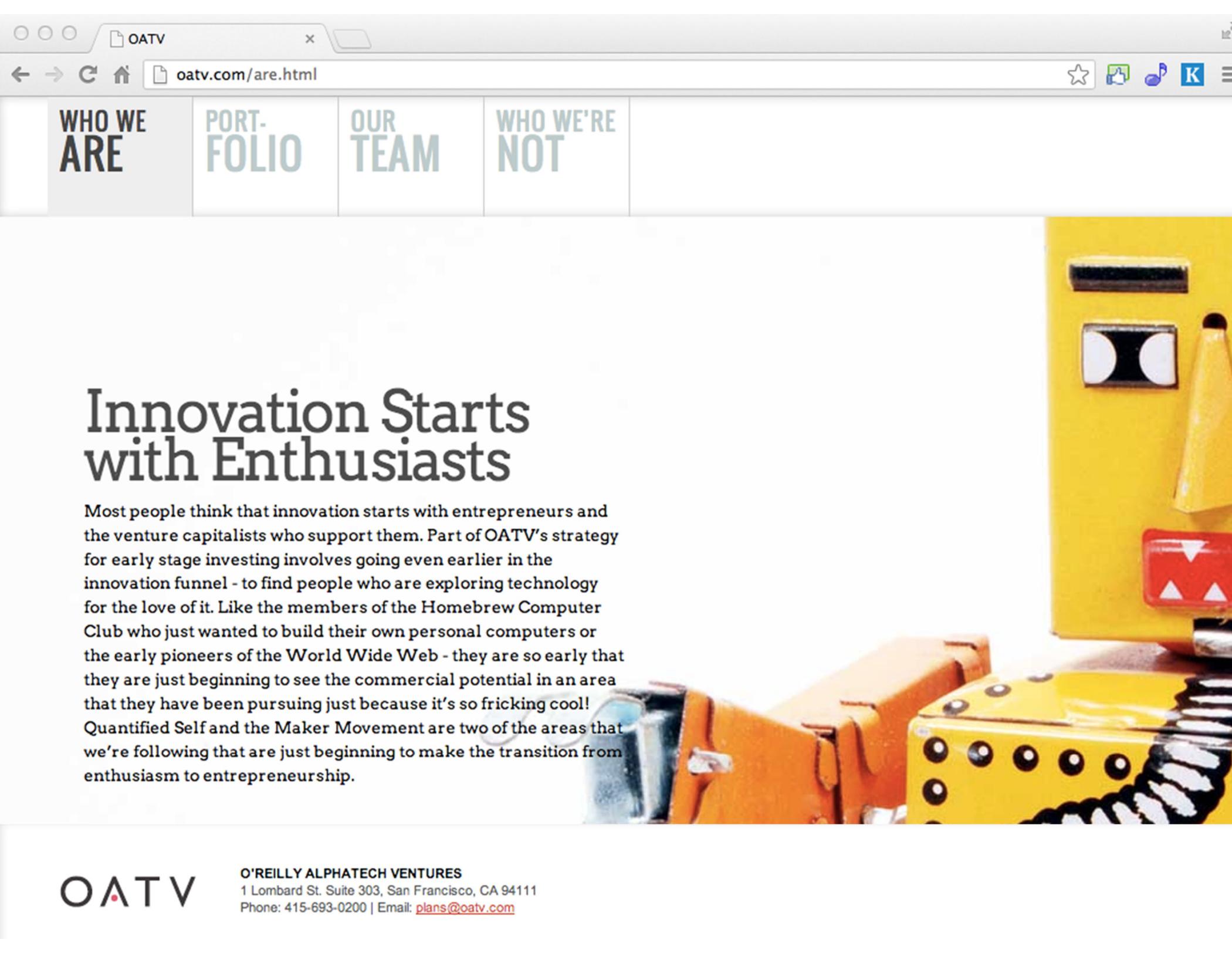




The Clothesline Paradox: How New Technologies Create Value

**+Tim O'Reilly
@timoreilly
O'Reilly Media**

**PCAST
May 3, 2013**

WHO WE
AREPORT-
FOLIOOUR
TEAMWHO WE'RE
NOT

Innovation Starts with Enthusiasts

Most people think that innovation starts with entrepreneurs and the venture capitalists who support them. Part of OATV's strategy for early stage investing involves going even earlier in the innovation funnel - to find people who are exploring technology for the love of it. Like the members of the Homebrew Computer Club who just wanted to build their own personal computers or the early pioneers of the World Wide Web - they are so early that they are just beginning to see the commercial potential in an area that they have been pursuing just because it's so fricking cool! Quantified Self and the Maker Movement are two of the areas that we're following that are just beginning to make the transition from enthusiasm to entrepreneurship.

