Open-Source Software Entrepreneurial Business Modelling

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Abstract. This poster aims to facilitate business planning of bootstrapping entrepreneurs who are developing a high-tech business by open-source approach. It draws on scholarly works on business modelling and open-source software to provide a practical tool for entrepreneurs establishing a business by open-source approach. Built on top of established business modelling frameworks, the Open-Source Software Entrepreneurial Business Modelling (OSS_EBM) can be a useful strategic management and entrepreneurial tool. It enables strategists and entrepreneurs to describe, design, challenge, invent, brainstorm, pivot, analyze and improve upon open-source business models.

1   Introduction

The open-source software community has already established itself as a valuable source of innovation [1–3]. However, how to make money with open-source software remains an interesting question intriguing both researchers and practitioners [4–6]. This paper draws on research on business modelling [7–9] and open-source software [6], [10–14] to provide a practical tool for bootstrapping entrepreneurs developing a high-tech business by open-source approach. Built on top of other previously established business modelling frameworks [8], [9], the Open-Source Software Entrepreneurial Business Modelling (OSS_EBM) is a conceptual tool that aims to be useful in entrepreneurial planning and strategic management of open source ventures. Specifically tailored for the high-tech software business, the OSS_EBM framework enables high-tech strategists and entrepreneurs to describe, design, challenge, invent, brainstorm, pivot, analyze and improve open-source business models. This poster targets mostly practitioners interested in setting up a business with the help of open-source technology. Our earlier work reveals there is a need for better tools of business planning among open source ventures [15].

2   Methods

The method of OSS_EBM is to turn earlier scholarly works to practice in the format of a visual canvas. Exploiting the success of the Business Model Canvas [8], the popular business modelling framework was customized for the specificities of the high-tech software business and complemented with "platform thinking" and ecosystem features from the VISOR framework [9]. Moreover, the fusion of the two previously mentioned business modelling frameworks was complemented with open-source research knowledge on software licensing [12–13] and business models [4–6]. The OSS_EBM framework is thereby a simple multi-disciplinary combination of research in business models and open-source software, turned into a visual canvas in the purpose of guiding practitioners in setting up an open-source based business.

We are currently in this process of testing how the tool can best be applied by entrepreneurs. Earlier versions of the OSS_EBM framework were introduced in an e-commerce university course targeting both master and doctoral students. Moreover, this framework was presented at two events of early-stage startup business incubators. Four workshops and free consultation were conducted with startup teams interested in developing a software business by open-source approach. Feedback was collected informally from bootstrap entrepreneurs, serial entrepreneurs and other personnel of the incubators; leading to some changes on the OSS_EBM framework till date. Modifying the tool further is currently underway.

3   Finding, Implications and Future Work

So far, practitioners' impressions on the relevance of the OSS_EBM framework vary widely. Most recognized the value of this framework, for being specifically tailored for the high-tech software business; however, most users of the OSS_EBM framework still report difficulties in understanding how their business ideas can generate monetary results with open-source software. Even if the framework does not help all its users in developing a business by open-source approach, all users claimed to have learned to a large extent about open-source software after using the framework. We wish then that the OSS_EBM framework will continue developing while helping high-tech entrepreneurs develop, or at least consider developing, businesses by open-source approach. In particular, more thorough action research studies are on the way; guiding and observing focal startups in the use of this tool. Our ultimate goal is to offer technology-minded founders a useful tool for managing the wide selection of business model components, including revenue models, and for crafting the right combination in their particular case.

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