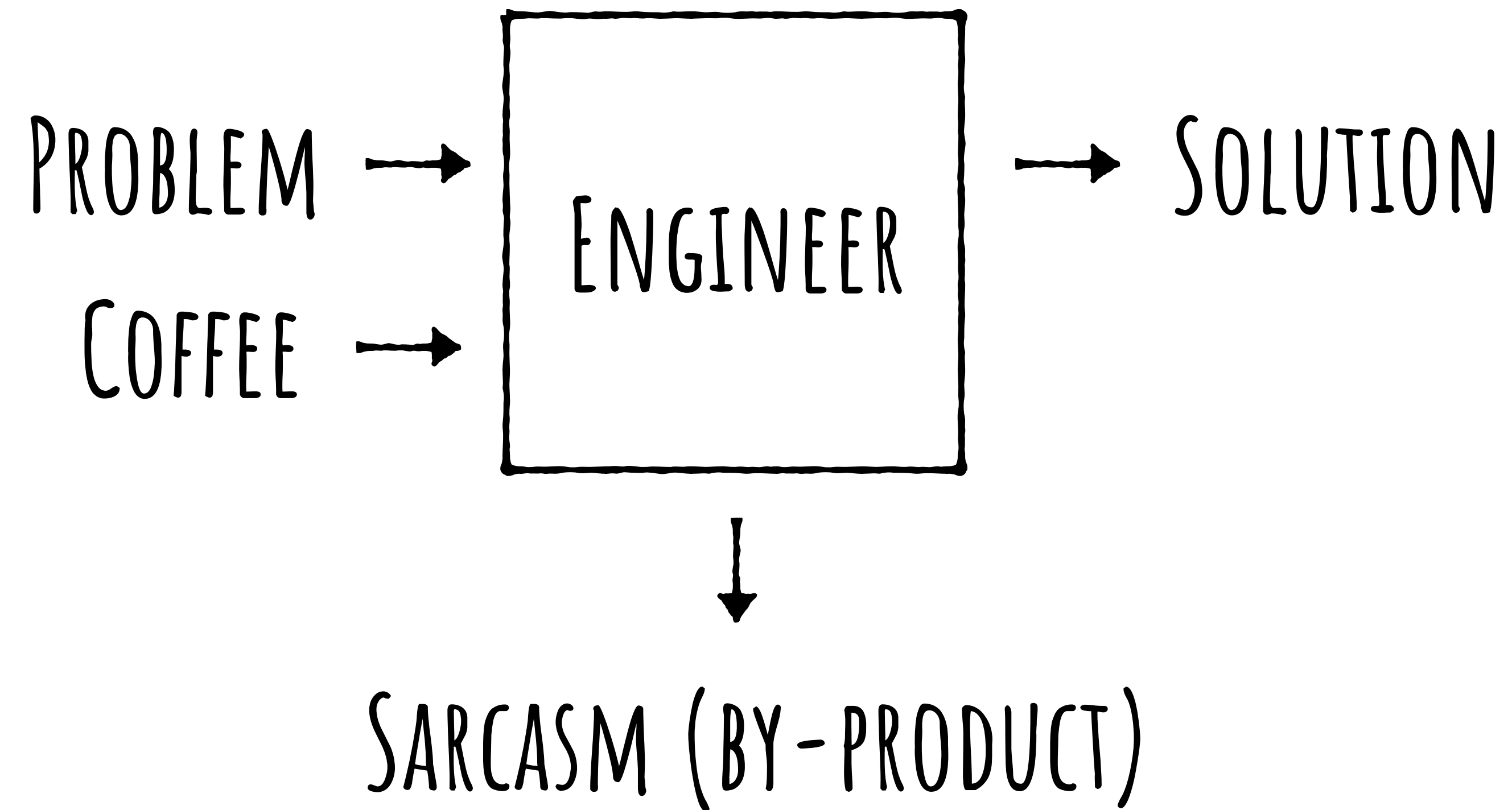
A Venn diagram illustrating the relationship between three sets of companies. It consists of three nested circles. The innermost circle is dark blue and labeled 'Software Companies'. The middle circle is a medium blue and labeled 'Tech Companies'. The outermost circle is a light blue and labeled 'All Companies'. The circles are nested such that 'Software Companies' is a subset of 'Tech Companies', and 'Tech Companies' is a subset of 'All Companies'.

