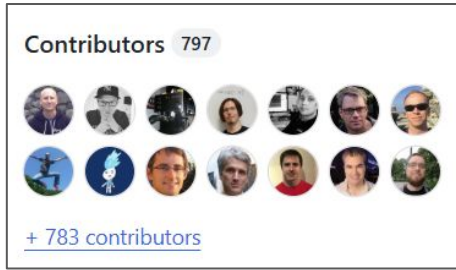# Build a Great Business on Open Source without Selling Your Soul

Robert Hodges (Altinity)
with substantial help from
Tatiana Krupenya (DBeaver)
Peter Zaitsev (Percona)

Altinity

1

Congratulations! Your open source project is a success!!!

Contributors 797

+ 783 contributors

☆ Star 13.1k ▾

https://github.com/your/project

Apache 2.0 License

Average Community Sentiment

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Let's make a great business, just like the pros do!

mongoDB

akka

elasticsearch

HashiCorp

redis

Airbyte

Licensed under CC BY 4.0

Wait. This is harder than it looks!

Why we are changing the license for Akka
4 minute read

MongoDB switches up its open-source license

Upcoming licensing changes to Elasticsearch and Kibana

Redis Labs changes its open-source license — again

A New License to Future Proof the Commoditization of Data Integration

HashiCorp Licensing Firestorm Fuels Open Source Debate

Question of the hour!

How can we build an open source business that:

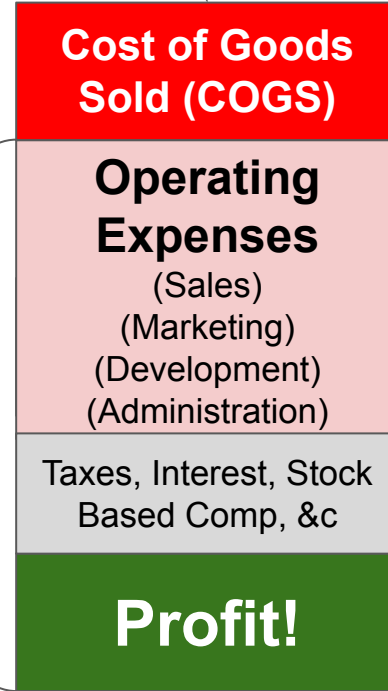(A) Actually makes money?

(B) Gives back to the community?

