

# PULPWEAVE

## MONETIZED OPEN CLOUD DEVELOPMENT METHODOLOGY

### AN INTELLECTUAL CAPITAL DIGITAL DOMAIN

MONETIZED OPEN CLOUD DEVELOPMENT: AN INTELLECTUAL CAPITAL  
DIGITAL DOMAIN TO REDEFINE INTELLECTUAL PSEUDO PROPERTY INTO A  
FRICTIONLESS, TRANSACTION-LESS, MANY TO MANY DOMAIN, WITH THE  
OBJECT OF NETWORK EFFECT CAPITAL FORMATION.

## MARKET SIZE & REVENUE POTENTIAL

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Market Size and Revenue Potential Model:

It is near impossible to price the totality of cloud deployments for they are primarily open source derived and consequently, deployments are non revenue generating. The revenue is generated instead by the business models they support.

Cloud Services Market: \$130B

As percentage of above market, instances, non-monetized:

BPaaS: 28%

SaaS: 14.7%

IaaS: 5.5%

PaaS: 1%

Total of open sourced cloud software, above 49.2%

Revenue Generated: \$9B Percentage of Revenue: 7%

(Data: Gartner)

Balance of market, 48%, is Cloud Advertising.

So in reality the “49.2%” is in totality 100% of software market, the balance being business method.

It is no coincidence that AIA “software patent” is business model dependent.

Almost all cloud deployments are “open sourced” non revenue generating assets.

Estimated annual growth rate: 30%

(451Research, Gartner)

The breakdown, as percentage of deployments:

| Distribution:   | Percentage   | Type  |
|-----------------|--|---|
| AWS             | 25%  | 90% Open Source / Linux Servers                   |
| Companies:      | Amazon   |   |
| Google Cloud    | 25%  | Open Source                                       |
| Open Stack      | 30%  | Open Source                                       |
| Companies:      | IBM<br>Seagate<br>Rackspace<br>HP<br>Dell<br>Cisco |   |
| VMware          | 30%  | Open Source CloudFoundry +<br>Proprietary stacks. |
| Others:         |  |   |
| Openshift       |  | Open Source                                       |
| Cloudstack      |  | Apache Open Source                                |
| Eucalyptus      |  | Opensource  |
| Microsoft Azure | 1%   | Proprietary:                                      |
| Revenue         | \$1B, as percentage of revenue 11%                 |   |

Market Definition:

Markets that are increasingly becoming Cloud Services:

Cloud Payments  
 Customer Management  
 E Commerce Enablement  
 Finance and Accounting  
 HR  
 Operations  
 Supply Management  
 Cloud Business Process  
 Cloud Application Services  
 Business Intelligence Applications  
 CRM  
 Digital Content Creation  
 Enterprise Content Management  
 ERP  
 Office Suites

Breakdown % of total cloud market

|       |       |
|-------|-------|
| BPaaS | 28%   |
| SaaS  | 14.7% |
| IaaS  | 5.5%  |
| PaaS  | 1%    |

|                   |     |
|-------------------|-----|
| Cloud Advertising | 48% |
|-------------------|-----|

Possible Total Market Valuation:

Option A

Its very hard to price the market for cloud software distributions. You cannot count “free”. The economic disincentives for investment around free are over whelming. But if we assume that Microsoft can monetize 1% of the market and generate \$1B in revenue then its not a stretch to say that the market potentially could be \$100B

By bringing a proper financially compensated intellectual capital distribution to market (PulpWeave), the case can also made that the network effect will increase the rate of adoption, by virtue of the fact that return on investment will bring greater maturity to the market.

Option B:

Total market size: \$130B

Percentage of market that is Open Source: 50%

If cloud distributions (virtualized environments web based) could be commercialized without exclusionary legal constructs, Copyright & Patents (Federal Law) or IP (Trade Secret under State Law), then the case could be made that half the market is worth atleast \$65B

The point here is that Google’s infrastructure is cloud based on open source assets. But since the revenue is generated on the advertising and key word model, they are appropriating the entirety of the revenue.

What the market needs is clearly a better way to distribute code. The adoption of cloud open source methodologies is due to the fact that nobody wants to be excluded from market innovations. Consequently everything is distributed without intellectual knowledge work protections. But once a Pulpweave distribution is brought to bear for innovation, compensated innovation with negotiation free licensing at a given price, then the case is made that greater innovation will follow. Thus the total market size can easily be much larger than the current \$130B.

The first to market with a monetized digital domain distribution could easily grab and maintain 30% of the market before any new entrants attack the same problem. Thus the market opportunity for Pulpweave, within 36 months could easily be \$40B in revenue.

Potential Earnings:

Amazon operates at 5% margin = \$2B (Physical Goods)

Google operates at 20% margin = \$8B (Digital Goods).

Competitive Landscape,

Legal definition of knowledge work property constructs:

Constitutional:

Patent (process), Copyright (expression), Mask (semiconductor), Trademark.

Fault: 19<sup>th</sup> century industrial age construct, no sui generis treatment of code assets.

Contractual:

Intellectual Property (IP) Licensing under Trade Secret Provisions under State Law. No Decompilation assist under DMCA.

Fault: No network effects, what cannot be reviewed cannot be improved upon, or re-used.

Non Property Agreements:

General Public License (GNU), Apache Public License etc.

Fault: "No money play". Inability to commercialize becomes a spoiler only play.

Use of Funds:

All code necessary for the build out of Pulpweave's Infrastructure can be had off the shelf using current open source tools, either under the Apache Public License, or the GNU General Public License. All the infrastructure can be built in the cloud in a virtualized environment.

The case can be made that any sale on the Pulpweave platform would incur a specified network cost (net of legal which is directly charged at the source). Thus for every transaction, the transaction itself is built and supported by its contributors. The higher the total number of transactions, the higher the value of the code used for the code distribution infrastructure of Pulpweave.

Similarly Pulpweave could have all legal work done by network participating council, the bulk of the investment paid by the contributors themselves.

Clearly the object would be to co-opt current open source cloud contributors into the Pulpweave distribution. What they currently distribute for free (with the option of charging for support and maintenance) could easily be monetized.

This would require three assemblies:

Build out databases

Build out accounting backbone

Build out legal contract structure, process and review.

But deployment of the distribution is predicated on demonstrating its revenue generating potential. And the quicker that happens the greater the market share of the total cloud market that can be had and maintained. Speed to market is thus paramount since the value is based on the collective network externalities, every additional contributor adding to the market equity.

Financing Round One: Build Out

CTO + 1

+ 5 Database Specialists

+ 2 Business Process Specialists  
CFO + 1  
+ 2 Accounting Software Specialists  
CLO + 1  
+ 3 Legal Specialists  
CMO + 1  
+ 2 Admin & Support  
CEO + 1

Total Headcount: 19 necessary to Traction Event

Financing Round Two: Commercial Grade  
Build out above to commercial grade deployment.

Financing Round Three: Enterprise Grade  
Build out above to enterprise grade deployment.

Some Sources:

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