Rimer's Rules for Open Source
Venture capitalist Danny Rimer has made investments in companies across the field. He talks about what he looks for in a startup

Excerpts Only

Key criteria for a successful open source business:

"**So what are those criteria?**

I call them the three Cs. These are necessary from the onset to make it an attractive story. The first is community. There has to be a huge amount of interest in it. [MySQL, Zend, and TrollTech] were already incredibly popular [when we invested]. The community is your marketing and evangelism arm. They're going to contribute and make sure this piece of software truly becomes mainstream.

The second C is commodity. Open-source companies absolutely can't have a new, innovative technology. They have to be smarter approaches to existing technology. They have to be [technologies] that developers and buyers already understand.

In the case of MySQL, because of Oracle [Corporation], everyone already knew the relational database. Open source is about coming up with an alternative that's cheaper, not going after a new area.

The third C is price cushion. There has to be a big enough difference between what proprietary vendors are charging and open source is charging, so that over time open-source companies can charge more and still have enough of a price cushion to make it interesting for customers."