

How to **Get Rich** By Working on **Open** **Source** Project?



Radovan Semančík
March 2015

How to get rich by **working** on open source project?

Management Summary:

It's hard. And slow. But it may be possible.

~~MAKE MONEY FAST~~

Who am I?

How dare you to talk about
open source and money?

Ing. **Radovan Semančík**, PhD.
Software architect

15+ years professional experience
almost 20 years with open source

co-founder and co-owner: **Evolveum**
engineer (**not** manager)



But how dare you ... ?

Evolveum



Open source identity management company

Yes, we really do only open source.

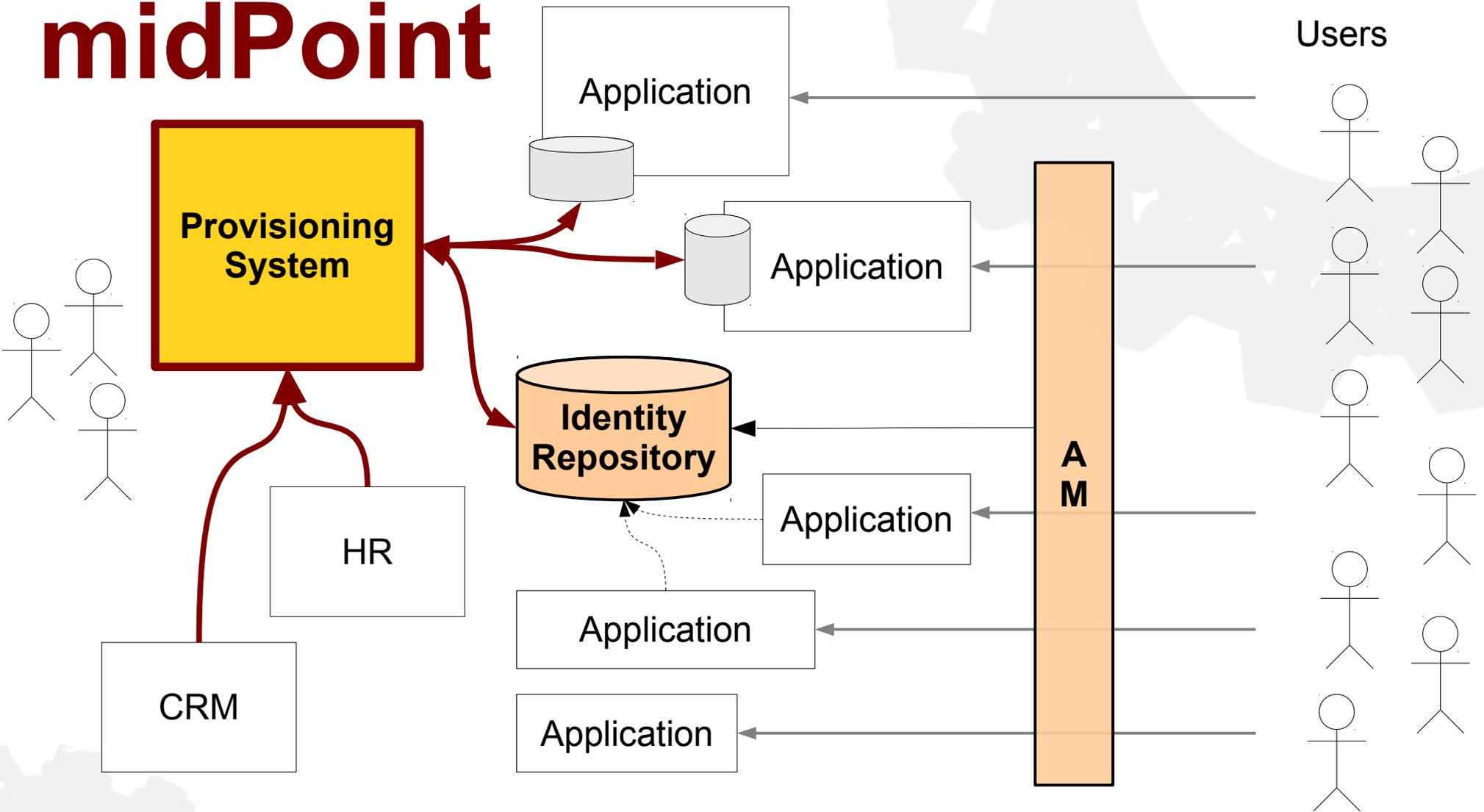
Yes, we have our own product: **midPoint**

