



Stanford eCorner

Popularity of Open Source

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Video URL: <http://ecorner.stanford.edu/videos/1511/Popularity-of-Open-Source>

Polese discusses why open source is popular amongst venture capitalists.



Transcript

Why is open source so popular? Well, for companies, for enterprises, it totally changes the game. No longer are they under the thumb of the vendor. We've been in a sort of dynamic in the software industry over the last 20 years as it grew up where we had fiefdoms and turf wars and companies that were battling over platforms. And the objective was whether you were Microsoft or IBM or Oracle to capture the customer, dominate the platform, and locked out the competition. And suddenly open source gives customers an alternative. Now, I should add that those companies are actively embracing and investing in open source because they see that the change as well and have been part of it, part of making it happen. But choice the fact that vendor lock in isn't really now a thing of the past in effect that increasingly, quality is as good or as better than commercial software. And that's because you have hundreds of thousands of developers. I mean in a typical project you don't have hundreds of thousands but you have dozens or hundreds of active participants often times who are making that code better on a daily basis. So the turnaround for patch for getting a bug fixed goes from nine months release cycle in the old days to literally overnight.

It's truly attractive and that's why big companies that you would expect to be very conservative are actively investing in open source and it won't work with commercial companies that can help support open source. So that's why this is an interesting area for venture capitalist. Some people are saying there's a bubble. This is the next bubble. I don't think we're in the bubble phase yet. I think we're in the mild frenzy phase perhaps. But every company that I'm familiar with that's been funded actually has a viable business model. Now, will everyone succeed? No, but there's a defensible business model and in many cases there are thousands or hundreds of thousands or millions of users already that they are servicing. So open source, of course, is not limited to software. Open source is a phenomenal that is pervading the music industry, media, video, blogging, even DNA mapping.

The idea that we can share knowledge, collaborate, open up interfaces, and innovate much more quickly is extremely powerful and it's an idea I think whose time has come and the Web really enables this to happen.