



Money and open source sustainability

Vicky Risk, Director of Marketing

RIPE 90

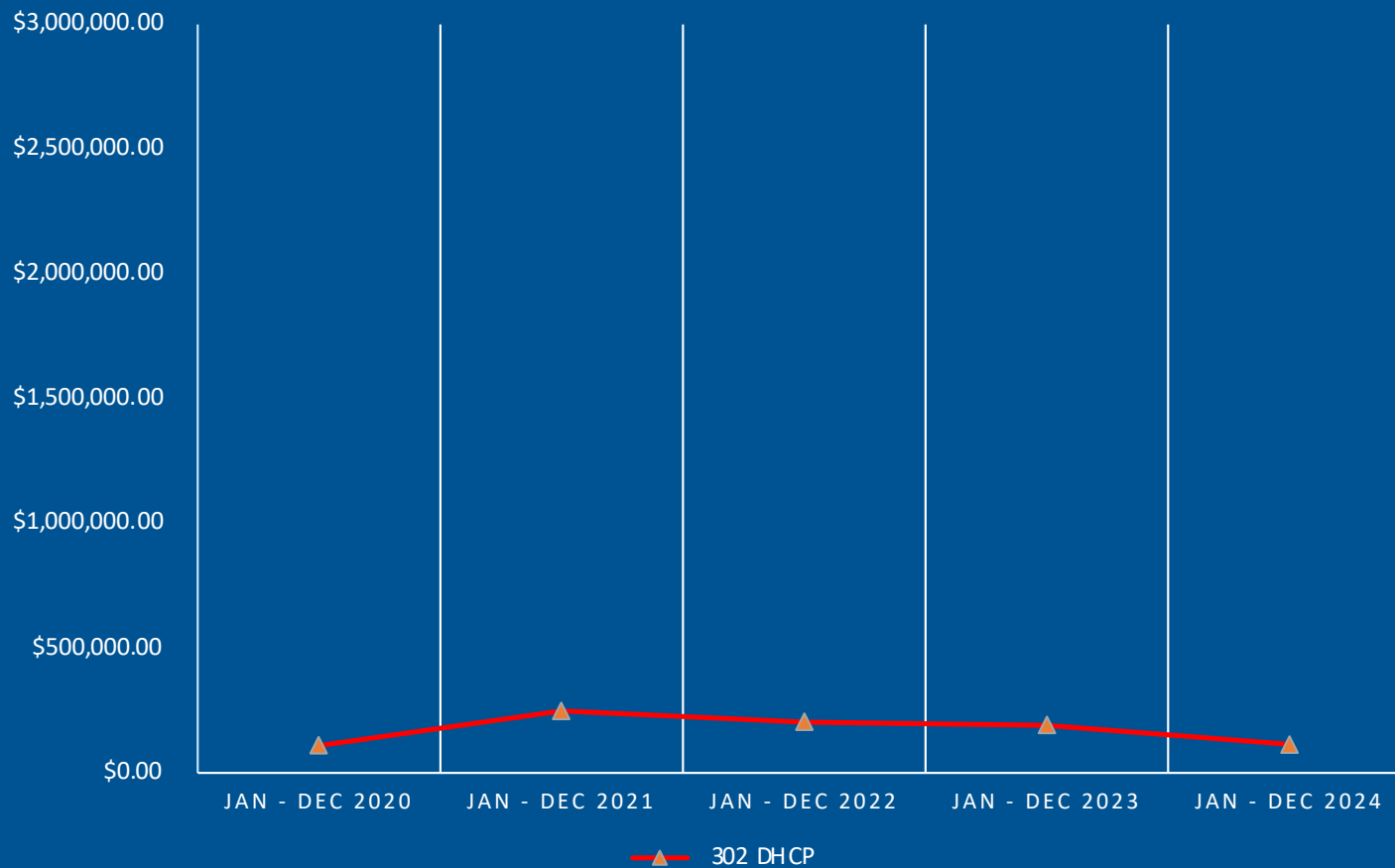
vicky@isc.org

- ISC is Non-Profit
- Independent since 1994
- Significant, long-lived open source projects – staff ~45 pp
- We have tried ... every technique for funding open source