Established in **2011**

(but the history goes back to 1990s)

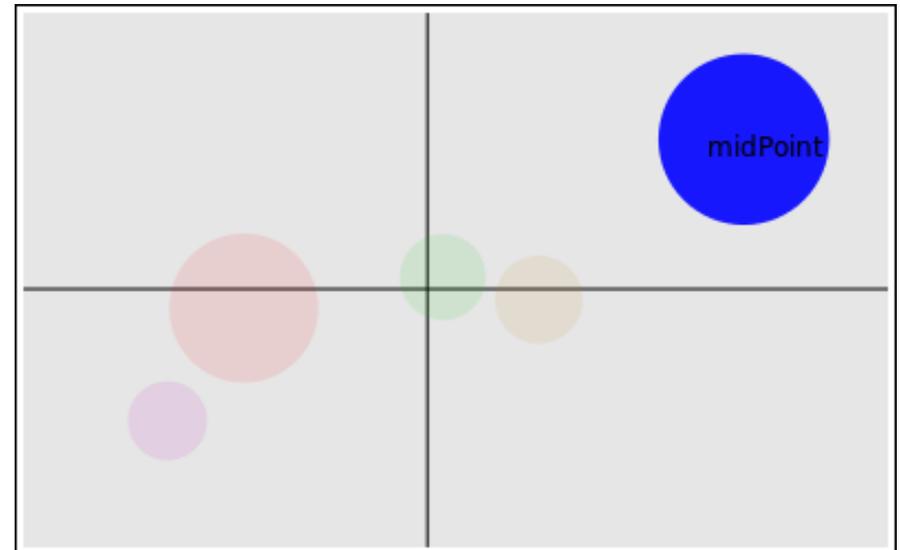
Based in **Slovakia** (Central Europe)

midPoint



Where we are?

- State-of-the-art technology
- Great team
- Customers: Europe, Asia, America, Africa
- Paying our bills
- **Not rich (yet)**



midPoint

I want to start my own company, what should I do?

Big problem: **money**

Idea is not the problem.

Ideas are everywhere and they are free.

Technology is hard, but you can do it.

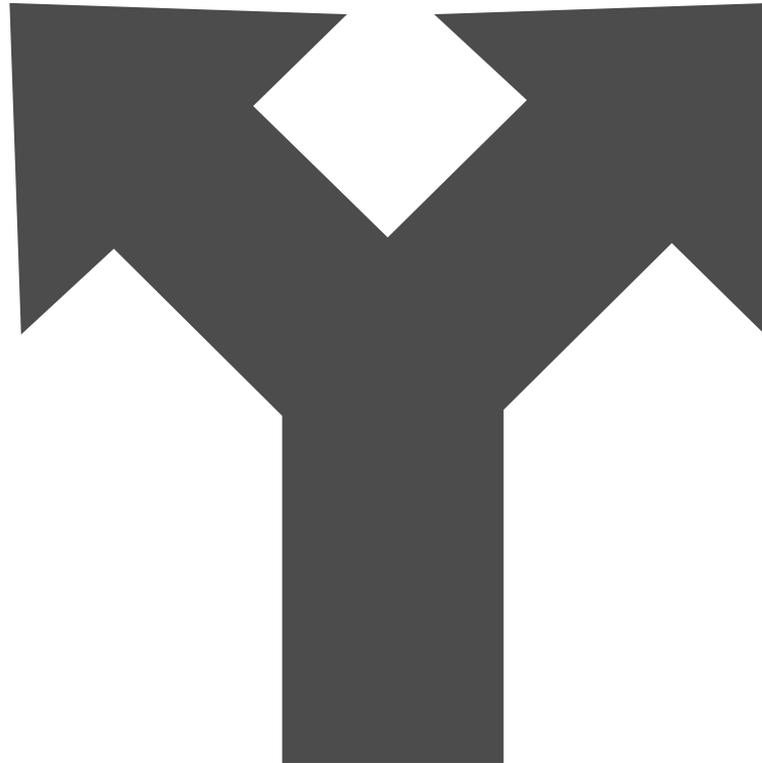
How to pay salaries and bills? (min 2 years)

Money, money, money ...

