

Open source 2009

While many sing the praises of OSS, others have concerns about TCO, SLAs, and "community service"

By Stefan Hammond

Daily, it seems, one pundit or another scrutinizes statistics and claims "the recession" is getting worse, or better. Or it will be over by the end of the year or early next year or whenever.

The reality is that no one knows what happens when revered Wall Street financial institutions implode and governments start throwing bales of money into recovery-schemes.

However, while technology budgets may suffer as a result of general cutbacks, technology continues to diffuse into overall business functionality. This makes it indispensable but also creates a problem: how do CIOs make budgets stretch to accommodate ever-increasing demands? Some New York hotshots may have had to sell their Maserati sports cars, but that doesn't mean your legacy system no longer needs replacing.

The answer, for some, may be open source software (OSS). But while OSS may be reaching a higher stage of adoption in North America and Western Europe (and intriguing new OSS like Google's Chrome hits the headlines), it's still moving slowly in HK-SAR enterprise-adoption.

It's all about the TCO

Sunny Lee, executive director of IT for the HKJC (Hong Kong Jockey Club), directs technology deployments for one of Hong Kong's vital institutions: a not-for-profit organization that is also one of the largest employers in Hong Kong, with 4,800 full-time and 20,200 part-time staff.

"The HKJC is exploring OSS," said Lee, "but we have no major implementation planned at present. We're actively looking at the opportunity, and serious about it—OSS has come a long way, and has become mainstream for some industries." Lee pointed out that there are obstacles to overcome, "but they're not insurmountable, and given time—this part of the world—we'll get there."

Lee noted that open source adoption rates are higher in the West than in Hong Kong at present. He also said that an institution like the HKJC has criteria that don't apply across the board. "A [large-scale] user like us has a large

Bottom Line:

- Open source software is widely used, often in LAMP stack configurations
- Open source is not "free": TCO must be calculated and considered
- Mature enterprise use of OSS is supported by major vendors

installed userbase, and a high degree of mission-critical tech," said Lee. "Smaller users may have a different view of open source. We're seeing some interesting development—we haven't been able to find anything that suits, but every time we check it's getting closer and closer."

Pluses and minuses

The Jockey Club executive broke down the advantages and disadvantages of an OSS implementation: "Advantages: low cost of entry, no license fees, and quick-to-market because there's basically no cost-hurdle. Disadvantages: the issue of ongoing maintenance and support. On mission-critical systems, you have to think twice. Enterprises in HK may be limited to narrow uses because of this."

But OSS is big business. Enterprise-class Linux is a staple, and major vendors like Red Hat base their businesses on open source, while other big boys like IBM and Novell provide support to a suite of apps. These include "middleware and database apps, which is what enterprises require," noted Lee.

"The support is proven," he said, "but it costs money. If a large user like us has to rely on

the open source community, we can't get the SLA we need for mission-critical use. If you use your own support, you can get that level, but the TCO ends up being higher."

Support and IP issues

Lee pointed out another issue with OSS: the open nature of the code which can cause confusion on intellectual property issues. "With the GPL (GNU General Public License, see sidebar "What's a GNU?"), be careful if you develop some of your IT on top of the public code. But dynamic linking means that you link your code in runtime rather than compile time, and there are services for OSS audits, to ensure that you're in compliance. You don't want to give up your competitive edge."

Another issue that concerned Lee is that "the OSS community seems to be interested in fashionable tech—they develop a 'hot area' for a few months, then it's out of fashion and they work on something else, and what can you do? It's like you're left with an obsolete technology—you can't control your destiny."

What's a GNU?

From encyclopedia2.thefreedictionary.com: "General Public License: The license applied to most software from the Free Software Foundation and the GNU project and other authors who choose to use it."

The licenses for most software are designed to prevent users from sharing or changing it. By contrast, the GNU General Public License is intended to guarantee the freedom to share and change free software—to make sure the software is free for all its users. The GPL is designed to make sure that anyone can distribute copies of free software (and charge for this service if they wish); that they receive source code or can get it if they want; that they can change the software or use pieces of it in new free programs; and that they know they can do these things. The GPL forbids anyone to deny others these rights or to ask them to surrender the rights. These restrictions translate to certain responsibilities for those who distribute copies of the software or modify it."

When major supporting vendors locally start staffing good talent in this part of the world, the best of OSS will be realized

— Sunny Lee, Hong Kong Jockey Club

One possible solution for an organization with the HKJC's resources is to recruit and maintain your own OSS support squad. But Lee pointed out that this has ramifications for his business: "If you devote support personnel, you become somewhat like a vendor yourself. In our case, we're a user—we want to concentrate on our core competencies, not ERP or CRM. So if we were to depend on OSS-community software rather than off-the-shelf products, we'd have to be careful about TCO and time-to-market."

