



Open Source: a dynamic market fueled by digital transformation and innovation

Study conducted by teknoology Group for the National Free Software Council (CNLL), Syntec Numérique and Systematic

Agenda

1. Digital transformation boosts the European Open Source market
2. Open Source is strategic for the future of organizations in France (117 organizations surveyed)
3. Europe: What are the local specificities?

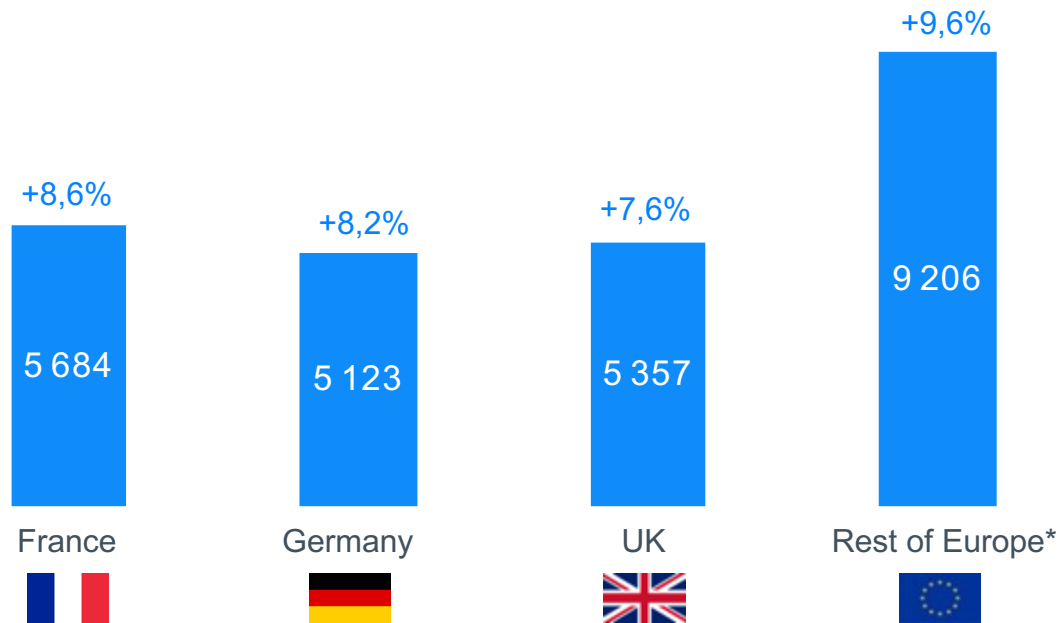


1. Digital transformation boosts the European Open Source market

Open Source strong growth across Europe

Open Source Software & IT Services market

Volume 2020 / Growth 19/20 (in Million EUR)



Source: teknowlogÿ Group, 2019

* Rest of Europe: Austria, Belgium, Denmark, Finland, Italy, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, others (Greece, Ireland, Liechtenstein, Luxembourg, Malta)

