



## Eclipse Open Innovation Networks

September 12, 2007

# Agenda



- Eclipse at a Glance
- Innovation Networks
- How Does it Work?
- Examples of Eclipse Innovation Networks in Action
- Futures and Conclusions

# Eclipse Snapshot



- 800+ committers, representing 50+ organizations, working on 70+ projects
- 162 member companies
  - 21 Strategic Members
  - 118 Add-in Providers
  - 23 Associate Members (Publishers, Research Institutes, Standards Org., etc.)

## Strategic Members





# Eclipse's Market Impact



- *“...the Eclipse open source tools platform has come into its own, emerging as both an alternative to Microsoft ... in the application development space and the de facto standard for developing in Java.”*
  - InfoWorld, Jan. 9, 2006
- *“Eclipse has won — what next for Eclipse?”*
  - Carl Zetie, Forrester
- *“This year we find that six in ten respondents use Eclipse as their primary IDE...”*
  - Evans Data, Sept. 2006

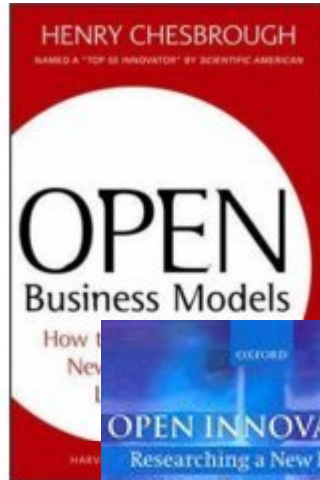
# Keys to Eclipse's Success



- The Eclipse community has established the best existing model for multiple corporations to create innovation networks, enabling co-operation on the development of product-ready open source software
- Eclipse has a proven track record of helping companies get started with open source, and assisting their migration to the next level of open source maturity
- This really is the best of both worlds:
  - The openness, transparency and meritocracy of open source
  - With the resources and commitment of corporations both large and small



# Open Innovation



*Open Innovation is a paradigm that assumes that firms can and should use external ideas as well as well as internal ideas.... The Open Innovation paradigm treats R&D as an open system.*

*Open Innovation is sometimes conflated with open source methodologies for software development...While open source shares the focus on value creation throughout an industry value chain, its proponents usually deny or downplay the importance of value capture.*

***Open Innovation: Researching a New Paradigm***

# A Concrete Example



SPECIAL REPORT  
Inside Innovation

## Radical Collaboration

Lessons from IBM's innovation factory



IBM is reinventing the way it innovates. At one time the tech giant was a true believer in go-it-alone R&D.

IBM's decision to invite in outsiders and open up the innovation process reflects one of the most intriguing concepts in corporate strategy today. Many major companies have concluded that succeeding in the 21st century requires teaming up with other companies—or even individual researchers—to create so-called innovation networks.

IBM has built what it calls an "open ecosystem" of chip R&D with nine partners, including Advanced Micro Devices, Sony, Toshiba, Freescale Semiconductor, and Albany Nanotech, a university research center.

Source: BusinessWeek, August 30, 2007

[http://www.businessweek.com/innovate/content/aug2007/id20070830\\_258824.htm](http://www.businessweek.com/innovate/content/aug2007/id20070830_258824.htm)



# Eclipse: a vibrant open source community



“Eclipse is an **open source community** focused on developing a **universal platform** of frameworks and **exemplary tools** that make it easy and cost-effective to build and deploy software in today’s connected and unconnected world.”

*The Eclipse community is focused on value creation by creating an innovation network --- a vendor-neutral and openly governed community for collaboration and joint software development*

## Eclipse: a profitable eco-system



“Eclipse is a **consortium** of major software vendors, solution providers, corporations, educational and research institutions and individuals working together to create an **eco-system** that enhances, promotes and cultivates the Eclipse open platform with complementary products, services and capabilities.”

*The Eclipse community embraces the importance of value capture. We are consciously focused on building a commercially profitable ecosystem*

## How Does It Work?



- Focus on business value
- Culture of Participation
- Execution on Platform Values

## How Does It Work?



- Focus on business value
- Culture of Participation
- Execution on Platform Values

# The Software Business Model is Broken



- Software development cost structures today have no correlation to creating value for customers.
- 80% of new costs and maintenance costs go to build and support infrastructure for which companies derive zero differentiating product value.



