



# Community Driven Business

Peter Cheng

<http://www.linkedin.com/in/petercheng>

<http://www.twitter.com/petercheng>

# Bio Peter Cheng | 程勇

## n Community Strategist & Open Source Evangelist

- u Founder of TargetSource The Community Driven Company
- u Founder of Open Source Camp, Open Source University Events
- u Co-founder of Huihoo.org (From 2001)
- u JFoxSOAF, JFox Committer (<http://code.google.com/p/jfox>)

## n General Speaker

- u Software Freedom Day Beijing 2009
- u LinuxWorld China Beijing 2007-2008
- u 2007 China SOA Conference
- u 2007 Redhat Conference
- u 2006 Redhat Day
- u 2006 IBM DeveloperWorks Conference
- u 2005-2006 BEA User Group (Beijing, Shanghai, Changsha, HangZhou)
- u 2004-2007 China Software Conference

## n Open Source University (From 2003 ...)

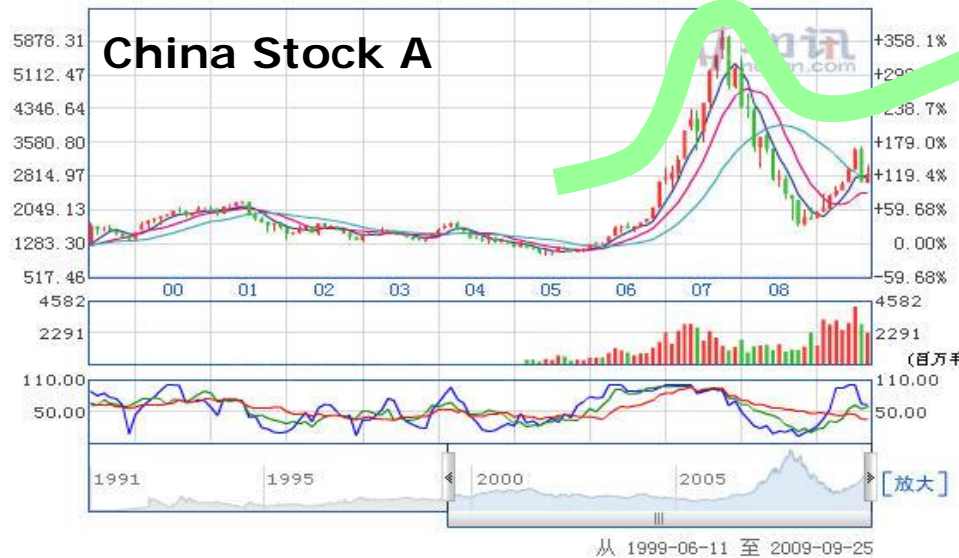


# Agenda

n **Community as a Strategy**

n **Community Business Practice in Open Source World**

# Today is So Yesterday



The Gartner Hype Cycle

# The Social Revolution

1999



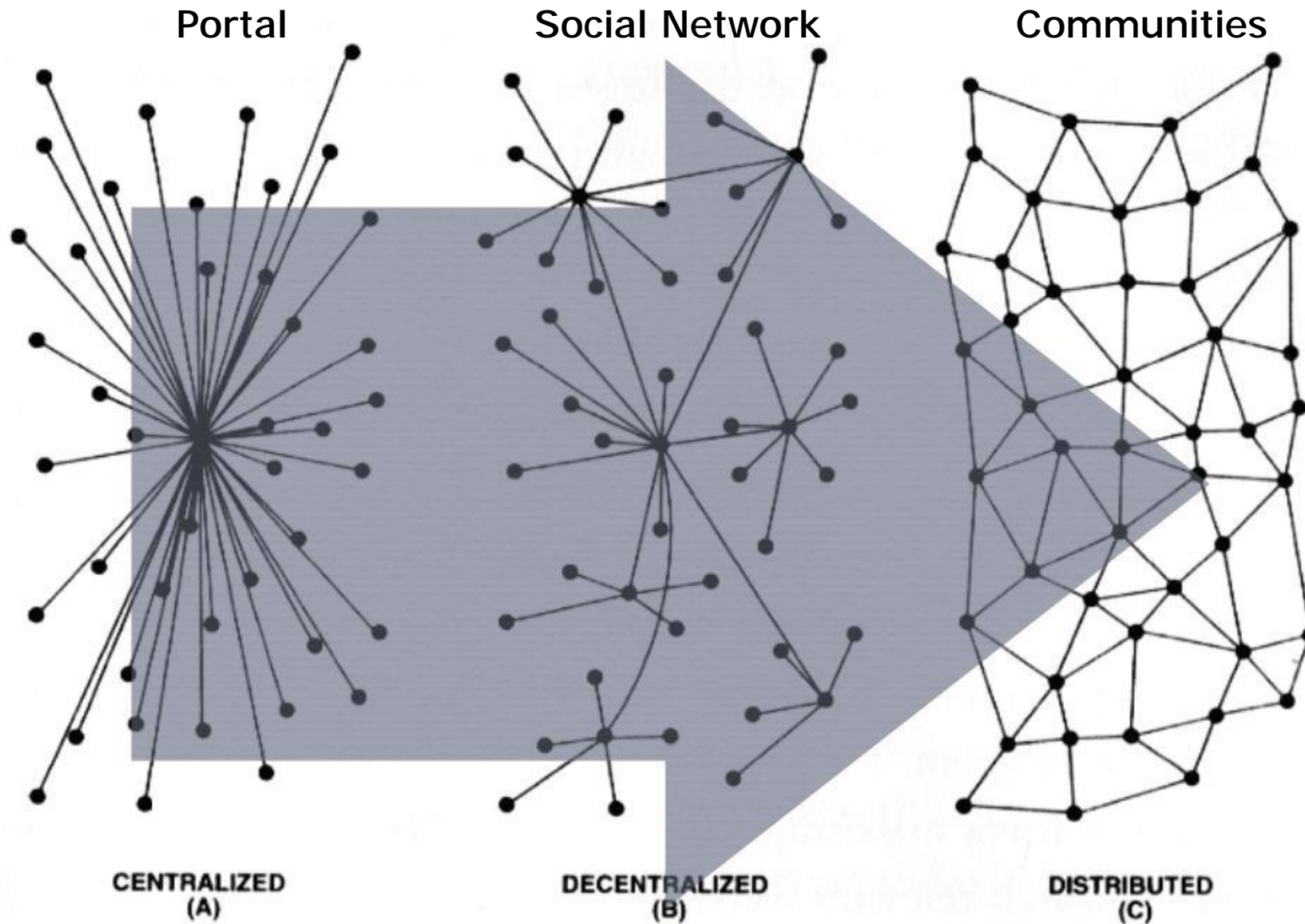
2009



Future?



# The Social Revolution (2/2)



# How do most companies sell today

- n Buy contact lists
- n Do mail shots
- n From small Google ads to bill boards
- n Follow up with cold calls
- n Engage call centers
- n Identify “readiness to buy”
