

Obama and Open Source

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Well I had to laugh while reading the BBC News article by Maggie Shiels titled "[Calls for open source government](#)" when she referred to Scott McNealy as "...one of Silicon Valley's most respected business leaders." The article is about McNealy's claims that president Obama has asked him to author a white paper on the benefits of open source. The president should have asked him to author a paper on how open source software has helped him lose most of the value of Sun Microsystems over the last decade. Though Sun's problems are much deeper than this, the thousands of additional people Sun is planning on laying off would be more than happy to tell the president the value of open source.

The bottom line is "open source" isn't a bad concept – it just doesn't make much economic sense to most companies trying to create products and to make a profit. It has also become almost a religion to many – making it almost impossible to rationally discuss the pros and cons. Corporations are formed to benefit the stockholders. When you tell an investor that you are going to spend the company's money to develop a product, it is hard to rationalize why the valuable result of that effort would be published. And trying to rationalize an expensive product development with the expectation that the monies will be made up with support contracts is hard to swallow. Sure "open source" may be licensed, but once a programmer's eyes have seen the code, the intellectual value of the problems solved are out of the bag.

I suppose the business model might be the same for Detroit. If GM would simply give cars away for free, they could make up the cost by selling maintenance contracts to all the owners. Most of you are probably rightfully saying to yourself – they would never make enough on the maintenance contracts to pay for the cars. My point is that this is the same for many if not most software applications. The consumer sees a free software download. They don't see the cost of learning a new application or fees to gain customer support. They only see an upfront cheap cost. It is going to be difficult if not impossible for the supplier of that product to survive.

I am not going to go into all of the arguments the open source community makes. That is not my point here. There are thousands of students and engineers with egos as big as Scott McNealy's that would love to publish "open source" software just so they could say "Look what I did?" The problem is that at some time in life, these people have to have real jobs with real income to pay the mortgage and to put food on the table - along with paying taxes. I have yet to have anyone point out a company that has been wildly successful at "open source" anything. Whether it is a direct

product cost or a support cost, these companies have to get paid somehow.

I recently was at an event and was telling someone about a new iPhone application that one of my companies is involved in developing. The person was excited to hear about it and then said to me "It's going to be free of course - you're not going to charge for it?" They went on to say that they only download free programs from the iTunes store. Wake up America - how is anyone or any company suppose to survive if everything is free. Who is going to invest large amounts of money into a development and then say "Just take it." When is this country going to start building real products again and charging for them?

On the other hand I applaud competition. I would love to see more software program products produced. If I was president Obama, I might ask someone to present me with a white paper on the benefits of "open source" – but at the same time, I would ask someone like Bill Gates to present to me an argument of why "open source" is not a good idea. This comes back to my previous blog on Problem Solving and Domain Knowledge. One of my points there is that people often get an "end agenda" in mind and the problem goes from finding the best solution to being a problem of rationalizing that "end agenda." In this case, it sounds like there is some interest in looking at "open source." The president is a smart man, I am sure he is simply fact gathering at this time. Throwing a pebble in a pond isn't going to change the water level and mandating "open source" isn't going to have a major affect on the economy.