O'Reilly created **GNN**, the first commercial website. Below is the GNN home page when it launched in August 1993. Recently, Tim O'Reilly and Dale Dougherty gave a presentation on GNN (and [Viola](#)) at an event organized by the Stanford Linear Accelerator Center (SLAC) called "The Once and Future Web." To see our presentation, [click here](#)

GNN Home Page

The Global Network Navigator (GNN), an Internet-based Information Center, is a production of O'Reilly & Associates, Inc. and an application of the World Wide Web.

[Welcome New Navigators!](#) If you are new, please take a minute to learn more about GNN.

To subscribe to GNN: **GET** the online registration form.

	 GNN News
	 GNN Magazine (Issue #1)
	 The Whole Internet Catalog
	 GNN Marketplace
	 Navigator's Forum

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Just for Fun

From Wikipedia, the free encyclopedia

Just for Fun: The Story of an Accidental Revolutionary is a humorous autobiography of Linus Torvalds, the creator of the [Linux kernel](#), co-written with [David Diamond](#). The book primarily theorizes the Law of Linus that all evolution contributed by humanity starts for survival, sustains socially and entertains at last. Other than this the book explains Torvalds' view of himself, the [free software movement](#) and the development of [Linux](#).

Just for Fun has been translated into numerous [languages](#) including the first official language of Torvalds's home country [Finnish](#), and later to his own first language [Swedish](#) (Torvalds is a member of the [Swedish-speaking minority in Finland](#)). The kernel that Torvalds started (and still maintains) for fun is now a part of the operating systems used by over 60 million people on the desktop and even more in web services.^[1]

Editions

[\[edit\]](#)

- ISBN 0-06-662072-4: Hardcover (2001)
- ISBN 0-06-662073-2: Paperback (2001)
- ISBN 0-694-52539-1: Audio Cassette (abridged) (2001)
- ISBN 0-694-52544-8: Audio CD (abridged) (2001)

References

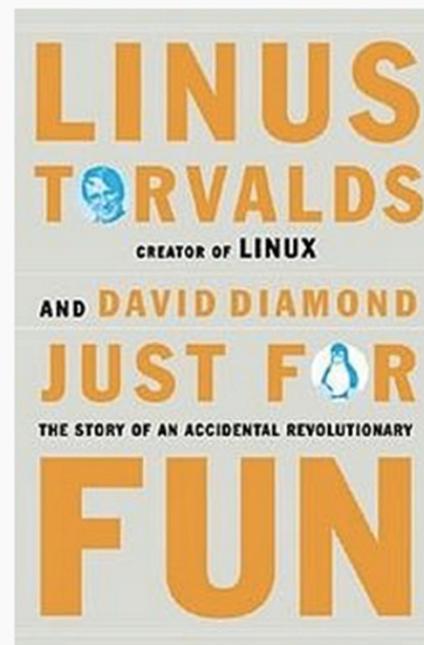
[\[edit\]](#)

- ↑ Abramson, Ronna (2004-12-15). "Linux Looms Larger Than Thought" [↗](#). TheStreet.



*This article about a biographical or autobiographical book is a **stub**. You can help Wikipedia by [expanding it](#).*

Just For Fun



Author(s)	Linus Torvalds & David Diamond
Language	English
Genre(s)	Biography
Publisher	HarperBusiness