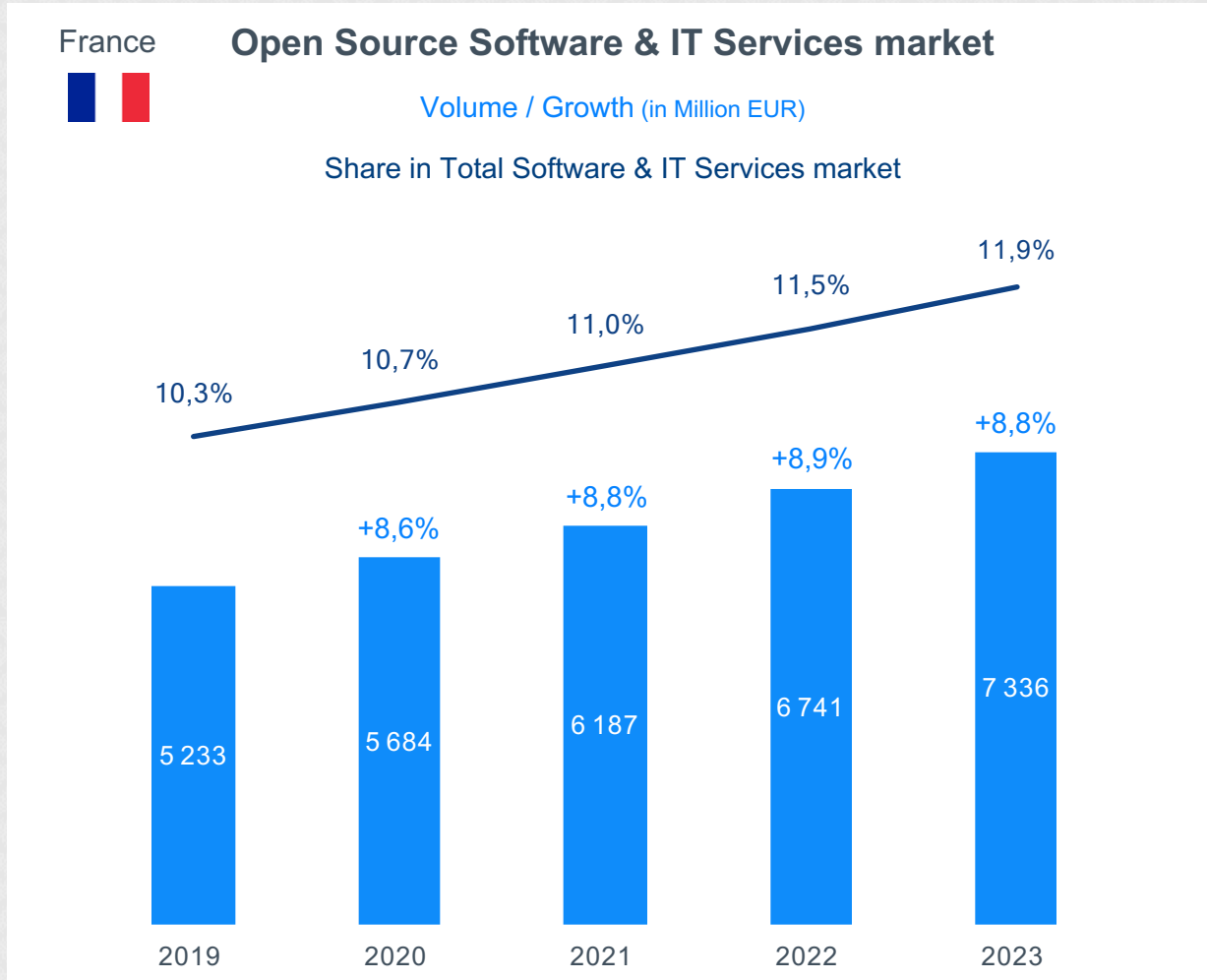
➔ The **French** Open Source market is the largest in terms of volume when compared to the other major European countries. This is due to a strong culture in specific development and integration of heterogeneous systems, as well as a historically large investment by public authorities.

➔ **Germany's** market has been limited in Open Source development due to the place that major traditional software players occupy (e.g. SAP). In terms of Open Source, the German market will become more dynamic in the coming years.

➔ The **UK** Open Source market was mainly developed by the major US Open Source software vendors.

➔ The **other European countries** are also increasing their use of Open Source.


In France Open Source is growing faster than the market



➡ By its nature, the Open Source market includes a high level of IT services. This is because Open Source solutions are often considered more tailorable than traditional software and therefore require more IT services.

➡ Open Source is a frequent choice for **specific developments**, which require extra services for development and integration as opposed to the installation of packaged software.

