

Can open source companies innovate?

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When it comes to open source vendors and innovation, Bill Gates doesn't waver. In an interview at Microsoft's annual Professional Developers Conference (PDC) last week, Gates told CNet, "I don't think that someone who completely gives up license fees is ever going to have a substantial R&D budget and do the hard things, the things too hard to do in a university environment."

JBoss CEO Marc Fleury seems to agree with the idea that building quality software calls for dedicated developers. He calls his company's business model "professional open source," and he prides himself on hiring programmers to work full-time on open source code. But can the classic open source business model really provide the kind of revenue needed to support true innovation?

You can't make money giving away products. You can, however, profit by selling support and services around those products, and that's the way many open source companies, including JBoss, are run. Customers can download the code for nothing, but if they want somebody to call when things start falling apart, they have to pay.

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