- n Qualify the yield
- n Call and try to get an appointment
- n Start a sales process
- n Hope for the best

# How do YOU buy today

- n You ignore advertising
- n You hate cold calls
- n You have spam filters
- n You have popup stopper
- n You first check the Internet for meaningful comments
- n You check forums and get interesting opinions
- n You read blogs
- n You discuss with peers or experts
- n You explore with friends or colleagues
- n When you are “ready to buy”  
the decision is pretty much set in stone

# Community Definition

"A community usually refers to a group of people who interact and share certain things as a group. ... The word community comes from the Latin communis, meaning 'common, public, shared by all or many.'"

Wikipedia

“物以类聚，人以群分”

Birds of a feather flock together



# Community as a Strategy



# CaaB: Eclipse– Leading Global IDE Market

## n Started by IBM since 1998

- u A platform to unite IBM Visual Age products.

## n Official Definition:

- u Eclipse is an open source community whose projects are focused on providing an extensible development platform and application frameworks for building software.

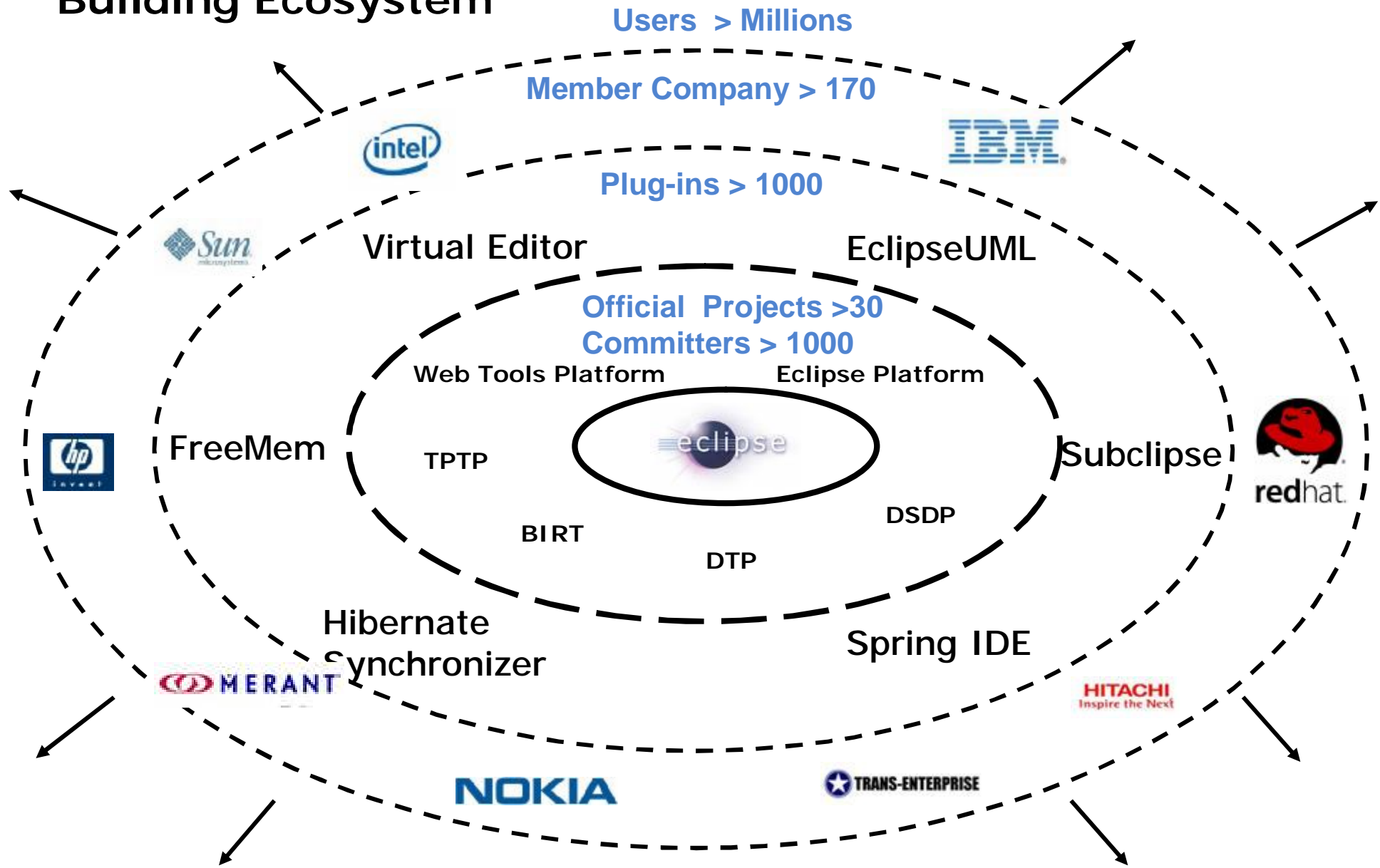
## n IBM handed over the control to a NOT FOR PROFIT consortium, the Eclipse Foundation, at 2004