Reinventing the Faire

Low Tech Meets High Tech

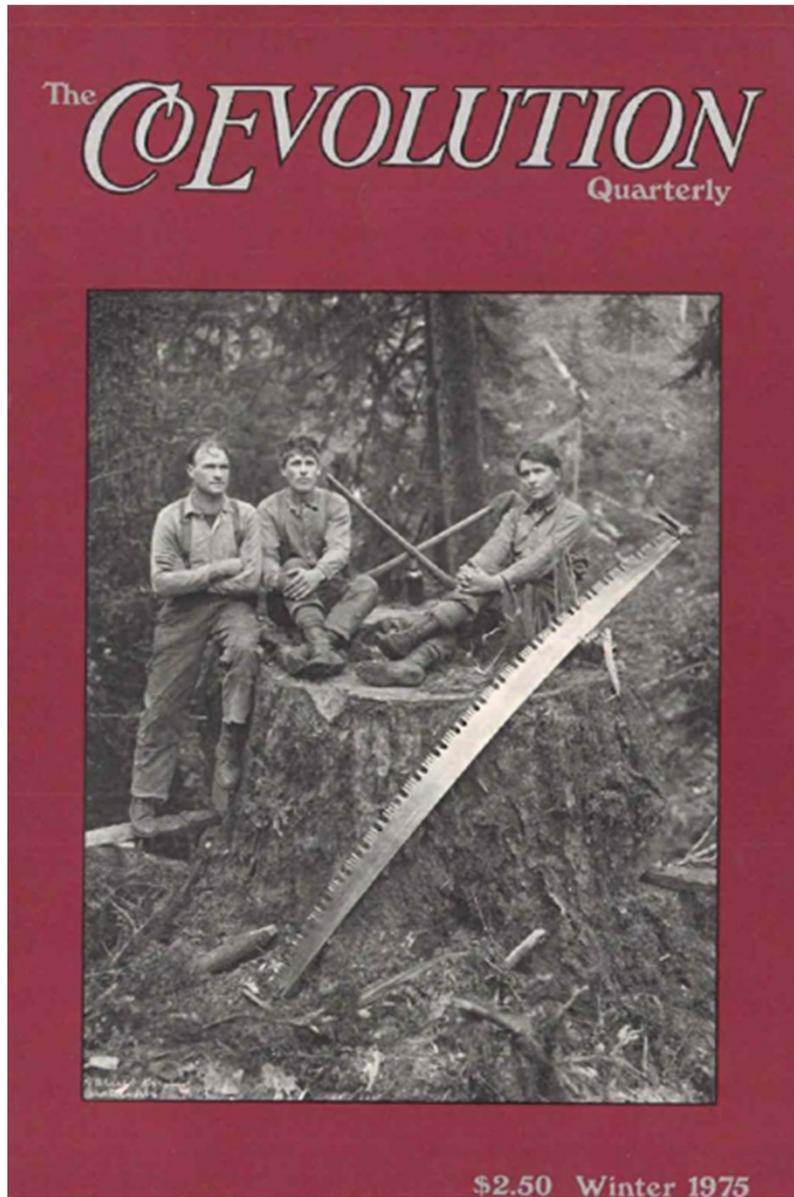


These pre-economic markets are often
“sharing economies”



“I built my business on open source software, and I want to give something back.”

- *Hari Ravichandran*
Endurance International Group

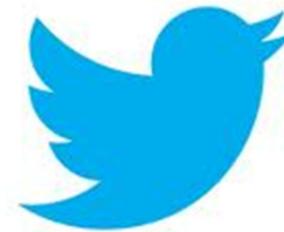


If you put your clothes in the dryer, the energy you use is measured and counted, but if you hang them on the clothesline to be dried by the sun, the energy saved disappears from our accounting!





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ISP Services - a \$79 Billion market in the US alone



Web hosting and domain name registration - a \$5 Billion market



It's not just open source software.
The “peer production” of web content powers
the entire Internet economy



- Why do people keep saying that users won't pay for content when they are paying the same amount for Internet access as they pay for cable TV?
- When Comcast (or other cable company) customers view cable TV content, Comcast pays content providers.
- When Comcast customers watch YouTube, spend time on Facebook or Twitter, or visit websites, Comcast gets its content for free, much of it created by the very customers who are paying for access!



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Thomas The Tank Engine - Accidents Can Happen

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23,842,201

Uploaded by [junamle](#) on Nov 16, 2008

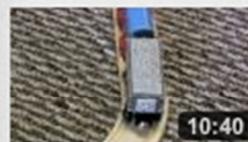
Accidents can happen on the Island of Sodor. Watch your favorite tank engines: James, Henry, Thomas, Gordon, Ben, Spencer, Diesel 10 and their adventures - all in our second movie. And... There is a surprise at the end.

3,008 likes, 1,640 dislikes

Artist: [Thomas & Friends](#)

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VIDCON 2013

First, to say what doesn't need to be said...thank you. Thank you for bringing yourself and your energy and your talents and your humor to VidCon. From my perspective (and hopefully from yours) the event was a huge success and it seems like everyone had a pretty fantastic time. I know I did.

