

STANDARDS BLOG:

Oracle's ODF Plug-in Pricing: What's up with That?

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When news of Oracle's intended acquisition of Sun Microsystems broke long ago, many people wondered what that would mean for OpenOffice, the most widely adopted full desktop implementation of ODF. But Oracle immediately imposed a company-wide "no comment" policy on that topic, so everyone has been wondering what the answer might be ever since.

The Oracle logo, consisting of the word "ORACLE" in a bold, red, sans-serif font with a registered trademark symbol.

So like many others, I expect, I'm trying to get my brain around Oracle's reasoning in deciding to charge \$90 for a formerly free ODF conversion plug-in developed by Sun Microsystems. That downloadable plug-in was intended for Microsoft

Office users who wanted to import ODF-compliant documents created, most obviously, by users of the free, open source OpenOffice.org (OOo) version, or of Sun's StarOffice, the for-sale, supported productivity suite based on the free OOo code.

Moreover, it's not just \$90 you'll need to fork over – the plug-in is only available in packages of 100.

Before you ask: (a) yes, an Office 2007 service pack released some time back by Microsoft allows users of that version of Office (and also of Office 2000, 2003 and XP) to work with documents using ODF 1.0, but not the most current version of ODF, which is version 1.2; and (2) no, unlike OpenOffice, the plug-in was never made available by Sun as open source software.

For me, this raises three important questions:

1. What is Oracle trying to accomplish?
2. Is it likely to work?
3. Given that Oracle controls OpenOffice.org, developer of the most widely used desktop direct implementation of ODF, what does this indicate for the future of that software?

Here's my best take on answering those questions, but first here's some back story on how the plug-in came to be created to begin with, and why it was so important.

It all goes back to August of 2005, when the ODF story first burst onto the international scene. What happened back then was Peter Quinn, then the CIO of the Commonwealth of Massachusetts, decided that only the ODF and (Adobe's PDF) document format standard, but not Microsoft's competing XML-based specification (usually referred to as OOXML), qualified under the Commonwealth's Enterprise Architecture definition of an "open standard." With that, ODF vaulted into the public eye, and the most closely contested standards war of the last decade was on.

Opting for ODF over OOXML, however, didn't mean that Massachusetts could suddenly convert all of its 50,000 desktops over to ODF-compliant software. Among other difficulties, it had millions of legacy documents created using various versions of Office (none of which, by the way, were compliant with OOXML at that time, either). Thus, before Massachusetts, or any other large enterprise user that might want to follow its lead, could switch over, a way had to be found to at minimum convert over these existing documents, as well as deal with documents coming in from outside that were created using, most often, Microsoft Office and Word.

Unfortunately, neither OpenOffice, StarOffice, nor any of the other open and proprietary suites that had some degree of compliance at that time with ODF could pull that feat off with any high degree of fidelity. Proponents of ODF therefore had a great incentive to close the interoperability gap in order to seize the opportunity that the Massachusetts decision had suddenly opened.

One has to ask, though, is there enough profit to offset the benefits of continuing to offer the plug-in for free to help promote further uptake of ODF?

Back then, Sun was walking an interesting line: under a court settlement it was not free to openly criticize Microsoft about OOXML, but behind the scenes it was doing a lot to support ODF. Not surprisingly, given its familiarity with OpenOffice and its investment in StarOffice, it created the first and best plug-in to provide reasonable interoperability between those programs and Microsoft's Office. That plug-in quickly became, and has continued since then to be, widely downloaded and used by both individual and enterprise users. (If you're a glutton for back stories, you can find all 223 blog entries I've previously written on this topic [here](#).)

To summarize: for five years, Sun Microsystems developed, offered for free, and continued to maintain, a plug-in that supported OpenOffice and StarOffice. How? By making it easier for non-ODF users to deal with documents created by ODF users, so that more non-ODF users would be likely to become ODF users. Got it?

And it worked. Over time, more and more Microsoft shops downloaded the plug-in, so that today many, many SMEs and enterprise users can deal with ODF-based documents as they come in the door, which put more pressure (among other factors) on Microsoft to eventually include ODF support in Office and Word as well.

So if the free plug-in strategy worked so well for so long, why change now? Let's return to my three initial questions.

1. What is Oracle trying to accomplish? First, let's take note of another bit of news – the fact that, prior to its previous promises, Microsoft [recently admitted](#) (as contended by OOXML BRM convenor Alex Brown) that even its next release of Office will not support the "strict" version of OOXML that was adopted by ISO/IEC. That means that if you are, for example, one of the governments that preferentially buy products that comply with ISO/IEC standards, you will be more likely to buy natively ODF-compliant products than Office. The products that they will turn to (like StarOffice and OpenOffice) will not only be able to output documents that comply with the currently approved ISO/IEC version of ODF (version 1.0), but also the newer and more up to date version (1.2). Preferentially, users will output in 1.2.