# The Business Model for Open Source



- Shared implementations of infrastructure
  - Save time to market
  - Increase rate of standards adoption
  - Reduce risk
  - Provide thought leadership and first mover advantages
  
- Vendors still compete!
  - Product differentiating features
  - Service, support
  - Branding, channels

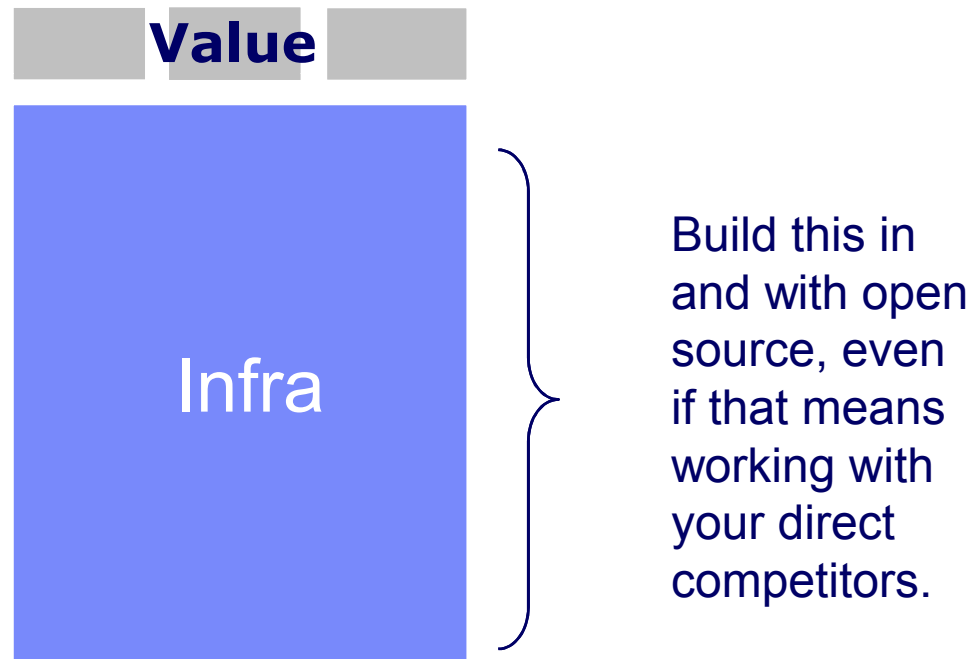
*Yes, open source means shareholder value!*



