

Chapter 4

Open Source as a Strategic Asset: Evidence from the Financial Industry

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ABSTRACT

Caja Guadalajara has succeeded in the migration from privative to open source systems. In this book chapter the authors describe the process of open source software implementation in Caja Guadalajara and the main motives for the success achieved. The case they present can mean an inspiration for the implementation of further open source ERP systems in this company of other ones.

The size of the company, the absence of organizational conflicts, the clearness of objectives on information and communication technology possibilities, the training and knowledge in private and open source possibilities, the belief and motivation towards open source solutions and the trust of the top management on the technical areas have become relevant factors for achieving success in this project.

INTRODUCTION

Open source migration (F/OSS) was first applied in the sixties. In the nineties it becomes a quite consolidated business alternative. Since then, the free software implementation process has

been studied from both, a technical point of view (Raymond, 1999; Hunter, 2006; Berry, 2008) as well as an economic emergent possibility in the market (Lerner and Tirole, 2002; Lerner and Tirole, 2005; Riehle, 2007; Rossi, 2009).

Free software migration means an efficient solution in terms of costs, specially for small and medium size companies and in contexts demand-

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ing great technological resources, as it is the case of the financial industry (Lerner and Tirole, 2005; Riehle, 2007; Lakhan and Jhunjhunwala, 2008). The implementation of free software integrated systems promotes the innovation in firm's worldwide (David and Steinmueller, 1994; Shiff, 2002; Hippert and Krogh, 2003; Osterloh and Rota, 2007, Contini and Lanzara, 2009). Most experiences that have just been started in the twenties keep still in progress today (UOC Report, 2009, López et al., 2010).

Firms must maintain a culture centered in offering the best services to the final users. In our information society users must be the builders apart from consumers (West, 2010). Free software developments can offer an opportunity to this fact since final users can be easily involved in the design process. Open source fosters a culture of sharing and collaboration in which users take a prominent role therefore leading innovation and technology adoption (Von Hippel, 2005).

In this chapter we describe the processes of selecting and implementing an open source integrated management system in a financial company in Spain, Caja Guadalajara. The main objectives of the chapter include,

1. To show the process of the decision making when choosing open source software at firms
2. What the main critical success factors are when implementing open source integrated management systems at firms
3. What the main advantages of implementing open source integrated systems at firms are

Although we have not exactly built the research over the implementation of the ERP in the case we have chosen, we show the experience of the company with the integral systems they have decided to migrate. We consider anyway that this case can be of reference for firms trying to migrate their ERP systems into open source software.

BACKGROUND

Caja Guadalajara is a Savings Local Bank founded in 1961 in the Guadalajara Region in Spain. It is a small size financial firm specialized in families and small and medium firms. It develops its main activity in the Guadalajara province and it maintains 75 offices opened and 72 automatic teller machines located in 90 different locations. Being a small size firm in its industry it has made a special emphasis in optimizing limited resources. Computing resources are amongst those resources where the company has tried to make the best in the equilibrium "excellence and resource optimization".

The Computing Department in Caja Guadalajara is composed by eleven people that offer computing services to 550 users as well as a regional network of teller machines.

The department is divided into the following areas:

Business organization: Coordination and development of internal business processes conducted by different business units.

Development: where the different data mining activities and the support for business applications are located. Different handmade software applications are developed here for the specific needs of some departments.

Communications and systems: Rest of computer related tasks: technical assistance, telecommunications, physical architecture, logical security, systems integration, IT I+D. The central computer is externalized in the so-called financial CEUS. The financial CEUS is grouped in other banks of similar characteristics that share the outsourcing of the financial services and the host, as it is the case of Caixa Penedés, Caja Circulo, Caixa Manlleu, Caixa Pollensa, Caja Jaén and Caja Guadalajara.

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