



**Open Source + Big Data=
Big Money**

<http://redmonk.com/public/osbc.pdf>

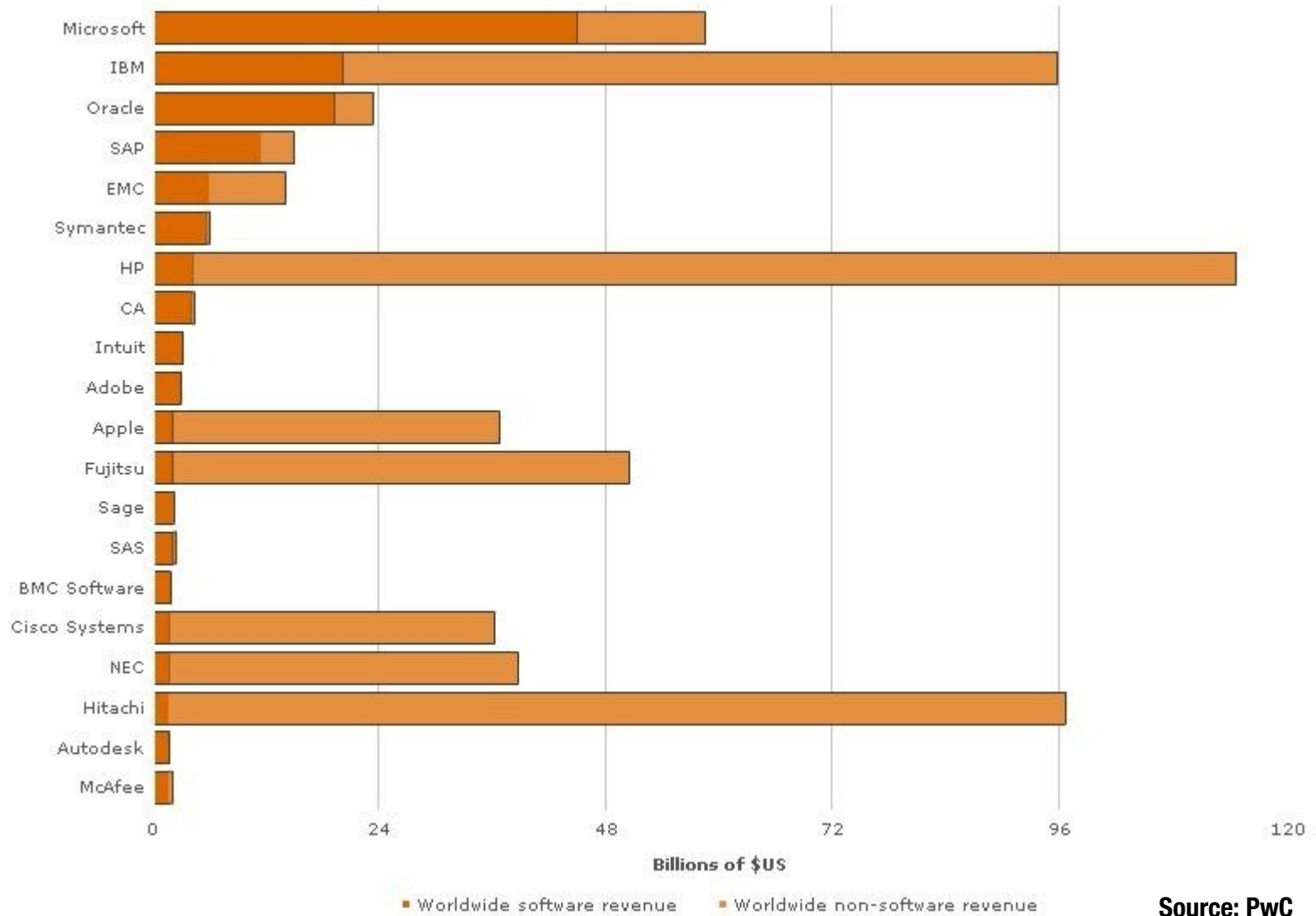


**What do these vendors
have in **common**?**



These are PwC's Global **Software** Top 20

Top 20 global software leaders ranked by software revenue



Source: PwC



What **else** do these vendors
have in common?

**All were founded
before 1989**

1989 was **twenty-two** years ago

Things that happened in **1989**

- **The Soviet Union left Afghanistan**
- **Time and Warner Merge**
- **The Exxon Valdez oil spill**
- **Tiananmen Square**
- **Rain Man won best picture**
- **Sega Genesis is released**

Oh, and some show called
Seinfeld premiered

**The average age of the
Top 20 Software Companies, in fact, is
47 years**

That's partially **skewed** by the likes of IBM (1911) NEC (1899!), though

Less outliers? 31 years

So?

