

Shoestring Startup

**Tips for
Custom Software Providers**

Shoestring Startup

Who Are We?

Shoestring Startup > Who Are We?

Optimal Design Software LLC

Rachael Madsen

- System Architecture & Project Management

Beverly T Block

- Application Level Development

Shoestring Startup > Who Are We?

Optimal Design Software LLC

rachael@optimaldesignsoftware.com

– System Architecture & Project Management

beverly@optimaldesignsoftware.com

– Application Level Development

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What We're Working On

Shoestring Startup > What We're Working On

GameCon

Gaming Convention Software

Shoestring Startup > What We're Working On

GameCon

Primary focus:
small volunteer-run conventions

Initial development:
supported by local parent non-profit (*OSFCI*)

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What We're Not

Shoestring Startup > What We're Not

Lawyers

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LLC

**Limited Liability
Company**

Shoestring Startup > LLC

What It Is

Shoestring Startup > LLC > What It Is

Governed by state rules

Shoestring Startup > LLC > What It Is

Taxed as a partnership

- Income passes to individuals

Shoestring Startup > LLC > What It Is

Protects members

- No individual personal liability

Shoestring Startup > LLC

What It's Not

Shoestring Startup > LLC > What It's Not

Not limited to a certain number
of owners

Shoestring Startup > LLC > What It's Not

Not a corporation

- Not required to hold (or document) formal meetings
- Not allowed to issue stock

Shoestring Startup > LLC

Creating Your Team

Shoestring Startup > LLC > Creating Your Team

- Look for complimentary skill sets
- Vet your partners
 - Include their spouse/partner

Shoestring Startup > LLC > Creating Your Team

Be clear about

- Expected contributions
- Percentage of ownership

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The Big Picture

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Before You Start

Shoestring Startup > The Big Picture > Before You Start

Know your strengths & weaknesses

- Technical
- Organizational
- Business-Related

Shoestring Startup > The Big Picture

The Essentials

Shoestring Startup > The Big Picture > The Essentials

Research

- Know enough to choose an expert wisely**

Marketing

- Is this viable?
- Is it the right time?
- What's our competition?

Protect Intellectual Property

- Contracts
- NDAs

Shoestring Startup > The Big Picture

Design

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Design enough

—But not too much

Shoestring Startup > The Big Picture > Design

Plan for incremental growth

Estimate development time

- Personnel resources
 - Maximum
 - Minimum
- Similar projects
- Add safety buffer

Shoestring Startup > The Big Picture > Design

Estimate Resources

- Equipment**
- Hosting**

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Above all:

Be realistic!

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Contract Basics

Parameters

Shoestring Startup > Contract Basics > Parameters

- Be explicit about what both sides will provide
- Be specific about detailed timeline

Shoestring Startup > Contract Basics > Parameters

- Define what will constitute acceptance of the finished product
- Spell out what happens if either side fails to meet a commitment

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Support

Shoestring Startup > Contract Basics > Support

- What documentation will you provide?
- Will you train users?
 - On site?
 - At whose expense?

Shoestring Startup > Contract Basics > Support

- How long will you support the product?
- How quickly will you respond to bug reports?
- What's a new feature vs. a bug?

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Intellectual Property

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***“Products of the Human Intellect
which have Economic Value”***

Shoestring Startup > Intellectual Property

- Governed by 3 areas of law
 - Copyright Law
 - Trade Secret Law
 - Patent Law

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Copyright

Shoestring Startup > Intellectual Property > Copyright

- Protection applies to the way ideas, processes and systems are expressed in a given document or program
- Protects against copying of code, but not creation of functionality from scratch

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Trade Secret

Shoestring Startup > IP > Trade Secret

- Not generally known or ascertainable through legal methods
- Provides a competitive advantage or has economic value
- Is the subject of reasonable efforts to maintain secrecy

Shoestring Startup > IP > Trade Secret

- An idea
- Written words
- A formula
- A process or procedure
- A technical design
- A marketing plan

Shoestring Startup > IP > Trade Secret

Requirements

Shoestring Startup > IP > Trade Secret > Requirements

- Obtain non-disclosure agreements
- Require customers to sign license agreements prohibiting disclosure

Shoestring Startup > IP > Trade Secret > Requirements

- Mark documents “Confidential”
- Avoid public conversations about proprietary information

Shoestring Startup > Intellectual Property

Patent

Shoestring Startup > Intellectual Property > Patent

- Novel
 - Unique from previous technology
- Nonobvious
 - Surprising to a person with ordinary skills in the field

Shoestring Startup > Intellectual Property > Patent

Drawbacks

Shoestring Startup > IP > Patent > Drawbacks

- Long term process
 - 2-3 years
- Moving Target
 - Courts are still working out what it means to patent software

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Licenses

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Read carefully

- Small changes in a license can cause massive changes in legal ramifications

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Key Clauses

Shoestring Startup > Licenses > Key Clauses

- Modifying code
- Attribution
- Use in for-profit software

Shoestring Startup > Licenses > Key Clauses

When in doubt, ask permission!

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Distribution Issues

Shoestring Startup > Licenses > Distribution Issues

- Requiring other packages
- Combining packages
- Source code distribution required or forbidden

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Standards

Shoestring Startup > Licenses > Standards

- MIT, BSD, Apache & Academic
 - Allow use in proprietary code
 - Do not require distribution of open source code with product
 - Allow code derived from Open Source to go closed
 - Most flexible

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- GNU Public License (GPL)
 - Allows use in derivative code
 - Derivative code must be distributed under the same license

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Bibliography

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- ***Understanding Open Source and Free Software Licensing***, Andrew M. St. Laurent, O'Reilly Media, 2004
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Thank You!