

## Looking at open and closed business models, there are some things to consider

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Here are some typical characteristics of open and closed models :

Open companies get products into the market quickly, tweaking on the fly; are good at monitoring competitors and absorbing their ideas; tend to be B2C; often use contract labour, outsourcing and open source software; can have an aggressive, seat-of-the-pants style; focus on market/customer traction and business activity volume growth; size and scale matter less; intellectual property (IP) is the tail not the dog; time is generally your friend when selling or financing these businesses. Value is generally in historical performance.

Closed companies spend more time on perfecting prototypes before hitting the market; tend to be B2B; generally have customized systems and infrastructure; tend to be conservative and perfectionist in style; focus on formal performance specs and credibility; size and scale matter; IP is a critical component -- it's the dog. Don't wait too long to sell or finance these businesses -- hit the market when it's early in its acceleration curve.

Read more:

<http://www.financialpost.com/Looking+open+closed+business+models+there+some+things+consider/3967339/story.html#ixzz1800cqATP>