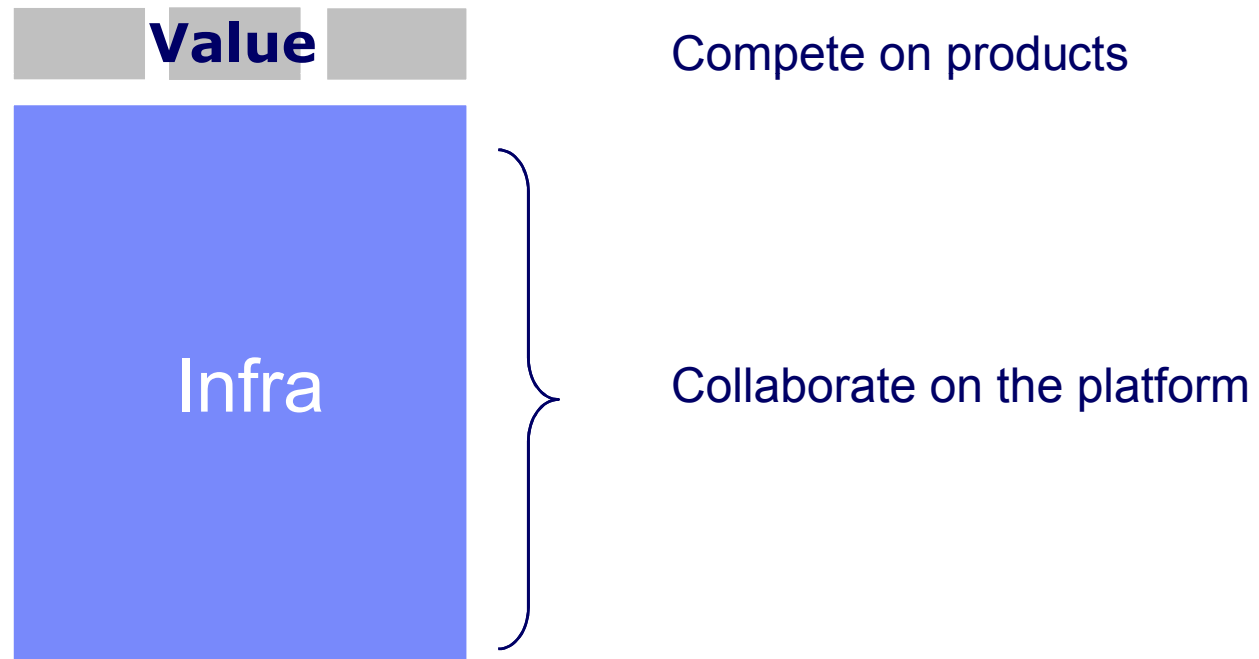
# Compete On What Matters



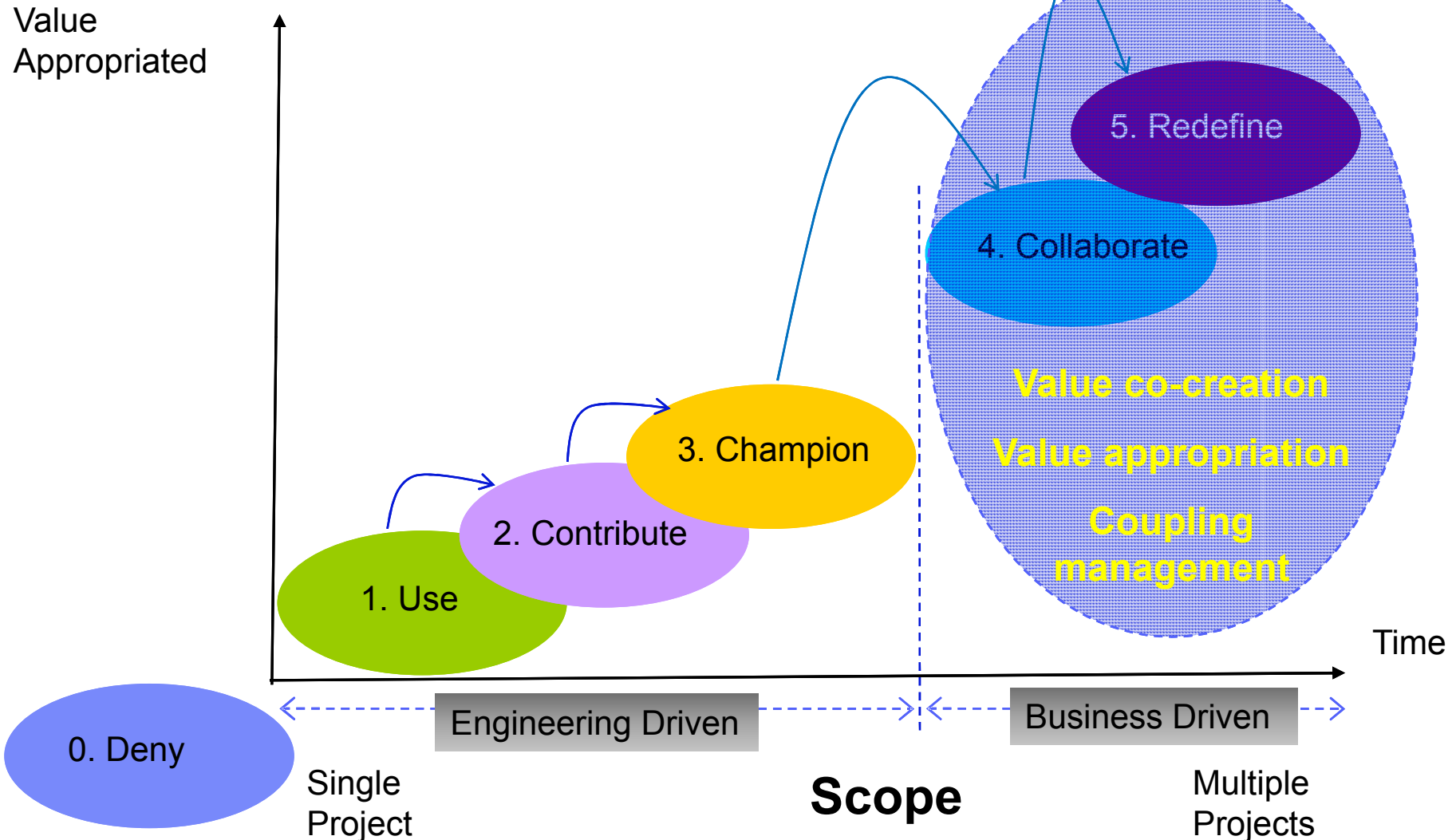
- Define very precisely what your competitive differentiators are for your customers or you're going out of business
- Focus all possible energies there, and acquire everything else from OSS, or help build it in OSS