That means that more ODF-compliant documents will be created using ODF 1.2 in those jurisdictions, which means that there will be more demand for plug-ins that can read those documents – because current versions of Office cannot.

Result? There's a profit opportunity for Oracle here.

One has to ask, though, is there enough profit to offset the benefits of continuing to offer the plug-in for free to help promote further uptake of ODF? After all, Larry Ellison has always taken delight in tucking it to Microsoft whenever he can, and even highly robust plug-in revenues will disappear into the rounding error of Oracle's balance sheet. So profit as a motive really doesn't make any sense.

What does make sense is this: you can still download a copy of OpenOffice for free, and then use OpenOffice to open the document that comes over the transom. Then you can export it again as an Office-readable document. In short, you can get a 100 downloads of a complete office suite for nothing instead of 100 copies of just a plug-in for \$9000. What would you do?

That's where the beauty of the plug-in price comes in. Now, instead of 100 users with a plug-in, you've got 100 people who discover how easy OpenOffice is to use. How easy is that? Much easier than you expect, particularly if you own a computer that uses a post-Office 2003 office suite, and hate it. When you download OpenOffice, you'll feel like you have your nice, familiar copy of Office 2003 back again – and for free. Now isn't that nice?

Well, for an individual, yes. For a business, well, maybe not so much (see below).

2. Is it likely to work? For this one, you have to ask the time-honored question, "Who's the customer?" For individuals and small businesses, not only is it a no-brainer, but it's also no choice, since they are hardly likely to buy 100 copies of something when they only need one or a few copies. For the enterprise user, the \$18 volume discount price would be an annoying, but presumably bearable, addition to the cost of maintaining each desktop if it made use, integration and maintenance easier. But for a smaller business, \$90 would be too much.

Unfortunately, integrating OpenOffice might be a non-starter as well. Ultimately, someone else will probably come out with a cheaper alternative.

Now let's take a look at the pricing for Oracle Open Office (the new name for Sun's former StarOffice and StarSuite). Here's what you'll see at the [Oracle site](#).

- Oracle Open Office Standard Edition (perpetual license): \$49.95
- Enterprise edition: \$18 - \$90, depending on volume
- Office plug-in: \$18 - \$90, depending on volume

Let's see now; so I can get the full, supported suite for the same price as just the plug-in. Hmm. What should I do?

No, this certainly won't convert many Office users to an Oracle Open Office user. But with a new version of Office coming out, which will require new license fees, new integration fees, and new training costs, it might make some users more likely to make the switch, particularly if they are facing an upgrade decision. After all, StarOffice is still a whole hell of a lot cheaper than Office, and continues to get better and better.

So assuming that this is what Oracle is up to, will it work, and if so, to what extent? That's a pretty complicated question, because there are so many different types of users and individual situations. But I think it's fair to say that it makes as much sense as keeping the plug-in free (at least, for Oracle), and also helps to justify the substantial ongoing costs of maintaining and upgrading both the proprietary as well as the open source versions of ODF.

Does Oracle's decision indicate that it is taking its ODF-compliant office suite unit seriously as a money maker, or that it is simply imposing a bean-counter's discipline on the unit to make money?

3. What does this indicate for the future of ODF-compliant software? Overall, I don't think this is a good thing for ODF, and maybe not, when all is said and done, maybe for Oracle, either. Happily, the future of ODF is not tied to the future of OpenOffice any more than it is now to the procurement decisions of the Commonwealth of Massachusetts. Just as Peter Quinn's decision was later reversed, ODF now has sufficient traction around the world that it is no longer dependent on the existence of OpenOffice as a credible alternative to Office. After all, there are other quality open source as well as proprietary ODF-compliant suites (the [SoftMaker version](#) is apparently particularly good), and there are cloud-based compliant office suites available as well, such as Google Docs.

Conclusion: While the existence of OpenOffice was essential to ODF in the first few years after Peter Quinn's quixotic decision to support the rebel standard, ODF is now past the point where its future is dependent on it. And in point of fact, Sun was always at best a flawed steward for the poster child implementation of ODF, keeping too close control over it to attract the kind of broad individual and enterprise support that flocked to contribute to Linux and Apache, for example.

Overall, though, I think that Oracle has probably made a reasonable decision insofar as its own self interest is concerned. It does leave open one tantalizing question though, that's harder to read: does the decision to charge for the plug-in indicate that Oracle is taking its ODF-compliant office suite unit seriously as a money maker, and plans to put serious resources behind it, or that it is simply imposing a bean-counter's discipline on the unit to make money?

If it's the former, than that's good news for the ODF community, because OpenOffice still has the most dedicated users, and the most credibility, of all the alternatives. And if the paid version gets traction, there will be more third party software developers, like those that create crucial software, such as document management tools, that will take the time to integrate with it. This is essential to creating a true proprietary as well as an open source competitor to Office.

But if it's the latter, well, that would be a real shame. But it wouldn't be the end of ODF.

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