- u IBM also donated \$40million to the Eclipse Foundation

## n The Eclipse Evaluation

- u Version 1.0: Open Source Java IDE
- u Version 2.0: Universal Tooling Platform
- u Version 3.0: Platform for Rich Client Application

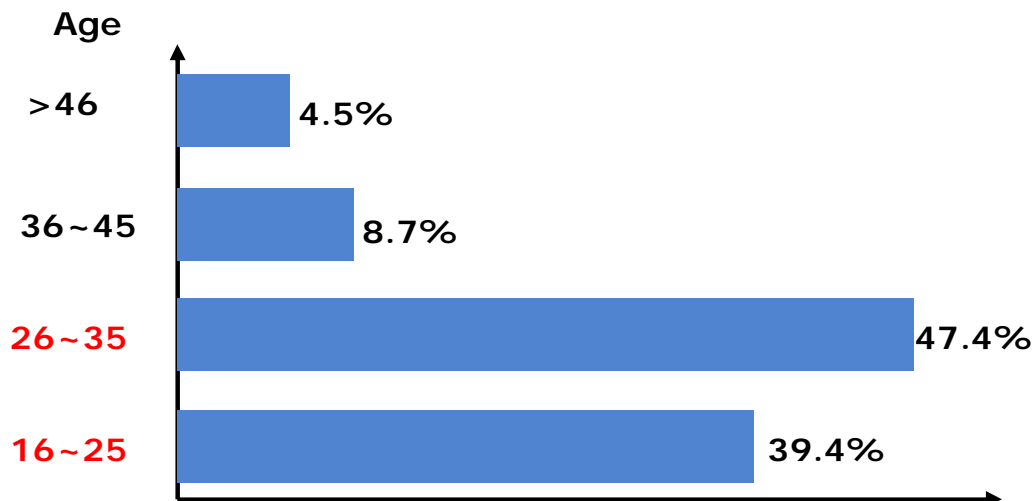
# Building Ecosystem



<http://www.infoq.com/news/2009/07/Results-Eclipse-Community-Survey>

# CaaM: Taobao -- Leading C2C Market in China

- n Taobao.com The Largest C2C eBusiness Platform in China
- n Members: 145M (June, 2009)
- n Transactions: 8B Euro ( 6 Months, 2009)  
3 Times Wal-Mart China Revenue



