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Do you agree with Vim's employment response to competition from software development contractors in India like Wiper that are expanding into IT consulting services? Why or why not? Vim's strategy appears oriented around " growing the pie. " If It can Increase Its products' user base by lower costs, It should be able to Increase demand for Its consulting services. However, low-cost consulting groups are ready to fill this void. Therefore, IBM will need to continue Its expansion Into low-cost labor markets.

In Dalton, this expansion will need to embrace low cost markets outside of India. These markets Include Russia, China, Indonesia, and Mexico. Will Vim's plan to give away some of Its IT assets and Intellectual property and Increase Its support of open- source software products like Linux be a successful growth strategy In the " brutally competitive marketplace" in which It operates? Why or why not? IBM has expertise in supporting these applications. By lowering licensing costs or aging the software free, IBM should be able to increase its user base.

With a broader user base, the demand for support should grow. The strategy appears logical. Of course, other organizations may try to meet this demand, but Vim's low- cost labor sources will help ensure its competitiveness. In addition, low-cost labor will help further increase demand for this software, thereby ensuring growth. However, this strategy will take on a whole new twist as the global economy continues o grow and labor costs rise around the world.

History also supports Vim's growth assumptions. Bill Gates found his BASIC interpreter the De facto standard once users found they could easily find free

pirated copies. Likewise, the low cost MEMO deals he made for the Windows operating system ensured a user base of over 100 million computers. The computing public values free, high quality software, and many conservative organizations will recognize the MM name as quality assurance. All of this will encourage growth.