

# The TCO of Open Source

By Russell Shaw

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**Cost-of-ownership studies show that software licensing fees are only the tip of the iceberg. "Hardware and software, when taken together, typically make up less than 30 percent of a five-year cost structure," says IDC's Dan Kusnetzky.**

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Open source has a reputation for being free, or at least cheap. But when the total cost of ownership (TCO) is taken into consideration -- including the costs of programming, customization, maintenance, and other factors -- enterprises can find that conversion from proprietary platforms to open source offers little or no savings.

"While open source appears to have a strong advantage in terms of up-front licensing costs, the cost of operations over time needs to be factored in," says Dana Gardner, senior analyst for application infrastructure and software platforms for the [Yankee Group](#). "Counting operations, it is not clear open source is any less expensive to maintain over time than Windows."

Gardner says open source's cost booby trap is related to the piecemeal design of open-source applications -- compared with the integrated software offered by proprietary platforms.

"Open-source components are designed on their own trajectories, with separate development approaches, [rather than] with the goal of integrating them with other application tiers in today's complex, distributed computing environment," Gardner adds. "Because the open-source servers have not been built to relate to each other, the overhead for Linux might be higher."