Your options ...

Option 1:
Venture Capital

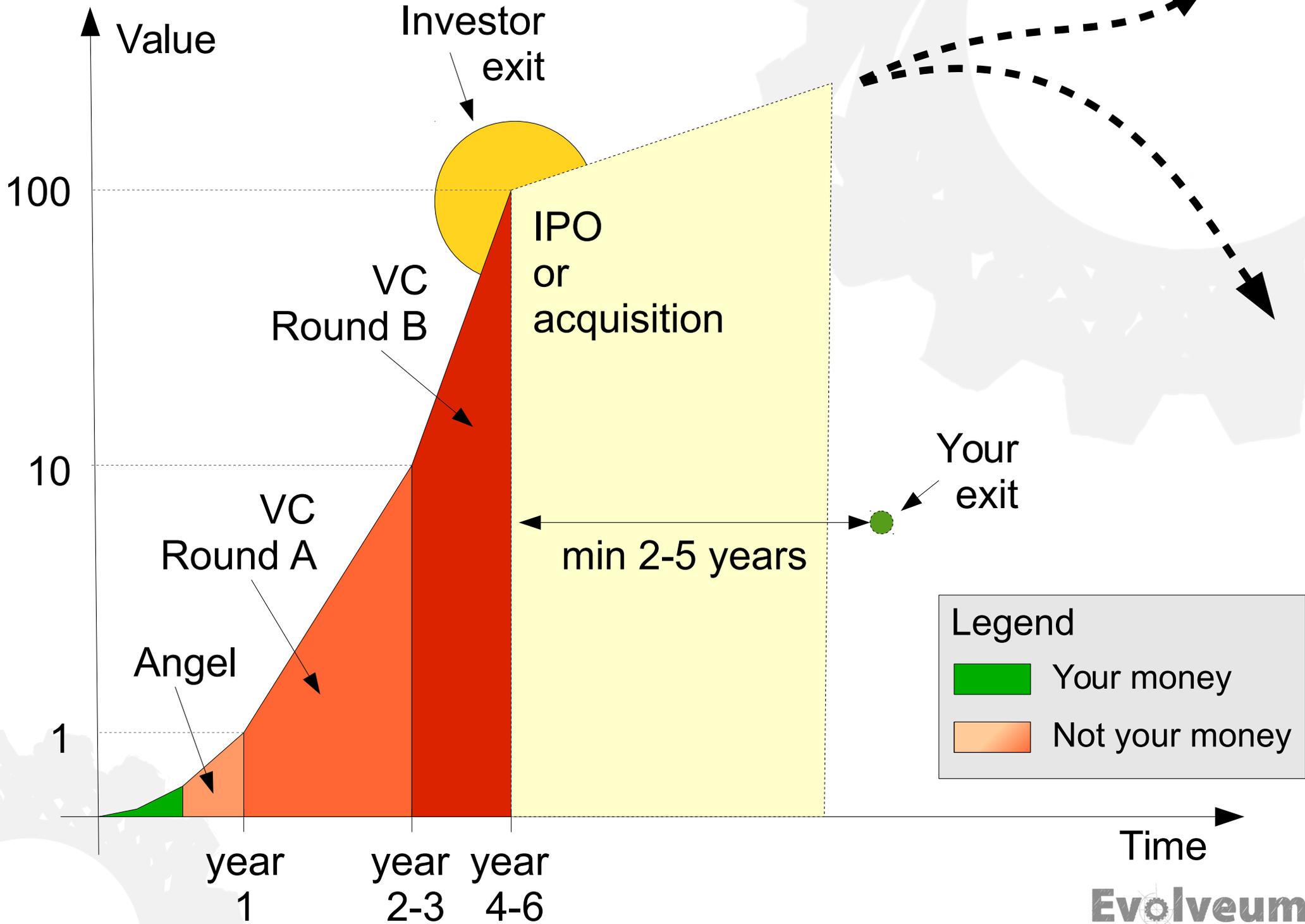
Option 2:
Self-funding



Investment option 1: Exponential a.k.a “startup”