**Software  
Companies**

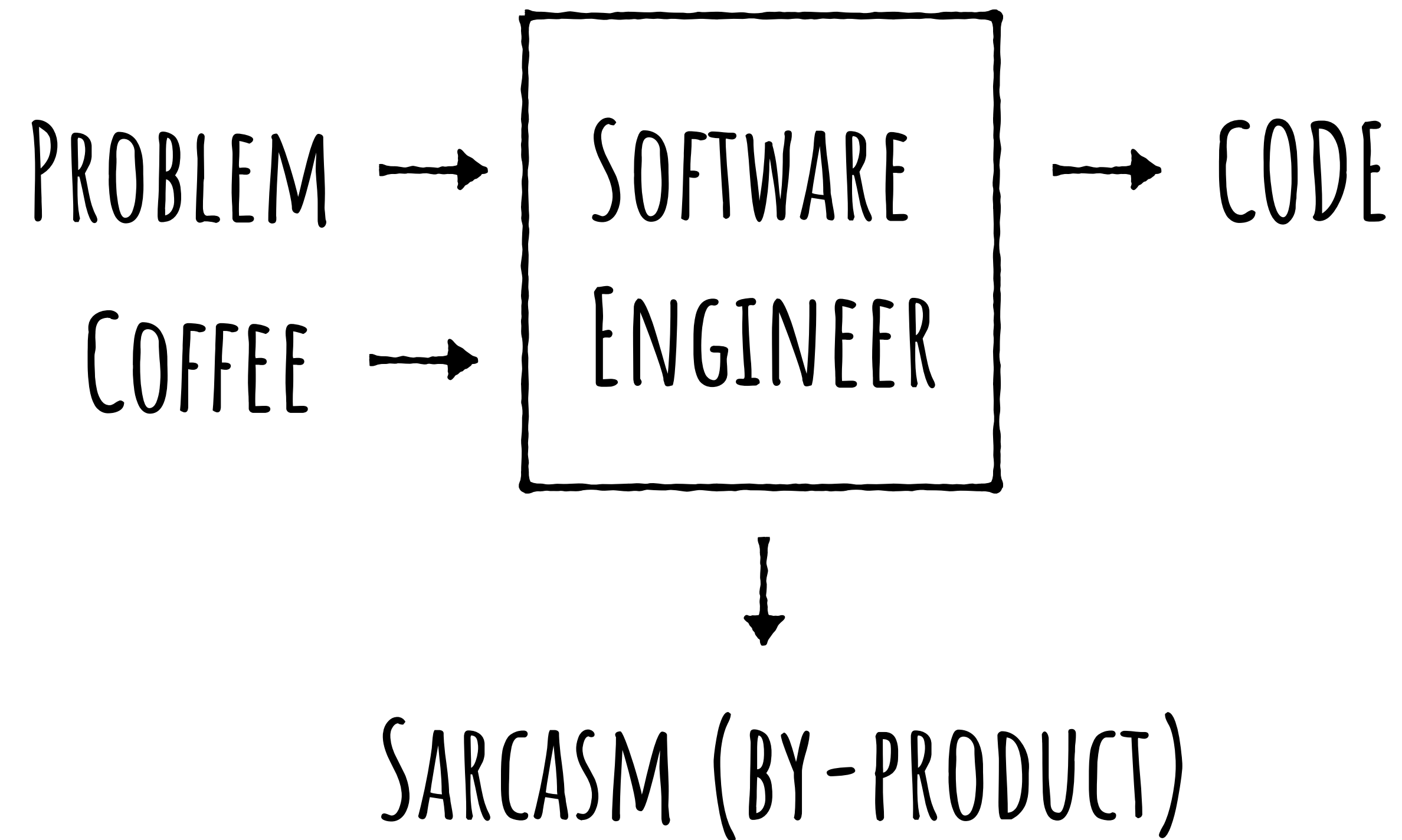
**Tech Companies**

**All Companies**

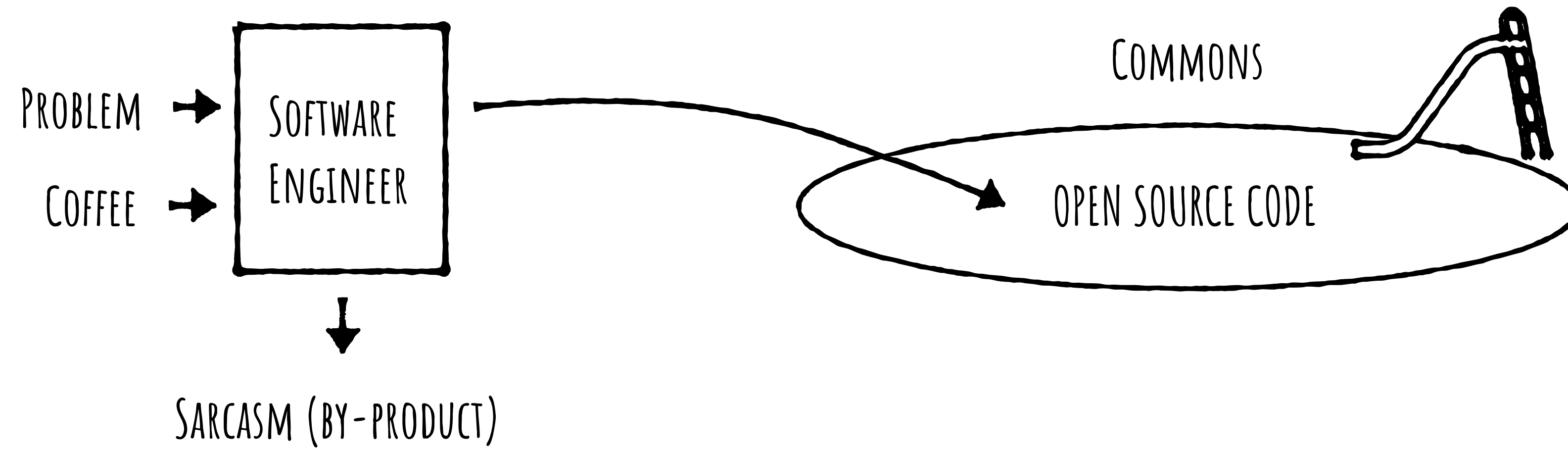




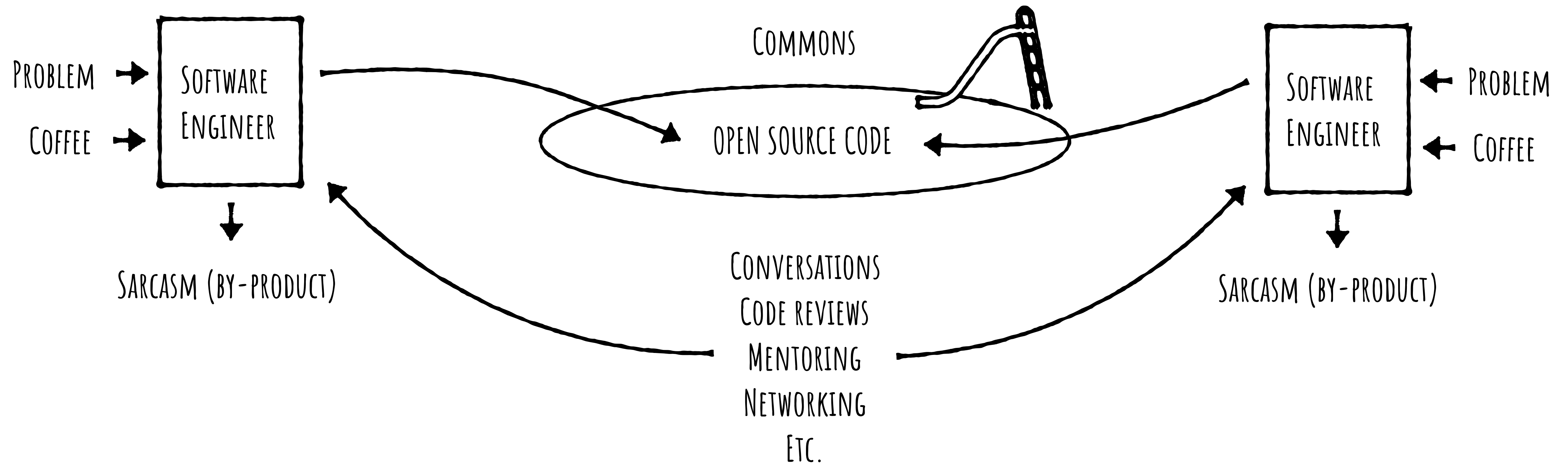




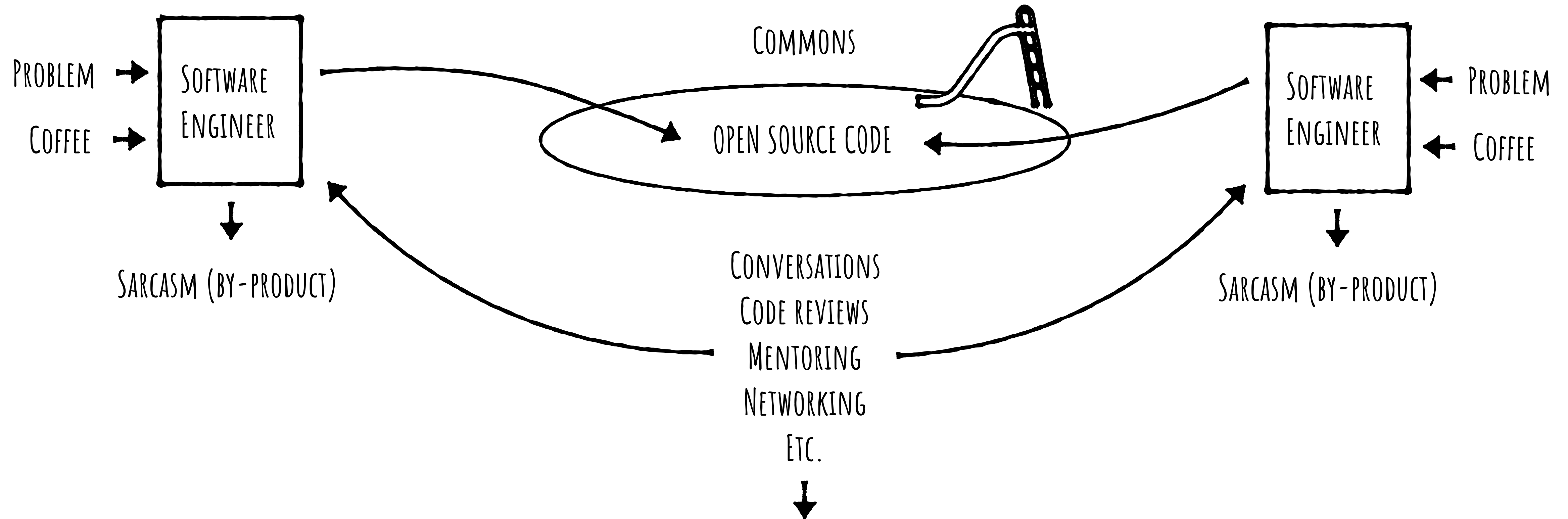












- INCREASE CODE QUALITY
- IMPROVE DOCUMENTATION
- LOWER TECHNICAL DEBT
- INFLUENCE PROJECT DIRECTION

- LEVEL-UP ENGINEERS
- IMPROVE SOFT-SKILLS
- ADOPT BEST-PRACTICES
- ACCESS TO EXPERT NETWORK