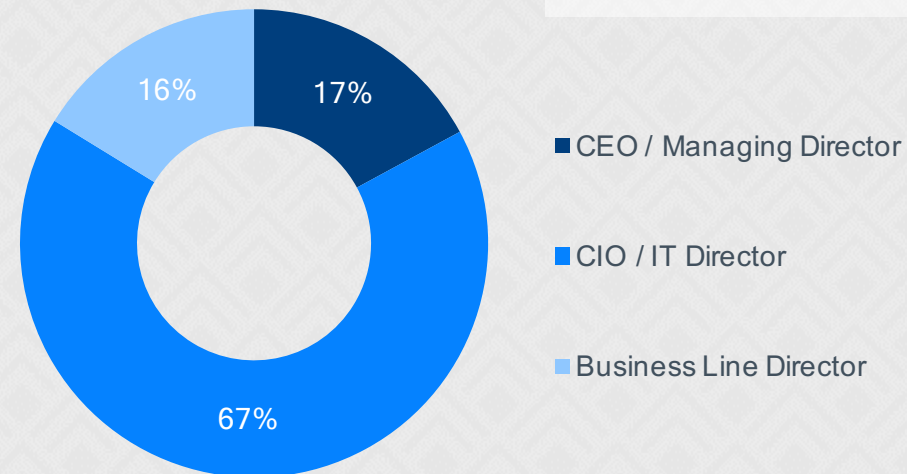
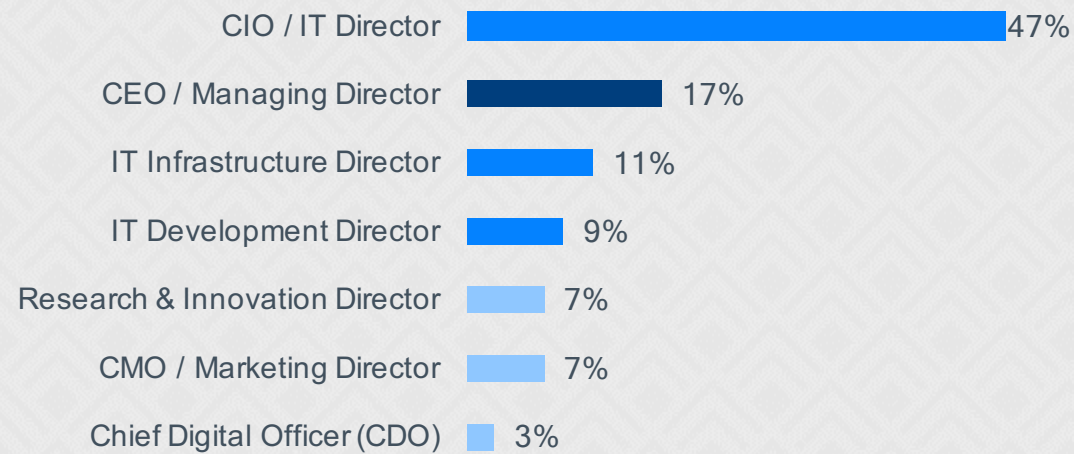
➡ Open Source is notably present in **innovative technology** (Cloud, AI, etc.), which requires more integration than more mature technology.



2. Open Source is strategic for the future of organizations in France (117 organizations surveyed)

Business management is more and more committed to Open Source

Who is the main internal sponsor of the use of Open Source in your company? (n=117)



👉 **2019 vs 2018***
 One year ago, CIO/IT was the internal sponsor for 72%

➡ **For 1 in 3 companies**, the use of Open Source is sponsored by the CEO or a business department.

