

Former OSDL CEO Launches Startup

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Collaborative Software Initiative will focus on building noncompetitive, essential software for vertical industries in a collaborative environment to help companies solve their shared IT problems.

Stuart Cohen, former CEO of the Open Source Development Labs, will this week launch a new company, Collaborative Software Initiative, which he will head.

CSI will focus on building noncompetitive, essential software for vertical industries in a collaborative environment to help companies solve their shared IT problems.

The business model for the company is simple: Develop and support essential code that does not exist today and which meets the needs and requirements of a number of competitive companies in vertical industries - such as compliance and regulatory software for the financial services market - at a significantly lower cost than if the company were to develop this internally or outsource it, and then offer support for it.

The Linux Foundation was recently created out of the merger of OSDL and the FSG. [Click here to read more.](#)

In addition, all that software will be made available to the community under an open-source license, CSI CEO Cohen told eWEEK in an interview in Portland, Oregon.

"This has been something that a lot of financial services and other

customers have been talking about with me for the last six to nine months," he said.

"It is really about using the open-source methodology that has made Linux what it is, where competitive vendors all came together to work on the operating system. Customers want us to bring a set of like-minded companies together to work on customer-based applications," Cohen said.

The participating companies would essentially form a steering committee of subject matter experts, while CSI would write the code for them, distribute it to them when finished, then support and maintain it.

The engineering work will mostly be done by open-source developers employed by CSI, either on a contract or full-time basis, while the company will also work with vendors such as Intel, IBM and HP to make sure they are doing the right types of performance tests and that the right tools and enhancements are in place so the software can successfully move to market, Cohen said.

This business model is compelling to CSI for two primary reasons: Firstly, most of its customers will want supported code and be willing to pay for this and secondly, will most likely choose a support partner that was heavily involved in the development of that code, namely CSI.

Cohen is also betting that his experiences with large enterprise vendors over the past four years at OSDL, as well as the relationships he has built with the community over that time, will stand him in good stead as he works to bring competitive groups together to jointly work on technologies.

CSI's initial focus will be on accepting projects that will likely take a year or less to complete, and which are already well defined,

documented and understood. As such, CSI will also work closely with a number of trade organizations that have already documented much of this, he said.

CSI will not compete with the global services agencies that exist today, such as those at IBM, Hewlett-Packard, EDS and Accenture, Cohen said.

"We will be very compatible with these as we are looking at pieces of code that cost 1 to 2 million dollars to develop and take less than a year to produce, versus the multiyear, multimillion dollar projects they tend to be involved with," he said.

CSI will also develop on a LAMP - Linux, Apache, MySQL and PHP - stack, and be operating-system-independent. "So if you want to run on Windows or Solaris or the different flavors of Unix, you will be able to do that," he said.

That is where the project management, IT experience and industry expertise of Evan Bauer will come into play, Cohen said. Bauer, former chief technology officer at Credit Suisse First Boston, has been appointed CSI's CTO, and will work with Cohen to lead the projects and develop the technology architecture.

"The common system needs of competitors within an industry are never easily met - especially for those systems that can never be considered a competitive edge," Bauer told eWEEK. "The CSI fills that critical gap by bringing the experience and expertise in open-source and vertical-specific software development, to create and run community software projects for the benefit of end-user enterprises and their industry associations."

CSI has also recruited to its advisory council several free and open-source luminaries, including Eben Moglen, who chairs the Software

Freedom Law Center, and Brian Behlendorf, founder of CollabNet and co-founder of the Apache Software Foundation, who views CSI as the next logical step in the evolution of the open-source industry.

"It will bring the next wave of companies into this proven model for writing software together - with the shared goals of eliminating redundant efforts, saving time and money, and using the best practices of successful open-source developer communities to ensure quality and longevity," he said.

CSI is one of those companies reflecting the new face of the free and open-source software phenomenon, Moglen told eWEEK. "I am delighted to participate with CSI management in devising novel structures that create and sustain communities for producing valuable innovative software that everyone can share," he said.

But Cohen pointed out that CSI is not an open-source company per se, and is also not a company that would take open-source code and try to commercialize it. The goal is, rather, to build communities and to make available to the open-source community every piece of software it developed.

"Over time, as the core team gets developed - say six to eight financial services companies working on a compliance or regulatory piece of software - there will be an open-source version of that and an open-source foundation around each of those pieces of code. But, at the end of the day, it will first and foremost be supported code that goes out to the core team and a broader set of their customers, partners and supply chain," he said.

While CSI plans to offer code support, installation and training, it expects partners such as IBM, HP, Intel and Novell to take the product to market with a bundle of hardware, services and other software, Cohen

said.

The move is good news for Linux vendors like Novell. "Developing software applications for vertical industries represents a unique challenge for both business and IT managers," said Ron Hovsepian, Novell's CEO, in Framingham, Mass.

"The CSI effectively addresses those challenges by using an open-source development model to bring together customers with similar IT challenges to jointly develop essential but noncompetitive applications. We look forward to many of these applications running on top of our SUSE Linux Enterprise platform," he said.

CSI's first project will likely be around compliance and regulatory software, Cohen said, adding that the company is working closely with a couple of trade associations, specifically the shared assessment program of the BITS Organization.

"BITS has already started looking at compliance, regulatory and security software, so there is a natural way for us to work with them," he said.

It is likely that, over time, CSI will also move to other verticals such as insurance, retail, federal and state agencies, since much of the market for noncompetitive essential software involves government regulatory or industry standard type issues, he said.

For example, insurance companies are required by the government to have certain types of software in place for risk mitigation and CSI could help them build a community where one does not exist today and use its model to develop code at a far lower cost, he said.

CSI will also not take contributed code from some of these companies and then try to find a way to build the next version of product off that.

"I think that's where a lot of companies have failed in the past. That's where you get yourself in trouble. What works much better is having a small, well-defined product with a small set of companies that want to work together on it, and they see a broad set of their customers, suppliers or partners that are interested in the software," Cohen said.

But, over time, as CSI develops pieces of software that are closely knitted together, there will be an opportunity to provide an integrated stack, he said.

Asked if CSI would then support this stack along with its partners, Cohen said that that is a "logical direction in which to go. The beauty of doing a number of separate, small applications is that you can fill out a pretty rich stack over time without getting bogged down. This is really no different to what Oracle provided with Unbreakable Linux on top of Red Hat for years," he said.

CSI has already raised more than \$1 million in financing, primarily from early-stage venture capital firm OVP Venture Partners.

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