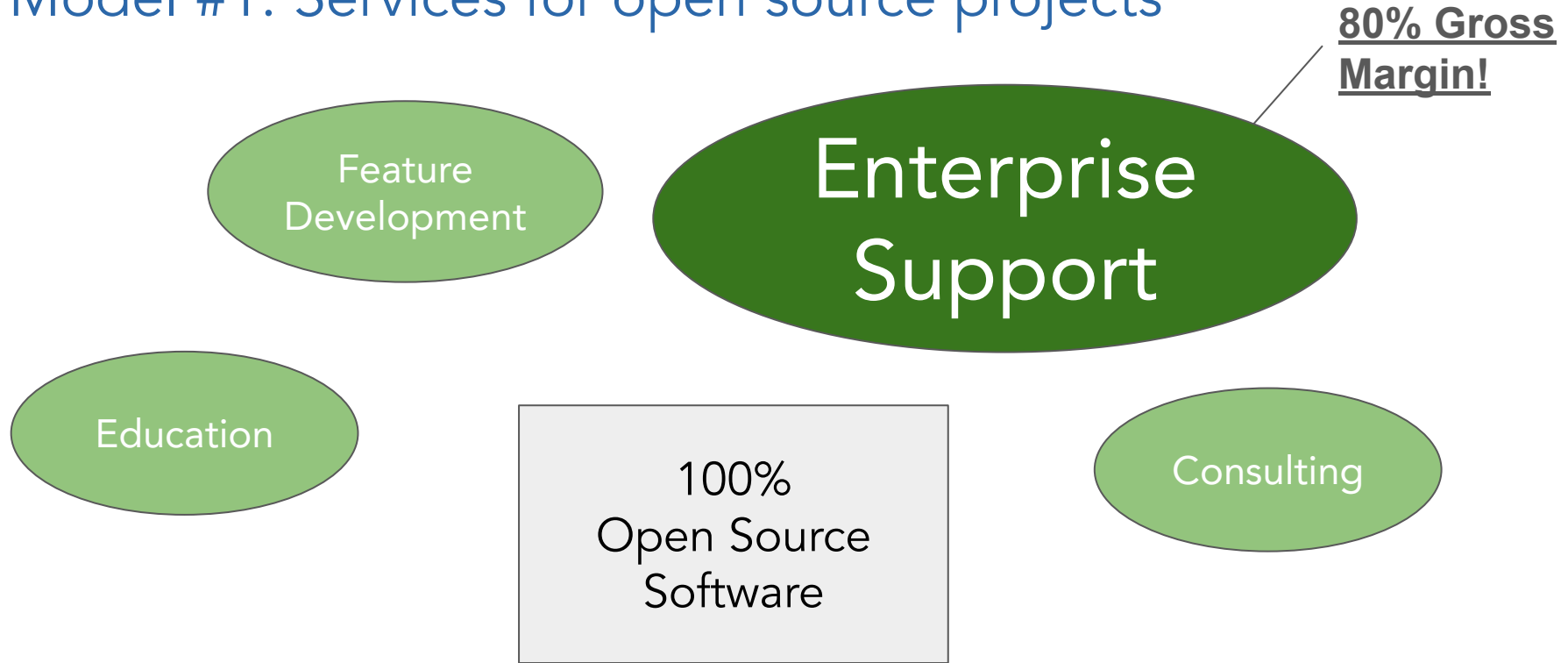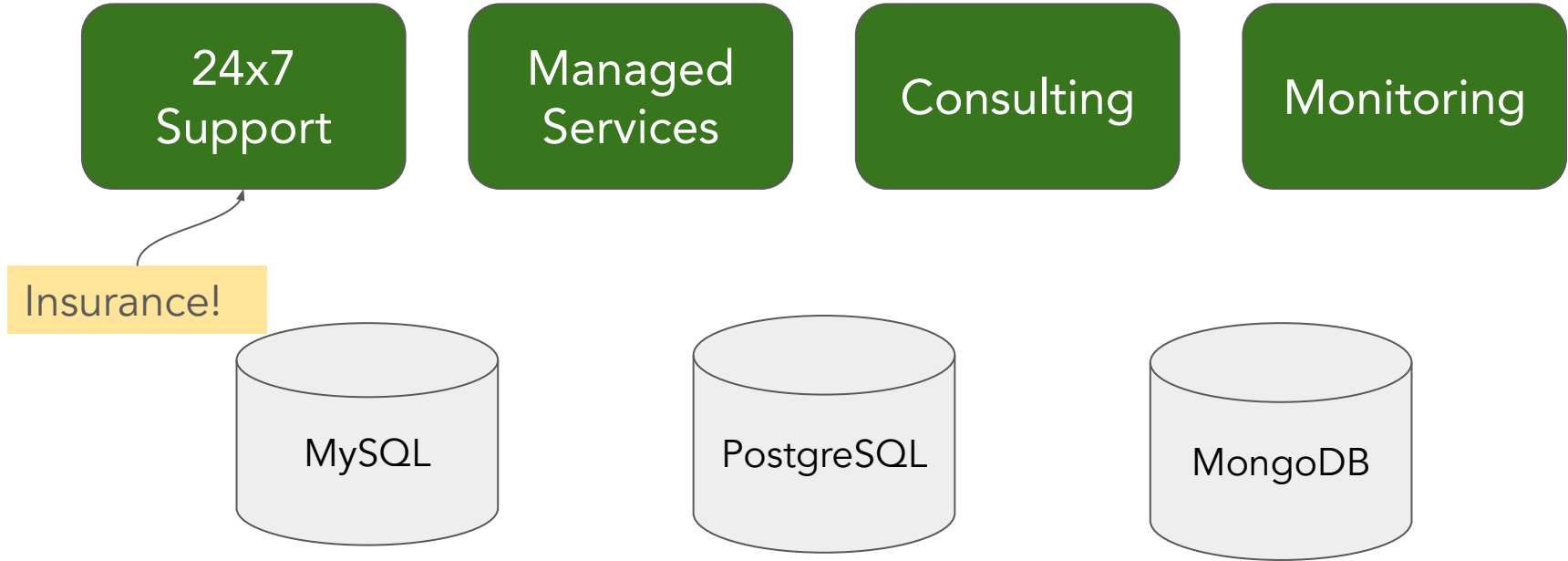Altinity

Open Source Business 101

Your project!

Revenue

Gross Margin

Cost of Goods Sold (COGS)

Operating Expenses
(Sales)
(Marketing)
(Development)
(Administration)

Taxes, Interest, Stock Based Comp, &c

Profit!

