Open Source Industry Australia

South Australian
Open Source Business Survey

March/April 2007

Prepared by:

Jack Burton (Saosce Pty Ltd), OSIA Director, (08) 8233 5933
Brenda Aynsley (Oz Business Partners Pty Ltd), OSIA Member, (08) 8357 8844

6th July 2007

Contents

List of Figures

List of Tables

Copyright

Acknowledgements

The authors would like to take the opportunity to recognise the efforts of the other members of the survey reference team throughout the survey's lifecycle: Chris Foote (HostExpress), David Lloyd & Tom Tuddenham. Special thanks to HostExpress for providing the wiki environment during the development and administration of the survey and Karl Latiss (Atvert Systems) for hosting the survey itself.

1 Introduction

Early in 2007 a group of South Australian businesses operating in the Open Source space decided to conduct and publish a survey under the auspices of Open Source Industry Australia (OSIA) to try to identify other similar businesses in SA offering services to the SA, other Australian states' and international markets. It was recognised that this would be an incremental process and that the work would build to include a substantial number of businesses over time.

The survey (see Annexure A on page 7) was announced in March to run through the end of that month and then was extended until late April. More than half of the final number of companies responded during the extension period, perhaps due in part to the incentive offered during that period of free exposure and promotion on the OSIA stand at CeBIT in Sydney in early May. A total of 17 eligible organisations completed the online survey. Those who wished to be included in the promotion are listed at Annexure B on page 9.

This report provides an overview of the survey results *and a call for other companies not already identified and included to contact the organisers* to allow the creation of a directory of Open Source service providers that we know are operating, albeit somewhat hidden, in South Australia.. For example, the organisers are aware of at least twice as many South Australian companies operating in Open Source space than those listed in this report, but many were not able to participate most likely because they were not aware of the survey.

The value of this Report is as a first indication of the availability of Open Source support and services to South Australian businesses, educational institutions and government agencies.

Why is this important? Because there is a perception in the marketplace that Open Source service providers either don't exist, or are not commercially focussed. We know that this is not the case across the board and the full directory, once compiled, will demonstrate that.

2 Findings

The survey results serve to dispel a number of common misconceptions about the open source industry in South Australia:

- Misconception 1: *That there is a lack of support for open source software (OSS) in South Australia*
  Sixteen independent South Australian organisations reported offering support services for open source software. Although the sample was not comprehensive (suggesting that there are a significantly greater number of such organisations in SA), even at 16 it is clear that there is real choice available to South Australian organisations seeking to obtain support for open source software on a commercial basis. Further, 83% of respondents classified the nature of their involvement with OSS as spanning 3 to 6 of the categories of specialisation, suggesting that there exists a broad range of skillsets and service offerings within SA's open source businesses.

- Misconception 2: *That the local open source industry consists mostly of backyard operators*
  To the question on legal structure, 71% of respondent organisations reported being structured as a "company / other incorporated body".

- Misconception 3: *That there is no place for open source software in the education sector*
  Whilst not the most-targeted market, 53% of respondents reported targeting the education sector, suggesting that there exists a greater level of demand for open source software in education than we might otherwise be led to believe.

- Misconception 4: *That the open source industry does not contribute to SA's economy*
  Most respondents (76%) reported selling to clients outside of South Australia and 29% reported selling their OSS products and/or services overseas. A total of 36% of respondents reported that the vast majority of their revenue came from sources outside of South Australia.

3 Survey results

3.1 Sample size

The raw sample consisted of 21 responses: 19 valid and 2 invalid. A further two responses were excluded as being out of scope since they provided postcodes from areas outside of South Australia as their locations.The remainder of this document beyond section 3.1 considers only the reduced sample size of 17.

3.2 Demographics

Figure 1 on this page & Figure 2 show the distribution of responses to the organisation structure, geographic location & organisation size questions respectively. Clearly, most respondents were small (less than 5 staff) companies based in suburban Adelaide.