Big, older companies outsource **risk
By acquiring smaller, younger ones**

But if **older** = bigger

Why is Microsoft the **biggest**?

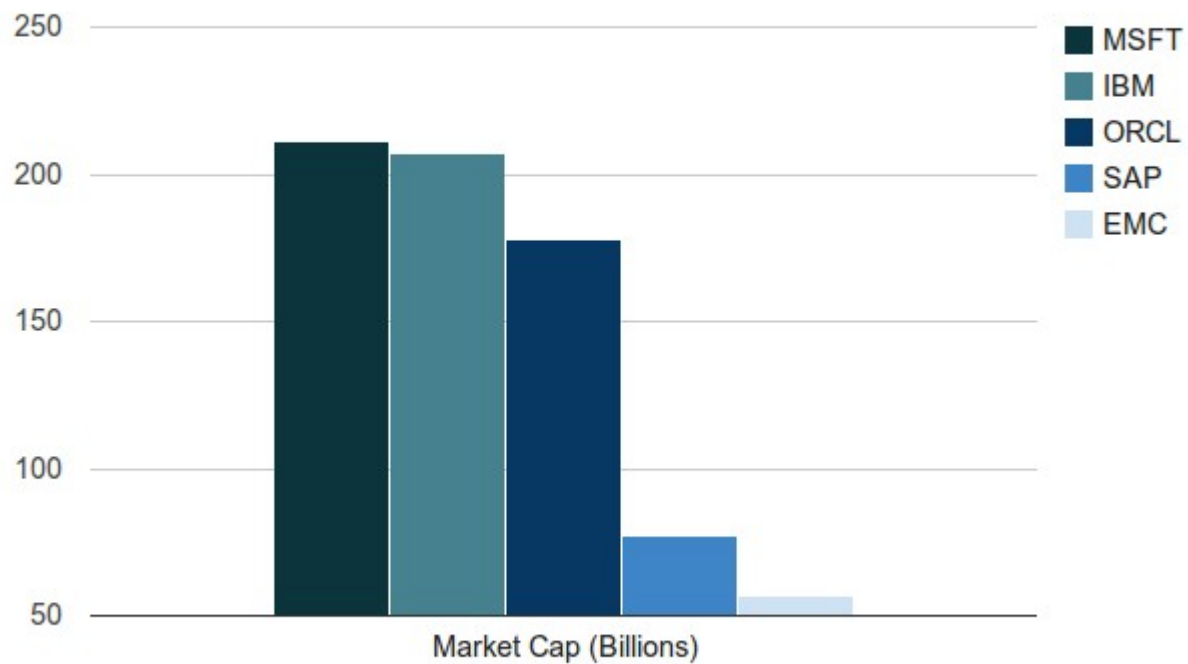
And there's a bigger **problem**



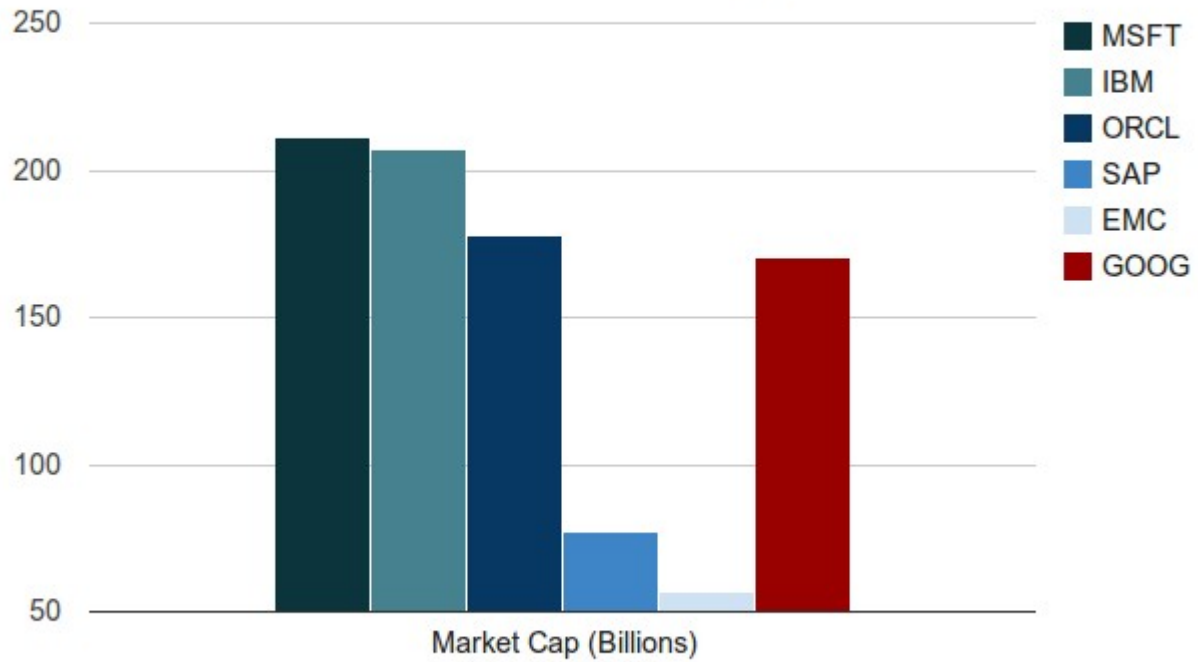
Question:
Is Google a software company?

