

Rob Buckley finds out how Big Blue is finding life with open source, and how it mixes idealism with pragmatism

Leading, but carefully

IBM is one of the most well-known evangelists of open source to businesses. After famously investing US \$1 billion in Linux in 2001, it has continued to wave the open source banner, backing a variety of open source projects and releasing a number of its software packages, including the Eclipse development environment, which reportedly cost it US \$40 million to develop. But with open source now making inroads in markets where IBM has yet to open the source of its own software, how committed is IBM to the idea of open source? Will it continue to release the source code of its software, no matter what, or will it pick and choose the programs that are most convenient?

Fraser Davidson, the UK head of IBM Software, gives us a progress report on IBM's experience with the market so far, and the company's overall strategy for open source in the future. The message is: it's still early days for open source, and we're going to be taking things slowly.

Rob Buckley: You've moved from the closed source market to the Linux market and now to selling open source applications. How's this latest stage of your open source strategy faring?

Fraser Davidson: It's too early to tell at the moment. We're in the process of collecting results. Although we've been involved from a strategy and investment standpoint, products-

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wise, we're a reasonably new entrant so we're still finding out the answers to questions like 'How is this working?' and 'How do we architect our business around it?' Our primary reason for entering [the open source market] has really been that it gives us access to a marketplace and customers, rather than because we were expecting people to do much effort around developing products, say.

For example, there's the one-man-shop kind of opportunity who haven't typically been IBM's biggest customers. Our heritage typically has been in the big customers, although we have been very successful in small and medium businesses. If the way to

get into that marketplace was via a different route, whether that's 'Software as a Service' or a small open source application and there was a good business reason to do it, absolutely we'd do it.

But you have to be careful you don't eat your own lunch, and you don't launch stuff that competes with your own core business. What we've found interesting is that where we have put stuff into open source, and we've been very honest with customers and said 'there's an open source alternative which is ours', they've looked at the business benefits of taking that versus the business benefits of taking the more robust and functional product, and they've said, 'Actually, we want this one anyway.' It can be a door-opener for people to consider you, and they may then actually decide on the other product.

RB: Will you make all your software open source in future?

FD: We believe that there is a place for free software, and you can have a business around that and supporting that. It could be an attractive business going forward. But the marketplace isn't yet mature enough that people are willing to bet their business on it. One of the great things about being in IBM is

we've got such breadth that when the marketplace changes, we can adapt to that. If you were a company that only sold one type of software and an open source

competitor came up with something that was as good as yours and free, you'd go out of business. You have to adapt.

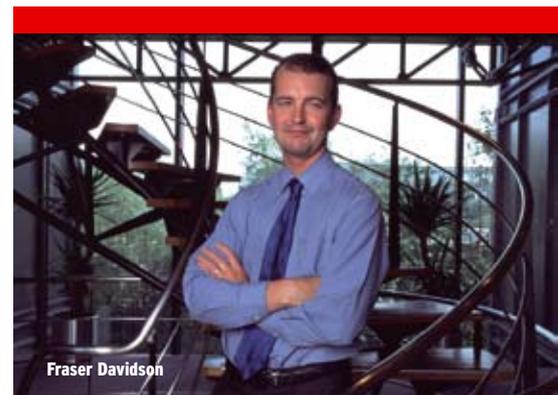
We can do that. We invest heavily in giving part of our portfolio to open source. We're developing on Eclipse wherever we can. We've Gluecode [an open source application server, acquired by IBM in November]: we've put a product into the marketplace as an open source product which competes with part of our portfolio. We'll adapt wherever the market goes.

Phase one [of our strategy] was the adoption of open standards, which we've done and led. Phase two was support for Linux, which

we've led. We're now in phase three, which is open source, which we've led. We're part of all the key bodies, we've invested a lot of money, we've put technology into it. But, at this point in time, it's not yet anywhere near the size [for] companies who want to buy business-critical, robust software.

RB: Would you consider the dual licence model, such as the one MySQL uses, as a potential way to create open source software while still generating licence revenues from customers?

FD: I guess all these issues are being looked at in terms of how you do open source properly in the marketplace. We certainly haven't committed to any particular route at this point in time, because ultimately you have to have a business out of it and even with open source it's not a charity organisation. People need to work out how to make money out of this. But we're making sure that we are seen to be taking a leadership position so we're at the forefront, and as things move we'll adapt and move with them.



Fraser Davidson

Fraser Davidson joined IBM as an information technology graduate in 1989. After various roles within the company's hardware divisions, he went on to become AS/400 director and then server business development executive. In 2004, he was appointed vice president of IBM Software, with responsibility for all of IBM's key software brands, including DB2, Websphere, Tivoli and Lotus, in the UK, Ireland, Netherlands and South Africa.