

Re: Need help with a decision!

Source: <http://coding.derkeiler.com/Archive/Lisp/comp.lang.lisp/2004-05/1261.html>

From: Ray Dillinger (*bear_at_sonic.net*)

Date: 05/15/04

Date: Sat, 15 May 2004 18:03:26 GMT

OCID wrote:

> *kaz@ashi.footprints.net (Kaz Kylheku) wrote in message
news:<cf333042.0405141022.78f1544e@posting.google.com>...*

>

>> *sanjaypande@yahoo.com (OCID) wrote in message
news:<4414486f.0405130801.287e5f3e@posting.google.com>...*

>>

>

> *I am the original poster and felt the need to respond to this.
> Firstly, I know that Xanalys is a business and I have nothing against
> their "self interest" or their making money. They currently do not
> have a market in my country so expanding here IS in their interest,
> but, of course that is their prerogative. As far as making money, they
> can always offer additional restrictions of a license based on locale.*

Man... I'm not going to address the obvious troll in this thread, but I thought I should answer you.

I don't work for Xanalys, and I don't know what realities they're looking at. But often, the price at which a company sells software is about one-tenth of the cost to them of one day of the time of a tech support person. If you assume that a support guy can serve about 100 issues a day, and a customer generates 5 issues over the life of his/her software ownership, that's half their revenue from sales. If they're selling into a market with a weak currency, one tech support issue per customer is going to completely eat any profits.

Looking at an international market in a country with a weak currency, they have a problem; their support people have to be paid the same, but if the currency exchanges for less than, say 1/100 of a support person's day, they have to rely on virtually nobody from that country ever using any tech support.

Also, since they're going to have to include different documentation (omitting the promise of tech support, possibly complying with local laws) and a stripped-down license, they have to repackage the software specially for each foreign market, incurring the time of

comp.lang.lisp: Re: Need help with a decision!

legal experts who write that license, marketing guys who put together the package, and engineers to produce and test a new build and installer. Also, and this is particularly true of american companies, they have to find international legal expertise to fully explain and evaluate their exposure to liability laws in every country where their software is sold, and those guys don't work cheap. If the proposed market has a weak currency and they can't recoup the money they have to pay these experts who live in a strong-currency economy, they lose.

So, while I sympathize, it's not cut-and-dried. Every new market incurs a cost in the time and effort of employees who have to be paid. If your employees are in a nation with a strong currency and the market has a weak currency, it is very easy to lose money by providing something to that market.

But, as we used to say, "a problem is just an opportunity wearing its work clothes." This problem, like most problems, can be turned to your advantage if you are willing to work at it.

The license and pricing of GPL'd stuff is probably the easiest and most effective way to build infrastructure and services in areas with weak currencies. In fact, given the situation, it's probably better for those countries in general, since it allows itself to be sold locally (producing local business and keeping money in your country) and supported locally (where people can provide support etc and get paid in your local currency), fostering local expertise and local programming talent.

If you use LGPL libraries and GPL tools, there's nothing to prevent you from creating and supporting your own commercial software locally, and the currency market being what it is, if you do the above "problems" become "advantages" for you, since you'll be paying your staff and support employees in local currency. My advice to you in any developing economy is to use GPL and LGPL stuff as far as you can, and develop your own commercial alternatives to any commercial stuff you can't afford.

American and European providers are more-or-less forced to develop for windows, because it's dominant in the countries that have strong enough currencies and markets to make it worth their expensive development time. But that leaves a huge market relying on GPL or free operating systems that aren't well served by these commercial providers, and if you write software for that market, you should be able to work pretty much without competition. If you're based in a nation whose currency is weak, and you produce software that other people who live in weak-currency economies can afford and use, you'll be able to sell at a profit into markets that Xanalis, Microsoft, et al, can't make any money on.

Bear