



Stanford eCorner

Importance of the Community and Data and Process Automation in Businesses

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Polese emphasizes working with the community and the role of data and process automation in business.



Transcript

When I think back to my experience building Marimba a decade ago to today, and let me just go down that list, so, what's different? What's different about building a company in Web 2.0? First is the importance of working with a community, what I just mentioned. The collective contribution and the value that that adds to a product or service. Companies like Amazon have demonstrated this. Their user reviews, of course, have really propelled the popularity of that service. They have a commodity; open-source software is a commodity. Many things in our world around us are commodities. What really adds the value is the service that's wrapped around that, and an increasingly important part of that service is engaging with the community. Giving back and contributing that to the community as well. So for example, we're publishing all of our test results, we're writing test coverage tools, we're figuring out ways that we can be of value, be of service. And Google is a great company, a great example of that, too.

Their whole mantra is about being of service and not being evil, when it boils down to it, and it's a very wise strategy because that's how you really get game leverage and valuable content. Number two, more and more it's about the data. The data is the Intel Inside, in a sense. Less about IP, intellectual property, that you want to protect and lock down and patent. So for example, we are not running around trying to snap up patents and use those as a defense mechanism. In the old days, many software companies and Harvard companies actually pursued that as a strategy. Certainly very large systems vendors and many software companies have big patent portfolios: Microsoft, IBM, just to name a couple. And it's a sizable business for them. But when you're starting a company these days, it's not necessarily the number 1 thing you go out and do. The data is more and more important in businesses today.

So for example the data that we have is the knowledge of what works with what. Configuration information. That knowledge base is being expanded on an ongoing basis. Every test we run adds valuable knowledge about system configuration. We couldn't possibly write every test, anticipate every system configuration, every environment that that application might be run in. We need to aggregate that from the community, and once we have that, it expands the knowledge base. Google, same thing. Every time you do a search, you're adding value in the form of knowledge that they are incorporating into making their search more efficient. So number two, data is increasingly where the IP is. Number three, process automation is becoming more and more important, and that is a function of an industry that is beginning to mature and commoditize.

So if you look back at any industry that's become commoditized and mature, whether it's automobiles--Ford figured this out back in the early part of the century--or PCs--Dell figured this out a few years ago--any time that you've got a flood of commodities, the value shifts to how you aggregate and distribute those commodities and the service you provide around that. And that's happening today with software. So, again, back to kind of the core business model of Spike Source. And what makes this interesting, what we're doing, is really process automation around aggregating knowledge about what works with what, making that information easy to access, delivering it in the form of value, which is an ongoing updating in patch management service to companies that are running the software.