n <http://research.cnnic.cn/html/1247720873d1055.html>

# Connecting Communities

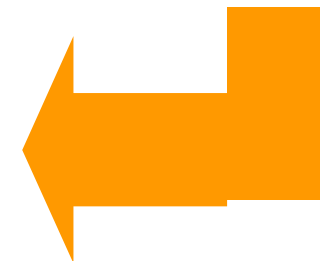
## Taobao Forum



## Taobao SNS

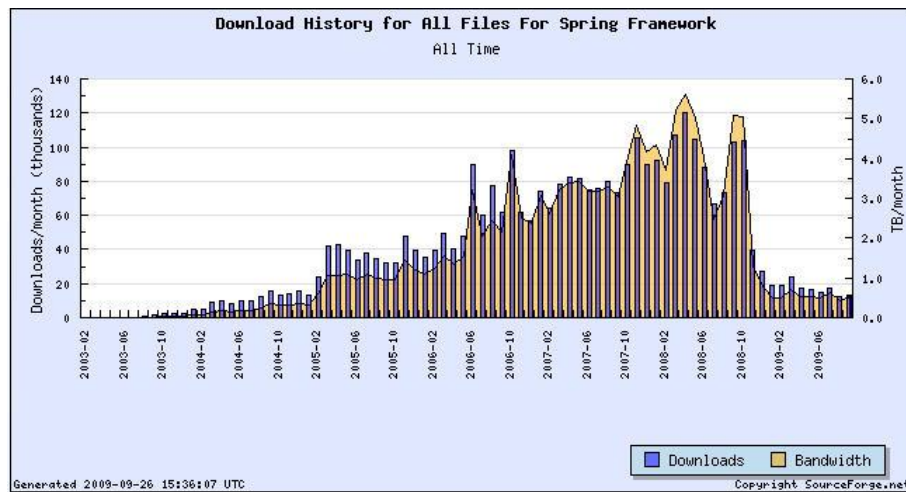


## Taobao Open Platform

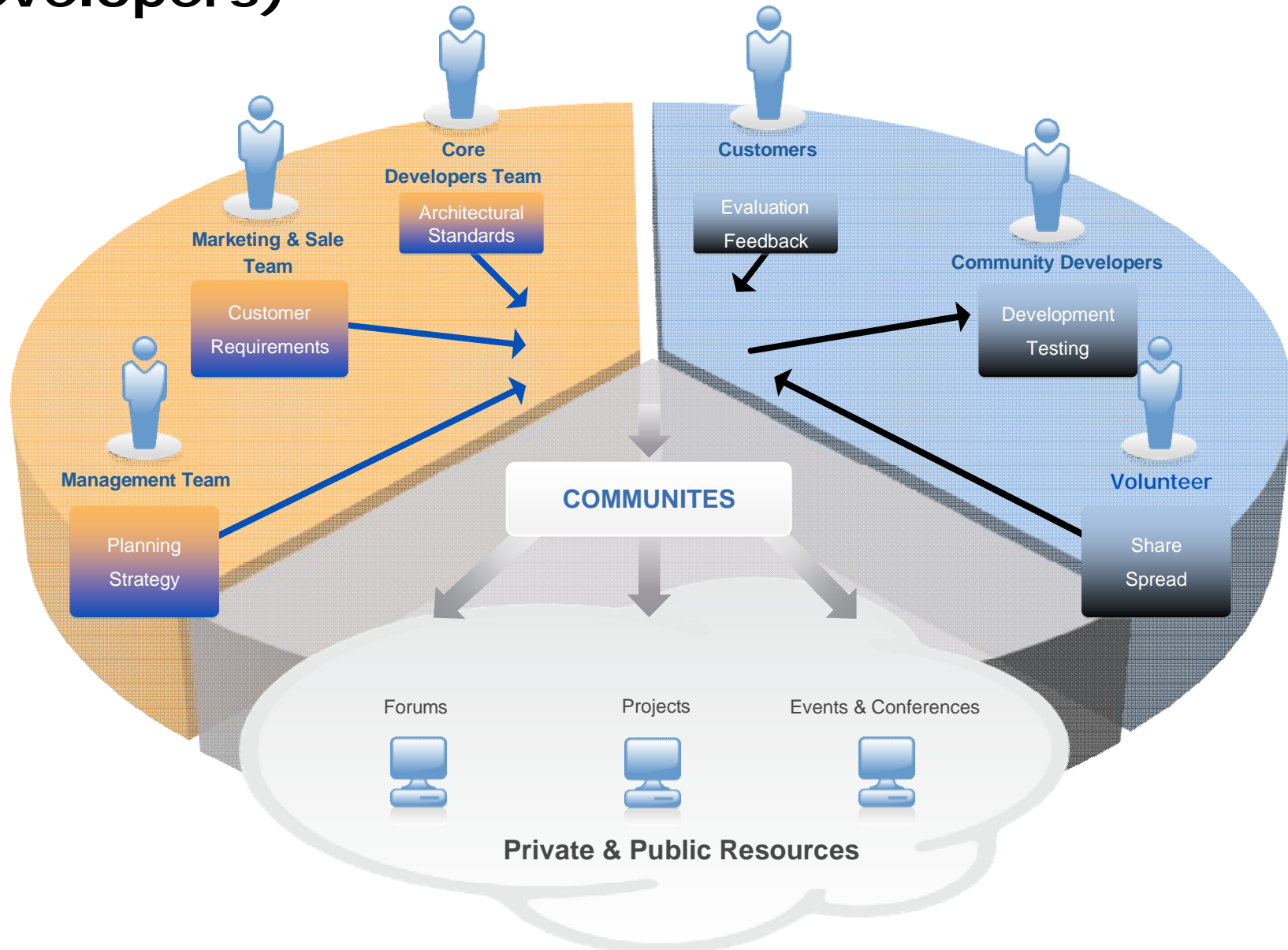


# CaaD: SpringSource – Leader in Java Application Infrastructure

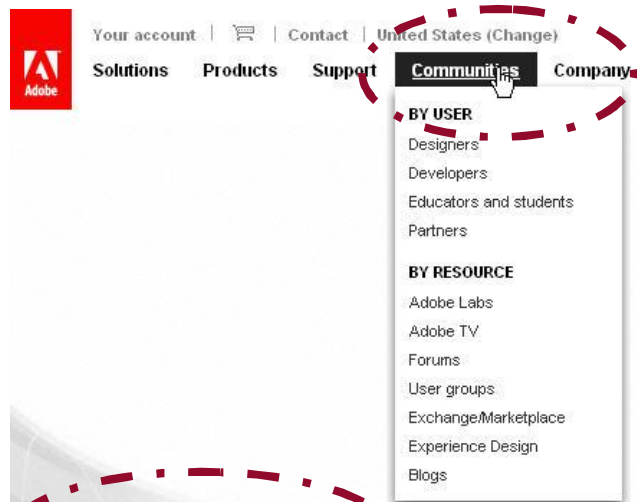
- n SpringFramework: The Most Popular Java Application Framework
- n > 3Millis Download
- n Acquisition: 430M USD By VMWARE