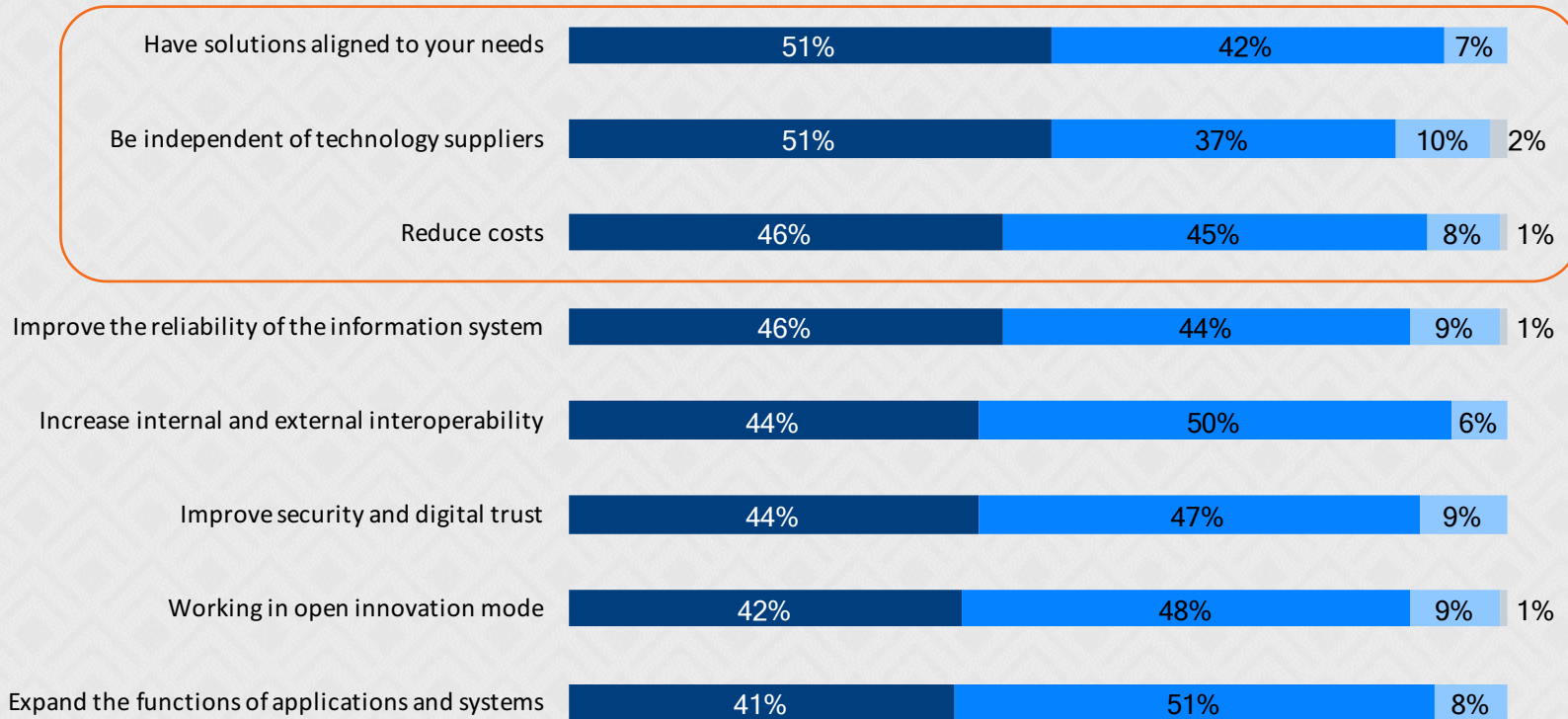
➡ The use of Open Source is promoted by the IT department, but not only. CEOs and business lines are increasingly involved in the subject because Open Source has become strategic for transformational topics.

* Source: « Digital transformation heralds the second age of Open Source », teknowlogy & Thales 2018

Open Source meets the need for customization and technological independence

What are your motivations for using Open Source in your company? (n=117)

■ Very important ■ Fairly important ■ Unimportant ■ Not important at all



👉 2019 vs 2017*

Two years ago, cost reduction was the primary motivation

➡ Open Source facilitates **customization** and **specific development** which organizations need to improve their customers' experience. **Independence** remains a key criterion.