Angel investors, Venture capital (VC)
Use money that belongs to others

Profit by **growing** the company and **selling** it
(exit - investment = profit)



Option 1 Benefits

- You can get **really rich**

... and that's it

Option 1 Drawbacks

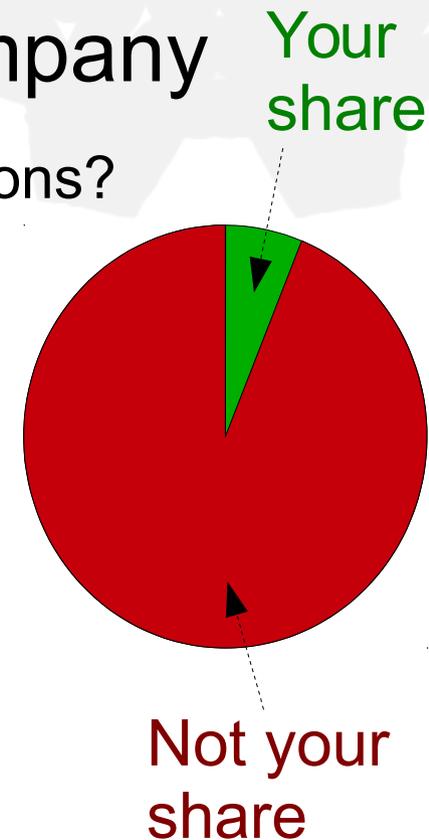
(1)

- You must have potential to grow **10x**
- ... in less than **3 years**
- if you don't have such potential
then don't even try

Option 1 Drawbacks

(2)

- Less technology, more **business & marketing**
- You will retain only **2-20%** of your company
 - Did you really think someone just *gives* you few millions?
- Only **1 in 10** startups succeed



Option 1: What is it good for?

- Bubbles (obviously)
 - Lot of marketing, no technology
 - sell it before it bursts
- Ingenious **business** ideas
 - ... carefully planned and cleverly executed
 - at the right time ... with a lot of luck ...
 - (but these are quite rare)
- Not entirely suitable for open source

Investment option 2: Linear

Use your own money (self-funded)

Invest only the money that you earn

Profit by **earning money**
(income - expenses = profit)