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Model #1: Services for open source projects

80% Gross Margin!

Feature Development

Enterprise Support

Education

100% Open Source Software

Consulting

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Percona Business Model

24x7 Support

Managed Services

Consulting

Monitoring

Insurance!

MySQL

PostgreSQL

MongoDB

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How Percona gives back to the community

Percona Blog

Kubernetes Operators

Monitoring and Management (PMM)

Even books!

Conferences

Percona Toolkit

Percona Server for MySQL

Percona XtraBackup

MongoDB Distributions

PostgreSQL Distributions

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Model #2: Open Core

80% Gross Margin!

Authentication

Authorization

Clustering

HA/DR

Analytics

Proprietary

100%
Open Source
Software

Extensions

Performance
Monitoring

Proprietary
Libraries

Integrations with
Proprietary
Software

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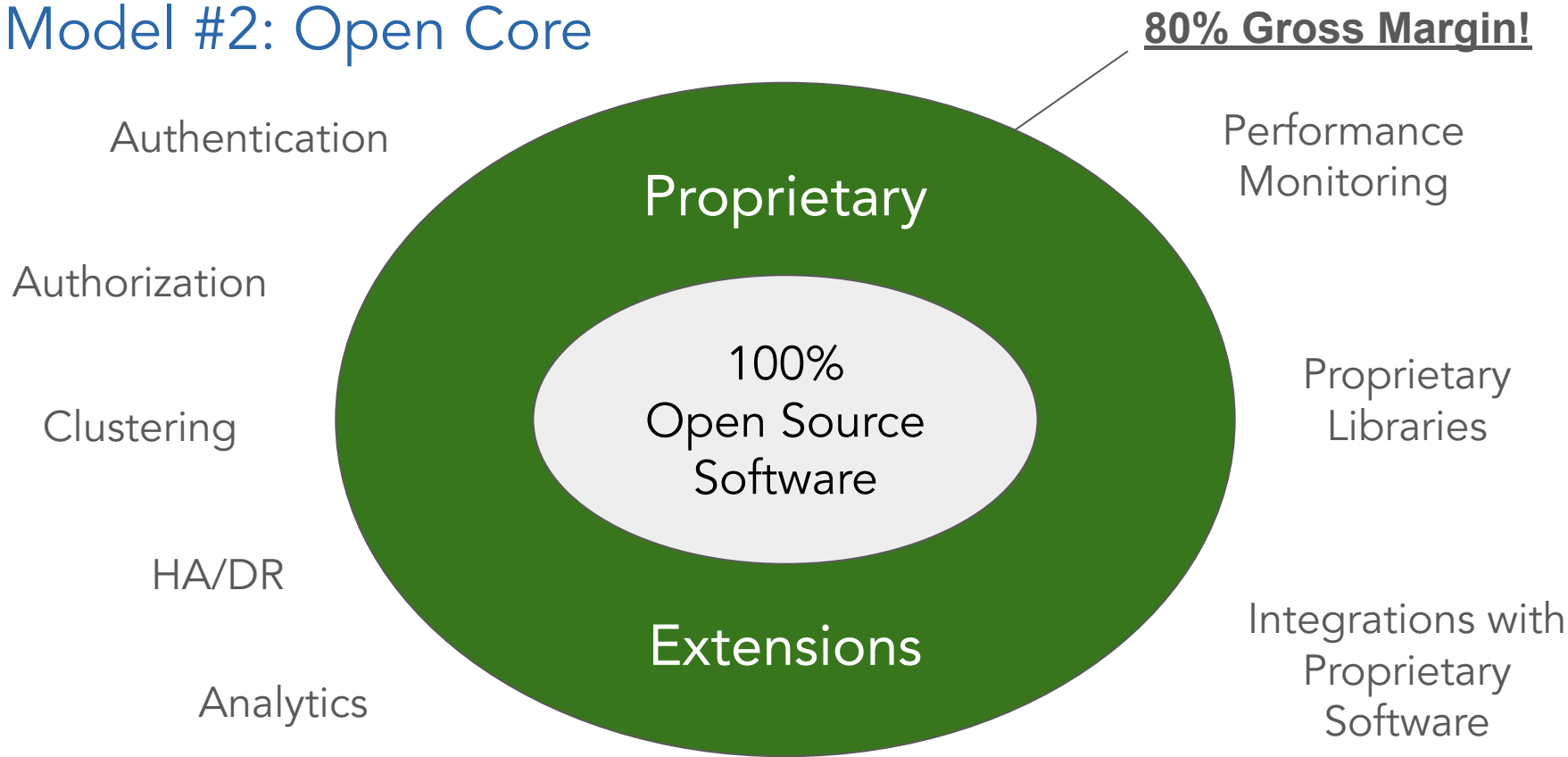
DBeaver Business Model: Open core database tools

