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Open source - about freedom of choice

[Perspective]

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FNB looks to avoid long-term lock-in

OPEN SOURCE SOFTWARE, platforms and architecture are saving FNB a fortune and the IT is good too, says bank CIO Yatin Narsai. The vast majority of IT at FNB is still proprietary, but the new growth is predominantly open source. "The business cases behind that are absolute no-brainers," says Narsai.

He adds that he has been impressed by Hewlett Packard's efforts in the open source environment. "I've had discussions with [HP]. They've been successful in migrating off proprietary platforms, [and are] working with customers around the globe [to take] solutions off proprietary platforms onto open platforms. This is a market that has grown and is going to grow faster..."

APPROPRIATE EVERYWHERE

Narsai says he can think of no area where open source would not be appropriate. "Open source can do commodity services, networking, platform monitoring, caching, file servers, right through to highly customised solutions for businesses. We find the platform quite stable," he says, adding that "we have business units that are totally Linux-centric," even the mission-critical systems.

"Niche players, for example Dariel Solutions and Nirph Digital, with deep skills work really well... it is very encouraging," Narsai says of the company. Narsai adds that "there are some strong open source open architecture companies that operate in the systems integration niche that are very, very good."

A major advantage of open source is the ability to pick and choose solutions that are vendor agnostic and product eclectic. An additional plus is the ease of obtaining support across suppliers and the fact that this comes without vendor lock-in. "It gives us freedom of choice," says Narsai, something he is not keen to surrender.

ALL ABOUT THE BUSINESS CASE

Asked what it would take to return FNB to the realm of proprietary software and platforms, Narsai said it would "need a strong business case. They must explain why we must pay a premium. We are quite happy to pay if we can understand what the rationale is." Narsai adds that many proprietary vendors see clients as cash cows - not only in South Africa, but globally.

He says their pricing model amounts to "someone erecting a tollgate on my highway", an approach he explains is a false economy. "Over time, it creates an artificial business case.

"Because of the pricing of the IT industry they are forcing me to look at other substitutes. Now that's not healthy, that's false economics," he says.

FORCED TO LOOK ELSEWHERE

Speaking of licensing fees, Narsai says: "In essence, purely because I utilise the software, I'm now almost held to pay those fees. They are expensive. They are forcing me to look in the marketplace for solutions that can eliminate large chunks of those costs."

Open source seems to be that solution.

Narsai adds that not all proprietary vendors fall in this category, but most would do well to adopt business models that emphasise value-based billing and risk sharing with the client. "Some companies are coming to the party, they recognise it is an issue, they are revising their numbers, while with others... it is a difficult situation... ultimately, I think economics will take its course."

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