

EGI Potential Revenue Streams

Purpose

To provide a snapshot overview of the different revenue streams available in order to focus discussions more on how each could or could not apply to EGI.

Definition

Revenue streams are not intended for 'profit' generation, but for 'cost' covering.

Type	Pricing Model	Description	EGI Context
Subscription	Fee-based	Fixed monthly or yearly fees to have access to a product/service (e.g. magazines, newspapers, Netflix)	The fees currently paid to EGI.eu.
Freemium	Fee-based	Basic product or service is free of charge, while charging a premium for advanced features/functionality (e.g. Google Apps).	A set of basic services that both EGI provides to the NGIs and that the NGIs provide to their end users "free to use package" with a set of more specific services that need to be tailored to specific users communities (e.g. heavy usage, complex management, bespoke functionality) offered as part of a premium package on top.
	Usage-based	Basic set volume of a resource free with a premium for increase usage.	Allow EGI to provide a free "entry-level" service for new users/consumers, with fees for increased usage set at incremental rates.
Professional Services	Fee-based	Open source does not necessarily mean "free". Many companies, which have an open-source code base, develop functionality on demand and offer consultancy activities on top (e.g. RedHat).	Application Porting; Brokerage; Helpdesk; Support and Consultancy; Training.
Pay As You Go	Usage-based	Billing according to usage of services or resources that can be quantified numerically.	Accounting of computing usage; Accounting of application usage; Accounting of capacity and cloud computing usage; Accounting of data usage; Accounting of storage usage; Billing.
Free to Use Models	Usage-based	Zero cost services that are supported by advertising and other income streams (e.g. web mail).	Some services may emerge as each service is specifically mapped to a revenue stream that is deemed not worth accounting or charge for its provision to the community.

Type	Pricing Model	Description	EGI Context
In Kind Effort	Custom / Dynamic	An exchange services when the value of the services is defined dynamically by the parties involved in the transaction of comparable value or mutual interest on a trust basis. Neither party is “paid”, but receives something that would only have had to be converted to physical currency.	Within EGI, many research partners are willing to provide services and/or resources to each other as part of research collaborations. These collaborative exchanges can work very well when each party is happy with the service being provided or the resources being shared and the relationship between the parties is equal.
Project	Public Funding	Recognition of activities requiring significant investment to develop but with a very low operational cost. Frequently used model by public funding bodies willing to commit to a specific activity for a defined duration.	For EGI, future project options will be principally focused on innovation rather than on operations and maintenance.
Recurrent	Public Funding	When governments recognise the maturity and critical need for something, which becomes directly funded as a fixed budget line item.	Through lobbying national governments, the argument and case should be made for e-Infrastructures and what should be the ultimate goal for NGIs.
Structural Funds	Public Funding	One of the financial tools set up to implement the Cohesion policy, which is made up of the European Regional Development Fund (ERDF) and the European Social Fund (ESF). These funds can be used for research and innovation projects and with an increased emphasis on innovation and smart growth specialisation.	The introduction of Structural Funds as part of an NGI’s business model highlights how future sustainability lies in the diversity of funding and revenue sources. EGI.eu will be to work together with NGIs on any application for Structural Funds with the goal of allowing the NGIs to thoroughly investigate the possibility of having this funding source as an integral part of their organisational and sustainability plans.