Exactly

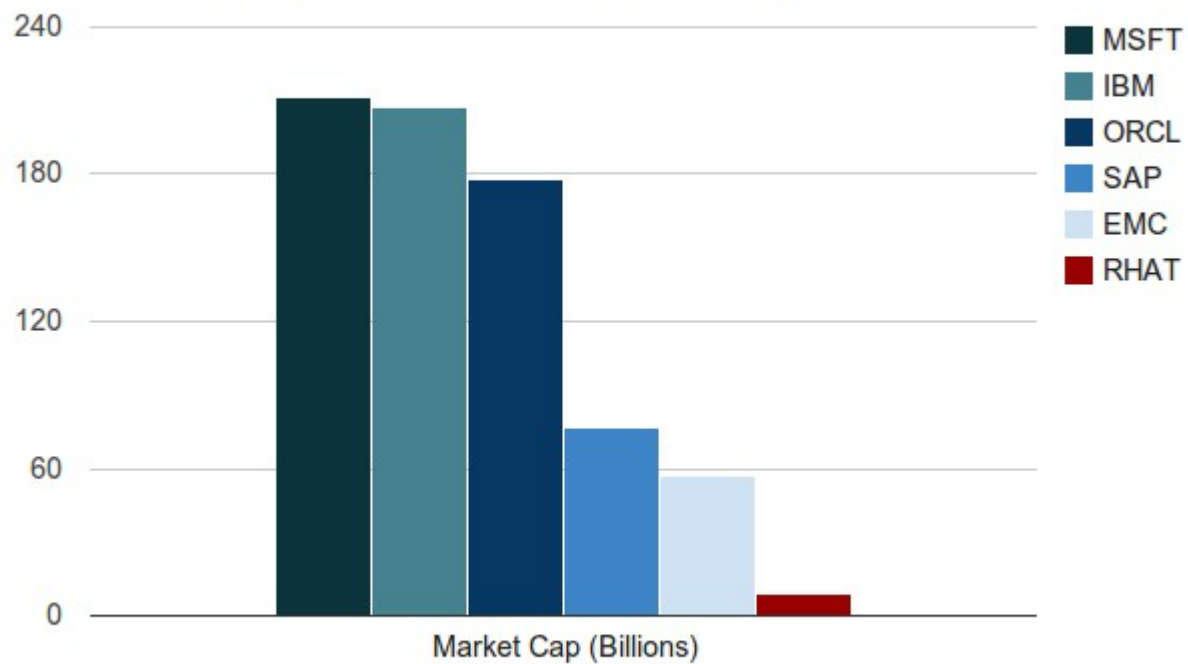
Market Cap: Top 5 Software Vendors



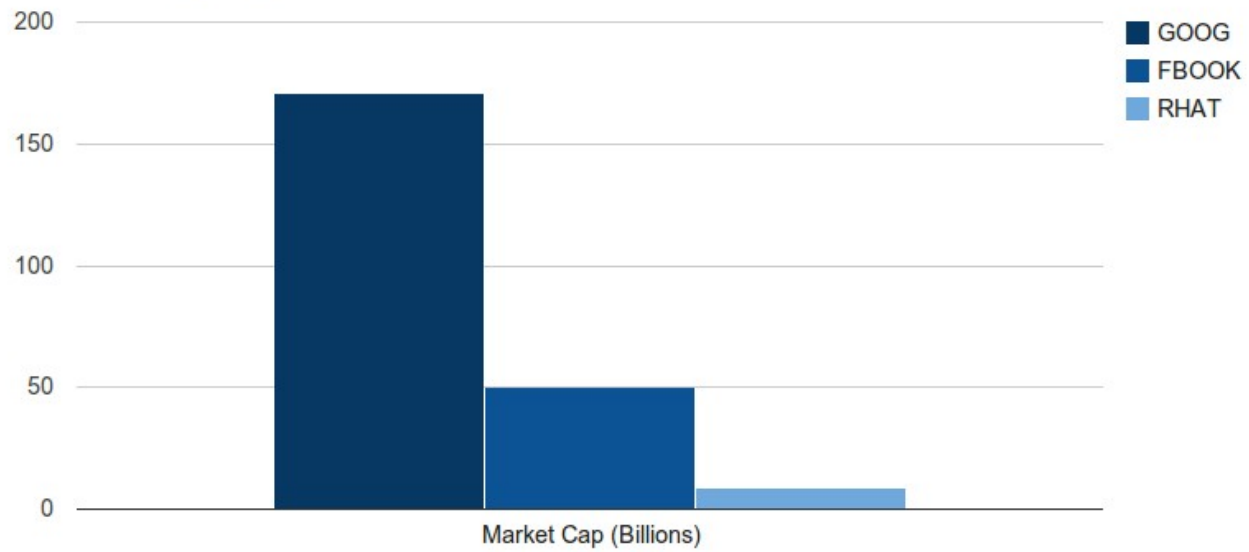
Market Cap of Top 5 Software Vendors (and Google)