- PERCEIVED AS INDUSTRY LEADER
- ACCESS TO TALENT POOL
- REMOTE FRIENDLY
- REDUCED CHURN
- IMPROVED CULTURE & MORALE

- INCREASE EFFICIENCIES
- "KNOWLEDGE SPILLOVER"
- SERENDIPITY
- INNOVATION



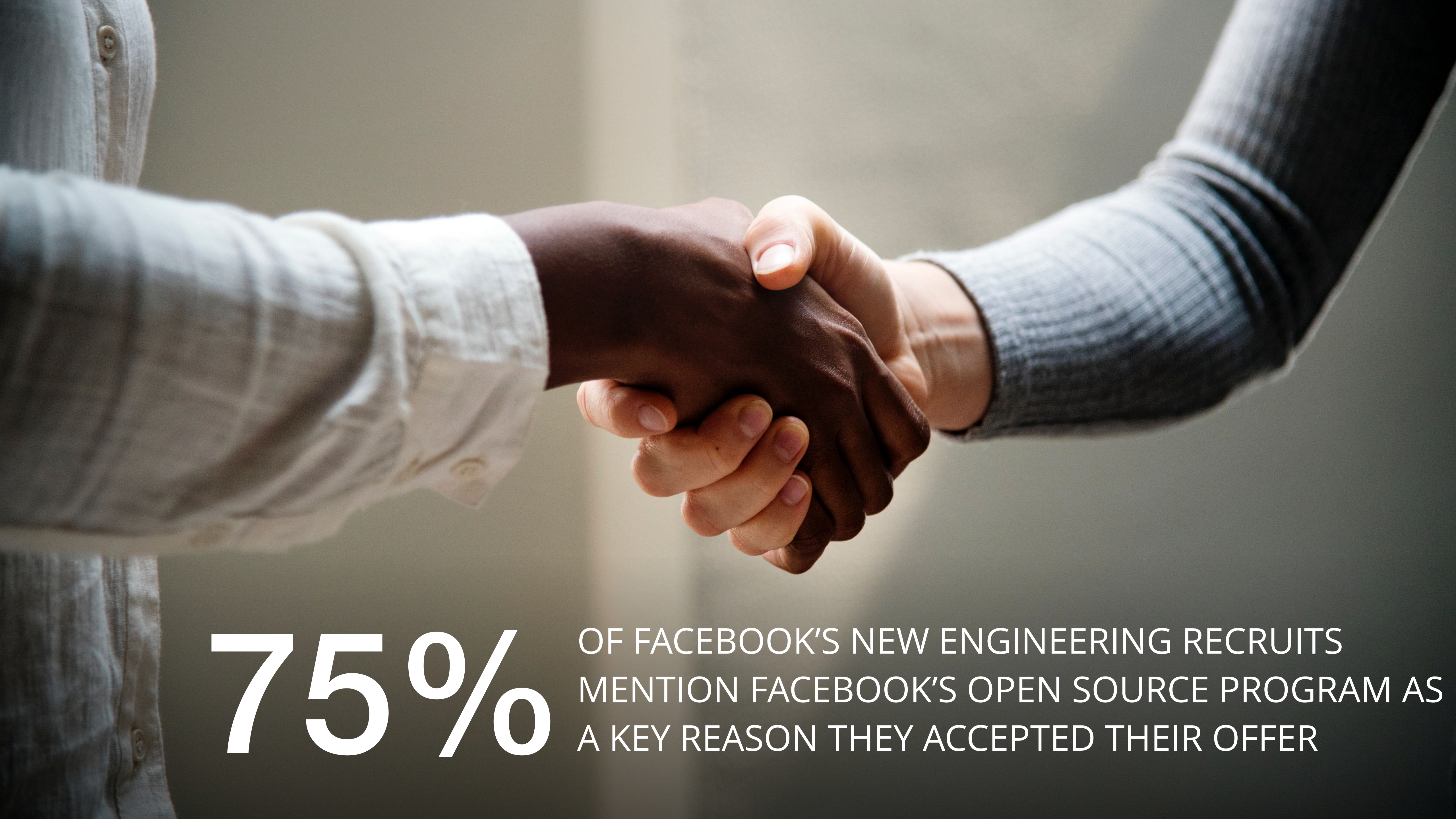
# 2x **TWICE AS EFFICIENT**

Contributing firms capture up to 100% more productive value from usage of open source than their free-riding peers.



Source: Franck Nagle, [Learning by Contributing](#), 2017.





75%