Or in other words...



# Value from OS Projects – Model



# Prediction



- Within the IT industry, ISVs and vendors have been the first to move through this maturity model
- Information Technology sectors within vertical industries are next
  - Healthcare, Automotive, Financial Services, Insurance, Government

## How Does It Work?



- Focus on business value
- **Culture of Participation**
- Execution on Platform Values

# Architecture of Participation



 <http://www.flickr.com/photos/sentience/261922677/>



 <http://www.flickr.com/photos/ckindel/135426249/>

*“what really distinguishes open source is not just source, but an **architecture of participation**” ....”*

Tim O'Reilly

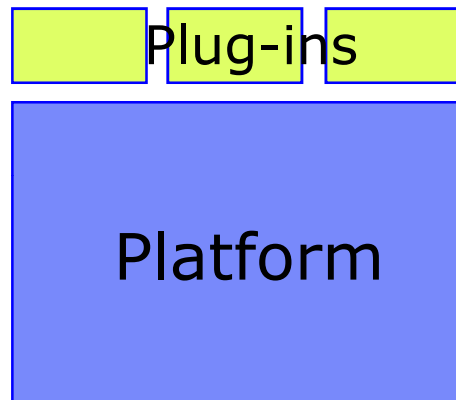
<http://www.oreillynet.com/pub/wlg/3017?wlg=yes>



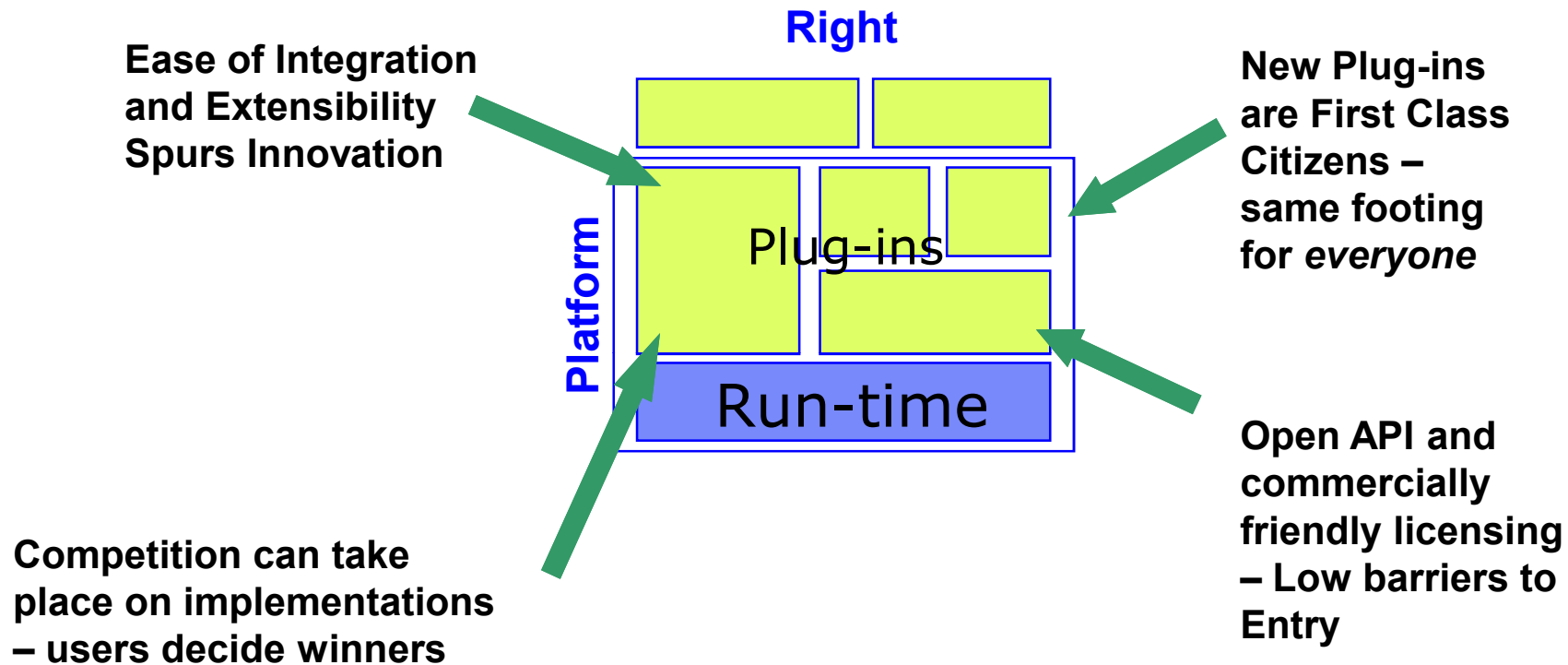
# The Eclipse Experience – Architecture of Participation