I wanted to ask a quick favor...just, for no particular reason, could you keep August 1, 2013 to August 4, 2013 free on your calendar? OK, no sense in being mysterious, we've locked in those dates for 2013 at the Anaheim Convention Center. Officially unannounced, but we wanted to let you know ASAP.

CHARLIEISSOCOOLLIKE!!!

AN ENGLISH TWENTY-SOMETHING WHO MAKES VIDEOS



Charlie McDonnell

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About Charlie McDonnell

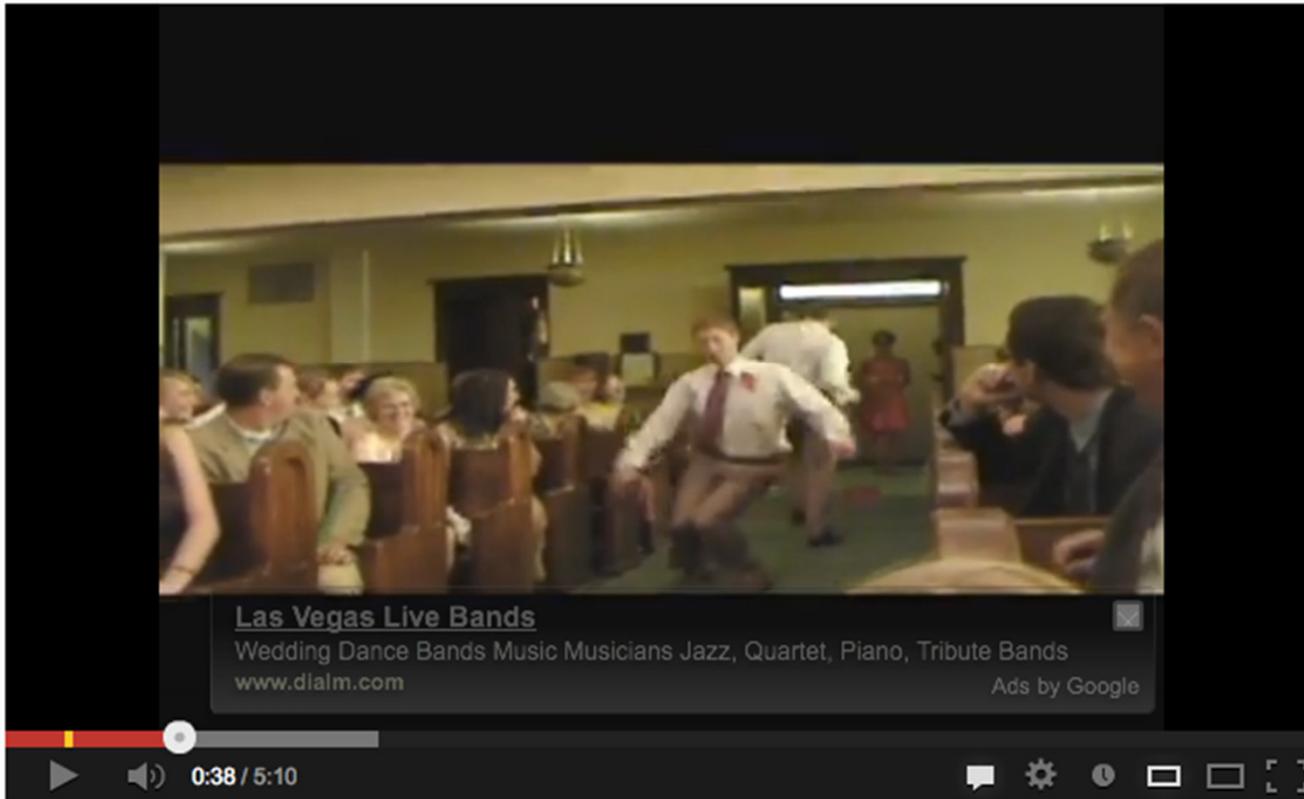
So there was this one time when I made a video about tea and now YouTube is my job or something.



