Hippy software gets a real job

Richard Bray

I N THE EARLY DAYS of the personal computer, Microsoft's DOS operating system was just one solution among many and, in many people's opinion, not necessarily the best. However, a combination of circumstances, including highly effective marketing, made Microsoft the leading name in software for decades to come. The company escaped the oblivion and obscurity that consumed other competitors. Was it a close call, and is that why mighty Microsoft now considers open source software the most serious threat to its corporate future?

Microsoft's leadership has never taken success for granted. They know that it is somehow in the nature of the computing world to be 'winner takes all,' or almost all. Sure, Apple computers often dominate in the creative professions, and many law firms cling to successive versions of WordPerfect, the first word-processing software they installed, but in general, in most categories, there is only one dominant force. Microsoft is by far the world's major supplier of software. But how permanent is that lead when change is the only constant?

The ground is now shifting under Microsoft's foundations, and it appears to be a distinctly uncomfortable sensation. In years past, when governments in developing countries moved to mandate open source products in an effort to stretch their purchasing power, Microsoft adapted its strategies to protect its share of the market. Today, however, even wealthy nations are looking at alternatives. With almost a million desktops under management, France now wants to see Microsoft compete with open source for its business in the years ahead.

Microsoft is fighting back. After losing a high-profile battle to keep its software on 14,000 desktops in Munich's municipal government, Microsoft offered to slash prices by more than half for Paris, after officials in the French capital's administration began musing openly about the charms and low cost of open source software.

But cost-cutting might not be enough to stem the surge of open source. In a move that is clearly strategic, China, Japan and South Korea banded together to support research into a unique, Asian version of Linux, the most popular open source desktop operating system. For its part, Microsoft claims that the cost of software is only a small fraction of the total information technology budget. If that is indeed the case, and total cost of ownership is not the real issue, what is? Perhaps Microsoft should be more concerned about a strategic challenge to its dominance by major governments who are concerned about having all their bits and bytes in one basket.

Today, Linux has captured only a small percentage of the operating system market, but it is growing much faster. Until quite recently, it was almost a hobbyist's technology. Only the most patient and technically adept could hope to match the entire range of Microsoft Windows functionality. For years, in government computer centres, Linux was usually only found in the 'back office,' in limited applications like servers.

Today, Linux is reaching a new level of maturity. Installations are becoming easier to complete and more stable in operation, not least because corporate giants like IBM, Dell and HP are spending billions of dollars to bring stable solutions to market.

Open source applications software is reaching a new level of maturity as well. In Ontario, for example, Sun Microsystems recently licensed its StarOffice 7 word processing, spreadsheet and presentation software to the Ministry of Education for use in every school board, public and Catholic, across the province. Taxpayers could save millions of dollars.

In a truly noteworthy development, however, Microsoft itself is 'opening' some of its software, by making source code for the latest version of its Compact Edition (CE) operating system available to developers. CE competes directly with Linux in high technology's new frontier of 'intelligent' devices where computing and communications power will be embedded in everything from bank machines, personal digital assistants (PDAs) and smart cellular telephones to kitchen appliances and washing machines. Developers will have access to more than half the source code for CE 5.0. In that marketplace, companies are eager to create new products with innovative features that are clearly different from the competition. Under Microsoft's licensing terms, developers will be able to own the software they develop using the CE code.

Microsoft has consistently argued against open source software, claiming among other things that software development without the motivation of profit would stifle innovation. The decision to open CE source code may signal a major change of direction. ⋙

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