Value

Legend

- Your money
- Not your money

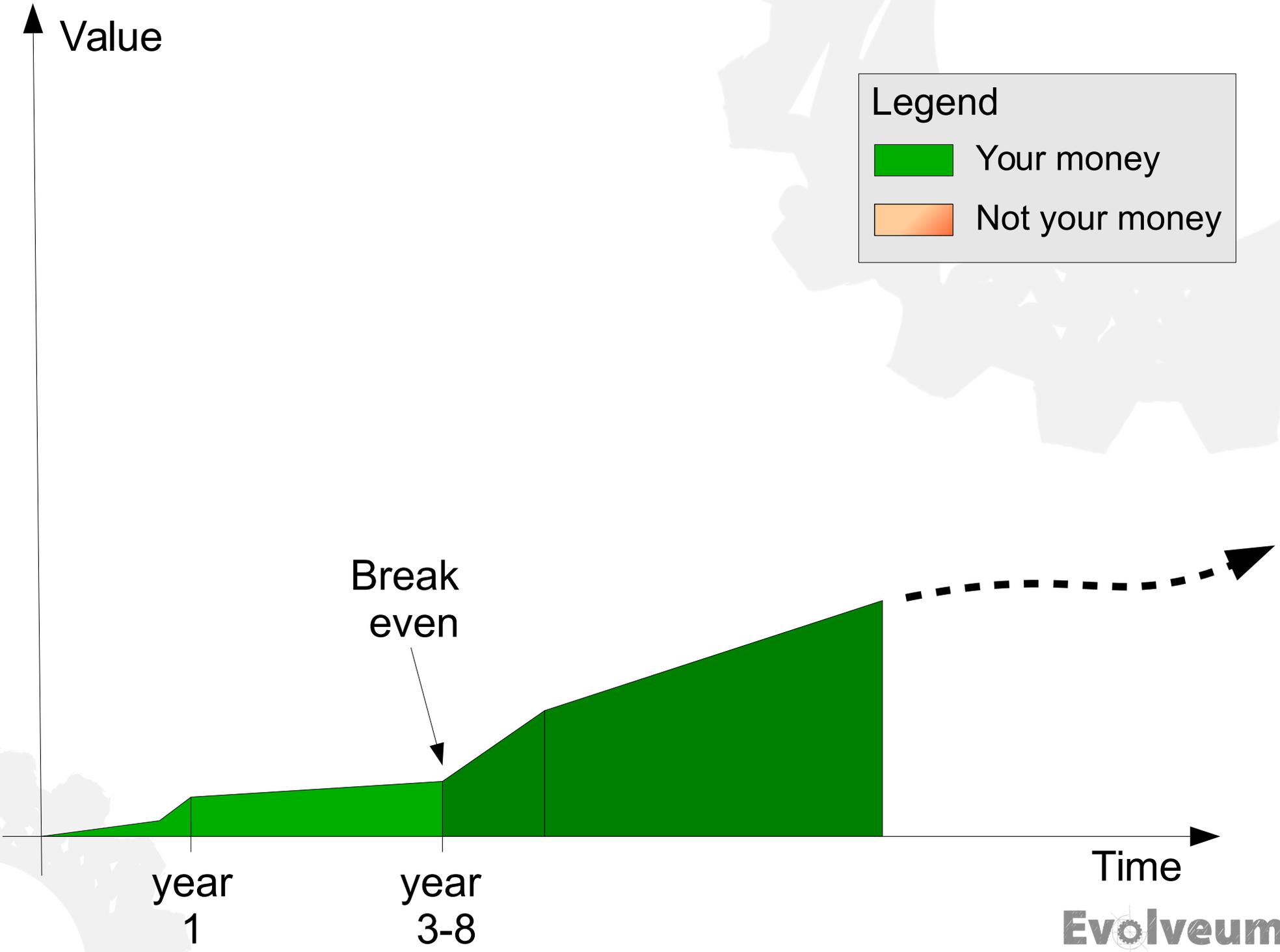
Break
even

year
1

year
3-8

Time

Evolveum



Option 2: Benefits

- You are **free** (as money permit)
 - You stay in control
- Most money will go to technology
 - You can create something really great
 - But you must do some marketing & business anyway
 - And there will be much less total money as with option 1

Option 2: Drawbacks

- Chances of success are unknown
 - which may be even worse than 10%
- Return of investment may be (very) long
- You will be poor* for next 5-10 years
- Very slow
 - You need to work on the idea many years before its time