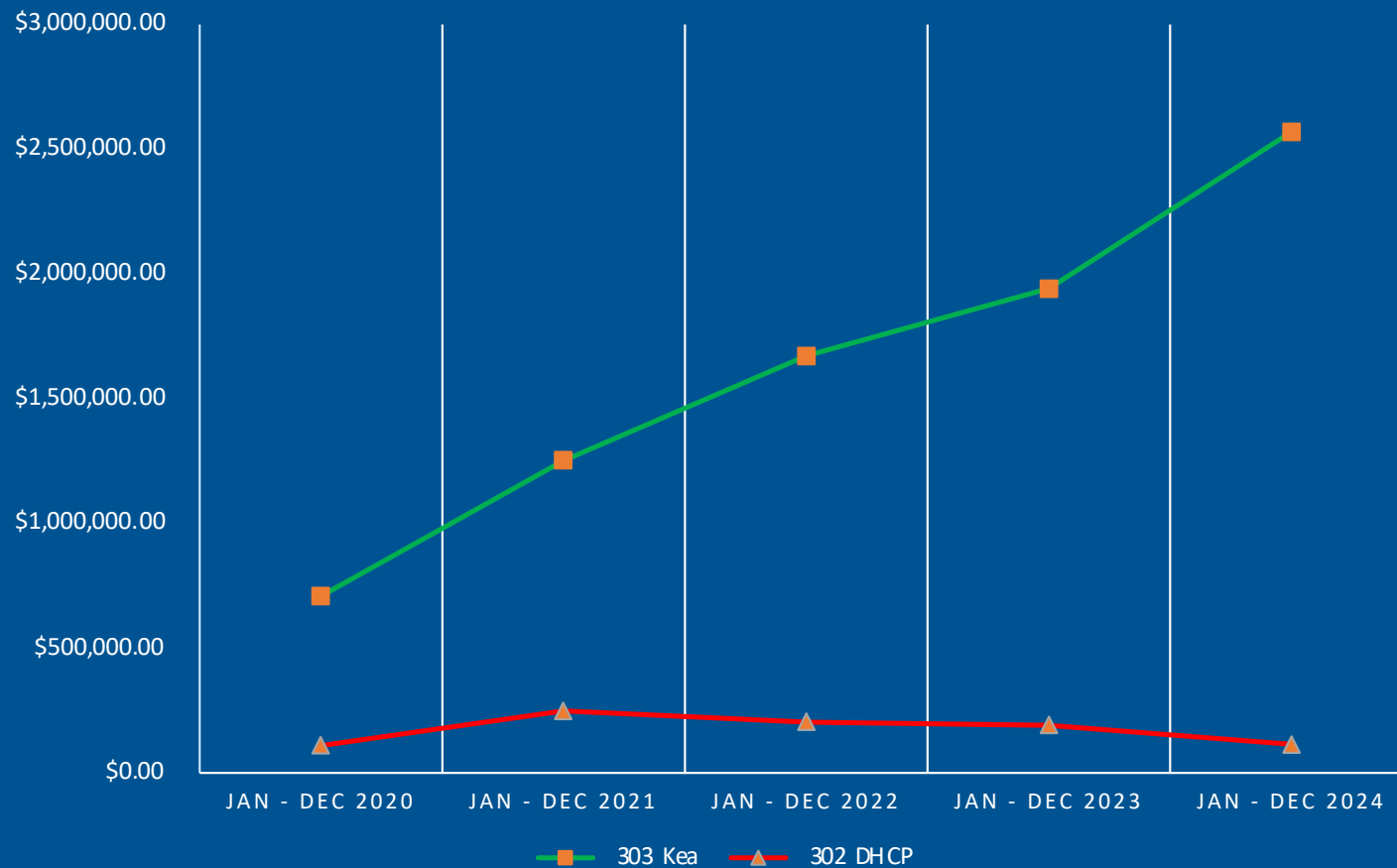
ISC DHCP has historically been a labor of love

REVENUE FROM ISC DHCP SUPPORT
2020 - 2024



Kea is now self-sustaining

REVENUE FROM ISC DHCP AND KEA SUPPORT
2020 - 2024



What worked for us?

