



TCO for Open Source Social Publishing

Going Beyond Social Business Software

Acquia Drupal beats proprietary web content management and social web software solutions on license, support, and professional services costs. Add to your calculation the rate at which the Drupal community “out-innovates” proprietary product development, and Acquia Drupal emerges as the clear choice for social publishing

Executive Summary

More and more, Open Source presents not only a **cost** alternative, but an **innovation** alternative, to proprietary enterprise software products.

With the Open Source (OS) movement entering its third decade organizations need to examine closely the startling total cost comparisons between Open Source, proprietary, and SaaS or outsourcing options for key business solutions.

Technology business models – the financial arrangements and service level commitments which define vendor-customer relationships – are in flux. The proprietary enterprise software licensing model is under a clear threat from Open Source. The threat stems not only from buyer fatigue from large, up-front perpetual license fees and hefty, annual maintenance charges – but also from the inertia which inevitably sets in over proprietary software products, slowing development and the delivery of new functionality, further vexing users.

For the customer, proprietary software amounts to taxation without innovation.

The enterprise and web content management product categories are ripe for disruption by Open Source challengers. In fact, the disruption is well under way. Open Source projects have initiated the disruption by:

- Presenting a far more attractive total cost profile
- Offering services and support at a lower cost and higher service level than traditional vendors
- Delivering new functionality more quickly than proprietary vendors by cultivating large, active development communities

Drupal represents the convergence of web content management software (WCM) and social software tools, in a single unified platform. As a result, Drupal transcends boundaries between internal Enterprise 2.0 applications and external Web 2.0 applications

Organizations are sprinting to find ways to make their online presence more interactive and welcoming for users: to provide users with multiple opportunities to communicate and share; and ultimately to improve brand perception.

And the total cost profiles of the three major approaches to addressing this urgency differ radically.

In this paper, we will examine the costs associated with three approaches to social publishing:

- the use of traditional, proprietary software solutions with legacy enterprise licensing model (perpetual license fees, annual maintenance charges, technical support fees);
- the “white label community management” model, with large up-front project fees, monthly retainers, and service charges for “out of scope” customization; and
- the Open Source model, where organizations pay nothing for core software (free Open Source software), and can obtain the support and expertise they require to ensure swift and reliable deployment, performance and scalability, 24x7

We will examine the license, maintenance and support costs, and the costs associated with the skills required to deploy, customize, and manage these solutions. On a cost basis, the Acquia Open Source model clearly wins.

Perhaps more important, Open Source has been determined to be a far less risky technology choice than had been perceived in the past.

The recently-released memorandum "Clarifying Guidance Regarding Open Source Software¹," from the United States Department of Defense, states firmly that OSS is reliable and secure, and offers adopters flexibility to respond swiftly to changing requirements. The memorandum also identifies freedom from vendor lock-in as a key advantage of Open Source.

Adoption of Drupal worldwide, the growth of the Drupal user community, and the emergence of companies like Acquia and its 130 partners as Drupal experts in support and service illustrate that the platform is here to stay. The Drupal development community's ability to innovate and to deliver is proven.

Meanwhile, consolidation in the proprietary vendor community continues to put customer investments in these products at risk. And the challenge of keeping pace with Drupal's core contributors (a - community of over 700 developers), continues to challenge proprietary vendors' ability to innovate.

Five-year costs of alternative approaches (proprietary or white label) are 200% to 700% higher.

Ironically, unlike only five years ago, the risk has shifted to the traditional, proprietary vendors, and Open Source Acquia Drupal looks like the safe choice for social publishing.

1 David M. Wennergren, DoD CIO, October 16, 2009

The Open Source Model Has Been Proven

The Open Source “movement” has been under way for over two decades. Within the last two years, however, Open Source has moved beyond critical resistance points to become more widely adopted for business-critical uses in enterprises across all industries and sectors.

Increasingly, studies show that while Open Source was first embraced for experimentation and evaluation in pockets of the IT organization where Unix and Linux were gaining ground, Open Source has steadily “climbed the technology stack” to become comfortably accepted as the software foundation for customer-facing solutions today.²

Red Hat, which was launched to provide support and services for Linux, has clearly proven the viability of the Open Source business model: their revenues have tripled from under \$200 million to over \$600 million in the last four years. The MySQL (acquired by Sun in January, 2008) and JBOSS (acquired by Red Hat in April, 2006) acquisitions clearly establish that Open Source is a strategic, growing, and valuable aspect of the broader software industry.