# Connecting People (Customers, Users, Developers)



# Communities is Everywhere



# Agenda

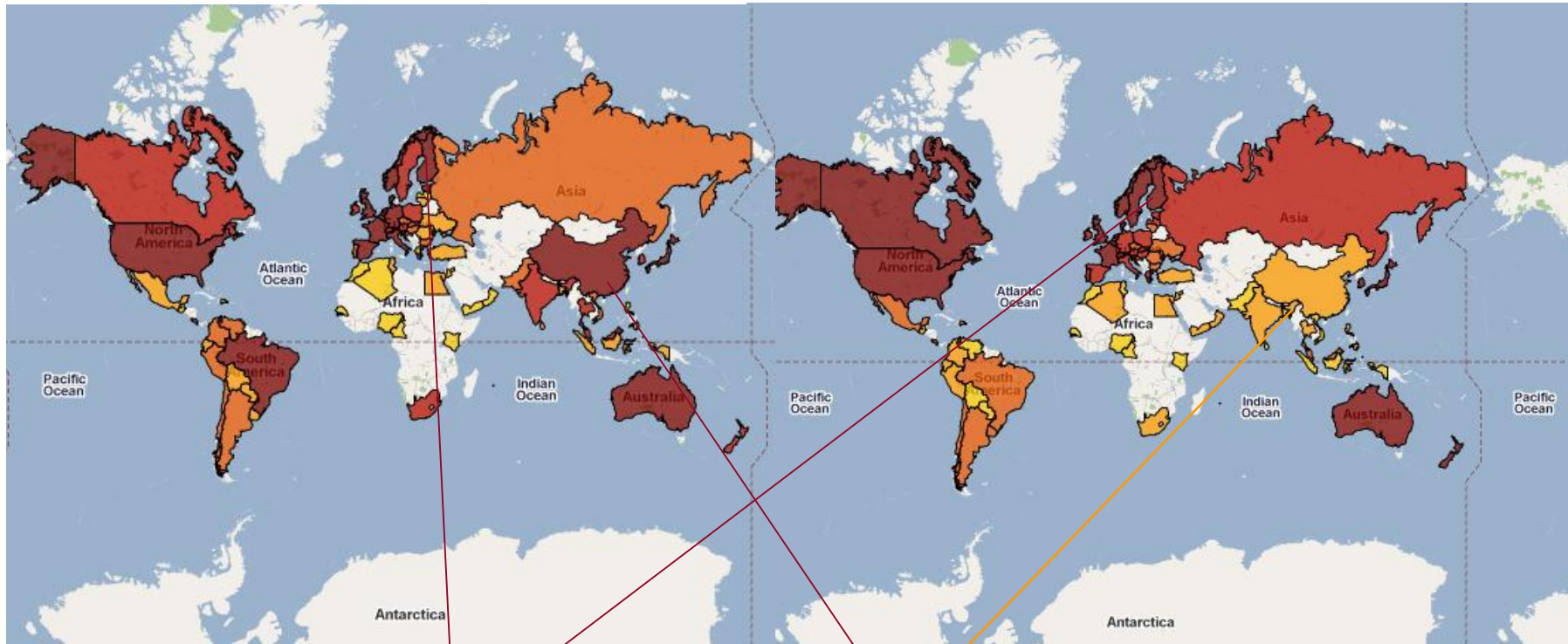
n Community as a Strategy

n Community Business Practice in Open Source World

# Open Source is Phenomenon, But ...

Open Source Activity

Open Source Environment



Finland | 芬兰

China | 中国



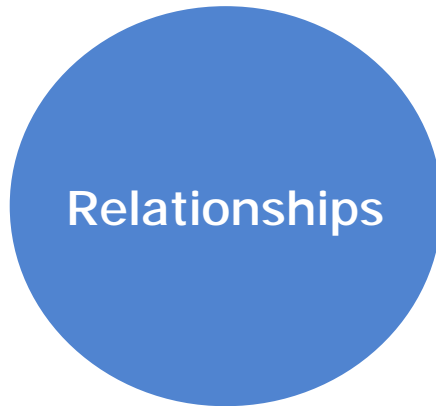
By Redhat

# China (60 Years) By The Numbers

- n Avg 9.6% annual GDP growth rate for 25 years (1979~2004)  
Avg 8% annual GDP growth rate from 2006~2010
- n Currently 3rd largest economy, 2,472 Billion Euro GDP 2007
- n Software market reached 69.8 billion Euro, 2008
- n Fourth largest software market worldwide
- n Internet Users > 340M  
Mobile Users > 700M
- n Science & Technology  
Related Workers > 40M