**Internal
Bootstrap**

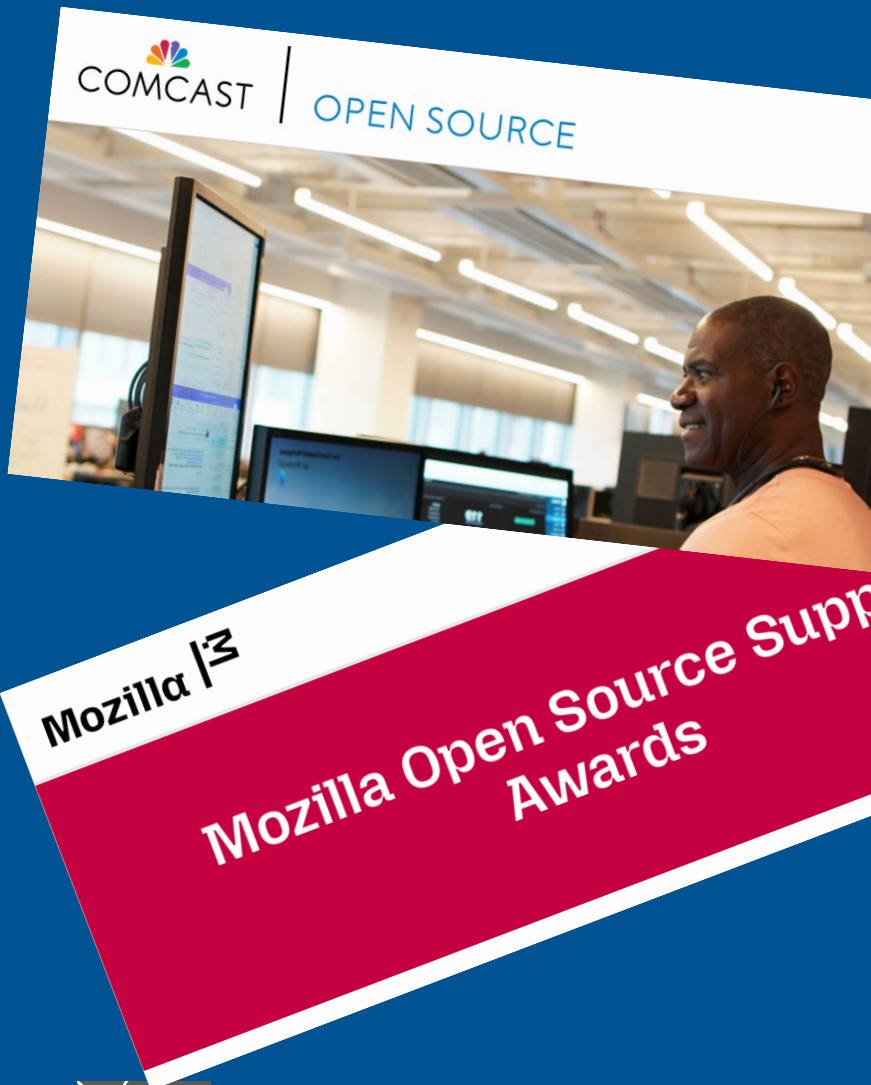
Grants

Donations

**Premium
features**

**Technical
support**

Grants



We received grants from: Comcast, Mozilla, Open Tech Fund, ICANN, Verisign

Now there is the Sovereign Tech Fund, NLNET Foundation \$, Alpha/Omega ..

