The Business Case for Open Source and the Small Company

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Blog post published November 9, 2007 in *Depth-First*
https://doi.org/10.59350/mhgxk-35984

Abstract

Few would argue against small companies *using* open source software - indeed many owe their very existence to it. But what real, tangible good can come from a small company *releasing* open source software? Signal to Noise, the company blog of 37signals, offers a worthwhile perspective on this issue.

Keywords

Physical and Theoretical Chemistry (Subfield), Open Source Software Innovations (Topic), Computer Science Applications (Subfield)

Recommended citation

Apodaca, R. (2007, November 9). The Business Case for Open Source and the Small Company. *Depth-First*. https://doi.org/10.59350/mhgxk-35984

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Few would argue against small companies *using* open source software - indeed many owe their very existence to it. But what real, tangible good can come from a small company *releasing* open source software?

Signal to Noise, the company blog of 37signals, offers a worthwhile perspective on this issue. To summarize the business case:

- Certain kinds of software, like infrastructure software, take vast amounts of time and resources to get right - something that few small companies can afford. Open sourcing can accelerate the process.
- Open sourcing provides a public arena in which your own company's developers can learn from other great developers.
- That public arena provides unique access to a pool of smart, motivated developers - and offers a way to evaluate their work before even deciding to interview them.
- Open source generates press attention and goodwill from potential customers.

And about the elephant in the room:

> *A big fear that a lot of people have is that they'll somehow be giving away their secret sauce. Unless your actual product is what you're open sourcing, it really doesn't matter (and there are even plenty of examples of that working well). It's unlikely that the piece of code that's only seen internal development is such a silver bullet that you're going to outshine your competition by its use alone.*

The distinction between infrastructure software and a company's secret sauce is particularly important.

By just about any standard, 37signals is a leader in the deliberate use of open source software to achieve business objectives. We can all learn from them.

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