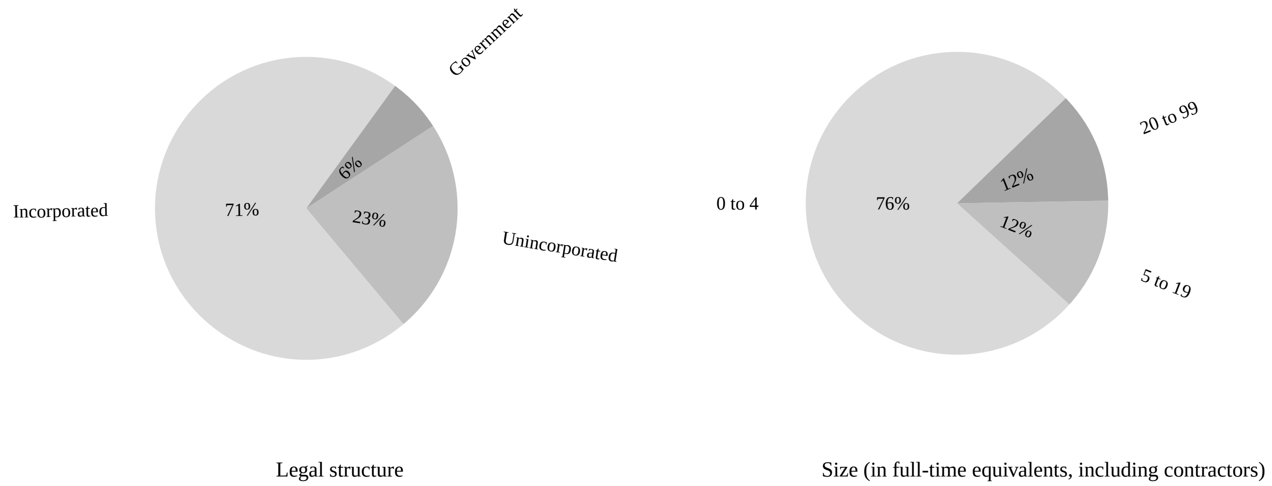

Figure 1: Characteristics of respondent organisations

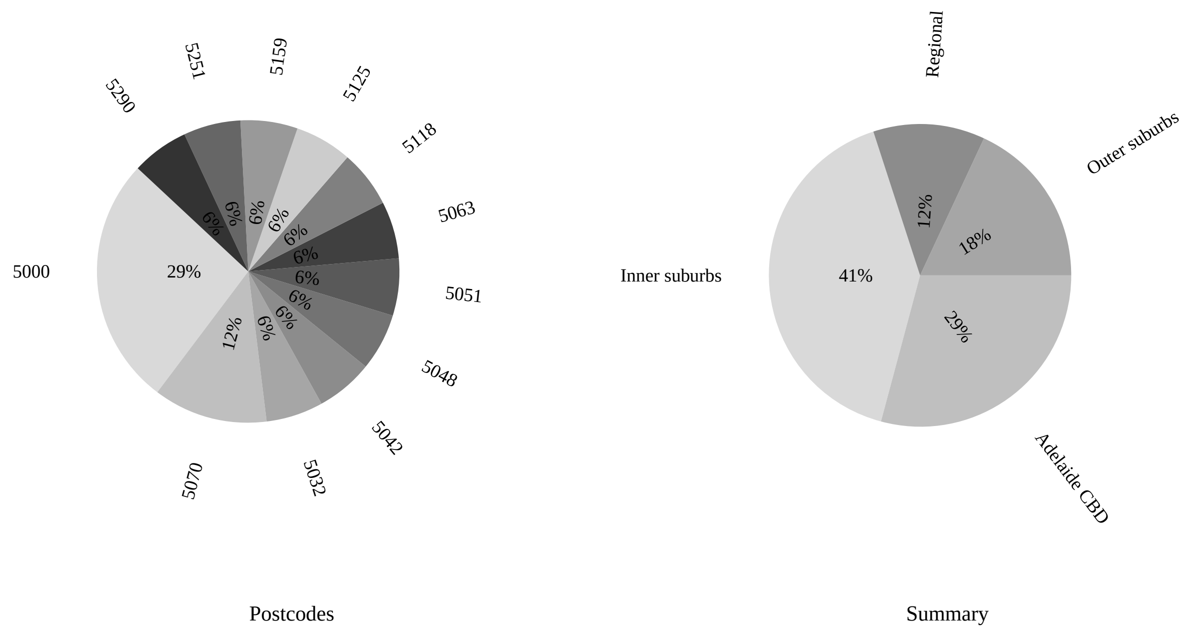

Figure 2: Geographic location of respondent organisations

3.3 Use of contractors

On the extensive use of contractors, 59% of respondents reported that contractors did not account for a significant proportion of their workforce on a regular basis (the remaining 41% reported that they did).