**Wrong!**



# The Eclipse Experience – Architecture of Participation



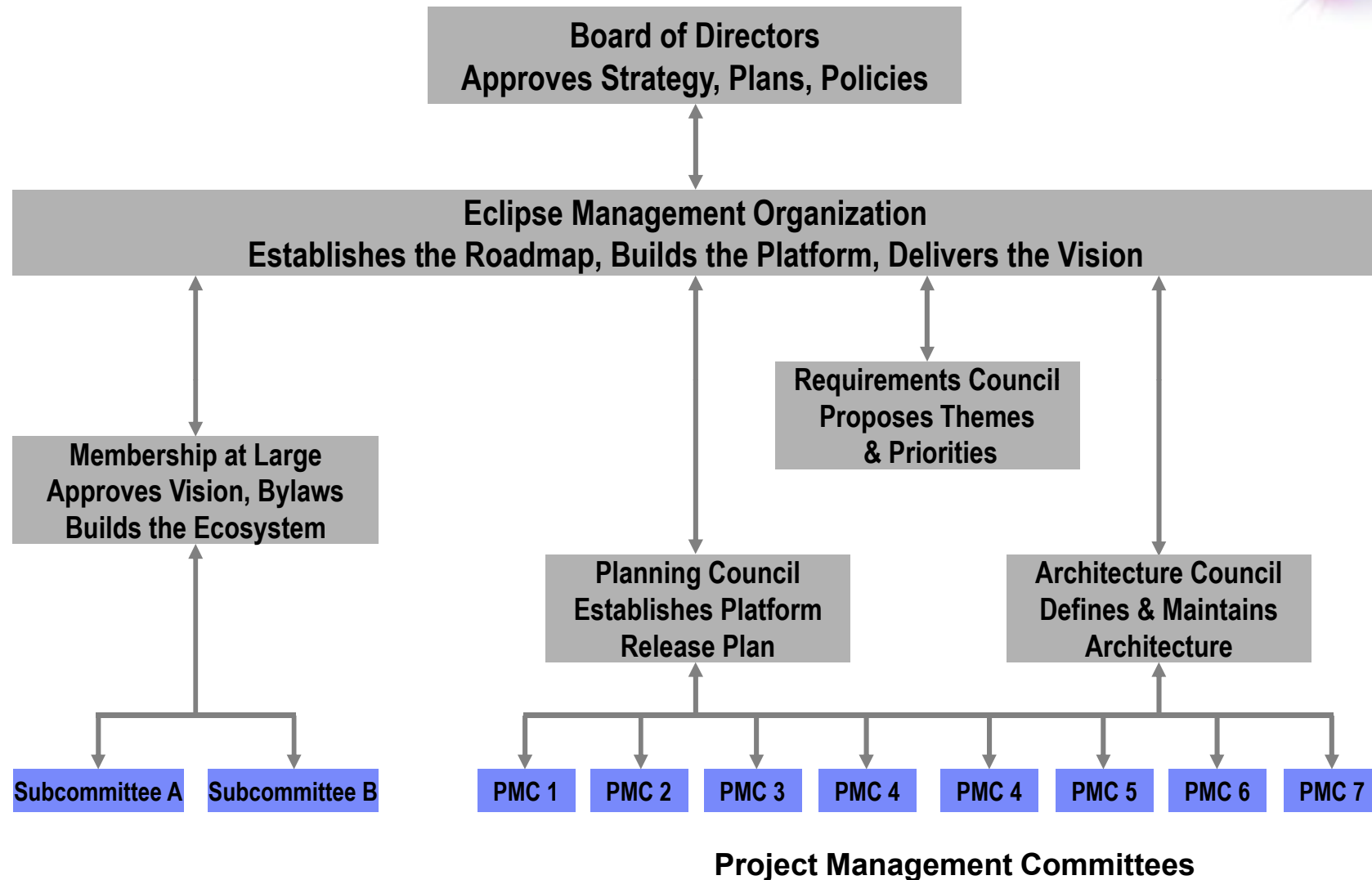
**Successful Ecosystems are built on this model!**