DBeaver Community
Open Source DBMS
Data Editing
SQL Editor
Schema Editor
Data Import/Export
Simple Task Automation

…

DBeaver Pro
All Community Stuff plus…
Single Signon
Cloud Authorization Integration
Proprietary DBMS
NoSQL DBMS
Advanced DBA Design Tools
Performance Visualization
Task Automation Extensions
AI assistant in SQL
Task Scheduler
Visual Query Builder

…

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How DBeaver gives back to the community

DBeaver Community
Apache 2.0
41.5K Stars
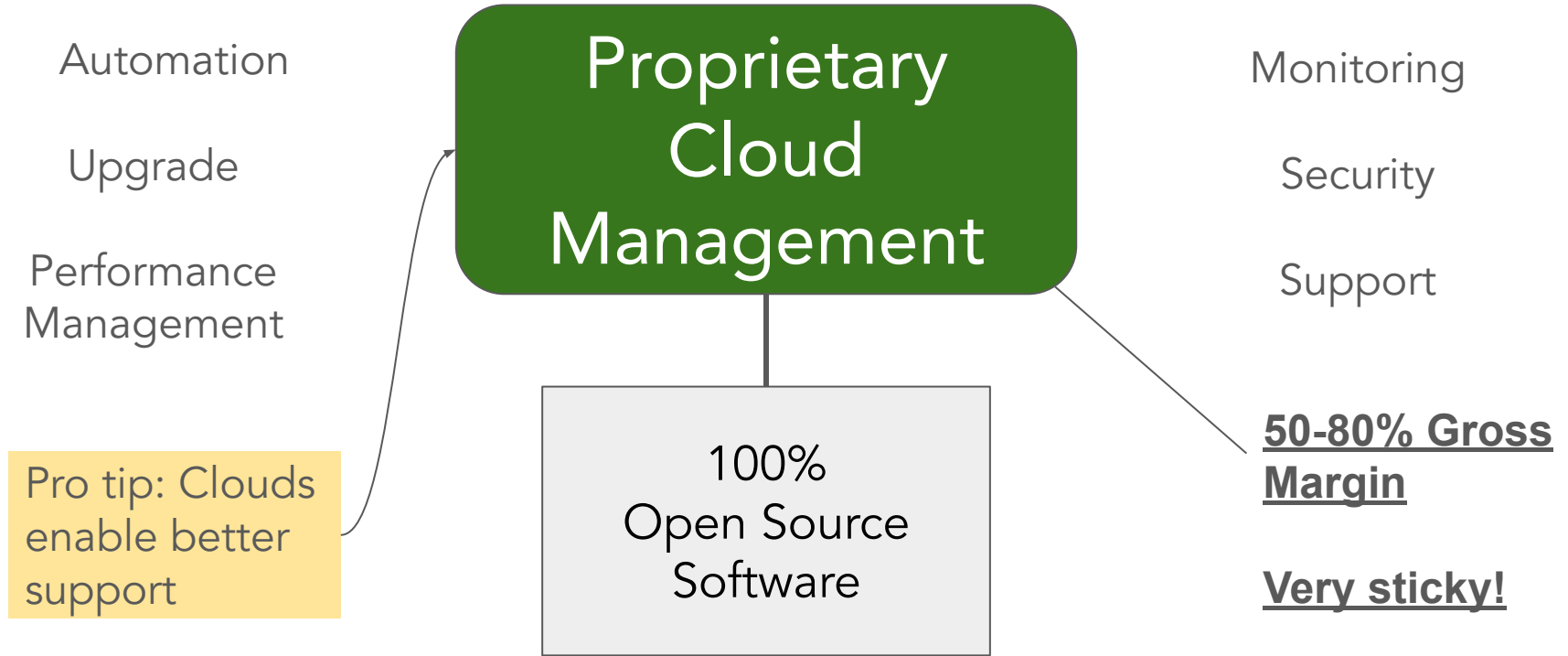341 Contributors