3.4 Specialisation

Question 2A ("What are your area(s) of specialisation/nature of involvement with open source software?") allowed for multiple responses. The sample data are presented here both cumulatively (in table 1) and as combinations (in table 3 on the next page). The one "other" response was specified as "integrate".

Distribution of response items	
Response	Frequency
Support	94%
Deploy	82%
Develop	76%
Consult	65%
Train	41%
Document	35%
Sell	24%
Other	6%

Specialisations endorsed per response	
Number of specialisations	Frequency
1	6%
2	6%
3	18%
4	29%
5	18%
6	18%
7	6%

Table 1: Reported specialisations (cumulative)

Most respondents (83%) classified the nature of their involvement with open source software as spanning between 3 and 6 of the listed categories of specialisation. Almost all (94%) were providing support for open source software and the vast majority (76%) were developing (or contributing to the development of) open source software. Most (65%) were also providing consulting services. A strong preference for a fee-for-service custom deployment model is suggested, with 82% of respondents reporting providing OSS deployment services, while only 24% reported selling open source software.

3.5 Target markets

Question 3A ("What are your target markets in terms of client structure?") also allowed for multiple responses. Again, the sample data are presented here both cumulatively (in table 2) and as combinations (in table 4 on the next page). The one "other" response was specified as "NGO".

Distribution of response items	
Response	Frequency
Small business	82%
SME	76%
Education sector	53%
Microbusiness / trade / professional	53%
Consumer / home user	29%
Large corporate	24%
Local government	18%
State/federal government	18%
Other	6%

Target markets endorsed per response	
Number of target markets	Frequency
2	6%
3	59%
4	18%
5	12%
6	0%
7	6%

Table 2: Reported target client structures (cumulative)

Most respondents (89%) classified their target markets as encompassing between 3 and 5 of the listed structures. Most reported their target markets included small business (82%) and/or SMEs (76%). The majority also included microbusiness and/or the education sector (each at 53%). Larger organisations featured less prominently (24% included large corporates, 18% local government and 18% state/federal government).

Combination	Frequency
Develop/document/deploy/support/train/consult	18%
Develop/sell/deploy/support/consult	18%
Develop/deploy/support	18%
Develop/document/sell/deploy/support/train/consult	6%
Develop/document/deploy/support	6%
Develop/deploy/support/consult	6%
Document/support/train/consult	6%
Deploy/support/train/consult	6%
Deploy/support/consult/other	6%
Support/train	6%
Develop only	6%

Table 3: Reported combinations of specialisation

Combination	Frequency
Micro/small/SME	24%
Small/SME/edu	12%
Micro/small/SME/large/edu/LGA/gov	6%
Home/micro/small/SME/edu	6%
Small/SME/large/LGA/gov	6%
Home/micro/small/SME	6%
Home/micro/small/edu	6%
SME/large/edu/LGA	6%
Home/micro/small	6%
Home/small/edu	6%
Small/edu/other	6%
SME/large	6%
SME/edu	6%

Table 4: Reported combinations of target client structures

3.6 Exports

Most respondents reported selling to clients in SA (88%) and/or interstate (76%), whilst 29% reported selling their FOSS (Free & Open Source Software) products and/or services overseas. To question 3E (“Which one of these account for the vast majority of your revenue?”), 65% responded “mostly SA”, 24% responded “mostly interstate” and 12% responded “mostly overseas”.

3.7 Qualitative comments

The following comments were received in response to item 4A (“Any other comments you would like to share with us at this time:”) (comments shown in alphabetical order):

- Governments in South Australia / Australia make life very difficult in regards to submitting or accessing information via Free and Open Source platforms. (e.g Linux / BSD)
- I have found the market very depressed in SA of late. The future is far from clear. :-(
- I think we need to get FOSS practitioners ’out of the closet’ and into the light of the business day!
- Start up business with no current cash flow.

A Survey Form

Survey of the Open Source Industry in South Australia

OSIA

(SA)

This survey is intended to identify South Australian businesses working in the open source industry. It seeks to catalogue their areas of interest and business practice.
We aim to produce an online directory of open source businesses in SA which will help potential customers realise that open source is well resourced, well understood and capable of adding to corporate and industrial innovation.

This survey is open to all companies and professional practitioners operating (at least partly) in Open Source space and is not limited to OSIA members.

Why are we doing this?