Web Marketing: from Outbound to Inbound to Interactive

Advances in the web marketing realm have dramatically expanded the toolset available to drive awareness and credibility in most markets. Once you have implemented a web content management system, organizations of any size can publish content (outbound) as often as they can produce it. Videos and audio broadcasts, once marketing luxuries, are inexpensive to produce as multimedia supplements to traditional brochures and HTML web pages. And they can be distributed free of charge via services like YouTube or iTunes.

Historical Open Source Deficiencies

- Informal support
 - Velocity of change
 - No roadmap
 - Functional gaps
 - Licensing caveats
 - ISV endorsements
- Dan Farber, ZDNet, March 20, 2004

Growing Mission-Critical Use of Open Source

“While it was less used on the division or corporate level, or even for mission-critical applications in the early days, this has dramatically changed over the past years. Already 45% of all companies leveraging Open Source use it for mission-critical applications, services, and products today.”

- Forrester Consulting, “Open Source Paves the Way for the Next Generation of Enterprise IT”, November 2008

² Open Source Paves the Way for the Next Generation of Enterprise IT, Forrester Consulting, November 2008

More and more, users are exploiting a broad range of extremely powerful search engines, like Google and Bing, to find information about people, products, and services from sources all over the web. More often than not, the information users find is authored by other users like themselves (their peers), and not by the people or companies that were the subject of their search. Users are coming to web sites and finding products and services of their own initiative (not the vendors'); they arrive as the result of what are now called inbound techniques.

The advent of more social interaction models and user-generated content through online support forums, and product ratings and reviews, have given users the ability to interact more directly with organizations via the web. Web sites which engage site visitors, offer them many opportunities to share their ideas and experiences, and recognize and reward active user participation are cultivating loyal, repeat visitors and customers.

Online marketing success is no longer driven by "outbound" techniques alone – which organizations use to buy contacts or relationships. Companies must now embrace "inbound" techniques – whereby users find their way to products, people, or services they are looking for by their own initiative – and once they have attracted them, companies must create engaging, highly interactive relationships with their user communities.

A social publishing platform gives you the capabilities required to create these highly interactive sites. Social publishing sites encourage individuals to "engage in conversation," and "join a community."

Social Publishing Is Now an Imperative

Whether you are a product company introducing a new consumer packaged goods offering, a media publisher introducing a new artist or author, or a government agency trying to improve citizen engagement, you must support this broad new range of dynamic online interactions: you must become a "social publisher."

Furthermore, you must be able to respond to changes within your market quickly: your social publishing platform must not impose technical barriers to the introduction of new products, the launch of new micro sites, or the delivery of key information to your users, customers, constituents, or competitors.

After a period of experimentation with a multitude of technologies and approaches to social publishing, there are three dominant approaches emerging:

- proprietary products, with perpetual license charges and maintenance fees or per-user pricing models;
- “white label” community platforms, where an organization decides to outsource the development and ongoing management of their community to a third-party agency; and
- Open Source.

All build on content management and workflow services, to create a platform for social publishing websites. Twelve of the essential capabilities are

1. Blogs – where - thought leaders can express opinions and share observations, and where site visitors can react directly
2. Custom content – Tailored specifically to your community or audience such as events, press releases, papers and presentations
3. Wikis – where internal, external, and hybrid teams can collaboratively author and develop content
4. Forums – where staff and visitors can identify and discuss issues in a ‘threaded’ conversation model, with the goal of accelerating problem resolution and decision making
5. Articles – where writers and editors process content through a specific approval workflow
6. User-generated content – where site visitors can become members, and directly contribute site content