# The Culture



**US**

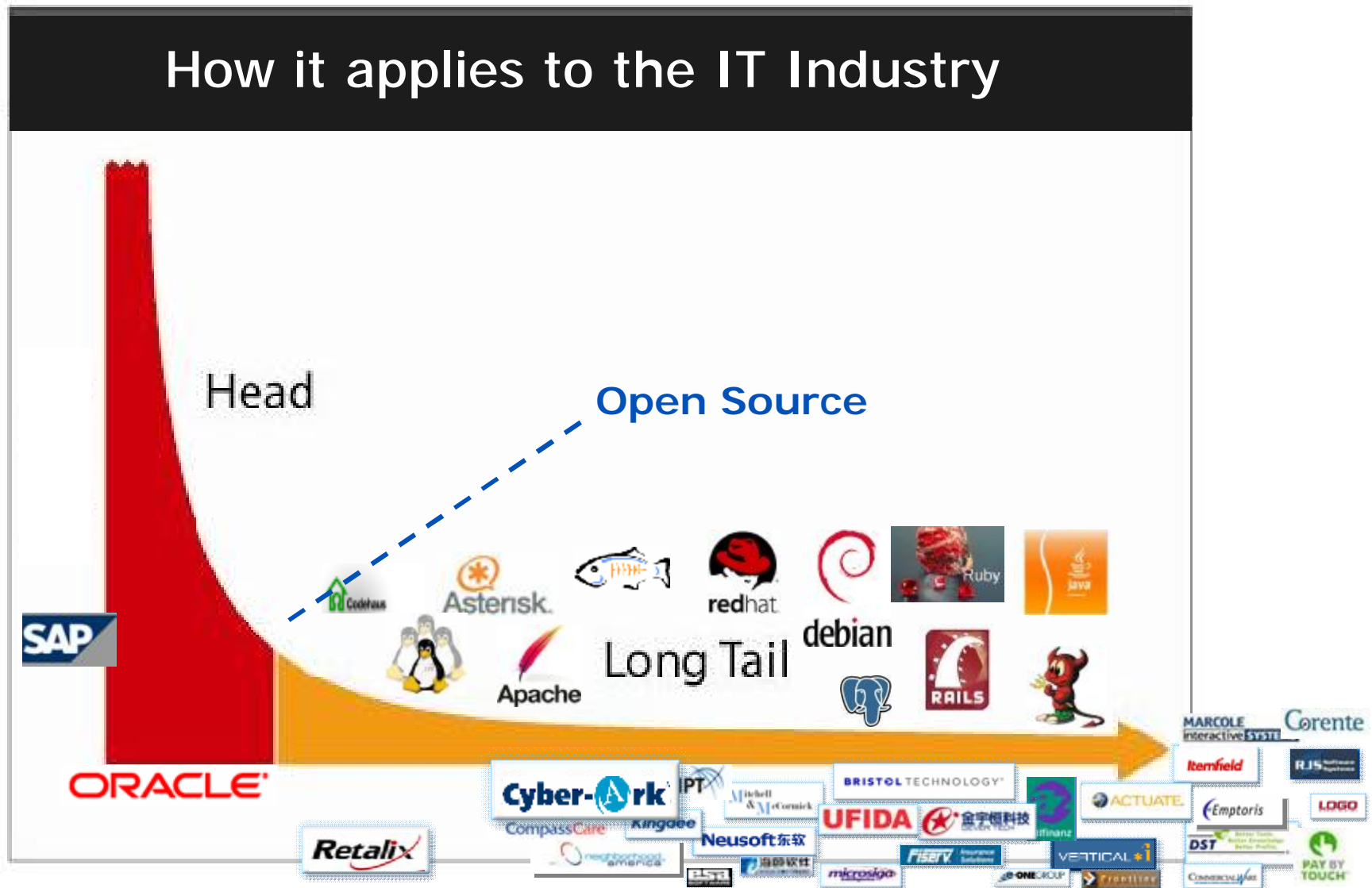
- Individualist
- Information Oriented
- Seeks the truth
- Argument culture



**China, Finland**

- Collectivist
- Relationships Oriented
- Seeks the way
- haggling culture

# Open Source Take the Long Tail



The Community Driven Company

© TargetSource

# The TAO

If you want to be a great leader,  
you must learn to follow the Tao.  
Stop trying to control.  
Let go of fixed plans and concepts,  
and the world will govern itself.