Upload

Tim O'Reilly

51



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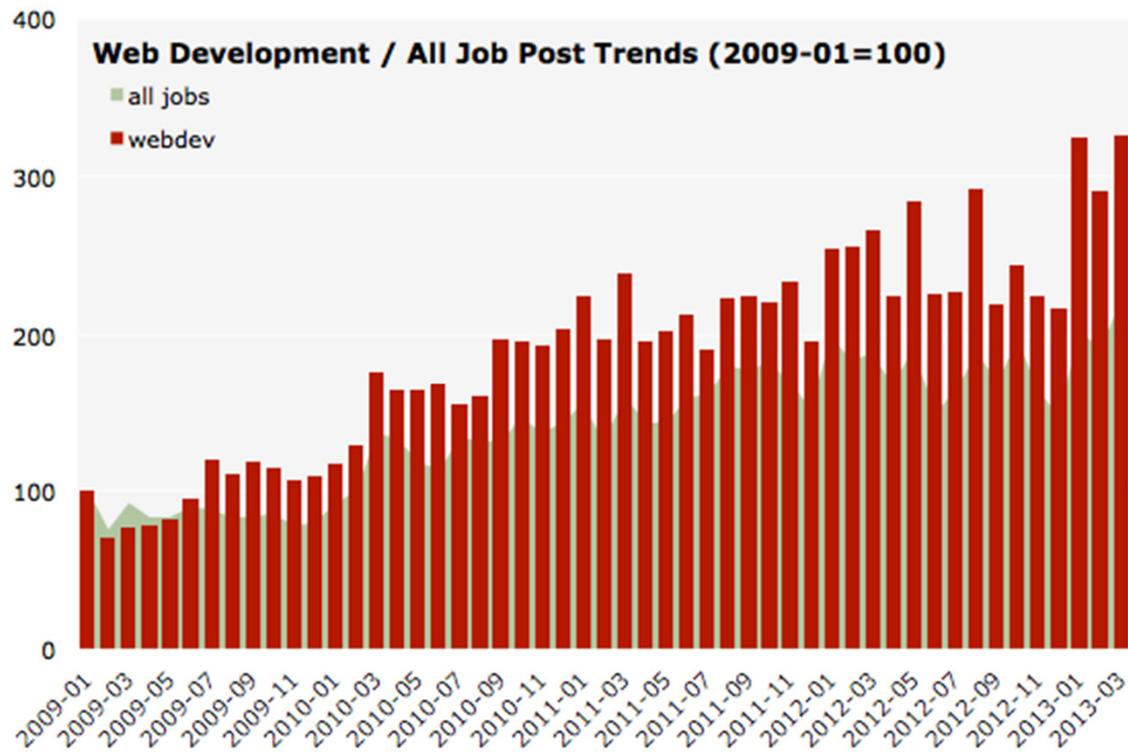
by Tim W
6,256,511 views



Whose Line: Game Show



- Web design
- SEO
- Ad agencies





McKinsey&Company

McKinsey Global Institute



May 2011

Internet matters: The Net's sweeping impact on growth, jobs, and prosperity

Having a web site increases the productivity of small businesses by 10%



So that's where the value gets captured - by everyone!





Impact of Open
Source on
Growth, Jobs,
and Prosperity
of Small
Businesses: A
Case Study

by Mike Hendrickson, Roger Magoulas, and Tim O'Reilly

2012

We worked with EIG's Bluehost unit on a study to show the benefits of open source software to the SMB market

Of the 700,000 SMBs in the Bluehost data...



Reported Revenue	% of Respondents	No of Firms in Segment	Segment Revenue
More than \$5 million	0.94%	6674	\$33 billion
\$1-5 million	2.61%	18531	\$46 billion
\$500,000-\$999,000	2.83%	20093	\$15 billion
\$250,000-\$499,000	3.81%	27051	\$10 billion
\$100,000-\$249,000	8.22%	58362	\$10 billion
\$50,000-\$99,000	9.16%	65036	\$4.8 billion
\$10,000-49,000	16.31%	115801	\$2.9 billion
Less than \$10,000	31.93%	226703	\$1.1 billion
Prefer not to answer/ don't know	24.18%	171678	NA
Total		709929	\$124 billion



“Sharing” economies end up
creating real value that is captured
elsewhere in the economy

What do all these things have in common?



