

# Case study: Budibase

## State of Open: The UK in 2023

### Phase Two “Show us the Money”

#### Part 1: “The Economics of Open Source Software”



Michael Shanks,  
Co-Founder

Budibase, headquartered in Belfast, Northern Ireland, was founded in 2019 by Michael Shanks. The Company focuses on utilising Open Source Software (OSS) for speedy development and deployment of operational software. With £10 million in funding from the US, Budibase supports over 75,000 teams by offering low-code solutions, enabling efficient workflow automation and secure data access. Their open-first approach involves distributing software as OSS on an open core model, garnering global accessibility and community engagement. The company’s strategy involves providing a free OSS version, fostering mass adoption, and subsequently offering premium features for profitability. Budibase’s location in Belfast allows proximity to both European markets and US time zones, facilitating access to talent and resources, positioning the company advantageously in the tech startup ecosystem.

Budibase, based in Belfast, Northern Ireland, aims to leverage Open Source Software to build, customise and deploy operational software at speed. It was founded in 2019 and through its solutions supports over 75,000 teams by creating a collaborative space to automate workflows and access data securely. Founder, Michael Shanks is an engineer by profession and the CEO & Co-Founder of Budibase. It has raised £10 million in funding from the US and set up a US company as the group parent to accept this funding.

## Benefits and Adoption through an Open-first Approach

Budibase’s low code software solutions help businesses build operational tools that streamline data and organise existing processes and workloads, for example Michael explains that one of its most common uses of Budibase web applications is replacing excel spreadsheets and truly leveraging the data stored in databases and spreadsheets. As he says, “our web app is an interface where users can interact with gathered data, secure the data and manage access.” IT Teams use Budibase to create internal tools within a couple of hours as opposed to the usual monthly timelines.





The team took an open-first approach as Michael explains, “We built it entirely on Open Source Software, we distributed it as Open Source on an open core model.” There were multiple benefits of doing so, the main one being distribution – even though they are based in Belfast, their solutions are accessible across the globe so anyone can consume it. Michael emphasised another key benefit – community feedback – noting that community improvements and the overall engagement with the solutions was instrumental in the adoption and development of their tools. “We get a lot of good community contributions in terms of feedback and people working with us to solve issues in the early stages. This has helped us get in-the-door at some incredibly large companies. That would not happen if we were a proprietary product.”

A key element is that an Open Source licence does not require permission from legal and procurement teams, making it easy to adopt and install Budibase’s tools.

## Combatting the Challenges of Open Source Software

Fundamentally, as Budibase is driven by Open Source Software, it is a free product, which poses its own unique challenges. As Michael says, “when giving away a free product, you have to provide genuine value”. The value comes from both the free version and paid additional features when using an open core model. Walking the fine line of balancing free adoption and profitability can be tricky, as Michael feels the business model around it is the most challenging part of an Open Source business.

To combat this, their philosophy is to provide it as an Open Source solution, i.e. build and distribute it for free, allowing mass adoption and once that happens, they are able to deploy premium features. Michael sees this as a natural progression of giving value early on and creating the need for additional add on features, as he says, “the way these scale over time is hopefully very product-led and organic.”

## Representing Belfast

The ecosystem you operate in has a significant impact on scaling potential, and Budibase is proud to be based in its hometown of Belfast. With a team of 25 people, 18 are concentrated in Belfast while the others are sprinkled across Europe.

Many US companies are not able to leverage the benefits of being close to Europe – this proximity to Europe allows Budibase to dip into the European market and have stronger access to talent, resources and innovations. He believes that being closer to other European technical hubs and then being close to the US in regard to time zones in the UK, puts Budibase in a great position, “to take advantage of both Europe and the US. And that’s probably one of the biggest strengths of being in the UK. Northern Ireland in particular has a great engineering ecosystem as a lot of large US companies are set up in Belfast, mainly due to the reasonable cost of living and breadth of technical and specifically engineering talent.”



Although Belfast may not have the sparkle and shine of London, Michael truly sees it developing in the right direction and creating its own little world that can grow and develop into a supportive hub for tech start-ups.

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