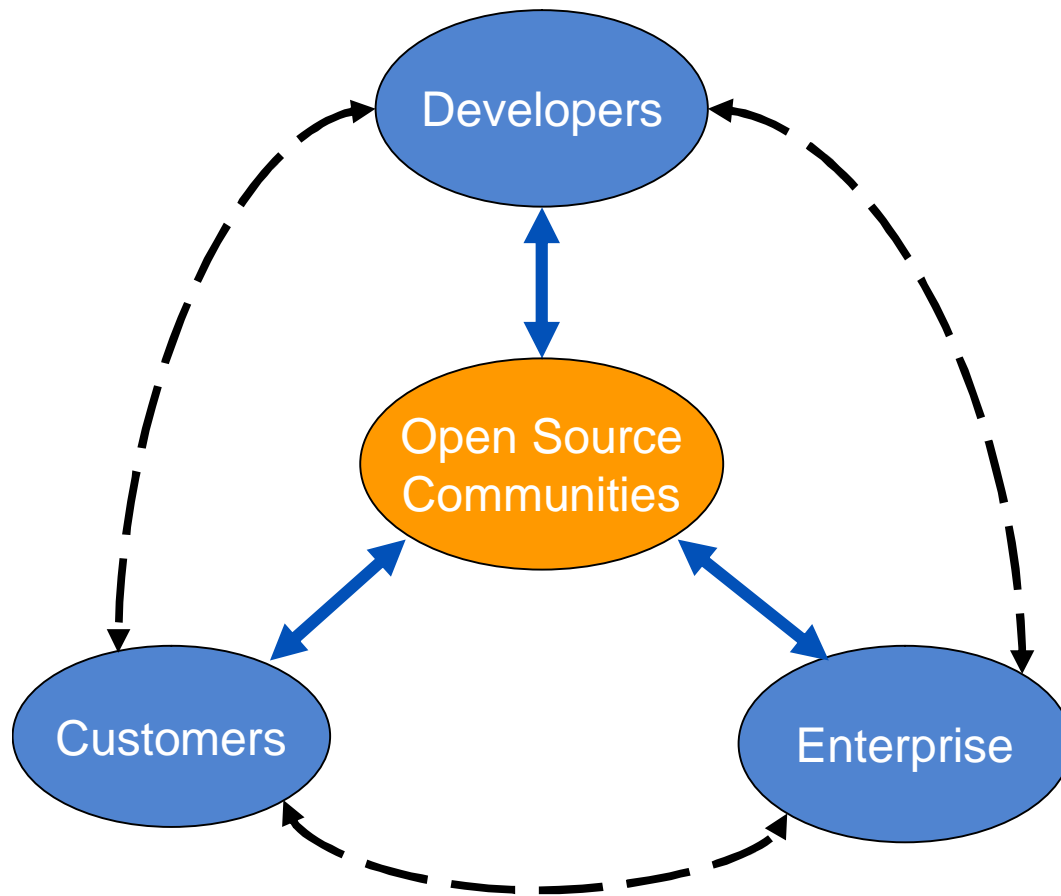
以吾以以以  
此何無奇正  
以事取兵治  
其然哉天下國

# Challenges

- n Local Culture
- n Communication
- n Top down approach
- n Complexity in copyright laws
- n Communities tend to be very fragile



# Community Requirements and Values



## Developers

- Learn Technology
- Personal Branding
- Find Better Jobs
- Fun Life

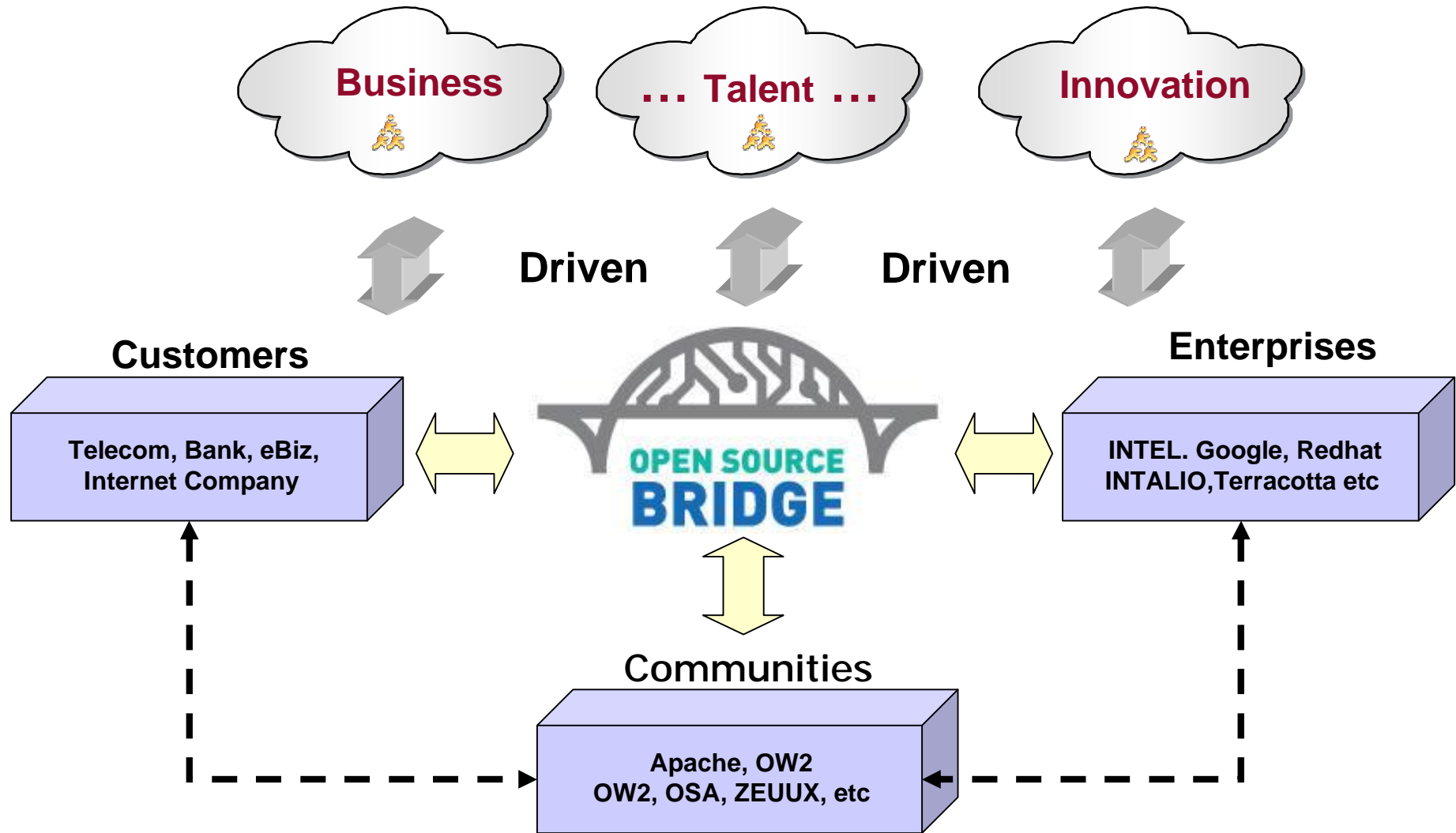
## Enterprise

- Find Right People
- Building Business Network
- Product Promotion
- Enhance Technology Ability

## Customers

- Identify Resources
- Take Right Control
- Reduce Cost

# Bridging Communities



# MAKING MONEY OUT OF COMMUNITIES

- n "Community driven business (OSS business) = management of:
- Project(s)
  - Communities
  - Business" Ossi-project 2007

"Publishers of all types, from news to music, are unhappy that consumers won't pay for content anymore. At least, that's how they see it.