Not uncommon to apply a year before receiving any funds

Subject to politics, tech fashions (currently, memory-safety)

Almost always want to fund new features (vs maintenance)

Donations (not Kea-specific)

- Individual donors – rare, small \$
- Foundations – bluebirds
 - Fidelity Charitable, Craigslist Foundation
- Industry partners –
 - thank you Verisign, Inc, Jisc, Switch and Deteque for supporting BIND!
- Micro-donations –
 - PayPal Charitable, Amazon Smile Foundation

Premium Features

RIPE 74 – 2017

Tomek Mrugalski



Funding Idea #2 : Premium features

- Kea is and will remain open source (MPL2, 478KLOC)
 - Provides support for hook libraries (~Apache module)
 - API is open (3rd party hook libs appearing now)
- Premium (EULA, 6.8KLOC)
 - Additional extra features
 - targeted for large deployments
 - A way to convince people to sign support contract
 - Yes, support contract = \$

isc.org/blogs/funding-kea/



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Tomek Mrugalski, 2017-05-11

- Service provider requirements
- Large scale deployment
- Management convenience
- Upgrade for support

Mechanics of selling software

- Standard EULA
- Separate private development repo
- Access-controlled package repo
- On-line store, pay & get secret token
- Get source code, 5 year right to use license



Kea Premium. Up to 1,000 active leases.

\$549.00.

[Read more](#)



Kea Premium. For Qualifying Nonprofit Entities - up to 30,000 active leases

\$549.00.

[Read more](#)



Kea Premium. Up to 6,000 active leases

\$2499.00.

[Read more](#)



Kea Premium. Up to 15,000 active leases

\$4999.00.

[Read more](#)

Promise

- Self-service, low-touch
- Little incremental cost, effort
- Open source PLUS
- Some users would upgrade to support

“unfortunately, we do not obtain a Paypal account and therefore are not able to complete the checkout for the named subscription. Can you please inform me about alternative payment methods and send me a quote ?”

In the beginning of May we purchased Kea Premium Hooks (up to 1.000), please see attached. This Purchase was done for our organization, however, we have missed to type in the company name, would you be able to generate another invoice with the following information in it:

“The DHCP infrastructure of the university is currently running the opensource version of Kea DHCP. For some value added functions we would be interested in purchasing the premium hooks named „subnet_cmds” and „class_cmds”. However prices for these premium hooks are not specified in the ISC online shop. Can you please advise us on how these premium hooks can be purchased, and what costs this would incur for us? Please take into consideration that our organization is a licensed non profit, and our sole client is a non-profit academic institution.”

5. Please provide a draft or a proposal for a trial version contract i must consult this with our law department.



Reality



New users struggled to determine whether they would need premium software. Many requests for special discounts.



People **hated** the auto-renew subscription model



Businesses do not buy via credit card.

