

## OW2 CONSORTIUM

### MANAGEMENT DISCUSSION, AND ANALYSIS OF OPERATIONS, AND OF FINANCIAL SITUATION AND RESULTS, FOR THE YEAR ENDED DECEMBER 31, 2012

#### **Introduction**

2012 was OW2's sixth year of operation. This year was characterized by a significant increase in the activity related to collaborative projects, the impact will continue throughout 2013.

#### **Membership**

– In 2012, we recruited 7 new members. Since its inception, some 120 legal entities have been registered with OW2, however not all of them maintained an active membership. The churn rate is significant and, while there is no doubt our ecosystem is growing, this year again we see the number of members with fully paid membership remains more or less stable: 37 in 2012 compared to 35 in 2011, 36 in 2010, 39 in 2009, 38 in 2008 and 34 in 2007 (Fig. 1).

– New members in 2012 were recruited in France (5) and Brazil (2). France is still the country with the largest number of members. In 2013, we aim at developing recruitment in Europe and we are also working toward the recruitment of at least one new Strategic Member. OW2's geographical footprint remains in the same hierarchy (Fig. 2), the fastest growing region being North-America (+8.6%).

#### **Activities**

– New projects. There were 11 new projects accepted by the Technology Council in 2012, the same number as in 2011 compared to 6 in 2010, 19 in 2009, 12 in 2008 and 8 in 2007. Project submission is essentially driven by new members and by the OW2 community's involvement in several collaborative projects. (Fig. 3).

– Collaborative projects: In 2012 the OW2 Management Office started working on four newly accepted publicly financed collaborative projects, OpenCloudWare, XLcloud, RISCOSS and OCEAN. These came in addition to CHOReOS and CompatibleOne. CompatibleOne was finalized end-2012 after its successful launch at Cloud Expo West in Santa Clara.

– Initiatives. The activity of the Open Source Cloudware initiative (OSCi) launched in May 2010 continued on collaborative projects including OCEAN, CompatibeOne, OpenCloudware and XLcloud. We also set the stage for the Future Internet Software and Services initiative (FISSi) which was accepted by the board in September 2012. This initiative is an extension of the CHOReOS collaborative project.

#### **Communication**

– We maintain seven websites: ow2.org, compatibleone.org, opencloudware.org, xlcloud.org, choreos.eu, ocean-project.eu and riscoss.eu. Our newsletter is sent regularly each month to some 2750 subscribers. OW2 is also present in noteworthy social sharing platforms such as LinkedIn, Twitter, SlideShare and YouTube where the OW2 channel publishes videos of our project presentations and events including all presentations given at OW2con'12.

– This year again, OW2 was involved in some 20 events worldwide. The main third-party events in which OW2 showcased its projects and community include: OSCON and Cloud Expo West in North America, Cloud Expo Europe, Solutions Linux, Cloud World Exp and Open World Forum in Europe, and FISL in Brazil. Thanks to the support of collaborative projects we could invest significant efforts on Cloud Expo West in North America, and FISL in Brazil.

– We successfully organized OW2con'12 our fourth OW2 Annual Conference, the second China Open Source Week (COSW) and the first OW2 Brazil Roadshow. These major events were in large part financially supported through sponsorship. In 2013 we will renew these events and we endeavor to launch their organization well in advance so as to improve promotion and grow their number of attendees.

#### **Organization:**

– Technical Infrastructure: In 2012 we installed two new machines to provide our projects with a

cloud infrastructure for testing and demonstration purpose. While we are offering Git, either online (GitHub) or in-house (Gitorious) our forge is falling behind state-of-the-art and if the upgrade that was promised does not materialize, we will have to consider alternatives. In 2013, we need to significantly re-assess and invest in the support organization of our technical infrastructure.

– Management Office (MO): While providing financial stability, collaborative projects are stretching our resource thin and limited our efforts in implementing our quality program aimed at enhancing the perceived quality of OW2 projects. We can consider the Software Quality Assurance and Trustworthiness (SQuAT) is six to twelve months late in its deployment. We recruited a new Community Coordinator and we have opened a part-time position for an in-house SysAdmin.

– Technology Council (TC): In 2012, the TC held four meetings and redefined the criteria for upgrading projects from incubation to mature according to the projects compliance with the SQuAT program. In 2013, TC and MO will work closely to enforce these criteria throughout the OW2 code base.