Accept drivers for new
OSS databases
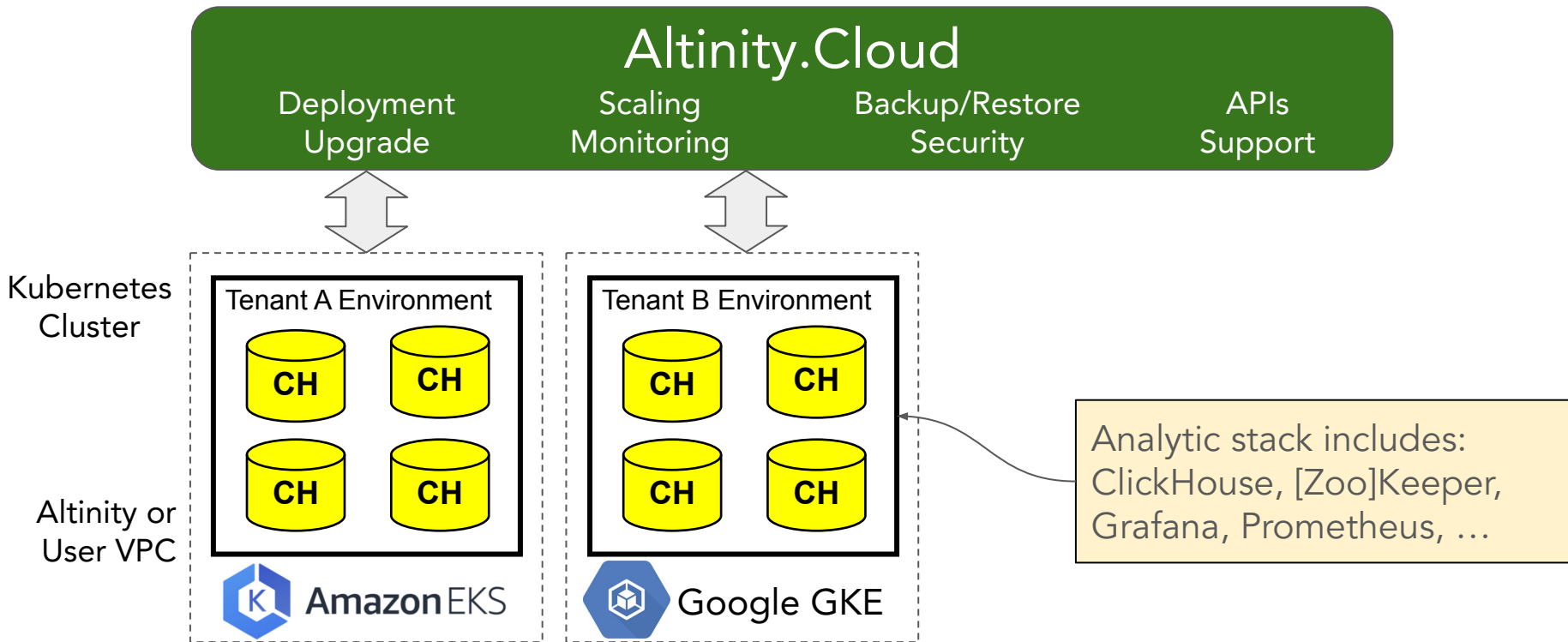
CloudBeaver
Apache 2.0
3.7K Stars
54 Contributors

Contribute to upstream
projects

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Model #3: Cloud services for open source

Automation

Upgrade

Performance Management

Proprietary Cloud Management

100% Open Source Software

Monitoring

Security

Support

Pro tip: Clouds enable better support

50-80% Gross Margin

Very sticky!

Altinity: Managed open source ClickHouse in the cloud

Analytic stack includes: ClickHouse, [Zoo]Keeper, Grafana, Prometheus, …

How Altinity gives back to the community

Altinity Blog

Kubernetes Operator
for ClickHouse

Backup for ClickHouse

PRs to Upstream ClickHouse

Altinity Stable Builds

Webinars

Conferences

Community Grafana Plugin

Data Loading & CDC

Support Knowledgebase

How much should you stress about licensing?