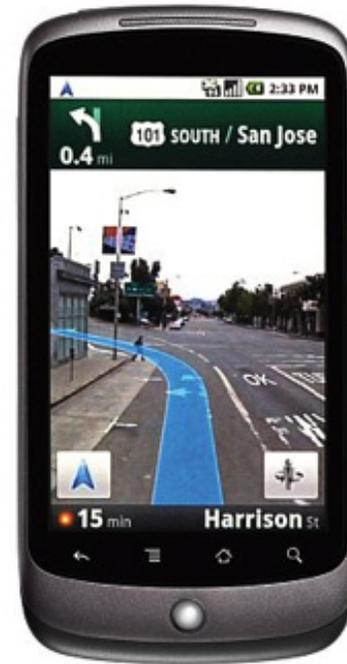
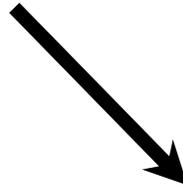
- The personal computer
- The World Wide Web
- Linux and other open source software
- Facebook, Twitter, and YouTube

What do all these things have in common?



1. They began with enthusiasts
2. Their early stages include a large “sharing economy”
3. They eventually monetized, but in unexpected ways
4. They are all “platforms”

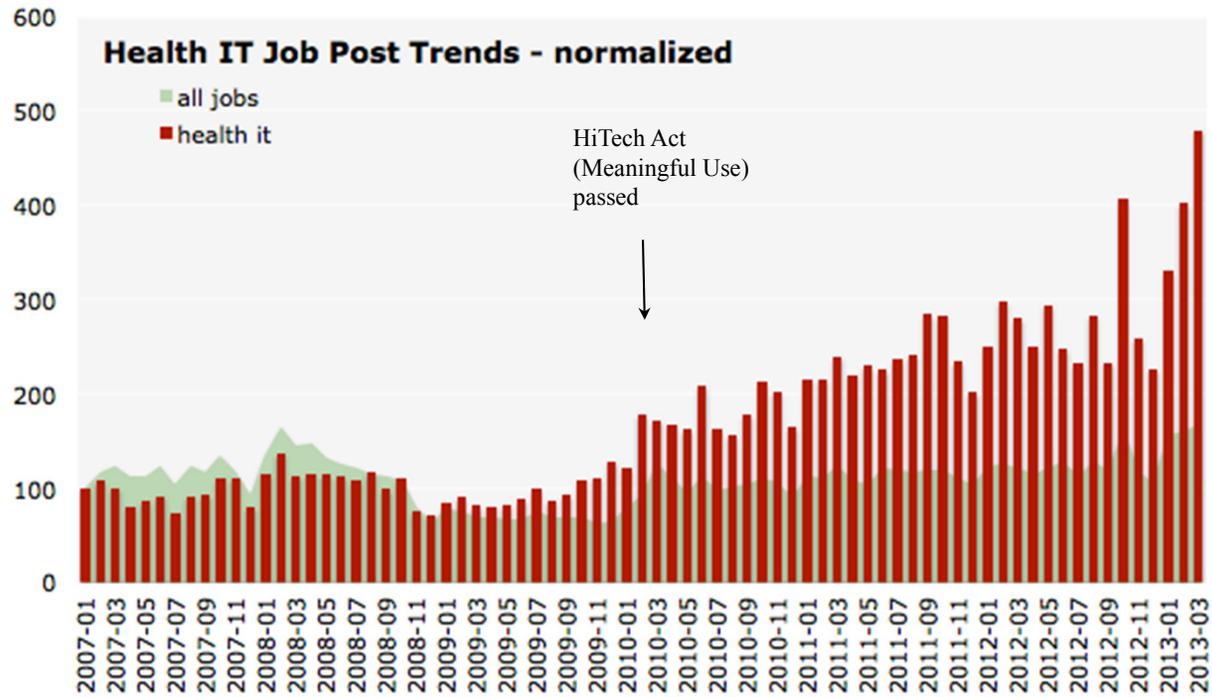
Government as a Platform





- National Weather Service
- Open Data Initiative
- Unlicensed Broadband
- Open Access to Federally-Funded Research
- Meaningful Use (Electronic Medical Records)

How the Hi-Tech Act sparked Health IT job creation





- What are the enthusiasts now doing with robots?
- What is the significance of the “sharing economy” in the Maker Movement?
- What is the crucial platform for the robotics revolution?



1. Stop focusing so much on startups. Look earlier, at preconditions for new industries, often shown by enthusiasts.
2. Focus on platforms
3. Don't protect incumbents from disruptive innovation that doesn't yet have a business model