

Look forward in anger

Personal animosity is a mighty force in business, for good as well as ill.

THE third world war, it seems, has broken out in an unexpected place: Silicon Valley. Apple and Google were once so close that Eric Schmidt, Google's boss, joked that they should merge and change their name to AppleGoo. Now, however, the two companies are at loggerheads over everything from apps to acquisitions—and Mr Schmidt and Apple's boss, Steve Jobs, are taking the fight personally.

So personally, in fact, that tech types are lost for superlatives. The New York Times quotes a long list of gobsmacked comments. Meetings have been "heated" and "confrontational". The sense of rivalry is "intense". The two men are treating the world to "an unusually vivid display of enmity and ambition". One of the Times' insiders not only likens the squabble to "world war three" but also dubs it "the biggest ego battle in history". So much for Julius Caesar and Mark Anthony.

The only surprise in all this is that anybody should be surprised. The business world has always been a cauldron of personal animosity, and those animosities have been particularly intense in Silicon Valley. Few do grudges quite as well as geeks. Steve Jobs is legendary for his grudge matches. He has been feuding with Bill Gates for decades. He has described Microsoft's products as "third rate" and complained that the company has "absolutely no taste". ("I don't mean that in a small way. I mean that in a big way.") Apple's annoying "I'm a Mac" ads are strikingly personal: they pitch a frumpy Bill Gates lookalike against a too-cool-for-school Jobs doppelganger (with added hair).

Mr Jobs has shared his spleen around over the years. He has accused Michael Dell of making "un-innovative beige boxes", for example. And Messrs Gates and Dell have given as good as they have got. Mr Gates once described Apple's software as nothing more than "warmed-over Unix". When he was asked what he would do with then-troubled Apple back in 1997, Mr Dell replied that he would shut it down and give the proceeds back to the shareholders.

Yet Mr Jobs is a mere amateur in the grudge wars compared with Larry Ellison, the boss of Oracle. Mr Ellison has feuded with both fellow software titans and up-and-coming employees in his own company. He once described Mr Gates's PCs as "ridiculous" on the (in fact far-sighted) grounds that they should be replaced with simpler devices that could access software over the internet. He drove Tom Siebel, Oracle's most talented salesman, out of the company ("I hate Tom," he is quoted as saying). He even develops grudges in his leisure time: he has recently been engaged in an expensive feud with Ernesto Bertarelli, a Swiss billionaire, over the America's Cup, a boat race. He poached Mr Bertarelli's skipper, among other incendiary tactics.

Silicon Valley is an incubator of animosity for the same reason it is a wellspring of innovation: it is a small world populated by people who want to prove how clever they are. The boundaries between markets are vague and transitory. Companies flit between friendship and enmity. The pace of innovation is so fast that it is difficult to determine who first came up with an idea. (Steve Jobs once responded to the accusation that he had "borrowed" somebody else's idea with a quote from Pablo Picasso: "Good artists copy, great artists steal.") People in the technology industry talk about spreading FUD: Fear, Uncertainty and Doubt. Andy Grove, the former boss of Intel, entitled his autobiography "Only the Paranoid Survive".

Even by the Valley's elevated standards, Do-No-Evil Google is a lebensraum-seeking and paranoia-inducing company. Tech rivals such as Yahoo! and Microsoft have long seen Googlezilla as a calculating predator. The bosses of media and advertising companies worry that Google is destroying their business models, as more and more activity goes online. Rupert

Murdoch has complained that it and other online news “aggregators” steal his newspapers’ stories. Apple is rightly worried that Google’s Android phone is aimed directly at its iPhone—and has unleashed its arsenal of legal and commercial weapons to try to keep it at bay.

It is always potentially dangerous when competition bleeds over into personal animosity: judgments can be clouded and strategy distorted. The danger is particularly pronounced with internal grudge-matches. Andersen Consulting and Arthur Andersen spent the 1990s engaged in a distracting matrimonial feud which culminated in an expensive divorce. Mr Ellison’s unwillingness to share the limelight with his employees could eventually lead to a messy succession crisis. Family companies are forever being destroyed by internal squabbles.

Spit and polish

But bilious outbursts and business success often go hand in hand. This is partly because people with outsize commercial nous also tend to have outsize personalities. The same passions that drive them to make something from nothing also drive them to crush anybody who gets in their way. Charles Revson, the architect of Revlon, boasted, “I built this business by being a bastard, I run it by being a bastard. I’ll always be a bastard.”

But it is also because personal animosity can be the grit in the oyster of competition. Sometimes it can actually create business opportunities: Mr Murdoch’s personal dislike of smug liberals has helped him create a right-of-centre media empire that now includes both Fox News and the Wall Street Journal. Even when vituperation does not drive competition—as is the case in the Google-Apple dust up—it can certainly sharpen it. Mr Jobs’s habit of personalising his commercial rivalry with Microsoft and Dell has honed Apple’s self-image as the coolest company on the block. Mr Ellison’s competitive spirit has helped his company to thrive for decades. The Ellisons and Jobses of this world may drive their fellow executives to carpet-chewing fury. But the world is the better for them.

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