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?

iOS 4.2
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

Supply- Side (Service Provider) NEEDS

Leverage Strengths

Ubiquity

Generate Opportunities

Demand - Side (End User) CUSTOMER EXPERIENCE

QoS

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## Open and Closed: Real Examples

<table>
<thead>
<tr>
<th>Role</th>
<th>Android</th>
<th>Windows</th>
<th>iPhone</th>
</tr>
</thead>
<tbody>
<tr>
<td>Demand-Side User (End User)</td>
<td>Open</td>
<td>Open</td>
<td>Open</td>
</tr>
<tr>
<td>Supply-Side User (Application Developer)</td>
<td>Open</td>
<td>Open</td>
<td>Open (*)</td>
</tr>
<tr>
<td>Platform Provider (Hardware/OS Bundle)</td>
<td>Open</td>
<td>Open</td>
<td>Closed</td>
</tr>
<tr>
<td>Design &amp; IP Rights Owner</td>
<td>Open</td>
<td>Closed</td>
<td>Closed</td>
</tr>
<tr>
<td>Application Distribution</td>
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<td>Closed</td>
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</tbody>
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Questions?...

Thanks!