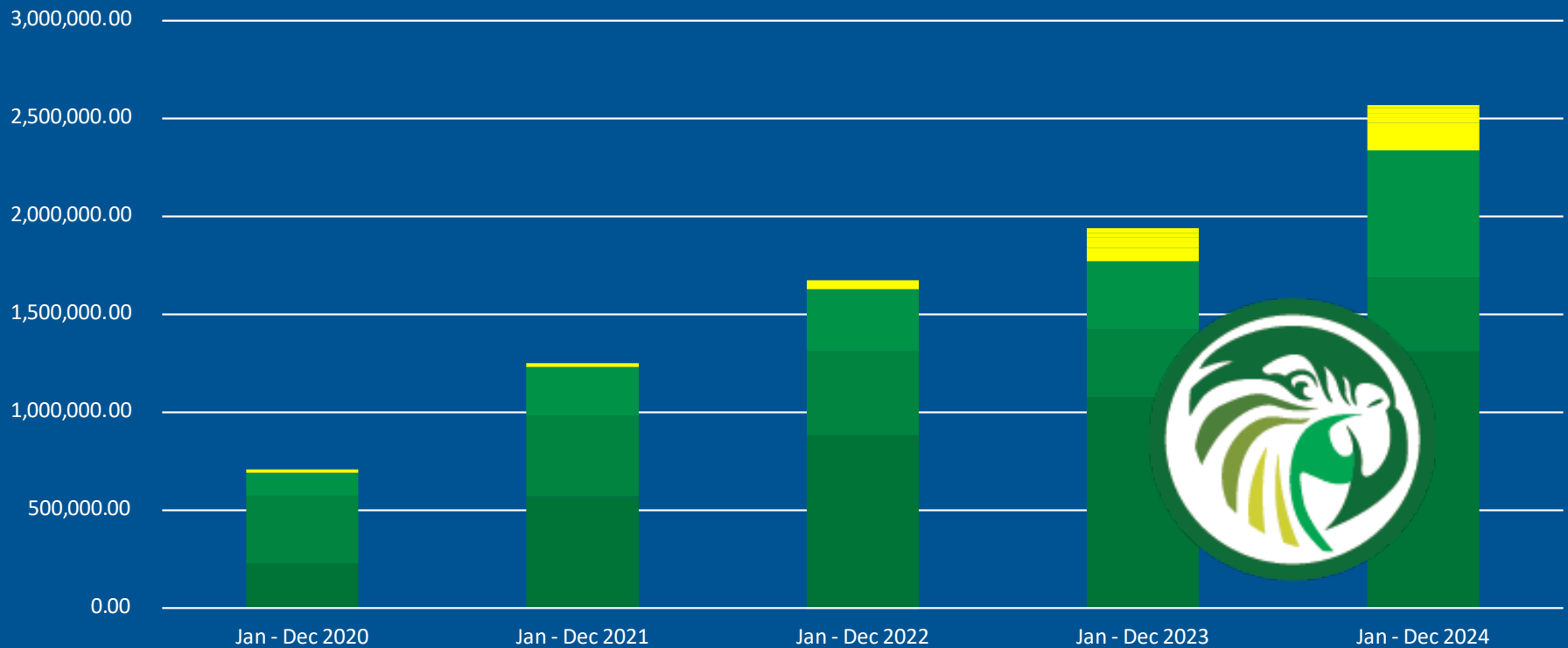


Confusing. Not a PLUS.

Modest Revenue Impact

Kea Revenue by offering
2020 - 2024

Green = technical support, Yellow = commercial software



- 3035 Kea Enterprise Subscription - Silver
- 3036 Kea Enterprise Subscription - Gold
- 3034 Kea Enterprise Subscription - Bronze
- 3033 Kea Enterprise Subscription - Basic
- 3041 Kea Premium - 6,000 MAL
- 3043 Kea Premium - 30,000 MAL
- 3040 Kea Premium - 1,000 MAL
- 3042 Kea Premium - 15,000 MAL



**We are ending on-line sales
of 'premium' features. (as of
Kea 3.0)**

[https://www.isc.org/blogs/kea-hooks-
open sourced/](https://www.isc.org/blogs/kea-hooks-open sourced/)



I did not make this up...

Good morning, much time has passed. I have become aware that Kea-DHCP 3.0, to be released this summer, will make previously hooks that were only available for purchase, open source. We are very pleased with this decision, as one of the reasons we didn't move forward was the limited availability and lack of community support since the hooks were proprietary and required jumping hoops to install, update. Now with the expanded availability, community support, bug reporting and fixes will increase since a larger pool of installations will exist. With that in mind we would like to restart the conversation on official support subscription for Kea-DHCP 3.0.

Thank you.

Funding via Technical Support

- Professional, commissioned sales people
- Website, phone/email reachability
- Annual support subscriptions
 - Variable SLAs
 - Standardized agreements
 - Mutual NDAs
- Support for contracts, invoicing
- Professional, dedicated support people*

Observations

- Business users mostly *cannot make donations*, but they can pay for software and services
- People understand usage-based pricing, and it seems fair
- B2B support sales cycles can be long
- High renewal rates are a critical success factor.
 - **>>85% renewal rates!**

Our Funding Experience

Donations

Low \$, unpredictable
– except for
partnerships

Grants

\$\$, Good for
feature sponsorship

Premium features

\$, worth the effort?

Technical support

\$\$\$ Takes years to
build a recurring
revenue base