### Conclusion

In 2012 and 2013, the activity of OW2 is significantly impacted by the collaborative projects in which we are involved. While these projects provide financial stability and additional resources to the organization the new workload changes the nature of the work the Management Office has to perform. The challenge is to deliver successfully on these projects while leveraging them on a global scale for the benefit of the community and our projects.

### Membership Evolution

Members with fully paid dues

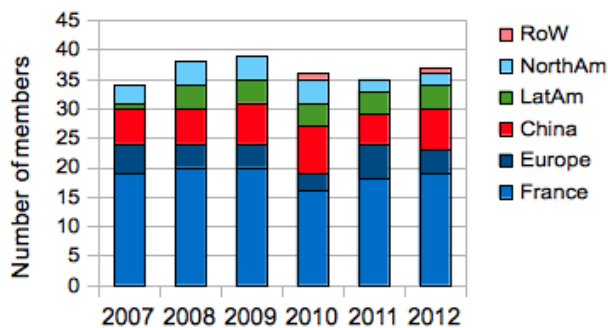


Fig. 1: Total membership Evolution

### OW2 Individual Members By Region

As Of March 2013

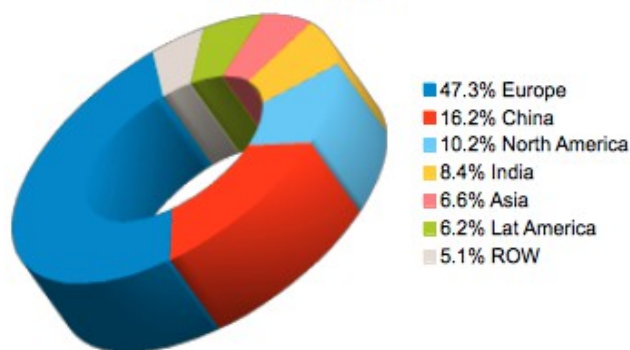


Fig. 2: OW2 Geographical Footprint

New Projects Accepted at OW2 Since Inception in January 2007

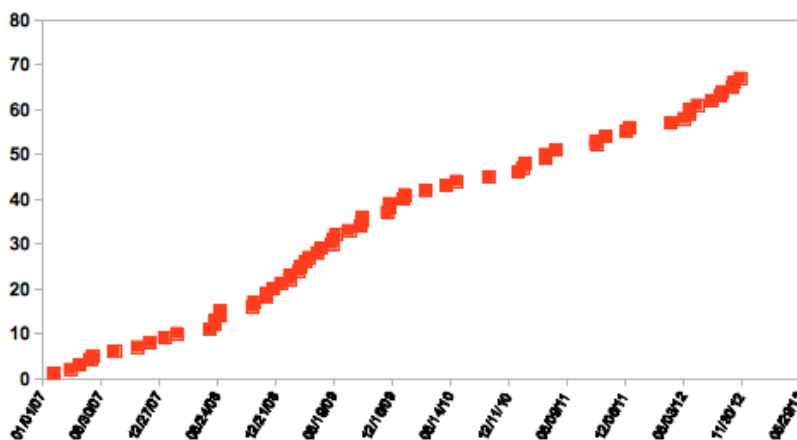


Fig. 2: New OW2 Projects



**OW2 CONSORTIUM STATEMENT OF OPERATIONS 2009-2012**

(in euros)