In fact consumers never really were paying for content, and publishers weren't really selling it either. If the content was what they were selling, why has the price of books or music or movies always depended mostly on the format? Why didn't better content cost more?"

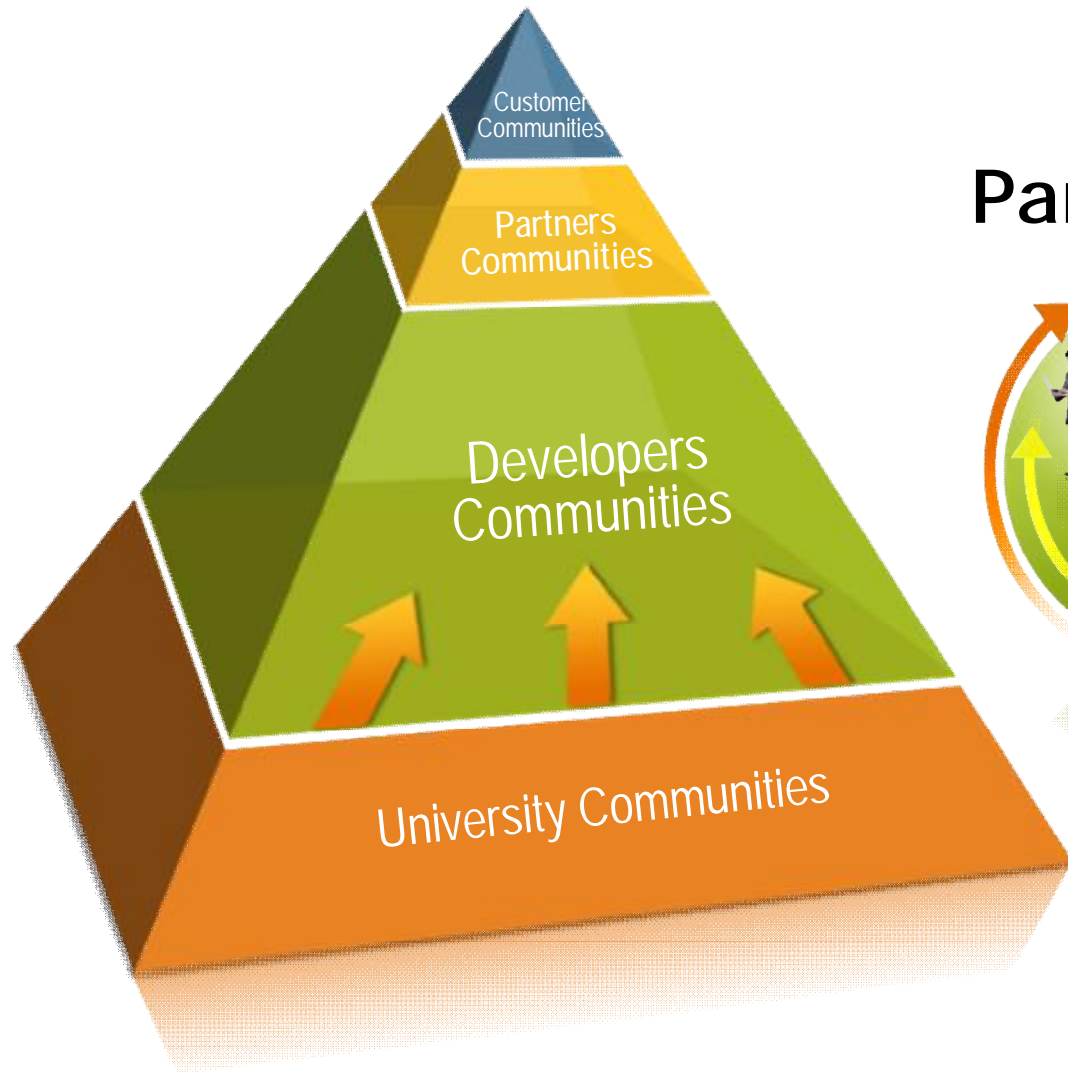
Paul Graham 2009



"It is misleading to talk about Community or OSS business models, rather one should view them as drivers or enablers and creators of new business opportunities and find ways of capturing value in the opportunities they have brought about."

Mikko Puhakka 2008

# Connecting Communities



## Participate, Share, Win

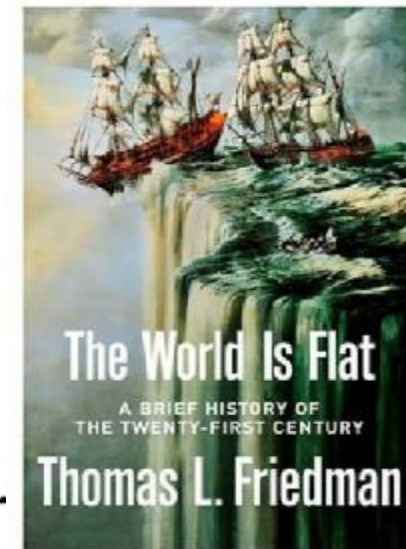


# Conclusions

- n Your business ecosystem of customers, prospects and partners together are far more powerful than any individual relation to an individual person.
- The ability to create and grow trustful communities for a better business experience, resulting in more market acceptance and eventually market leadership.

As Tom Friedman says,  
*"it's a flat new world."*

**"Communities Make  
Business More Fat"**





Thank you!

*Harry's bread. Nice and soft.*

