Making money with open source

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Kim Polese believes that the remaining obstacles to making money with open source are dwindling away. And she ought to know. In April, Polese presented a session on the topic at the LinuxWorld OSBC conference. Her numerous accolades include being named one of Time magazine's Top 25 Most Influential People in America. Some sources credit her with naming "Java" during her long stint at Sun Microsystems, and she was one of the co-founders of Marimba. As CEO of Bay Area open source services provider SpikeSource, Polese guides the company's vision of "making open source safe for the enterprise." In this SearchEnterpriseLinux.com interview, she talks about how companies are leveraging the open source model to enhance their bottom lines.

Open source software is creating new market opportunities and new companies are springing up to take advantage of these opportunities. An example is SugarCRM. They sell open source CRM [customer relationship management] applications and have been in business since August of 2004. They provide a lower- cost alternative to CRM leaders like Siebel and Salesforce.com. Black Duck Software and Palamida are defining another new category -- providing compliance and license management services around open source software.

A completely different example is Digium, a hardware PBX [private branch exchange] device maker. They figured out that VoIP [voice over Internet protocol] was the future and created Asterisk, a VoIP PBX software application, and open-sourced it -- and they've now established themselves as a leader in the VoIP PBX device market, because Asterisk is helping drive greater hardware sales. And then there are new consulting companies like Optaros. And, of course, systems companies like IBM and HP are driving more hardware and services revenue through their use of Linux. IBM was able to generate significant new revenue from installing Linux on mainframes, breathing new life into the mainframe market. All of these companies have found creative ways to leverage open source to solve business problems.

Of course, RedHat is the best example of a pure-play open source company that is making money with open source via the support model they pioneered.

Full Article [2].

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[2] http://searchenterpriselinux.techtarget.com/originalContent/0,289142,sid39_gci1101691,00.html