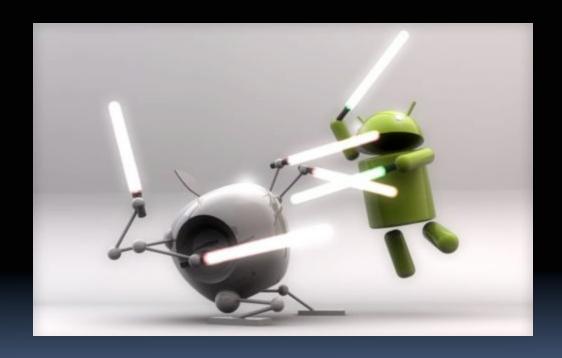# Open vs. Closed

CFP Spring 2011
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Debate

What is Open ?

Open System

- ✓ Non-proprietary system
- ✓ Based publicly known Standards
- ✓ Defined Interfaces
- ✓ Fully published
- ✓ Not controlled by a single entity

What is Closed?

Closed System

- ✓ Details of implementation are secret
- ✓ No interoperability with third parties
- ✓ Typically controlled by a profit making entity

What are the drivers?

Open System Drivers

- ✓ Status
- ✓ Contribution
- ✓ Social Capital
- ✓ Create other markets

Closed System Drivers

- ✓ Control
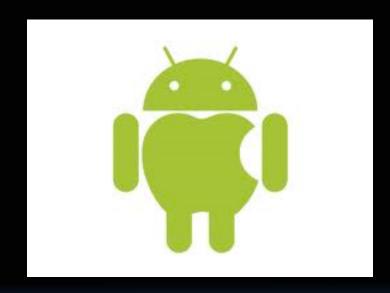- ✓ Lock-in
- ✓ Money

Open or Closed?

Open: When?

- ✓ Standards to propagate
- ✓ More customers = More Value
- ✓ Community
- ✓ Long-term Strategy

Closed: When?

- ✓ Unique Attribute to Create Value
- ✓ Targeting "premium" customers
- ✓ Avoid Copies

Open and Closed?

Open and Closed?

- ✓ Not mutually exclusive
- ✓ Strategically apply each advantage
  - ✓ Open: Generate Opportunities
  - ✓ Closed: Leverage your strengths

Open and Closed Combinations

QoS Supply- Side
(Service Provider)
NEEDS **Ubiquity**

Leverage
Strengths Generate
Opportunities

Demand - Side
(End User)
$ **CUSTOMER EXPERIENCE**

Open and Closed:
Real Examples

	Android	Windows	iPhone
Demand-Side User (End User)	Open	Open	Open
Supply-Side User (Application Developer)	Open	Open	Open (*)
Platform Provider (Hardware/OS Bundle)	Open	Open	Closed
Design & IP Rights Owner	Open	Closed	Closed
Application Distribution	Open	Closed	Closed

Source: Opening Platforms: How, When and Why? Harvard Business School and Android Developers Web Page

Questions?...

Thanks!