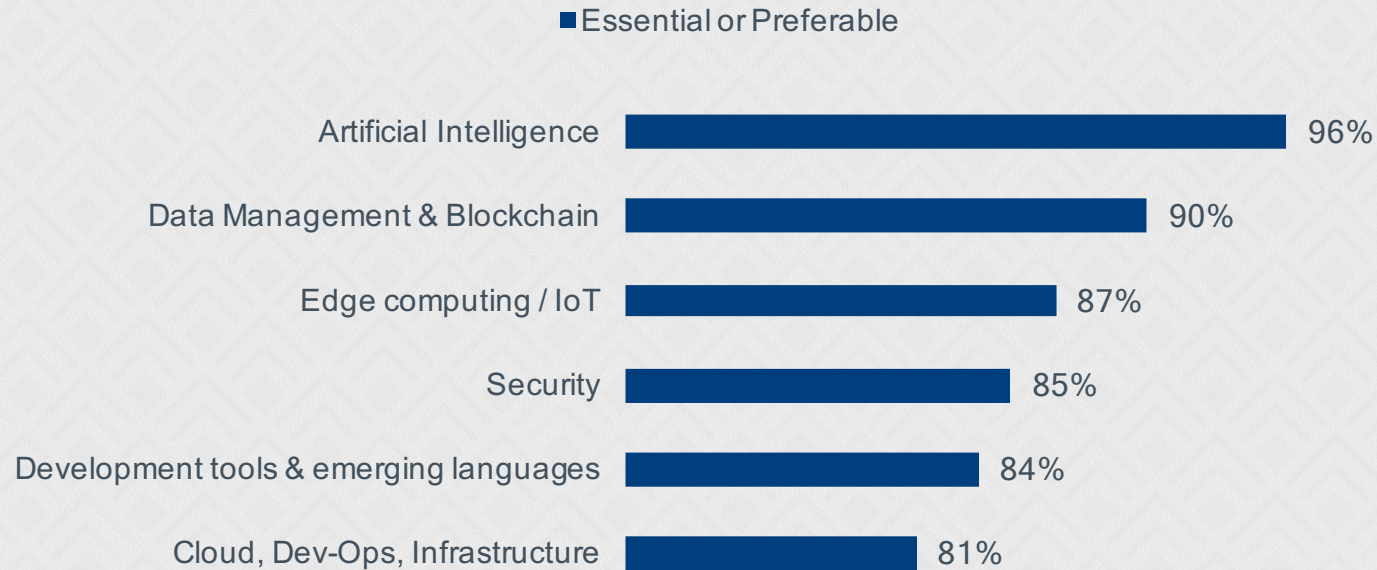
➡ In the 2017 study, cost reduction was the **first driver for using Open Source**. In 2019, the main drivers are **customization** and **technological independence**.

➡ We are currently seeing an increase in the **reliability** and **security** offered by Open Source.

* Source: « Impact of Open Source in France 2017-2020 », Syntec Numérique, CNLL, Systematic, tekno**l**ogy Group, IAE Valenciennes, IAE Lyon 2017

The undisputed model for innovative technology such as AI

For those areas where you use Open Source, what do you think of the use of Open Source? (n=80)



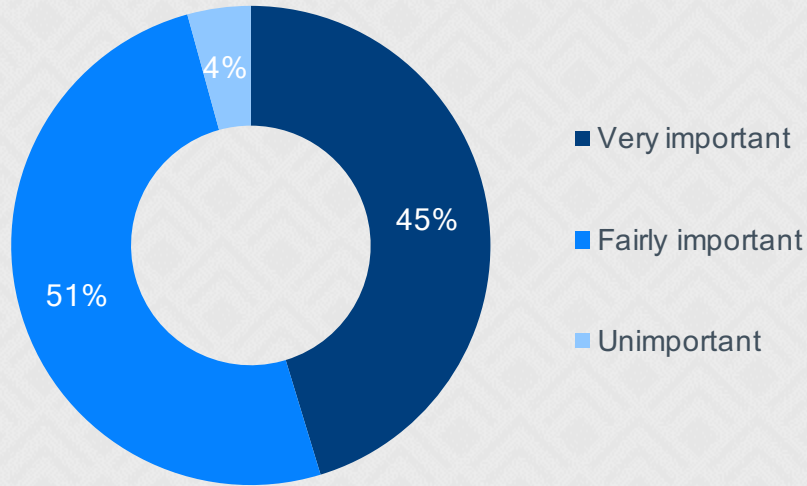
➔ For **9 out of 10 companies**, Open Source is essential or preferable when adopted for **AI** or **Data Management & Blockchain**.

➔ The Open Source model is **the new trusted norm** when thinking of innovation.

