OPEN SOURCE ERP SYSTEMS Are Becoming Customary

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Until the early 2000s, the industry of enterprise systems was dominated by proprietary enterprise systems (Diop, Pascot, Mbibi, & Banag, 2013). Software of any large scale, like Linux operating systems, programming languages and enterprise systems, emerged as open-source software. The fundamental difference between proprietary software and open source software is mainly the difference in rights of freedom of the users. Users of open source software have four fundamental rights: (1) the right to use the software, (2) the right to copy the software, (3) the rights to study the program, (4) the right to modify the software and redistribute the modified versions (Diop, Pascot, Mbibi, & Banag, 2013). Open-source is free to use and free to develop in a community-centric environment. Thus, an open source ERP system is an ERP system whose source code is accessible by all users. In contrast to open-source, proprietary software has to recoup development costs and its software license has to purchased or leased.

According to one report, the global software market is worth close to $300 billion, with open source growing at an average yearly growth of 22% and expected to exceed $8 billion by this year. It goes on to say that, in 2012, Gartner reported that on average, 29% of deployed code was open source (Radhika, 2013). The research firm also predicts that by 2015 at least 95% of mainstream IT organizations will leverage open source solutions within mission-critical software deployments.

An enterprise system can be an Enterprise Resource Platform (ERP), a Customer Relations Management (CRM) module, or a Supply Chain Module (SCM) (Satzinger, Jackson, & Burd, 2009). The emergence of free, open source enterprise systems have radically changed the industry. Its popularity for customization has disrupted the supremacy of proprietary enterprise systems developed by private firms. The editors of proprietary ERP systems (e.g., Microsoft Dynamics, Baan, SAP, etc.) are threatened by new players: open source ERP systems editors, such as OpenERP, OpenBravo, Compiere, Adempiere, and ERP5 (Diop, Pascot, Mbibi, & Banag, 2013).

**Thesis Peer Review**

This thesis paper was reviewed by a peer. The review was acknowledged with the following comment: Wenona Fetick says, “Proprietary software vendors are too big to compute with the customization of open source software development.”

# References

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