

The State of Enterprise Open Source Software After the Oracle Acquisition of Sun Microsystems

July 2010

Executive Summary

When Oracle officially closed its acquisition of Sun Microsystems on January 27, 2010, there were concerns among Sun customers and many in the open source community about the change in control of MySQL and Java, two critical elements in the modern enterprise open source software stack.

MySQL is the world's most popular relational database and the default relational storage engine in most open source software stacks. Java is the most popular language for writing open source enterprise applications. The fate of these two technologies, formerly under the stewardship of Sun Microsystems, will in large part determine the pace of adoption of open source software in Global 2000 enterprises and government. The international technology research firm IDC predicts that worldwide revenue from open source software will grow at a 22.4% compound annual growth rate (CAGR) and reach \$8.1 billion by 2013. These numbers shed light on the importance of how developers and customers perceive Oracle's stewardship of these two gems in the open source crown.

To assess the market perception of Oracle's future stewardship of both MySQL and Java and the impact on the broader use of open source software in the enterprise, Jaspersoft surveyed its community of more than 130,000 registered users and customers. Members were asked about the future of Java and MySQL under Oracle -- whether they planned to switch databases, about the future of Java and their use of Java in the enterprise, as well as, their use of different operating systems, development tools, application servers, databases, and open source business applications.

The survey of Jaspersoft's community and customers took place during the first three weeks of April 2010, concurrent with the first MySQL Conference held under Oracle's leadership. The news from the MySQL conference largely supported the feedback from Jaspersoft's community and customers. Contrary to early speculation and some high-profile discontent among open source community members, many believe both Java and MySQL will actually fare better under Oracle than under Sun. The following are some of the highlights revealed by the survey:

1. **Use of MySQL.** More than three quarters of respondents said their use of MySQL would increase or stay the same under Oracle.
2. **Development and Innovation of MySQL.** More than three quarters of respondents predicted that MySQL development would continue at the same pace and even improve under Oracle.

- Use of Java.** Almost every respondent said they'd continue to use Java or increase the use of Java in their organization under Oracle. These results say Java is still a vibrant and popular programming language.
- Java community process.** Nearly 80 percent of respondents felt that the Java Community Process would remain the same or improve under Oracle.

Methodology



The Jaspersoft survey was conducted in April 2010 using a Survey Monkey email, randomly sampling 518 of more than 130,000 Jaspersoft registered community members and customers.

Profile of respondents by size of organization (number of employees):

1-100 Employees		270	52%
101-1,000 Employees		119	23%
1,001-1,500 Employees		11	2%
1,501-2,000 Employees		13	3%
2,001-5,000 Employees		31	6%
More than 5,000 Employees		74	14%
Total		518	100%

More than 14% of respondents worked for enterprises with more than 5,000 employees, including Accenture, DHL, Princess Cruises, Quest Diagnostics, Siemens, United Airlines, Wachovia and Wells Fargo, among others.

Profile of respondents by role within their organization:

IT/ System Administrator		65	13%
Developer/ Software Engineer		382	74%
Power User/ Report Designer		15	3%
Business End User		7	1%
Other (please describe briefly)		49	9%
Total		518	100%

Jaspersoft Analysis

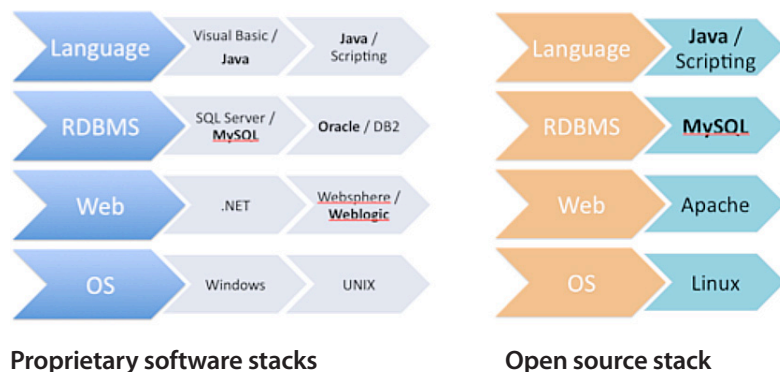
Open source adoption in the enterprise is growing rapidly and has reshaped the modern software industry. One of the most successful proprietary software vendors in the world is Oracle. Historically, Oracle has not been perceived as friendly to the open source community, although the database giant has closed three acquisitions of open source data storage companies since 2005; InnoDB, Sleepycat Software and Sun Microsystems (MySQL). InnoDB was the transaction storage engine embedded in MySQL and Sleepycat Software developed the popular Berkeley DB embedded data storage libraries. The open source projects behind both of these companies continued to flourish after the Oracle acquisitions and Oracle continued to offer InnoDB to MySQL under an OEM license.

MySQL and Java hold a ubiquitous presence in modern open source software stacks. They can be found anywhere from open source ERP projects such as Compiere and OpenBravo to our own Jaspersoft Business Intelligence Suite. In addition, Java is still the programming language of choice in most proprietary enterprise software stacks. With the rise of dynamic scripting languages such as PHP, Python and Ruby/Rails along with Web 2.0 techniques, the tendency has been to perceive Java development as waning in popularity, even though Java-based applications drive most business transactions today.

