Can a company be competitive with open source software?

Open source software is a specific type of software that enables further modification and distribution as defined by a public license. A lot has been written about the advantages and disadvantages it brings clients, but what about the technology company itself?

Exclusivity of source codes is a competitive advantage in the software business and opening that code to the public may seem unwise, causing the company to lose its potential profit. However, there are situations in which such decisions appear to be a path to success.

Competitive advantage
For clients, the de facto independence from a future vendor may be a crucial factor. Moreover, we're increasingly facing cases in which a degree of openness is required to remain competetive.

A natural concern for developers is that competitors might copy their know-how or that a new company might exploit the fruits of their labor. This concern, however, doesn't have a strong foothold in practice. Each company usually has its own product, which it subjectively considers to be better. Thus, even when competitors have interest in a particular product, its ideas and methodology are rarely copied. If such a situation does occur, the original company can still positively use it in their communications to identify their own company as a trend leader. For us, this means that even if other companies start to use our software themselves, it doesn't necessarily have a negative impact on us. We are still the original creator of the solution and therefore can guarantee the highest quality of its use. This allows us to differentiate from the competition and still engage in the same segment. When competitors use our software, it helps to popular-

ize our product and thus creates new opportunities. Furthermore, the competitor can become a valuable partner and might even contribute more value to the development than the rest of the community. This is the most valuable competitive advantage.

Improving the development process and increasing quality
If the organization processes covering the software development do not work according to our visions opening the development can fundamentally change things. The standard way of opening the development includes not only publishing the source code, but also releasing its documentation and information on the planned development. All this information becomes a part of our external communication and image which of course creates a lot of pressure to keep these outcomes at the highest quality. The development itself becomes a marketing tool and this inevitably creates new processes in planning and development, which are usually more efficient. Of course, it is one thing to develop when the only output is the functionality of the software and quite another when the quality of the development must also be considered. Developers put everything on the line trying to create superior code and documentation and avoid temporary unsystematic solutions. This effect not only benefits the end user, but also the developer himself.

Feedback (larger user forum)
Customers usually have some

possibility for feedback with any type of software. In our case, we open opportunities for even better and more qualified feedback, unlike the proprietary approach, where the user tends to have a sense of helplessness or even irrelevance. Independence from the supplier creates stronger pressure on the company to respect the wishes of the end user. A larger forum of users and better quality feedback ensures a higher quality final product. The ability to communicate directly with developers has a positive impact on user experience and increases the user's personal involvement.

With open source we are thereby able to combine two seemingly contradictory benefits: first of all, users have the option to inspect and intervene in the development of the software they use. They can partially influence its direction or - in compliance with the license terms - further provide their own modifications, so they don't feel "at the mercy of" the original author's intent. On the other hand, as authors we still have full control of our projects, and we can guarantee functionality, stability and further continuous development for the client.

Enter new markets and marketing
Creating new solutions allows a company to present their activities in new ways. Such projects also have great potential on academic grounds. Through competant communication, we can get into the role of the mentor, who is able to provide not only valuable

advice, but also specific cases of implementation. Also, a larger user community is able to expand the possibilities of marketing communication. Both evolve naturally and are uncontrolled. This way the overall awareness of the product increases. Ironically, even the departure of an employee need not have a negative impact on our company, because he can still use the same product and expand the community around it.

Better position in the labor market
An open approach allows a more flexible approach to the collection and use of human resources. Applicants for a technologist will be able to learn about the product in advance and so there is a greater chance of finding someone with high qualifications. At the same time, the cost of initial training is reduced and the unproductive period after recruitment is shortened. For the same reason, we intensively outsource human resources and specialists for partial work. This increases the professionality of the work while reducing development costs of individual components.

Conclusion
In conclusion, we can say that the primary benefit for an open software development firm will primarily be its products' higher quality compared to proprietary developments, as well as its ability to gain new competitive advantages. Whether these benefits outweigh the risks must be decided by each individual company. Their denomination possibly helps customers and end users to understand the motivation of companies releasing their software as open source.

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