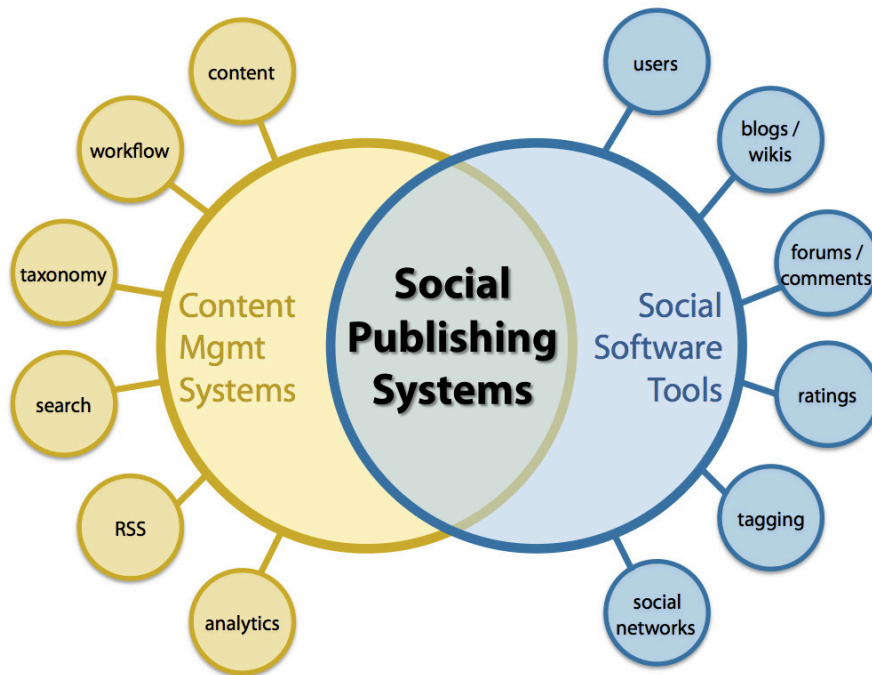
Each of these aspects of the social publishing solution must support different user interaction modes, including:

7. Ratings / voting – where site visitors can easily and directly provide feedback about the relative usefulness of published content

8. Tagging – so that people can organize published content according to their own named categories
9. Comments – so that site visitors can offer a response or reaction to published content

The social publishing solution must also ensure robust security and access control:

10. Profiles – allowing visitors to register and maintain a public, social profile
11. Roles – simplifying the task of managing the capabilities different types of users have based on their roles within the community
12. Access control – ensuring that only information is accessible only by those with appropriate authority.



Here the similarities end. The three dominant approaches to social publishing (proprietary, white label, and Open Source) differ fundamentally – and evaluators should be crystal clear as to these differences and the consequences for both cost and control.

An Examination of Costs

Open Source social publishing with Acquia Drupal clearly wins over proprietary social business software on a total cost basis.

Our analysis shows that combined license and support charges come in at 2% to 11% of the costs of proprietary alternatives, and professional service costs for expertise on Drupal are typically available at a 25% to 30% discount to the rates charged for services by proprietary technology vendors.

For this analysis, we have standardized the presentation of costs as simply as is feasible. The costs presented are representative and useful to generate a “ballpark” estimate of the acquisition and support costs associated with a variety of social publishing component products.

Price Point Chosen for Comparison

We sought to model a mainstream, medium to large organization’s deployment of the products – capable of supporting a sophisticated development environment (test / pilot / production). Multiple server licenses would be required, and / or support for approximately 1000 users. Prices are not meant for comparison with “enterprise-wide” licensing, which could exceed the pricing we present here by multiples of 10 or more.

We Factored Out the “Metal”

We will not compare costs down to the hardware level in this study.

Operating System, Middleware, and Database Costs

It is noteworthy, for companies that intend to operate their social publishing infrastructure on-premises, to contrast costs for the software foundation: OS, middleware, and database.

We compare three “stacks” of predominant interest today: Red Hat, Microsoft, and Oracle / BEA. While comparisons across proprietary licensing models can be “apples to oranges,” we believe these “ballpark” figures are valid and useful for brute-force comparison.

	RHLinux	MSFT	Oracle
Enterprise	\$ 7,500	\$ 20,000	\$ 88,000

For starters, the Open Source “stack” starts out at a fraction of the proprietary alternatives. Microsoft is nearly triple the cost of the Open Source stack, Oracle is over 10 times the cost.

Proprietary Web Content Management (WCM) Solutions

For the purposes of this analysis, “proprietary” solutions are developed, sold, and supported by a single vendor organization (or their certified business partners). In the case of the organizations studied here, costs to develop and service the software products are defrayed by perpetual software license fees, annual software maintenance fees, and or tiered (“basic” versus “premium” service level) annual customer support fees. Professional services are also available, either directly from the vendor or through their partner community.

For this analysis, pricing refers either to a vendor’s own sizing of a “typical” engagement, or a tripling of the single-CPU price (as was the vendor-recommended model in the OS / middleware / database base). Where user-based pricing is the vendor’s model, we use 1000 users as our basis.

Maintenance and support pricing is close-to-standard, and for our model we use 20% of original license cost as our “ballpark” rate.