OF FACEBOOK'S NEW ENGINEERING RECRUITS  
MENTION FACEBOOK'S OPEN SOURCE PROGRAM AS  
A KEY REASON THEY ACCEPTED THEIR OFFER





*"But we also noticed some effect that we didn't expect. All the public visibility [sponsoring Webpack] have given us lead to a situation where we suddenly became one of the most interesting companies to work for as a JavaScript developer. [...]"*

*"We've hired a lot of really great engineers who mentioned during their job interview that our sponsoring for Webpack was one of their primary motivations for applying, [...]"*

*—Patrick Gotthardt, Lead JavaScript Architect,  
Trivago, 9 July 2018.*









## Lost competitive advantage

*“I skate to where the puck is going to be, not to where it has been.”*

*— Wayne Gretzky*



Photo: Rick Dikeman, 1997 (CC BY-SA 3.0)





*“In today's world of fast-paced internet services deployment, owning IP has become considerably less important than turning research results into innovative products as quickly as possible, and deploying them at scale.”*

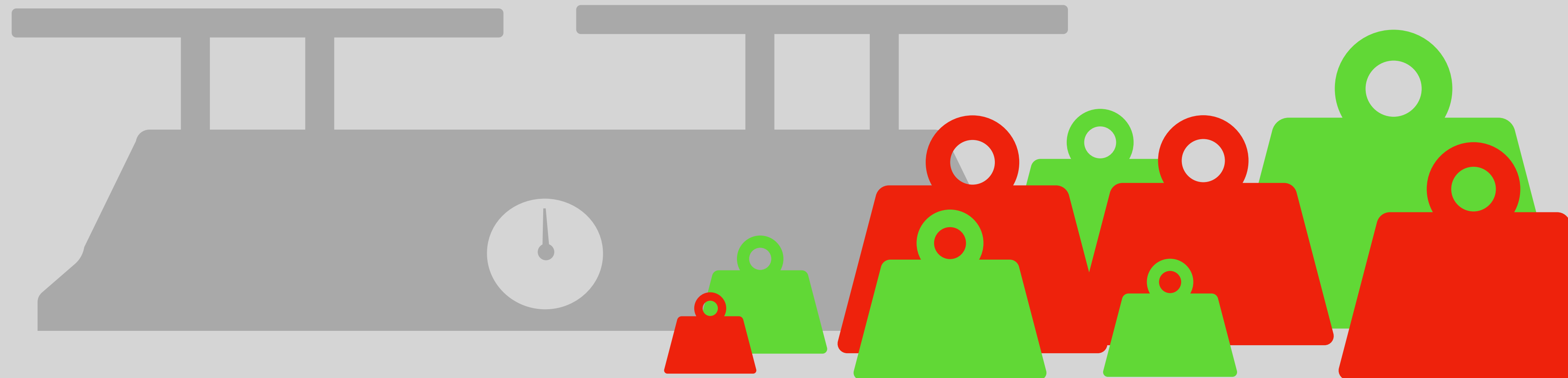
— Yann LeCun, *Business Insider*, Aug. 3, 2018.







- Focus on business outcomes.
- Be reasonable.
- Show empathy to other's needs in the organization.
- Aim for small wins. Start small.
- Remember it's a mindset shift.





# Patent Troll



Lost IP







**Thank you!**