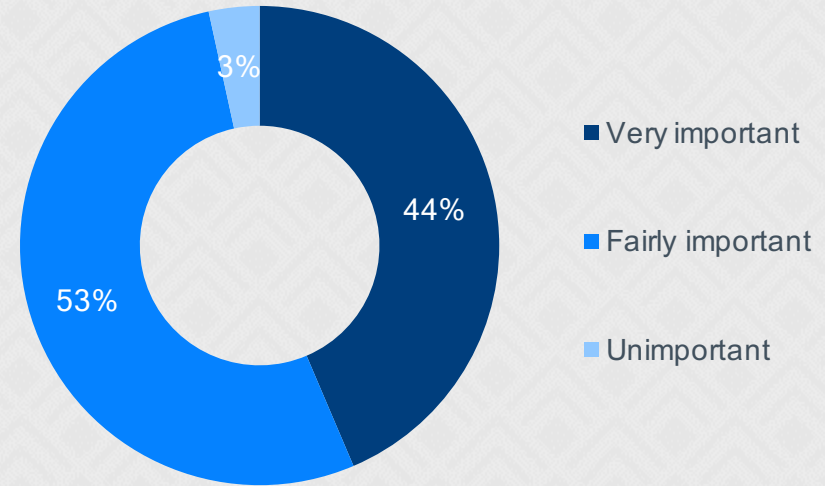
➔ These innovative technologies, alongside with Edge computing/IoT, are « **born open** ».

Open Source is now a key differentiator for digital transformation and innovation

For the **digital transformation** of your company, what role will Open Source play? (n=117)



For **digital innovation** in your company, what role will Open Source play? (n=117)

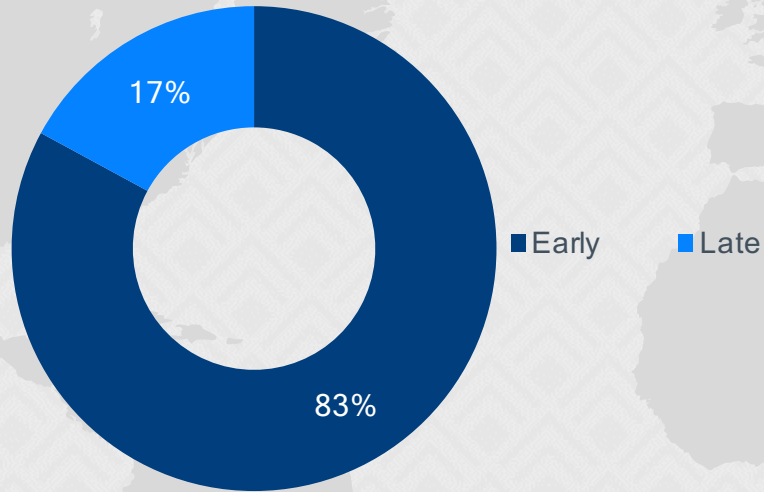


➔ **More than 9 out of 10 companies** believe that Open Source will play a fairly or very important role in transformation and digital innovation.

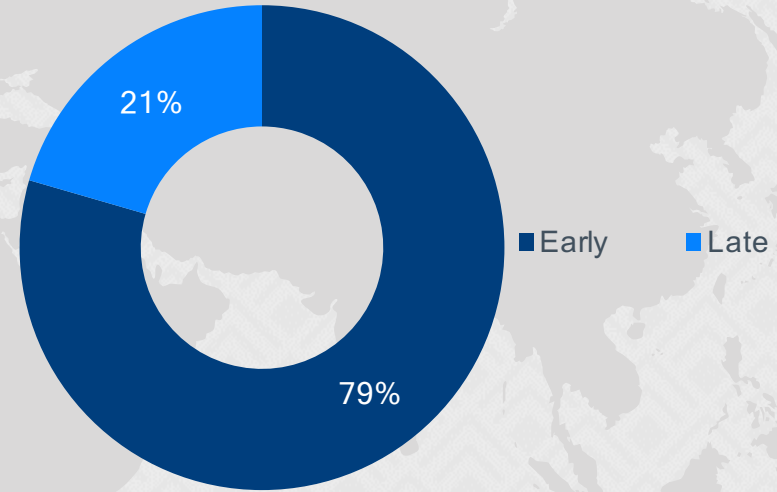
➔ Open Source is seen as a tool for the **implementation of digital transformation** and the **acceleration of digital innovation**. These are key arguments for companies in the differentiation from their competitors and improvement of the customer experience.

