When It Comes to Pirated Software, It Pays to be Legal

This month, Bernard Collin, the Founder, Chairman and Chief Executive Officer of Safecoms Co. Ltd. discusses a topic that he feels very strongly about: the dangers of illegal software and offers advice about how companies can protect themselves from the perils of piracy.

It's a fact of life throughout Southeast Asia and particularly in Thailand - piracy is rampant.

You can't walk down the street without running into trays of pirated DVDs and CDs or racks of t-shirts that aren't quite official. But if you're a business owner and piracy, specifically illegal software, is in your workplace, then you should be concerned, because you're setting yourself up for a potential liability and huge financial disaster.

People often ask me, "If my company is using illegal software, how can I get caught?" The answer is simple: Every day, local companies are raided by law enforcement officials whose sole intent is to find pirated software. Those caught are forced to buy original versions for every single computer in their office and are also hit with a heavy penalty. This amount could exceed a few million baht. You have to ask yourself "If I received a fine like that, could I even afford to stay in business?" If the answer is no, then why even take the risk?

These raids happen because the Business Software Alliance (BSA) gives huge rewards (250,000 baht) to people who report companies using illegal software. Every business owner has a disgruntled former employee or some rival who are candidates to contact the BSA, turn them in and collect their reward. That's the reason why any company is exposed, no matter its size or activity.

Besides the risk of raids and fines, which could dramatically impact the company finance and reputation, there are other reasons to avoid illegal software in the workplace. One is the fact that these programs are more likely to fail or malfunction, which in turn can make a mess of your computers and render the valuable information they contain useless. The company then has to personally deal with these problems because their local pirated software dealer isn't offering any warranties or technical support for the stuff they sell. Illegal software is also one of the main sources for computer viruses that can lead to all sorts of other problems for a company.

Sometimes a company can be at risk for using pirated software without even being aware of it. A very common example of unknown liability for business owners is when their IT manager installs an illegal copy of Adobe Professional, under the assumption that they will remain legal because they only use it to read PDFs. I have seen this specific error responsible for very high fine from the BSA.

If one of your employees installs unauthorized computer programs on company hardware or illegally downloads software from the Internet, you may be held liable - even if you or company management didn't know this sort of activity was going on. When that happens, it's a sad situation but it's one more reason why business owners should police their computers and have regular audits performed if they have any concerns.

Companies can help themselves by being proactive in this area, training employees and educating them about the dangers of piracy is one way to get started. Make them take personal responsibility for the contents of their workstations and explain to them that if they don't, the threat to your business could cost them their jobs as well.

It can be assumed that most people use pirated software because the original versions are so expensive and I understand that legitimate software is not cheap. For example, a legal version of Microsoft Office costs around 19,000 baht. That price is high for the US or European markets, let alone Asia. If someone has to pay that much for these programs, it's hard to blame them for wanting to pay just a few hundred baht for a copy. But there are different ways for someone to get legal even if they can't really afford the version from Microsoft.

Individuals get addicted to their computer programs and employees will resist change from Microsoft Word to a freeware version that basically works the same. Companies have to get their staff on board with this line of thinking, because there's so much at stake for their business. It's really about changing an entire business philosophy.

And there are other reasons for people to be concerned about piracy and its effects on society. On the surface, the average person sitting in a coffee shop and using an illegal program on their laptop doesn't really care about the business down the street that's getting raided and fined for pirated software. But they should, because this situation affects life as a whole in ways that people don't even see. A low piracy rate is a sign of a healthy IT industry, which translates to more jobs, more money for economic growth and more taxes the government can collect to help improve other aspects of life throughout the country. Less piracy will directly affect the local economy in a positive way.

As a generally optimistic person, I feel that this crisis will eventually get resolved. Companies like Microsoft have created a monster and the fact that their products are heavily pirated should tell them that their pricing is excessive. It would help if this software wasn't so expensive to begin with, so for me the first step would be to get the costs down to a level that the average person (and average small business) can afford. Hopefully that will happen sooner rather than later. The introduction of quality freeware will ultimately force the software giants to rethink their price policy, for the benefit of all.

Secondly, it's about education. People have to learn about the dangers of piracy and then help spread the message. The Thai government has recently got involved with this process of awareness building, so I'm encouraged by that. In the past three years or so, China has cut its piracy rate by about ten percent, so these things are not impossible to achieve.

All you need to do is be proactive and contact a trusted partner who can help you on the path to a clean legal environment. If the task is daunting and too big to consider at first, you can always get help to negotiate a moratorium with the BSA (a time for you to get legal with financial planning ability). The only way is to engage the process before getting raided, because after that, it's already too late.

I view this topic as a highly personal one because my previous company suffered from having

For PC users, the alternative to Microsoft office is Open Office, an open source program available for free. It has all features available in Office, with the main difference being the interface and the fact that people need to learn to use it differently. The conversion from Microsoft office to Open office works quite well.

If you work on a Mac. Apple has software called iWork that contains a bunch of programs that are the same if not better than the ones contained in Office, but at a savings of around 15,000 baht per copy. That's just one example. There is also available freeware that runs just like the programs everyone has grown accustomed to using. Adobe even launched a free online version of Photoshop recently. People just have to know how to get these things.

Even an OS like XP can be replaced by the ever growing in popularity UBUNTU, a linux environment that is very easy to install and use, especially if you are considering an upgrade to VISTA and are concerned about the costs and hardware requirements.

software that was pirated. That hurt me in more ways than one. Software developers like myself spend a lot of time and effort creating these programs. In theory, a portion of our profits are supposed to be used for research and development so that we can improve our products in the future. But when people purchase pirated software, the money goes directly to pirates and the company that developed it never gets a single satang.

And on a purely ethical level, avoiding illegal software is just the right thing to do, because if you don't then you're stealing - plain and simple. I highly doubt that most business owners would think of shoplifting a candy bar from the grocery store or snatching some woman's purse, so why would they even consider engaging in the form of robbery known as software piracy?

Companies must understand that they need to act on this before it's too late by finding a trusted partner to plan a migration to a clean, legal environment. If you're using illegal software, this will be your first step towards a good night sleep.