* not starving, but definitely **not** rich

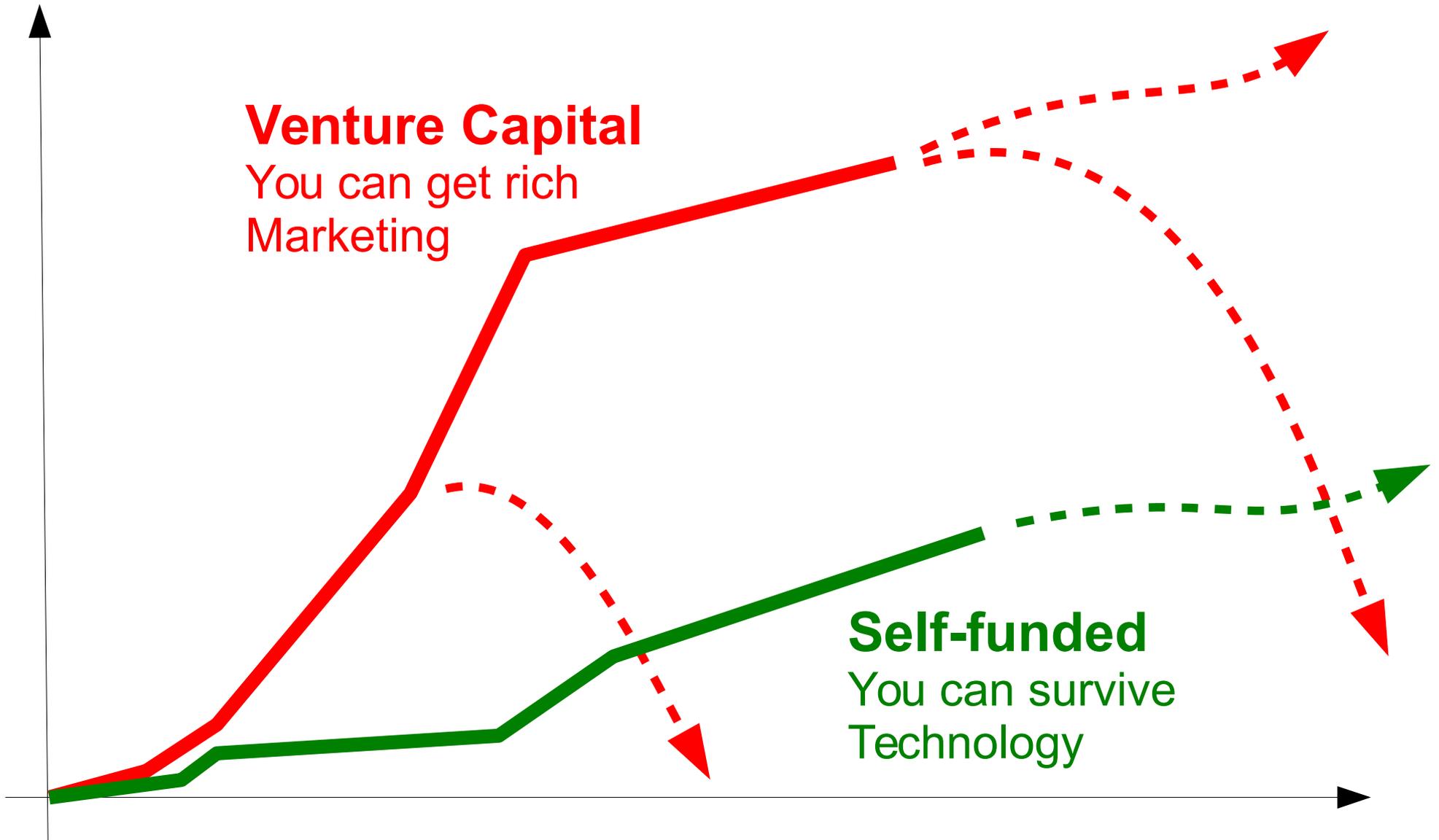
Option 2: What is it good for?

- Ingenious **technological** ideas
 - Things that can change the world but there is no clear business case for them
- Good for open source
 - But you have to live with the drawbacks

Option 1 vs Option 2

- **Option 1: VC-funding**
 - You may get (really) rich
 - You may create (really) bad technology (if any at all)
- **Option 2: self-funding**
 - You can create (really) great technology
 - You may barely survive

Option 1 vs Option 2



So, what do you really want?

- Make **money**?
 - Do business, forget technology
- Make a **difference**?
 - Survive (and maybe even prosper)
 - ... but your chances to get really rich are small
- You will have to **risk a lot** anyway

Notes and disclaimers

- This is simplified
- Your mileage may vary
- Real companies are hybrids
 - Both approaches are combined to some degree
 - E.g. “Friends, Family & Fools” (FFF) investment
- But you have to choose whether you let VC in
 - if you do then it is all decided

Tips & Trick

- Focus on the **world**
 - Your local market is simply too small
- Release early, release often
 - Keep everything open (code, bugs, documentation)
- Eat your own dogfood
 - Deploy and **use** your own product (source of profit)
- Give company shares to employees
- Cooperate, find partners

Go for it!

