

## Re: How does capitalism work with OSS?

*Source:* <http://linux.derkeiler.com/Newsgroups/alt.os.linux/2004-01/1733.html>

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Date: Tue, 20 Jan 2004 14:15:23 -0500

P.T. Breuer wrote:

> Jeffrey Silverman <[jeffrey@jhu.edu](mailto:jeffrey@jhu.edu)> wrote:  
>  
>> On Mon, 19 Jan 2004 12:48:53 +0000, Lew Pitcher wrote:  
>>  
>>  
>>> Here's an analogy that might help you understand.  
>>  
>> Wow. Good analogy that I hadn't heard before.  
>  
>  
> So good, that I find it necessary to go and search for it  
> so that I can see what it is:  
>  
> Answer me this: how do companies make money off of wood or water or  
> air? Why buy a 2x4 at Home Depot when wood is free in the forest?  
> Why pay your local water company to pipe water to your home, when  
> you can dip water freely from a stream? Why give good money to a  
> company that just delivers compressed air in a bottle, when air is  
> free all around you?  
>  
> These companies have a very successfull business model 'selling'  
> free goods. Why do they work?  
>  
> Because they add value to a product, or supply a convenience derived  
> from the raw product, or process a product in some other way.  
>  
> Etc.

Precicely!

And that's how a vendor of OSS makes his money too. Sendmail is OSS, but sendmail.com will sell you assistance in setting it up. The reiser filesystem is OSS, but Hans Reiser will sell you an enhanced version under a different licence for use in your product. Linux is OSS, but Mandrake will spend lots of time configuring it and sell you the results of their efforts. RedHat will do the same, and sell you a service contract as well, just so

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you don't have to maintain your system.

In other words, OSS makes it's money off of adding value to a 'free' product, or supplying convenience derived from the raw product, just as you said.

> *Good analogy.*

>

> *Some of them even make money by keeping the air and streams fresh!*

> *But I suspect they're paid by the gubbermint. I think so should we be.*

How about SeLinux? AFAICT, that's the closest thing to "being paid by the government" to keep the raw material fresh and clean.

;~)

> *Peter*

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Lew Pitcher, IT Consultant, Application Architecture  
Enterprise Technology Solutions, TD Bank Financial Group  
(Opinions expressed here are my own, not my employer's)