Europe has a unique opportunity to take the lead in Open Source development

For **Open Source skills**, what do you think about Europe in relation to the rest of the world? (n=117)



For the **adoption of Open Source**, what do you think about Europe in relation to the rest of the world? (n=117)



- ➡ For approximately **80% of companies**, Europe leads the rest of the world in terms of Open Source skills available and its early adoption.
- ➡ Europe has the opportunity to take the lead on this topic thanks to its skills and experience in adopting Open Source.



3. Europe: What are the local specificities?

A look at European specificities 1/3



Germany

- ➡ The Open Source market is **booming** with a transfer of legacy systems to open source.
- ➡ The Open Source community is dynamized by the strong commitment of Cloud providers, private and ICT companies and startups.
- ➡ A **lack of regulation** and procurement policy as well as a strong **corporate lobby act** in slowing down the development of Open Source market.



Finland

- ➡ Open Source is a very high growth market driven by a **strong public policy** which supports open source software and contributes.
- ➡ However, how to work with Open Source communities is still not understood by private companies.
- ➡ The market is **strongly fragmented**, with small vertical specialized service providers and big ICT players.



Croatia

- ➡ Open Source is on a **positive trend** among companies.
- ➡ However, the country lacks a strong public policy.
- ➡ **Web companies** are driving the Open Source market.
- ➡ **Availability** and **stability** are the key drivers for adoption.
- ➡ Only generalist IT players promote Open Source.

A look at European specificities 2/3



United Kingdom



Spain



Italy

- ➔ Structured by a **strong commercial ecosystem**, the Open Source market is growing steadily. The main driver is still **cost reduction**.
- ➔ All sectors are engaged but contributions are marginal.
- ➔ Public policies favor open source but practice does not yet. Improvements are expected in 2020.
- ➔ Lack of experts who really understand the mechanics of Open Source.

- ➔ Innovation drives a 15%+ annual growth for Open Source according to a local expert.
- ➔ Though the public sector is the main user and contributor of Open Source, there is **no policy** regulating the market. The financial sector uses actively Open Source, but does not contribute,
- ➔ With no large pure players, the Open Source market **has difficulty to address all business needs**.

- ➔ The market is rather mature, more than 70% of businesses use Open Source, boosted by innovation.
- ➔ **Open Source reaches the financial sector and telecoms**. Yet, contributions are still weak, apart from the public sector.
- ➔ All new projects in the public sector are released under an Open Source license.
- ➔ The country lacks experts, but Open Source popularity is high in universities.

A look at European specificities 3/3



Portugal

- ➔ The Open Source dynamism is driven by all sectors. Open Source is evaluated for new projects by big or small companies.
- ➔ **Contributions start to emerge** with companies promoting best practices.
- ➔ Some public policies favor Open Source but the proprietary software industry lobby is still strong.
- ➔ Lack of human resources and Open Source experts.

Thanks to our contributors

Stéphane Fermigier – CNLL (France)

Philippe Montargès – Systematic Paris-Region (France)

Boris Mathieux – Syntec Numerique (France)

Grégory Bécue – Paris Open Source Summit (France)

Pierre Baudracco – CNLL (France)

Catherine Nuel – CNLL (France)

Jonathan Rivalan – Systematic Paris-Region (France)

Diego Calvo de Nó – OSBA (Germany)

Stuart J Mackintosh – OpenUK (UK)

Stefano Pampaloni – RIOS (Italy)

Philippe Lardy – OpenExpo Europe (Spain)

Timo Väliharju – COSS (Finland)

Svebor Prstačić – HrOpen (Croatia)

Sílvia Costa – ESOP (Portugal)

Nicolas Beyer – teknowlogy Group

Cyrille Chausson – teknowlogy Group

Mathieu Poujol – teknowlogy Group

Charlotte Roland – teknowlogy Group



teknowlogy Group

1 Boulevard des Bouvets,
92 000 Nanterre, France

Phone: +33 (0)1 53 05 05 53
E-mail: contact@teknowlogy.com

www: www.teknowlogy.com