Market Cap: Top 5 Software Vendors (and Red Hat)



Market Cap: Google, Facebook*, Red Hat

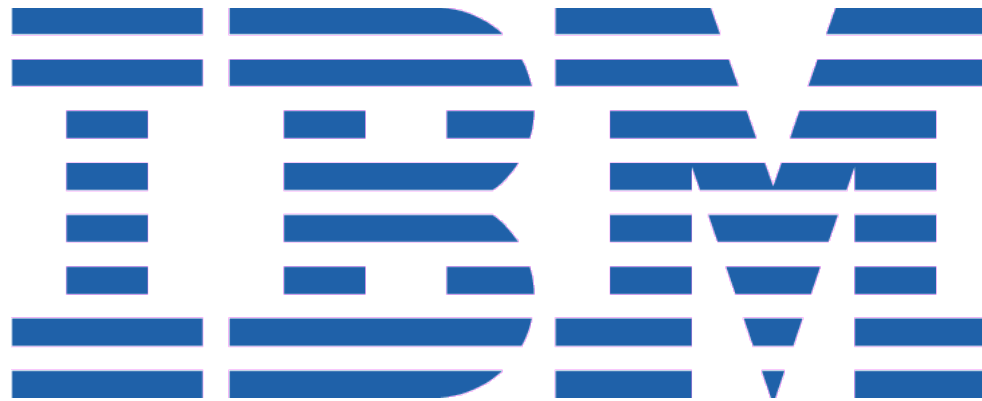


Growth through software sales is **slowing**

Growth through data is not

The **Four Stages** of Software Producers

STAGE 1



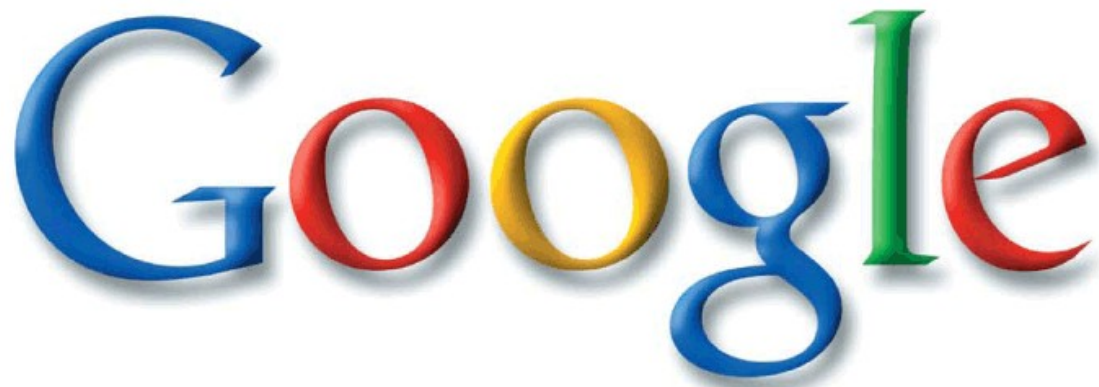
**“The money is in the hardware,
not the software”**

STAGE 2

Microsoft[®]

“Actually, the **money** is in the software”

STAGE 3

The Google logo is displayed in its characteristic multi-colored font: blue 'G', red 'O', yellow 'O', blue 'g', green 'l', and red 'e'. Each letter has a slight 3D effect with a shadow underneath.

“The money is not in the **software,
but it is differentiating”**

STAGE 4



**“Software is not even differentiating,
the value is the **data**”**

**What happens when
companies of one stage
compete with another stage**

Microsoft's Share Price



Share Price in **Context**



The **Age of Data** is upon us

The Age of Software

The Age of Data

What does this **mean**?

Software is a means

What are you **bad** at?

Customer conversion

**If you're in open source,
you're **good** at distribution**

**If you're good at
distribution, you're good at
generating data**

USE IT

Open Source is not **Growth**

Open Source enables data
Which enables growth

**So if you're in open source
and you're **ignoring** data**

You're doing it wrong

QUESTIONS