Still, Lee keeps a close watch on OSS development. "We see a lot of potential so we're always checking support, the community," he said. "A user like us can accommodate a lot of different flavors in our shop."

"You really have to be careful on the TCO," said Lee. "However, when major supporting vendors locally start staffing good talent in this part of the world, the best of OSS will be realized."

Microsoft and OSS

"Microsoft is open to open source—we are



Lee from the HKJC: If a large user like us has to rely on the open source community, we can't get the SLA we need for mission-critical use

actively participating in open source and share the common industry view that software users will continue to see a mixed IT environment of open source and proprietary products for years to come," said Microsoft Hong Kong in a statement.

Gary Sweeting, platform strategy manager for Microsoft Hong Kong, expounded on the theme. "Our open source strategy is to make Windows the platform of choice for customers and developers through enabling open source applications to run better on and with Windows platforms," he said. "This involves working with open source communities to identify valuable opportunities to participate in projects and initiatives, focusing on improved open source application interoperability with our products, and utilizing an open source development approach or open source software if it makes sense for specific products and solutions."

"Many businesses are already working in mixed IT environments, and increased financial pressure continues to drive businesses to manage their mixed IT environments more cost-effectively," said Sweeting. "Microsoft is pragmatically focused on helping customers and partners to be successful in a heterogeneous technology world, combining open source, hybrid, and traditional approaches to deliver the most value to customers. This pragmatic focus means that Microsoft is committed

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to being the best choice for companies managing mixed IT environments."

Anti-piracy

Microsoft, as well as organizations like the Business Software Alliance, have made great efforts to fight piracy on a global scale. In this regard, they're in line with vendors like Red Hat. "For many business users, proprietary software with its user licensing structure continues to be prohibitively expensive," said Patrick Lim, general manager, Red Hat ASEAN. "Beyond the upfront cost of software purchase, there are support costs and upgrade costs that

in 2007, during the keynote session of Gartner's Open Source Summit in Las Vegas (see Driver's most recent comments in the sidebar: "The role and impact of OSS in a down economy").

Even if they don't plan to use software that's fully open source, network executives should pay attention to this trend because the open source choices commercial vendors make can expose users to risk or create competitive disadvantages. "Open source is going to come into your network whether you like it or not," Driver said at the 2007 keynote. "It has become completely impractical to avoid the subject at all."

— IDG staff contributed to this story

Open source is going to come into your network whether you like it or not

— Mark Driver, Gartner

add to the total cost of ownership. For an SMB, the cost of using a suite of desktop productivity software and basic business applications, such as an inventory management system and a CRM application, could be burdensome once the purchase price, ongoing licensing and support costs are added up."

"Business users of illegal software are, more likely than not, aware of the risks they take," said Lim. "They risk legal prosecution and using pirated software of dubious quality. Despite this, the cost of using fully licensed software is prohibitive enough for them to turn to illegal software."

"This is where open source software offers an attractive option," said the Red Hat GM. "Open source software is a legal, affordable alternative to proprietary software and costly user licensing fees. Unlike proprietary software, with open source software, users are encouraged to use, study, copy, modify and re-distribute the software. The software can be legally used on any number of computers with no restrictions. In practical terms, this means users are free of the restrictive and costly licensing structure common with proprietary software."

Inevitable?

You can try to avoid open source, but it's probably easier to get out of the IT business altogether. By 2011, at least 80% of commercial software will contain significant amounts of open source code, said Gartner's Mark Driver



Gartner's Driver: The universal focus on cost means OSS is being adopted by a broader audience and in a quicker time frame

Bending the back office: Open source CRM and ERP

CRM and ERP are really just a carefully crafted collection of database tables with a set of routines that keep the employees from messing up the information. They are usually so essential to a business that database administrators can make credible statements like, "Our company is really just a big database with a sales force and a warehouse that do its bidding."

Over the last decade, a number of open source software packages appeared that make it simpler for a company to digitize all of its operations by just downloading some code, firing up the compiler, and hooking up a database. These open source competitors began as very low-cost competitors to giant enterprise packages.

The space is now much more mature than a few programmers trading code. Companies like Openbravo, SugarCRM, and Compiere are billing themselves as professional open source companies that deliver at least two grades of products: a community edition and a professional one with support and often additional features. They are also starting to offer SaaS editions.

These choices offer a fascinating glimpse of how open source development is adapting to commercialization, at least when it involves projects that are mirrored in some way by proprietary tools. You can pay nothing and enjoy many of the features of the open source version or you can become a paying client and receive better features and more hand-holding.

This isn't an easy decision because these companies have become adept at figuring out what the world needs and what it is willing to pay for. The so-called community versions also serve as advertising. The companies want you to adopt them easily because a happy user is much more likely to upgrade to a professional version later. Negotiating the decision between an open source or the professional version is full of nuances and choices, but everything is out in the open.

—By Peter Wayner, InfoWorld (US)

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