Pick one that supports the four freedoms*

Stick with it

* Specifically… (0) to run the program, (1) to study and change the program in source code form, (2) to redistribute exact copies, and (3) to distribute modified versions. See: https://www.gnu.org

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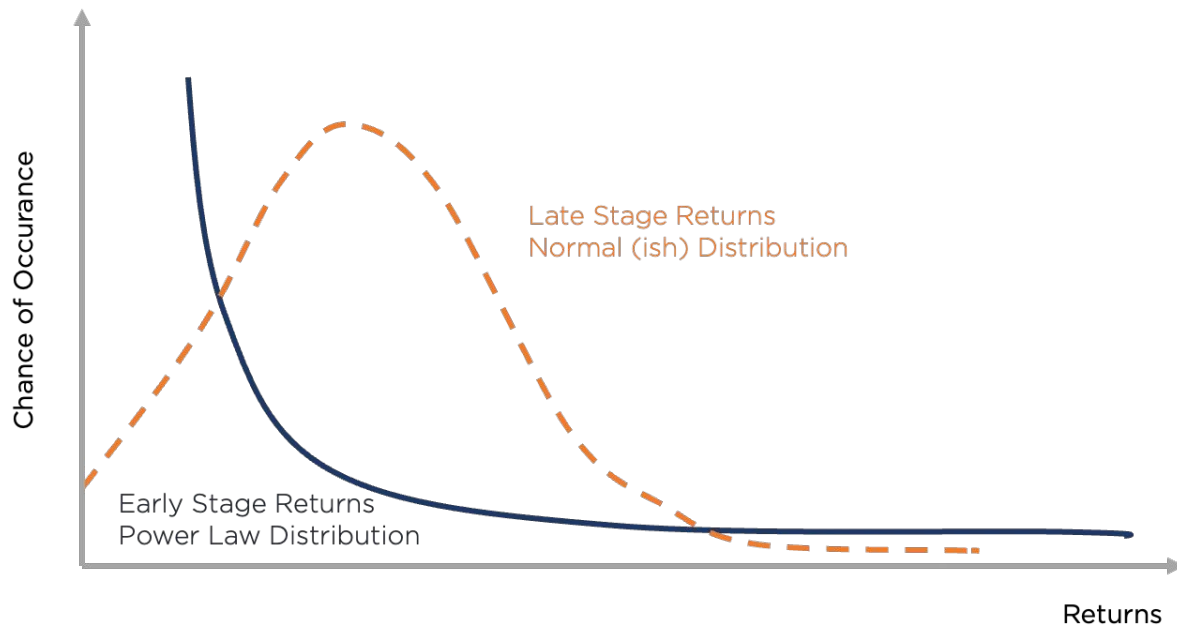# Three things you <u>do</u> need to stress about

Marketing

Sales

Financial Management

Should you seek venture funding? Let's work the math

Early stage returns follow a power law distribution

Late Stage Returns
Normal (ish) Distribution

Early Stage Returns
Power Law Distribution

Chance of Occurance

Returns

Source: ULU Ventures

https://ryanshannon.substack.com/p/attempting-to-untangle-the-messy

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Open Source Revenue << Proprietary Revenue

## "The history of MySQL AB" - Dries Buytaert

2006

- Mårten Mickos confirms that Oracle tried to buy MySQL. Oracle' CEO Larry Ellison commented: *"We've spoken to them, in fact we've spoken to almost everyone. Are we interested? It's a tiny company. I think the revenues from MySQL are between $30 million and $40 million. Oracle's revenue next year is $15 billion."*

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Where you get funding changes your incentives

Answer #1: put your project in a foundation

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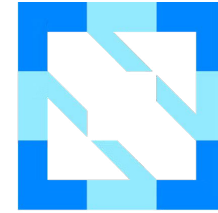
Answer 2: Find other funding sources

#1 Get customers to pay for it

#2 Revenue-based financing

#3 Skip over seed to late-stage funding

Where to go next…

Check out our talk at OSA CON 24:

[Build a Great Business on Open Source without Selling Your Soul](#)
(Peter Zaitsev, Robert Hodges, & Tatiana Krupenya)

Talk to people and look at companies who have done it before!
- https://percona.com
- https://dbeaver.io / https://dbeaver.com
- https://altinity.com

Dive in and do it!

Thank you!

Questions?

Contact me (Robert Hodges):
- On LinkedIn
- On Slack: https://altinity.com/slack
- At Altinity: https://altinity.com/contact/

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Background for talk

- Economics of MySQL and degree of monetization: http://buytaert.net/the-history-of-mysql-ab
- Economics of VC capital - https://ryanshannon.substack.com/p/attempting-to-untangle-the-messy
- Arthur Rock - https://www.washingtonpost.com/opinions/2022/01/27/silicon-valley-invention-venture-capital-sebastian-mallaby-book/
- Peter Thiel -

tinyseed is an accelerator, blog on funding SaaS that become profitable: https://tinyseed.com/latest/9-things-learned-investing-170-saas-companies (Peter: Check out microconf.)

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