# Open Development



- **Open** - Eclipse is open to all; Eclipse provides the same opportunity to all. Everyone participates with the same rules; there are no rules to exclude any potential contributors which include, of course, direct competitors in the marketplace.
  - As a further explanation of Receptive, we include **Permeable** and **Receptive** - Projects are open to new ideas and new committers; not just in words, but in fact. In other words, those outside the core can, and do, influence and join the project.
- **Transparent** - Project discussions, minutes, deliberations, project plans, plans for new features, and other artifacts are open, public, and easily accessible.
- **Meritocracy** - Eclipse is a meritocracy. The more you contribute the more responsibility you will earn. Leadership roles in Eclipse are also merit-based and earned by peer acclaim.

# Open Governance



## How Does It Work?



- Focus on business value
- Culture of Participation
- Execution on Platform Values

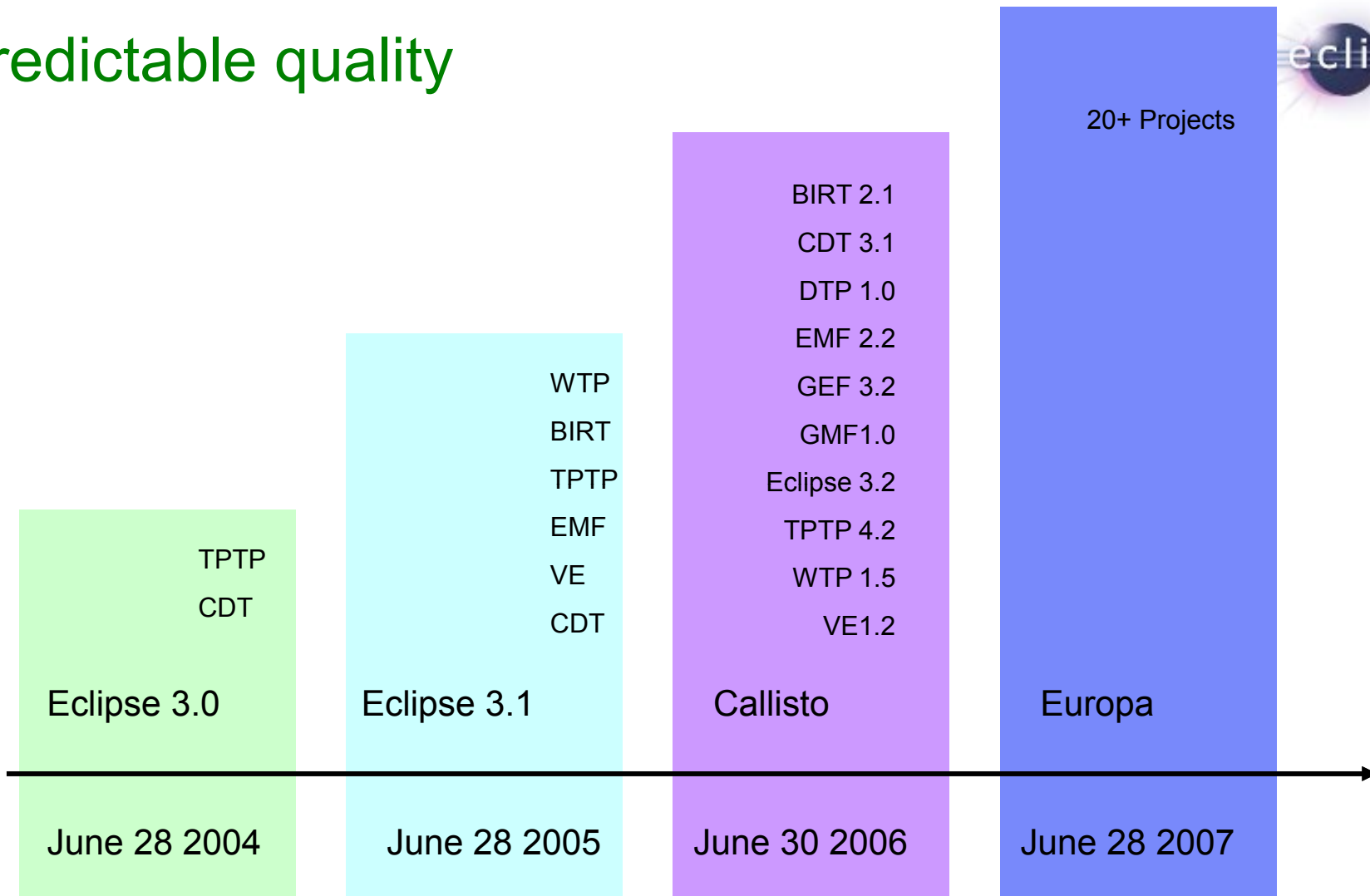
# Platform Values



- Architecture
  - Modular & extensible architecture vs monolithic release
  - Focus on quality APIs and frameworks
- Governance
  - Projects remain independent
  - Every participant engages under exactly the same rules
- Process
  - Frequent milestone releases
- Predictability



# Predictable quality



# Eclipse Europa Snapshot



- Eclipse Release Train for 2007
- By the numbers

2007	2006
▪ 21 projects	10
▪ 17 million LOC	7 million
▪ 25 organizations	15
▪ 19 countries*	12

Australia, Austria, Brazil, Bulgaria, Canada, China, Czech Republic, France, Germany, Ireland, Israel, Japan, Poland, Russia, Sweden, Switzerland, Turkey, UK, USA

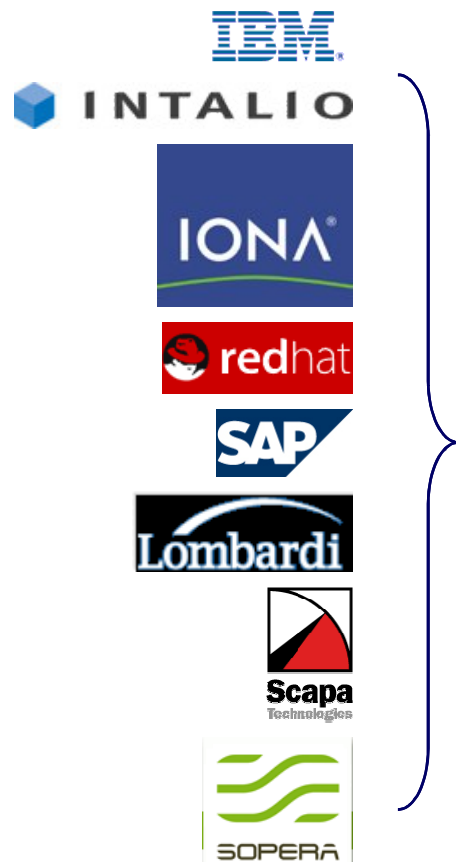
# Innovation Networks in Action: Web Tools Platform Project



