

# CHANNEL

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# CHANNEL BUILDS BUSINESS IN OPEN SOURCE

Savvy solution providers are landing deals with customers willing to pay for more tailored, flexible systems. **BY JOHN MOORE**

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**CAN THE CHANNEL** make money on a technology sometimes described as free? That just sounds wrong.

But a number of solution providers are now building businesses around open source software, which lacks the licensing fees—and associated margin potential—of traditional products. Customization, performance optimization and integration are just some of the services that channel executives say they can provide for customers with open source software.

Some of the more prominent open source opportunities include the various distributions of Linux, network management tools and an array of applications that range from content management systems to enterprise resource management software.

Solution providers pursuing open source deals report that their customers are demanding increasingly sophisticated deployments. Those demands have expanded the scope of work they perform on projects.

“Over the last six months we have

seen a steady increase in integration and infrastructure projects,” said Ron Huber, president of Achieve Internet, a San Diego-based Web developer and integrator focusing on open source.

**SOLUTION PROVIDERS PURSUING OPEN SOURCE DEALS REPORT THAT THEIR CUSTOMERS ARE DEMANDING INCREASINGLY SOPHISTICATED DEPLOYMENTS.**

The growing popularity of the cloud computing model also serves to broaden the range of services companies may provide. They may help customers deploy open source applications in the public cloud or build private clouds using open source technologies such as OpenStack.

In general, the customizable

nature of open source lends itself to value-added services. Possibilities for software modification abound because developers have access to source code. Open source providers are landing deals with customers willing to pay for more tailored, flexible systems.

### GREATER SOPHISTICATION

Huber can attest to the service potential of open source. His com-

pany specializes in Drupal, an open source content management system. "Drupal is still short on structured solutions, so almost everything built for an enterprise-level customer involves a great deal of custom development," he said.

Customers also look for expertise in optimizing the performance of open source software, Huber said. Projects of this sort go beyond the immediate application, involving a customer's underlying IT infrastruc-

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## → OPEN NICHES

**WHAT TYPES OF customers** are interested in open source deployment? Solution providers active in the space identified a number of niches.

CSS Corp., which provides services around the Ubuntu operating system, has seen demand from a range of industries. But e-governance and education are the verticals that primarily use Ubuntu services, said Murthyraju Manthena, senior solution architect at CSS. "These are the largest growth areas for this service," he said.

Manthena also pointed to the business process outsourcing industry as well as banking, financial services and insurance. The latter sector is interested in the large-scale deployment of Ubuntu for single-purpose or locked-down workstations, he said.

A Web developer and integrator, Achieve Internet tends to field numerous requests from publishers and the entertainment industry, said Ron Huber, president of the San Diego company, which specializes in enterprise Drupal development. "Everyone in the media industry is talking about owning their data and how they have become more data distributors than traditional magazines or television companies," Huber said.

As a consequence, customers are calling for Drupal-based comparison engines. Achieve Internet built one such engine for Penton Media Inc., a business-to-business publisher. The engine lets website visitors compare products and services. Penton Media plans to offer the feature to its 100-plus publications, Huber said.

Overall, a number of larger media organizations have embarked on two- or three-year Drupal adoption plans. That trend is a departure from previous years when customers pursued one-off testing projects, he said. ■

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ture. A job initially focused on getting Drupal to share content with another application can expand into a wider scale engagement.

"A number of these projects start as straightforward Salesforce or SharePoint integration projects and quickly move to infrastructure engagements encompassing deployment management and server architecture," Huber said. "A year ago, groups were looking for straight page-loading time help. Today, they seem to be more sophisticated."

Those customers understand that performance starts with a solid infrastructure. To that end, Achieve Internet helps clients optimize their Apache, MySQL and PHP settings and recommends new hardware when necessary, Huber said.

CSS Corp., an IT services firm based in San Jose, Calif., also cites increasing demand for open source assistance. The company wraps its services around the open source Ubuntu operating system. CSS partners with Canonical Ltd., which leads the Ubuntu project.

Murthyraju Manthena, senior solution architect at CSS, said top areas of demand include consulting services for Windows-to-Ubuntu enterprise desktop migration and configuration management for Ubuntu infrastructure. The latter involves using Ubuntu-native tools such as Landscape, Manthena said. "We are seeing a whole cluster of people and CIOs waking up to the

use of open source," he said.

In addition to Ubuntu, CSS works with other open source wares such as Gluster and Zmanda in storage, KVM and Xen for virtualization and Zimbra in messaging among others.

Rivet Logic Corp., a consulting and systems integration firm based

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in Reston, Va., also offers expertise around a sizable open source roster that includes Alfresco, Liferay, Apache Lucene/Solr, SproutCore, Spring and JBoss. Although the offerings are many, the cost of selling projects around them isn't a burden. Mike Vertal, president and chief executive officer of Rivet Logic, said open source software involves fundamentally lower sales and marketing costs because of its free and open distribution.

"We find most customers that come to us have already tried, tested and used the software," Vertal said. "They come to us well informed, looking for specific sup-

port, customization, integration or production deployment help.” Much of the margin associated with proprietary packages goes toward sales and marketing expenses, he said.

### OPEN SOURCE AND THE CLOUD

Meanwhile, the cloud gives the channel another way to deploy open source technology—and a chance to cultivate additional revenue. “Cloud computing has opened a whole new set of possibilities for open source developers,” said Si Chen, founder of Open Source Strategies Inc., an open source developer and integrator based in Los Angeles.

Open Source Strategies sponsors the opentaps open source ERP and customer relationship management project and offers customization, integration and support services. Running open source applications in the cloud offers customers ease of deployment, said Chen, adding that opentaps can run on EC2 cloud from Amazon Web Services. Meanwhile, open source developers can leverage their software expertise to create and optimize cloud-based deployments for users, Chen added.

At CSS, Manthena added that customers are interested in the automated provisioning of custom Ubuntu servers in the cloud, for example. In addition, CSS deploys private clouds for customers, using open source tools such as OpenStack and Eucalyptus. Founded by

Rackspace and NASA, OpenStack provides a software platform for building clouds. Eucalyptus, based on open source components, lets users create Infrastructure-as-a-Service clouds.

New York Internet Company Inc. offers hosting and colocation servic-

## THE CLOUD GIVES THE CHANNEL ANOTHER WAY TO DEPLOY OPEN SOURCE TECHNOLOGY—AND A CHANCE TO CULTIVATE ADDITIONAL REVENUE.

es but doesn’t yet offer a customer-facing OpenStack configuration, said Phillip Koblence, vice president of operations at the data services provider. But New York Internet does use open source virtualization technology from Xen, he said.

Koblence said he sees opportunities for using open source in the cloud. He pointed to network monitoring as one area of current emphasis. New York Internet has been tapping Zabbix, which provides open source software for network and application monitoring. Open source-based monitoring not only helps the company keep tabs on its services more efficiently but will also let the company eventually create monitoring tools that it can put in the hands of customers.

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