... now

The End

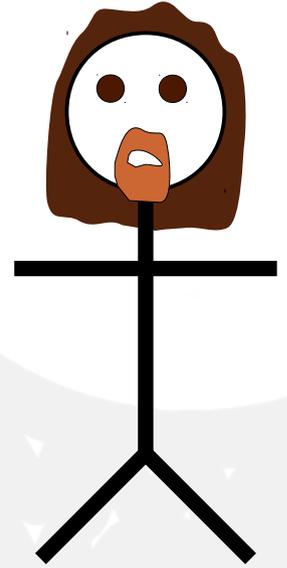
Evolveum



Questions and Answers



Thank You



Radovan Semančík

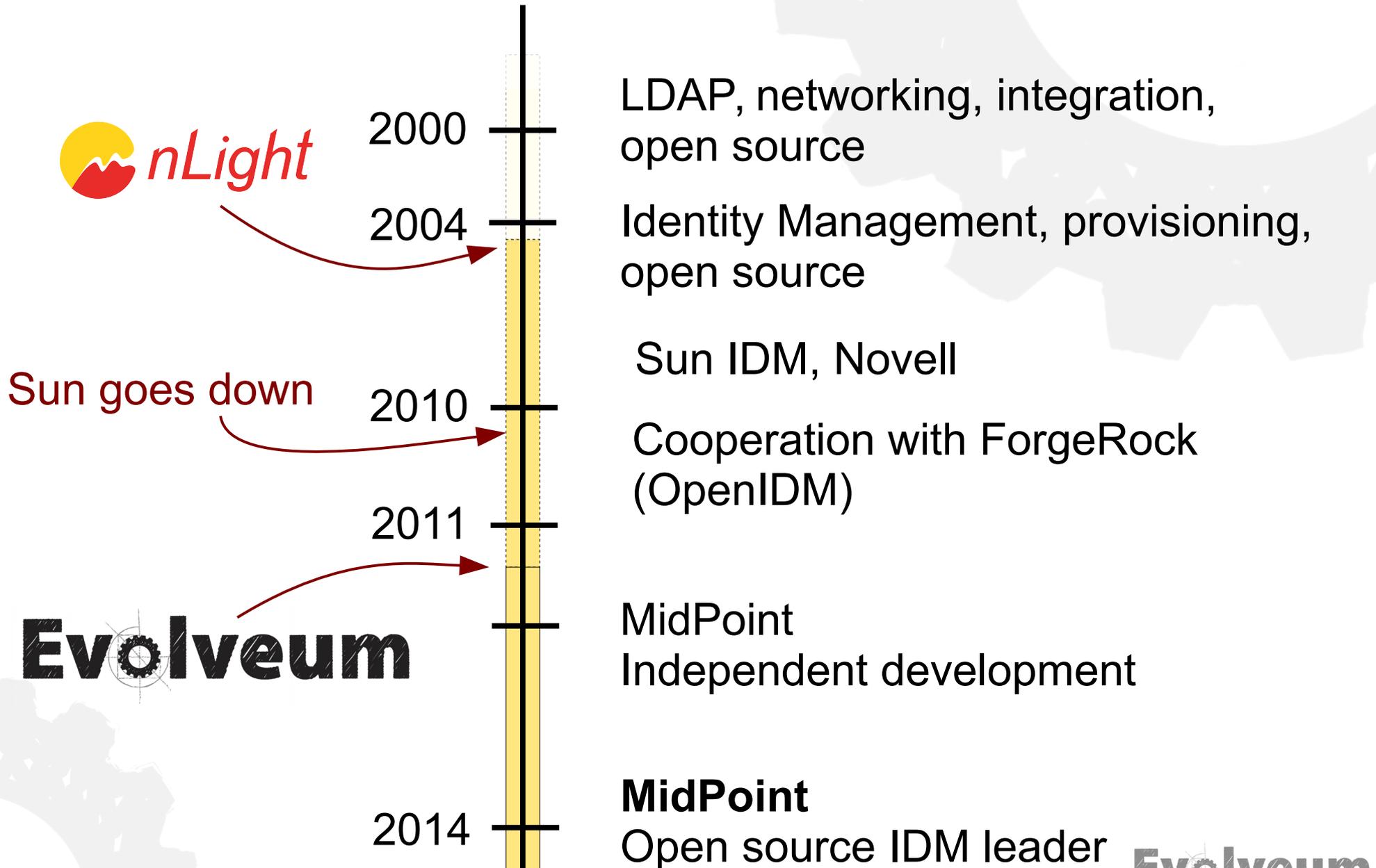
www.evolveum.com

Details! Tell me the details!

Evolveum



Evolveum Team History



Live Demo

<http://demo.evolveum.com/>

Documentation: search for “Live demo” in wiki.evolveum.com

(Much) More Information

- midPoint Wiki
 - <https://wiki.evolveum.com/display/midPoint/Home>
- Architecture and Design (in Wiki)
 - Wiki pages under [Architecture and Design] page
 - “Live” architecture documentation
 - Includes UML diagrams
 - We try to keep it (reasonably) up to date
- midPoint Mailing List