



## KTG Spotlight

### Some Open-Source and SaaS Alternatives

**Zimbra:** An Open-source email server. Allows for complete integration with Microsoft Outlook as well as a powerful web email client. Used by H&R Block and Century 21.

**Google Applications:** Just like Gmail, but on your businesses domain. Excellent spam filtering and great web client as well as mobile support. Also offers many options to integrate with Outlook. Completely free for up to 100 users. Used by many universities and the City of Washinton D.C.

**Samba:** Allows you create a central file server and and share files with Windows and Mac computers.

**CiviCRM:** Customer Relationship Management built for non-profits, but has many great features for all businesses. Allows you to create email marketing campaigns and online newsletter registrations. Also interfaces with Paypal and other online payment services to collect money directly from your website.

The Kahuna Technology Group helps small businesses use technology more effectively.

Through the use of open source software and software as a service, KTG offers clients large business technology solutions at small business prices.

To learn more about KTG please visit: [www.ktgdenver.com](http://www.ktgdenver.com)

## Software as a Service and Open-Source: A Good Choice for Small Businesses

Computer software tends to be expensive. Software costs can easily eat up a large percentage of the budget for a newly formed company. Now add on to that the cost of upgrading to a new version of software every couple of years. In the end, small businesses will end up paying a lot more for software than they need to.

The good news is that open-source software and software as a service provide affordable alternatives for small businesses. In fact, you could run a business using only open-source software and SaaS and not pay a dime for software. Sounds crazy? Well the Dutch Government has a policy that only allows the use open-source software unless someone justifies why they can't use it for a particular application. What's even more amazing is that this free software is oftentimes just as capable and reliable as the software that costs you hundreds of dollars.

### What is Software as a Service?

SaaS is one of the newest categories of software. Instead of buying it, you use (or rent) the software when you need it. Normally you access SaaS software through an internet browser. Online email is one of the most common examples of software as a service. Instead of purchasing and running Microsoft Outlook when you want to check your email, you go to a website, like gmail.com or hotmail.com and check your email. You didn't install Gmail, nor did you pay money to use it. Gmail is a software as a service.

SaaS can take many forms, Salesforce.com is the most prevalent example of SaaS for customer relationship management. You pay a yearly fee per user to use the software. Zoho.com is an example of SaaS as complete office application suite. Zoho.com offers email, a word processor, project management, customer relationship management and much more all online. Zoho.com even offers many applications free for a limit number of users. If you need more people to access the applications you can pay per user.

### What is Open-Source Software?

Open-source software is software that can be freely distributed and modified. No one owns it and therefore you can't charge for it. What is amazing about open-source software is that while it is free, it is also a very high quality product. So much so, that 66% of the one million busiest websites are ran on open source software, more than triple the amount of websites running on a Microsoft platform.<sup>2</sup>

Additionally, Google trusts Linux, an open-source operating system, to run almost all of its servers. Open-source software is so powerful and reliable because it can be updated by anyone. For instance, if a glitch is found in a Microsoft product, only a limited number of people have the ability to fix that glitch because Microsoft keeps a tight reign over who can modify their software. Now when the number of glitches found exceeds the pace at which they can be fixed software glitches will remain longer than they should. With open-source software, because anyone who understands computer programming can edit the software, glitches can be fixed much faster.

A great first step into using open-source software is to run it on back-office servers. From email systems, to file sharing or databases there are hundreds of open-source options that can be installed. One of the greatest features is that the end user will often have no idea they are using different software. You can install an open-source email system that will still interface with Outlook. Or you can store all your files on a central server and people will access them just as they did before. This is a great place to start using open-source software because you have minimal impact and change to the end user.

## Software as a Service and Open-Source: A Good Choice for Small Businesses

### If open-source software is so great, why haven't I heard of it?

Open-source is like an underground or grass roots movement. Because most open-source software isn't backed by large, commercial interests it doesn't have the advertising budget that large software companies do. Additionally, much of the best open source software runs on servers. Because this software does not receive the attention that software running on a desktop computer does, open-source tends to miss much of the spotlight.

### I heard an IT consultant say that open-source isn't as reliable as Microsoft

If open-source offerings were not as reliable, then why would 66% of the world's busiest websites run on it? Downtime on a website can easily mean lost sales. Systems administrators would certainly pay the money and switch to Microsoft software to run websites if it was indeed more reliable.

Another thing to keep in mind is that a vast majority of all IT consultants are Microsoft partners. While this makes them experts in Microsoft software, it doesn't make them objective in picking the best product for your business. In fact, Dan Geer, a former CTO for the computer security consultant @stake was fired after he co-authored an independent study that brought up security issues in Microsoft products. Like many IT consultants @state was a Microsoft partner and they did not bother to hide the fact that Dan Geer was fired because of his participation in the study and its findings.<sup>3</sup>

### I heard that open-source costs more than Microsoft when you include hidden costs.

A few years ago Microsoft started running several marketing campaigns, and commissioned multiple studies to prove the the total cost of ownership was actually higher for Linux, the open-source operating system. Unfortunately, real life situations don't seem to support the Microsoft claims. One author of a Microsoft study accused Microsoft of stacking the deck by choosing scenarios that would inevitably be more costly for Linux.<sup>4</sup>

When you hear from real life users, the evidence tends to fall overwhelmingly in favor of Linux. Rick Cary, the chief technology architect at Merrill Lynch says Merrill Lynch has seen a 90% costs savings by running Linux on servers. ETrade also started increasing their use of Linux servers, and Josh Levine, Etrade's chief administrative officer, said that the cost savings of Linux have held true.<sup>5</sup>

Open-source is also seeing growing interest in the government because of its cost savings. In 2004 the State of California reported, "The state should more extensively consider use of open source software, which can in many cases provide the same functionality as closed source software at a much lower total cost of ownership,"<sup>6</sup>

### How can I learn more about open-source and SaaS for my business?

1. Visit [www.ktgdenver.com/technology-blog](http://www.ktgdenver.com/technology-blog). Our technology blog contains the latest news about open-source software and software as a service.
2. Sign up for the Tech-Advisor newsletter at [www.ktgdenver.com/newsletter](http://www.ktgdenver.com/newsletter) This monthly newsletter covers, from the small business perspective, some of the latest trends in technology.
3. Contact KTG directly and setup a free meeting to to learn how open-source and SaaS could save your business money.

#### Sources:

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