	Percussion	Fatwire	Tridion	Crown Peak	Vignette
1st Year License	\$ 150,000	\$ 120,000	\$ 150,000	\$ 65,000	\$ 400,000
2nd year & beyond (maintenance)	\$ 30,000	\$ 24,000	\$ 30,000	\$ 65,000	\$ 80,000
5-year Cost	\$ 270,000	\$ 216,000	\$ 270,000	\$ 325,000	\$ 720,000

Beyond WCM: Social Publishing-Oriented Proprietary Solution

Since the range of functionality for social publishing is beyond the core capabilities of some WCM offerings today, customers would have to add point solutions (for blogging, or forums, or wikis, for example) in order to achieve parity. In some of our illustrations, we illustrate “gap-filling” with both proprietary and Open Source point products.

The products included here are only representative of a large and crowded market of point technologies. Jive Software focuses on collaboration: their origins in forum technology are expanding into other social publishing capabilities, like wikis and blogs. Telligent offers a product with blog, forum, groups and ratings features.

	Jive	Telligent
1st Year License	\$ 59,000	\$ 300,000
2nd year & beyond (maintenance)	\$ 59,000	\$ 60,000
5-year Cost	\$ 295,000	\$ 540,000

White Label Community Solutions

An alternative to the proprietary “a la carte” approach is a White Label solution, where an organization decides to hire a third-party vendor to build and then manage their online community as a service. Typically, the solution is vendor-hosted.

White label community solutions include one-time setup and other engagement-specific fees, typically in the \$20k to \$100k range. In addition, monthly fees (based on page views or other volume metrics) fall into ranges. Pricing represents vendor-estimated large deployment total costs.

	Mzinga	LiveWorld
1st Year	\$ 180,000	\$ 600,000
5-Year cost	\$ 900,000	\$ 3,000,000

Commercial Open Source Social Publishing: Acquia Drupal

The third alternative examined here is the solution based on Drupal, the largest Open Source project dedicated to social publishing, plus Acquia, a commercial enterprise founded by the Drupal project leader to provide essential community modules, enterprise-grade support, expertise, and services on top of the free Drupal core offering. Acquia has also announced plans to provide a hosting environment, Acquia Hosting, to address the needs of mission critical, high volume sites requiring state-of-the-art infrastructure and carrier-grade reliability.

Drupal: Zero License Cost

Drupal license costs are zero, whether deployed on a single domain supported a few hundred visitors a month, or driving hundreds of micro sites on a global music publisher’s site handling thousands of visitors an hour.

However, enterprise leaders who have made strategic commitments to Open Source see that the overall value in moving to the Open Source model goes way beyond the initial savings. Now, senior business and IT executives see the security of the software, availability of service and support, and availability of skilled resources as the key challenges to broader adoption of Open Source software.³

Dries Buytaert, Drupal's founder, founded Acquia to address these perceived risks and to relentlessly advance the Drupal platform worldwide along several other key dimensions.

Acquia's Drupal distribution adds key modules from the Drupal community so that users have complete social publishing capability "out of the box." Acquia removes the need for additional products to fill gaps in functionality for the consequent integration and maintenance cost (and complexity).

Acquia offers "follow the sun" 24x7 support from on-staff Drupal experts. Buytaert has attracted some of the global Drupal community's best talent to formalize the delivery of enterprise-grade support and service – both to end users and to other Drupal partners and developers.

	Acquia Network Enterprise
1st Year cost	\$ 8,000
5-Year cost	\$ 40,000

At \$8,000 per year for Acquia Network Enterprise premium support, or \$40,000 over five years, Acquia Drupal costs are an astonishing 2% to 11% of the proprietary or white label alternatives for social publishing.

And Acquia has made far deeper commitments to ensure that Drupal becomes an increasingly attractive platform for Social Publishing.

³ Forrester Consulting, *ibid.*

In order to enhance user experience on Drupal sites, and to offer a hosted solution that would make adoption simple, Acquia developed Acquia Search. Also based on Open Source Lucene and Solr, Acquia Search helps Drupal sites keep their visitors longer by helping them find relevant content faster. And by taking on the burden of managing search indices at Acquia, site managers can avoid the complexity and accelerate the deployment of rich search-enabled Drupal sites.

On the administration side, Acquia offers Remote Administration to customers who want updates and maintenance of their Drupal site to be worry-free. With Acquia Remote Administration, Acquia's Drupal experts ensure that you have the latest security and bug-fix releases installed and properly configured – an enormous benefit to organizations with limited IT staff.