These survey results suggest that Oracle’s acquisition might spark a resurgence in Java adoption. In 2009, Oracle had 10 times the net income of Sun and can afford to invest more heavily in Java innovation if it perceives Java’s success as strategic to the company’s commercial interests. Our survey results show that customers and community members are placing larger bets on Java as a platform now that Oracle is in charge.

With Oracle’s acquisition of Sun, the company has positioned itself as potentially dominating both sides of the enterprise developer software stack: proprietary AND open source. Figure 1 below describes the potential for dominance.

Figure 1 Oracle’s Enterprise Developer Software Stack: Proprietary and Open Source



Jaspersoft believes, along with experts at IDC, that open source adoption in the enterprise will continue and even accelerate over the next five years. In fact, the principles of open source have changed the software development paradigm permanently. Oracle has proven itself to be a very resourceful company skilled at making its acquisitions successful. Customers will continue to turn to open source software as a way to cut costs, increase flexibility and lower licensing expenses. Oracle knows this and seems to have chosen to respond to shifting customer demands by leveraging its ability to deliver what customers want and by continuing to sell and service its suite of proprietary software products.

In its most recent report on the economic impact open source adoption will have, the market research and consulting firm The 451 Group said, “Open source software is expected to bring financial benefits to users in

the enterprise and other IT markets, and it's delivering on that expectation by meeting or exceeding anticipated cost savings nearly 90% of the time – while also providing increased business flexibility.”

Economic conditions and the need to save money are driving increased interest in open source software, the451 Group said. The bottom line for most organizations is that cost is king and flexibility is key after adoption. According to The 451 Group, companies believe that open source software cost savings will come from or did come from:

- 83.7% - Software licenses
- 54.1% - License management
- 43.7% - Maintenance contracts
- 34% - Hardware
- 31.6% - Support

Survey Responses

1. Are you switching from MySQL to any other database since Oracle acquired Sun?

I don't use MySQL		147	28%
No		245	47%
Too early to say		100	19%
Yes (if yes, to what other RDBMS?)		26	5%
Total		518	100%

The most popular alternative to MySQL cited by respondents who said they planned to switch was PostgreSQL. But only 5% said they planned to switch.

2. Under Oracle, will MySQL development and innovation most likely:

Improve		222	43%
Stay the same		183	35%
Get worse		113	22%
Total		518	100%

Most observers believe that Oracle will rely heavily (and invest accordingly) on MySQL to battle Microsoft's SQL Server for market share. Developers attending the MySQL Conference in April 2010 largely applauded Oracle's announcements around MySQL upcoming features, including Craigslist's Jeremy Zawodny and Smugmug's Don MacAskill (per Redmonk analyst Stephen O'Grady report).

3. Under Oracle stewardship, how likely are you to use MySQL?

More likely to use MySQL		114	22%
About the same		290	56%
Less likely to use MySQL		114	22%
Total		518	100%

While 22% of respondents said they'd use less MySQL under Oracle, most said they would not change and indeed might use more.

4. Under Oracle stewardship, will the Java Community Process most likely:

Improve		207	40%
Stay the same		207	40%
Get worse		104	20%
Total		518	100%

The Java Community Process has long been criticized as political and unwieldy. Generally people felt that the process would continue as it is or even improve under Oracle.

5. Under Oracle stewardship, will your use of Java likely:

Increase		127	25%
Stay the same		364	70%
Decrease		27	5%
Total		518	100%

This result belies the common perception that modern scripting languages have eclipsed Java. It suggests a resurgence of Java in the enterprise under Oracle stewardship. This is good news to millions of Java developers and for enterprises with substantial investments in Java applications.

6. To foster continued adoption and sales of MySQL, Oracle established a separate business unit under Edward Screven, chief corporate architect, independent of its main Oracle database business. Were you aware of this?

Yes		55	11%
No		305	59%
I don't know		130	25%
Not applicable to me		28	5%
Total		518	100%

Oracle needs to tell people about its MySQL reorganization.

Looking Ahead

Prior to conducting this survey, many customers and technology vendors told us that the key to understanding or predicting Oracle's success with MySQL is whether the company believed it to be outside of the main revenue driver of the company's database business. Indeed, Oracle has established MySQL as a separate business unit led by Oracle Chief Architect Edward Screven. Insiders expect that MySQL revenues will continue to grow rapidly to \$300 million or more over the next few years, buoyed by a dedicated and independent Oracle sales force.

This open source business represents a completely separate unit from the traditional Oracle DBMS business, and includes separate engineering, separate professional services, separate sales, and separate marketing. The sales team's compensation is solely based on selling MySQL and they can do this without worrying about jeopardizing the legacy Oracle RDBMS business. Surprisingly, our survey showed that most of our customers and community members (more than 14% of whom work for large enterprises) were not aware that Oracle had reorganized and established this separate MySQL business unit.

The possible resurgence of Java under Oracle was the biggest surprise in our survey, but it's too early to tell what this might mean. One of Oracle's primary competitors, IBM, has invested heavily in Java. In fact, write-in comments showed some survey respondents were concerned that Oracle might try to leverage its stewardship of Java to IBM's disadvantage.

Overall the perception by Jaspersoft customers and community members concerning Oracle's acquisition of Sun Microsystems was positive. Looking at a traditional software stack of operating system, web server, database and then programming languages/applications, it's clear that Oracle has positioned itself to control substantial portions of both the open source and proprietary software stacks most commonly deployed today. The good news for Oracle, and for the future of Java and MySQL, is that our survey respondents are largely giving Oracle the benefit of the doubt, for now.

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