<b>REVENUE</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>12/11</b>	<b>11/10</b>	<b>10/09</b>	<b>%12</b>	<b>%11</b>	<b>%10</b>	<b>%09</b>
Membership subscriptions (Call for dues)	308,566 €	247,600 €	257,980 €	310,600 €	25%	-4%	-17%	42%	64%	72%	98%
Subsidies	350,176 €	114,354 €	20,533 €	€	206%	457%	-	47%	30%	6%	%
Sponsoring Confs, Progr. Contest, etc.	19,250 €	20,000 €	6,000 €	5,000 €	-4%	233%	20%	3%	5%	2%	2%
Reversal of provision	57,400 €	€	€	€	-	-	-	8%	%	%	%
Financial interest	2,520 €	525 €	439 €	€	380%	20%	-	%	%	%	%
Miscellaneous	3 €	1,612 €	14 €	14 €	-100%	11753%	-3%	%	%	%	%
Gain on currency exchange	53 €	17 €	€	371 €	212%	-	-100%	%	%	%	%
Exceptional result			73,181 €	€	-	-100%	-	%	%	20%	%
			€	€	-	-	-	%	%	%	%
	<b>737,968 €</b>	<b>384,108 €</b>	<b>358,147 €</b>	<b>315,985 €</b>	<b>92%</b>	<b>7%</b>	<b>13%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>EXPENSES</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>12/11</b>	<b>11/10</b>	<b>10/09</b>	<b>n % of total revof total revof total revenue:</b>			
Hosting	47,802 €	36,167 €	36,165 €	36,865 €	32%	0%	-2%	6%	9%	10%	12%
Book keeping and services	8,605 €	7,810 €	8,305 €	7,224 €	10%	-6%	15%	1%	2%	2%	2%
IT support and other services	22,538 €	5,317 €	17,701 €	€	324%	-70%	-	3%	1%	5%	%
Programming contest	2,784 €	2,492 €	2,561 €	3,000 €	12%	-3%	-15%	%	1%	1%	1%
Marcom & Collateral	12,255 €	4,817 €	15,386 €	1,785 €	154%	-69%	762%	2%	1%	4%	1%
Insurance, Dues	2,837 €	1,287 €	1,374 €	1,178 €	120%	-6%	17%	%	%	%	%
Trade shows	106,384 €	40,418 €	21,588 €	11,628 €	163%	87%	86%	14%	11%	6%	4%
Travel expenses	28,730 €	18,897 €	8,470 €	13,815 €	52%	123%	-39%	4%	5%	2%	4%
Bank charges	1,127 €	514 €	391 €	385 €	119%	31%	2%	%	%	%	%
Others (storage, stationary, postage, fees, equipment, etc)	6,411 €	6,938 €	4,104 €	2,388 €	-8%	69%	72%	1%	2%	1%	1%
Taxes and equivalent	17,552 €	15,428 €	12,338 €	12,940 €	14%	25%	-5%	2%	4%	3%	4%
<b>Total operating expenses</b>	<b>257,025 €</b>	<b>140,084 €</b>	<b>128,383 €</b>	<b>91,208 €</b>	<b>83%</b>	<b>9%</b>	<b>41%</b>	<b>35%</b>	<b>36%</b>	<b>36%</b>	<b>29%</b>
<i>Salaries and benefits</i>											
Salaries	195,354 €	163,884 €	129,249 €	126,781 €	19%	27%	2%	26%	43%	36%	40%
Social charges	79,594 €	66,606 €	53,023 €	51,763 €	19%	26%	2%	11%	17%	15%	16%
<b>Total Salaries and Benefits</b>	<b>274,948 €</b>	<b>230,490 €</b>	<b>182,272 €</b>	<b>178,544 €</b>	<b>19%</b>	<b>26%</b>	<b>2%</b>	<b>37%</b>	<b>60%</b>	<b>51%</b>	<b>57%</b>
<i>Amortization and Finance</i>											
Provision for defaulting fee payments	12,300 €		€	60,000 €	-	-	-100%	1.7%	.0%	.0%	19.0%
Other expenses	46,908 €	31 €	45 €	5 €	###	-32%	808%	6.4%	.0%	.0%	.0%
Amortization on tangible assets	849 €	656 €	359 €	461 €	29%	83%	-22%	.1%	.2%	.1%	.1%
Loss on currency exchange	571 €	330 €	471 €	92 €	73%	-30%	412%	.1%	.1%	.1%	.0%
<b>Total Amortization and Finance</b>	<b>60,628 €</b>	<b>1,016 €</b>	<b>875 €</b>	<b>60,558 €</b>	<b>5866%</b>	<b>16%</b>	<b>-99%</b>	<b>8.2%</b>	<b>.3%</b>	<b>.2%</b>	<b>19.2%</b>
	<b>592,601 €</b>	<b>371,591 €</b>	<b>311,530 €</b>	<b>330,310 €</b>	<b>59%</b>	<b>19%</b>	<b>-6%</b>	<b>72.3%</b>	<b>96.7%</b>	<b>87.0%</b>	<b>85.5%</b>
<b>RESULT</b>	<b>145,367 €</b>	<b>12,517 €</b>	<b>46,616 €</b>	<b>-14,325 €</b>	<b>1061%</b>	<b>-73%</b>	<b>-</b>	<b>19.7%</b>	<b>3.3%</b>	<b>13.0%</b>	<b>-4.5%</b>