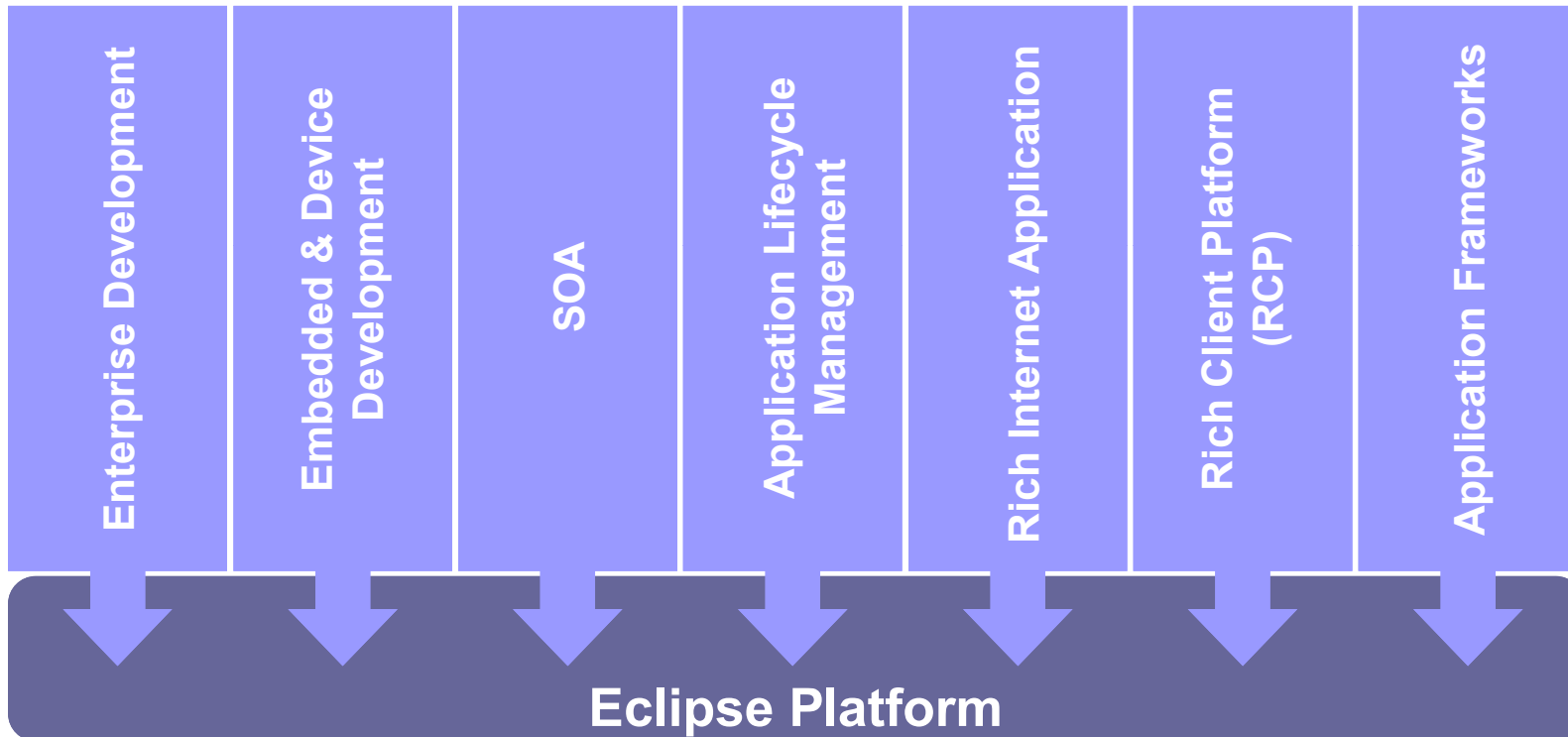
# Innovation Networks in Action: C/C++ Development Tools Project



# Innovation Networks in Action: SOA Tools Project



# Where Next for Eclipse?



# Conclusions



- The Eclipse open source community is uniquely focused on achieving both goals associated with innovation networks:
  - Open governance and development processes allow individuals and corporations to co-operatively develop product-ready software (*value creation*)
  - Focus on ecosystem opportunities supports use of this technology in successful products (*value capture*)



Thank You!

[mike@eclipse.org](mailto:mike@eclipse.org)

September 12, 2007