For some Drupal sites, site traffic is high and peak periods can create stress on even a high-end hosting environment – on premises, or off. All would like, but not all can deliver, 24x7 availability with high performance under virtually all conditions. So Acquia created Acquia Hosting, specifically tuned for high-performance Drupal sites, to allow organizations to focus on their business, and to provide the "Five Nines⁴" reliability they desire – as a service.

Clearly, Acquia is committed to its core to ensuring the success of the Drupal platform, and the success of organizations who commit to Drupal as their social publishing platform.

Summary Cost Comparison: License, Support

	Web Content Management	Social / Community Software	White Label	Acquia Network
1st Year License	\$ 177,000	\$ 159,667	\$ 390,000	\$ 8,000
2nd year & beyond (maintenance)	\$ 45,800	\$ 47,667		
5-year Cost	\$ 360,200	\$ 350,333	\$ 1,950,000	\$ 40,000

⁴ <http://en.wikipedia.org/wiki/Uptime>

The Professional Services Dimension: a Simple Case of Supply and Demand

Beyond license, maintenance and support costs, every business application requires specialized skills to ensure trouble-free deployment, customization, and maintenance as the technology undergoes updates, revisions, and patches or bug fixes.

In this realm, Drupal, like many Open Source-based solutions, also offers a significant cost benefit.

Professional services for the proprietary solutions addressed in this study are significantly more expensive than are Drupal skills and resources.

First, proprietary solutions require proprietary skills and knowledge. These solutions are not based on industry-endorsed standards, embraced by many. Often, education and training on proprietary products is only available from the solution vendor themselves. Supply of training is low, and hence its costs are high. Recouping those costs means higher billable rates for professional services for these products.

Salary surveys⁵ and job surveys⁶ reveal the impact of this basic supply and demand problem. Positions for full-time developers with Jive- or Telligent-specific, and moderate experience are few in number, and the costs fall into the \$90-100k annual salary range⁷.

By contrast, since Drupal is based on completely standard web technologies, the supply of skills is vastly greater and the cost considerable lower – typically annual salaries are in the \$60-75k range.

And by web job survey site Indeed's analysis, there is 30 times the number of jobs for Drupal developers as for Jive or Telligent professionals⁸. And that gap is widening each year.

Again, Drupal brings a significant project cost savings – 25% to 30% over the professional services costs of the proprietary vendors.

5 www.codebeach.com, www.salary.com, www.dice.com

6 www.indeed.com

7 For this study, salaries for North America were used for comparison; we stipulate that "your mileage will vary" based on your specific local economic environment.

8 www.indeed.com:

The Ubiquitous Alternative: Do it Yourself (DIY)

Internal development and maintenance is an alternative to any third-party software product, whether proprietary or Open Source. For some organizations, a custom, home-grown software application can be extremely valuable intellectual property, driving competitive advantage.

However, the cost of keeping pace with the momentum behind the Drupal community is mind boggling. There are roughly 700 contributors to Drupal core currently. Even assuming an extremely conservative rate of 5% of contributors' time being dedicated to Drupal development, that's 35 person-years behind each major, annual release.

Even if the project could be staffed with junior PHP programmers, that still represents \$8.4 million annually. This doesn't even begin to address the cost to develop customization modules or to staff deployment, or management and maintenance.

The Savvy Executive Still Has Questions

So far, we have illustrated the degree to which acquisition, support and maintenance costs can be taken out of the social publishing equation if an organization chooses Drupal as its platform.

We have demonstrated Acquia's commitment to the success of Drupal, and to Drupal users.

Beyond Acquia, there are broader adoption phenomena which support the claim that Acquia and Drupal will challenge, and thrive, as an alternative to traditional commercial software offerings.

Measures of adoption will illustrate the degree to which a project such as Drupal has achieved critical mass.

- 611,000 members of Drupal.org
- 250,000 downloads per month
- 400,000 active, live web sites built on Drupal.9

9 This is a conservative number; since Drupal is Open Source, not all sites are 'registered,' and go undetected.

- 4400 Drupal modules (extensions to Drupal core functionality)

One Final Question Remains

All of these metrics support the claim that Drupal has achieved critical mass as a software platform “movement.” Business and IT executives, and their enterprise architect colleagues, need to know more. They need to be assured that any strategic technology in which they invest will continue to evolve: that their up-front investment will continue to keep pace in a market crowded with competitors and confusing business models.