Free and Open Source Software (FOSS) is often seen as the domain of talented amateurs. The purpose of this survey is to help OSIA discover the South Australian businesses and individuals who provide professional support and development services for free and open source systems in the corporate sphere. We hope to demonstrate that the perception that "there is a lack of support for FOSS support or services in the corporate sphere" is not correct.
We know a number of professional practitioners working in business either exclusively in the open source or a mixed closed ("proprietary")/open source environment but we also realised that there are likely to be more practitioners than we know about.
This very short survey is designed to do just that. Ultimately, from the responses we get to the survey, we intend to produce an online directory of open source businesses in SA which will help potential customers realise that open source is well resourced, well understood and capable of adding to corporate and industrial innovation.

What's in it for me?

- Access to the data ahead of the public.
- Ability to maintain your own data online.
- Opportunity to find like-minded corporates/individuals
- Opportunity to network with other professional practitioners on a regular basis.
- Opportunity to join OSIA, the national industry body for open source in Australia. OSIA exists to further the cause of both free and open source software (FOSS) in Australia and to help members to improve their business success in this growing sector of the global information & communication technology (ICT) market.

Click here if you don't want to participate:
[Exit and Clear Survey]

1. General

1A: * Entity Name

1B: Trading name (if different)

1C: * Structure

Please choose **only one** of the following:
* Sole Trader / Partnership
* Company / other incorporated body
* Government agency

1D: * Contact Person

1E: * Your postcode

1F: * Your email address

1G: What is the current size of your workforce (measured in full-time equivalents, including contractors)?

Please choose **only one** of the following:
* 0–4
* 5–19
* 20–99
* 100+

1H: * Do contractors account for a significant proportion of your workforce on a regular basis?

Please choose **only one** of the following:
* Yes
* No

2. Specialisation

2A: What are your area(s) of specialisation/nature of involvement with open source software?

Please choose **all** that apply:

* Develop
* Document
* Sell
* Deploy
* Train
* Consult
* Other:

3. Target Markets

3A: What are your target markets in terms of client structure?

Please choose **all** that apply:

* Consumer / home user
* Microbusiness / trade / professional
* Small business
* SME
* Large corporate
* Education sector
* Local government
* State / federal government
* Other:

3B: * Do you sell to clients in South Australia?

Please choose **only one** of the following:

* Yes
* No

3C: * Do you sell to clients in other States?

Please choose **only one** of the following:

* Yes
* No

3D: * Do you export your FOSS services or products overseas?

Please choose **only one** of the following:

* Yes
* No

3E: * Which of these account for the vast majority of your revenue?

Please choose **only one** of the following:

* Mostly SA
* Mostly interstate
* Mostly overseas

4. Other comments

4A: Any other comments you would like to share with us at this time:

5. Next Steps

5A: * Would you like to be emailed a copy of the findings?

Please choose **only one** of the following:

* Yes
* No

5B: * OSIA would like to know more about the open source industry in South Australia. Do you give us permissin to contact you with the details provided solely for the purpose of gathering this type of information?

Please choose **only one** of the following:

* Yes
* No

Submit Survey. Thank you for completing this survey.

B Abridged list of respondents

Saosce Pty Ltd www.saosce.com.au 08 8233 5933 **Oz Business Partners Pty Ltd** www.ozbusinespartners.com 08 8357 8844 **uAnywhere** www.uanywhere.com.au 0418 186 604 **Supreme IT** www.supremeit.com 08 8370 4950 **Netfox** www.netfox.com 1300 638 369	**Members of OSIA** Open Source Industry Australia OSIA is the national industry body for Open Source within Australia. We exist to further the cause of both Free and Open Source Software (FOSS) in Australia and to help our members to improve their business success in this growing sector of the global Information and Communication Technology (ICT) market. Membership of OSIA is open to any sized business operating in the FOSS space. More details at www.osia.net.au

Hostexpress www.hostexpress.com.au 08 8410 4566 **David Lloyd** www.dslloyd.info 0429 990 876 **CDAA Pty Ltd** www.cdaa.com.au 08 8365 6577 **Davtin Systech Pty Ltd** www.dtst.com.au **Digital Project Management Laboratory** www.dpml.net 0437 794 803 **Grant High School** www.granths.sa.edu.au	**Miniature World Maker Pty Ltd** www.miniatureworldmaker.com.au 08 8391 2213 **Mitchell Electronics** www.melecom.com.au 08 8276 2939 **NextFaze** **OpenOZ Pty Ltd** www.openoz.net 08 8351 8221 **State Web Services Pty Ltd** www.statewebservices.com.au 0402 366 885 **Vintek Pty Ltd** www.vintek.net 08 8523 5035