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By: Marius Oiaga, Technology News Editor



British company says open source is not profitable in the long run

“Don’t Believe the Hype About Open Source - It’s Seductive, but Misleading”

Claims British company Speedy Hire via Microsoft

In the context of the global financial crisis, Microsoft is attempting to deter companies from free open source software, and to keep them buying its products. The Redmond company is using British company Speedy Hire as an illustrative example of why businesses should steer away from open source solutions, even if they are looking to minimize their IT spending as a consequence of the economical slowdown. “Don’t believe the hype about open source. It’s seductive, but misleading, and could lead a company into a mistake they can ill-afford to make in today’s economy,” stated James Fleming, infrastructure and support manager at Speedy Hire. “You save money up front, but over the long haul you’ll pay more. The message is, if it sounds too good to be true, then it probably is.”

According to Microsoft, Speedy Hire managed to save no less than \$1.48 million over the course of the next five years, by simply migrating from open source products to its productivity and business management platform. Speedy Hire removed Linux and OpenOffice, and replaced them with Microsoft Office, Microsoft Dynamics AX and Microsoft SQL Server. Fleming argued that limited support and the costs associated with tailoring open source solution to the needs of an enterprise far exceeded the upfront financial benefits of getting the software for free. “With open source, it was lots of little niggly things that individually may not seem like a big deal, but quickly added up to major inconveniences - like the lack of automatic updates and security patches that forced us to rely on pricey third parties to perform upgrades, or the difficulty of exchanging OpenOffice documents with employees and customers running different systems. We also felt vulnerable to security breaches because of the less stringent authentication protocols compared with Microsoft Windows. Software is supposed to make your life easier, not harder,” Fleming added.

In the end, Speedy Hire chose Microsoft solutions over open source because of boosted productivity and enhanced performance, Fleming claimed. But it also did it because open source products delivered only bare-bone functionality, while needing niche specialists for administrative tasks. Asked to assess the reaction people had when finding out that Microsoft was cheaper than open source in the long run, Fleming stated that, “it might initially seem counter-intuitive to people who are not closely familiar with enterprise IT. But among IT professionals, it really comes as no surprise when you consider TCO (total cost of ownership). Most recognize that open-source environments end up costing you more once you factor in support and maintenance. Not to mention the indirect price you pay in reduced functionality, inconvenience, and impaired productivity.”