First released in 2001, Drupal is now in its sixth major platform release. There has been at least one major feature release of the platform every year since the project’s inception. The community is able to deliver maintenance releases on a monthly basis if necessary.

741 developers contributed to the Drupal 6.0 core product during its last major release.

By contrast, enterprise software vendors eventually lose their ability to keep pace. In 2008, Vignette, once a content management market darling, was forced to admit to shareholders that they had lost their innovative edge¹⁰. The burden of addressing mounting requirements with a fixed pool of technical resources proved overwhelming. Within a year Vignette was acquired by OpenText – in a move designed “to bump Open Text’s top-line revenue to \$850 million or so, short term, while it cherry picks its way through the Vignette catalog of technologies, deciding which to keep and which to sunset.”¹¹ Hardly reassuring words for current Vignette customers.

As these acquisitions and consolidations continue (Oracle / Stellent, EMC / Documentum, OpenText / Vignette, IBM / FileNet), more and more organizations’ investments are placed at risk. Product lines are “sunsetting,” and users are forced to migrate to a “strategic” alternative – a costly and complex process.

In the meantime, the Drupal platform presses on, the developer community grows, the quality of the platform improves and the community of professionals dedicated to the platform’s success expands.

¹⁰ Mortgage Crisis: The least of Vignette’s worries, Kas Thomas, CMS Watch, April 30, 2008

¹¹ Open Text buys Vignette: Investment or Impulse?, Kas Thomas, CMS Watch, May 6, 2009

And the number of organizations adopting Drupal is also on the rise. Among the nearly half-million Drupal sites are some of the best-known business brands, including¹²:

- Adobe
- Brightcove
- Florida Hospital
- Fox
- InfoWorld
- Internet Systems Consortium
- Intuit
- Mattel
- MIT Media Lab
- New York State Senate
- Rackspace
- Red Hat
- Sony Music
- The Audobon Society
- The Economist
- The Emmys
- The Linux Foundation
- Unidesk
- whitehouse.gov

Clearly, the risks associated with Open Source back in 2004 have migrated to the traditional, proprietary vendors, and now Acquia Drupal looks like the safer choice.

Conclusion

An investment in a critical business strategy like social publishing must be thoroughly examined in terms of both cost and risk. Social Publishing and Acquia Drupal clearly emerges as the most compelling option on both counts.

License and Support Costs

Open Source software is by definition free of license charges. Acquia Enterprise Premium support is available for \$8,000 per year. Together, five-year costs for Acquia Drupal are between 2% and 11% of the average costs of comparable proprietary vendor offerings.

¹² For more information about sites built on Drupal, visit <http://buytaert.net/tag/drupal-sites>

Professional Services Costs

Demand for Drupal-related skills is growing rapidly, and yet because the skills required to develop and manage Drupal-sites are standards-based (PHP, MySQL), they are available at a 25-30% discount to similar skills on proprietary products and platforms.

The Balance of Power is Shifting

Competition and maturing buyer behavior are forcing more and more independent vendors out of business, or to consolidation with erstwhile competitors in their segments. This presents customers with painful choices: migration to new platforms or products, or the loss of ongoing maintenance and support.

For the declining number of proprietary vendors whose business models are still profitable, they must now prove their ability to innovate – to deliver new capability and continue to enhance their products.

On the other hand, the Drupal Open Source project and community has without question reached critical mass. The project has proven the ability to “out-innovate” traditional vendors. And users can choose from thousands of experts to assist them, as opposed to mere handfuls of specially trained consultants with skills in low supply, and available only at a high-price.

Acquia Drupal

At Acquia, we see a world in which the Drupal platform is the primary force driving this market disruption. We believe our efforts to enhance the Drupal platform with specific focus on assuring enterprise-grade support and services will accelerate the market disruption already under way.

Please join us in bringing this vision to reality.

About Acquia

Acquia empowers enterprises with the open-source content-management system Drupal. Co-founded by Drupal’s creator in 2007, Acquia helps customers manage their growth and scale their online properties with confidence. Acquia’s software, consultation, cloud infrastructure, and services enable companies to realize the full power of Drupal while minimizing risk, as it’s done for Examiner.com, Al Jazeera, and over 700 others.

See who’s using Drupal at <http://showcase.acquia.com> and learn more at <http://acquia.com>.

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