

# Selling our own dogfood

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Free software advocates, including myself, like to pontificate about how free software is a good business model. We like to hold up companies like Red Hat and show them off like a bright cliff-top lighthouse that shows the way to profitable free software. And, in passing, we like to name-drop companies such as IBM, HP, Oracle and Sun, rabbiting on about how they are all benefiting from a free software model. However, each of those four companies have closed products that are cash cows, the only truly 100% (ish?) free software oriented company being Red Hat. How much of a broad successful business model is free software in fact? Does it really work in real life? Ask no further, for I am about to put to the test that which myself and others have been advocating for years...

A question I am often asked regarding free software businesses is "How can you make money from something that can be obtained at no cost?". The people asking often already know that Red Hat is free software based and that the company is profitable, but they are genuinely puzzled as to how a company can be worth millions when you can obtain their core product by simply "downloading the source...".

The answer is of course you do not make money from the software. Free software is exceptionally useful, but in a business IP sense the software is totally worthless. It is not worth a dime. The value of free software is in the use of it, and the revenue it offers companies is in the related services. This on the face of it seems unimpressive; however, it is not far from the closed software models.

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