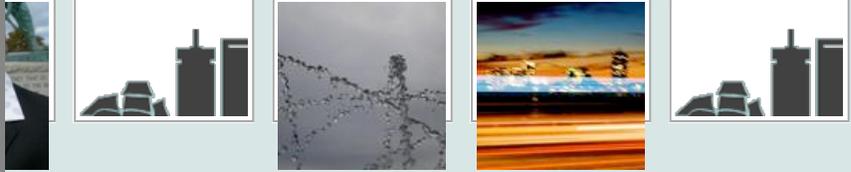Client Server

n Source CEO Summit

symposium on new topics in technology, advertising, and the ever-elusive venture capital funding. The symposium's name, Cyberposium, derives from "cyberspace," the nickname folks used for the internet back when the symposium began, 14 years ago. Craig Newmark of Craigslist was present, as were a host of other internet stars, including some from Facebook.

Mark Jannot, editor-in-chief of *Popular Science*, was the afternoon keynote speaker. He predicted that an electronic device in the shape and size of a magazine would be commonplace by 2010. This technological foresight was supported by the company Media Ideas, which has given a 70% probability that such a device will come out by 2010.

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Jannot emphasized that this should be something one could open up and fold, incorporating the two-page spread with content on one page and advertising on the opposing page that is crucial to the design and revenue of print magazines from *The Economist* to *Entertainment Weekly*.

Magazines are facing stiff competition from online news and information sources. Jannot stated that magazine printing costs are increasing by 10 to 11 percent every year. This far outstrips the inflation rate in the U.S., meaning that in order for the magazines to be sustainable, subscriptions or revenues must keep pace with these production costs. New internet marketplaces (such as eBay), where subscriptions can be purchased at a discount, contribute to the deflated subscription price.

Internet image from jay dugger. More on Cyberposium, and the Open Source CEO Summit, after the jump. Post contributed by Russell Hanson.

Cyberposium also featured well-attended panels on advertising and venture capital funding. Venture capitalists' funding activity lies between the entrepreneur and banking sides of ventures. VCs are concerned with the entrepreneurial process but also with the financial realities of their businesses. In a panel of four VCs, three said that their CEOs anticipated the current market dynamics 6 to 8 months ago and made appropriate cost-reducing measures then. Such companies are now keeping a hiring pool open for six open positions for specific roles and two "flexible" unassigned spots if the right talent should come along. The fourth said that their own company was hiring now and to "bring your resumes down." No one actually did, but it was a prudent play given the highly motivated audience.

The day before Cyberposium, the Open Source CEO Summit hosted a number of discussions on the challenges to modern open source software companies. It has long been postulated that open source companies are more liable to losing revenue to competitors, who simply swipe the free technology. Attendees argued that profitability of open source companies has historically been much less than their closed source competitors. This is no secret. Many new and start-up companies began as open-source only to be quickly converted by their blue-chip clients to more stringent code control policies. Open source is the realm of start-ups, upstarts, and technology plays.

Nonetheless, much of the Web 2.0 environment is based on open-source technologies. The trend is to base a software-as-a-service (SaaS) technology on top of some proprietary technology, protocols, data network, or

relationships. This is somewhat less flexible for the business than an entirely closed-source environment, but results in much-needed and superior code. Brian Solis of FutureWorks has commented that many new SaaS Web 2.0 companies will be based increasingly on customer service and support. Some of the companies: UserVoice, GetSatisfaction, and Community Platform. These new web service businesses are based on modern frameworks like Ruby on Rails and may provide some of the services that are currently provided by the big call centers.

Both Cyberposium and the Open Source CEO Summit were good local venues for discussion of current technologies and trends in the Cyber and Open Source worlds with diverse industry presence. Cyberposium is an annual event and is a high-quality local meeting that was run by a dedicated staff of some 43 HBS graduate student volunteers. Anyone interested in these topics is encouraged to attend and contribute. Both conferences are inexpensive, thanks to sponsorships, as well as friendly, in that inimitable HBS-style.

By Kerry Skemp in Arts & Events on November 25, 2008 11:00 AM   0 Comments   0 Likes

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