Free and Open Source Software has not only increased researchers’ interest about community-driven software development, but lately, interest from commercial actors increased as well. In addition, some scientists have claimed that Open Source Software has entered a new phase: OSS 2.0. Even so, a coherent way of analyzing commercial Open Source ventures is still missing.

Commercial Open Source firms’ strategies are often described using the term “business models”. However, these models often lack stringent structures and have been used primarily to describe the firms’ offerings and methods to earn revenue.

Through the adaptation of an existing, firmly theoretically-based analytical business model framework, this thesis suggests a new analysis model for studying for-profit Open Source companies. In addition, the framework is generically constructed, ensuring its usability for other industries as well. The model consists of three elements: market positions, operational platform and offering.

This particular study concerned four software product vendors, all of which base their products on Open Source Software. When analyzing their business, insights were made about how these firms operated. The result show that there are certain key elements and factors that determine if a company has a sustainable business or not. From the analysis framework, three elements were refined. The main Open Source Software project connects the market positions and the operational platform; and from the offering, the product and service and the revenue model were very important.

The study identified eight key factors which influenced the elements: brand for the product, the company and the Open Source Software project; community, that is the sum of the non-paying users and developers connected to Open Source Software projects; resources, which are community-based resources such as development and testing; legitimacy, the perceived legitimacy regarding licenses and the revenue models; control, i.e. the control the firm has of the software; ability to charge, or how the company can charge for its services; customers, the paying users; and finally volume, which is the number of paying customers.

The findings also indicate that companies interested in working with the open-source community have to be able to balance the demands from both their customers and the community in order to benefit and gain competitive advantage.
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