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Greed, Fear, and Enterprise Architecture

Submitted by Jonas Lamis on Mon, 10/27/2008 - 9:22am.

Perspective from guest blogger Andy Blumenthal

With the financial markets tumbling daily now, Greenspan calling it a once in a century phenomenon (an allusion to the Great Depression) and big corporate names going belly up or begging for government bailout or private sector white knights, I think it is worthwhile to look at how our mega-enterprises got to this point and what lesson we can take away as enterprise architects.

The more I am watching this unfold, the more it is clear to me that this is the age old tug-of-war between greed and fear played out in front of our eyes. Greed and fear are two huge motivators for people and the enterprises they run and work for.

With greed, people are never really satisfied. As in the movie, *Reckless*, when the teacher asks the class what do they want in life and the student from small-town middle America answers profoundly, "more!"

People see other people and feel relatively deprived. Why does Joe have the big house, the fancy car, the beautiful wife, the larger family, the better reputation and so on and so forth. For a long time, even two of the richest men in the world—Bill Gates (from Microsoft) and Larry Ellison (from Oracle) duked it out, so to speak, in terms of a race for who had the more billions, the more successful IT enterprise, the *bigger mansion* and *yacht*, etc.

Enterprises are a basic manifestation of people. As sociology is to psychology, organizations are to people: a collection of the individuals. Enterprises share and express the underlying greed of people. They want greater market share, a higher revenue, bigger bottom line, more customers, a larger headquarters building/campus, larger perks, bigger bonuses, the better, more recognized brand, and it goes on and on. Hence, we get to situations like the dot-com bubble, the mortgage mess, the market's irrational exuberance, etc. The best new ideas and innovation (for example, e-commerce companies like Pets.com, eToys.com, and Webvan) and desires (like home and stock ownership), often driven to extreme by underlying greed result in excesses that end in flat out collapse before returning for a time to moderation.

From an IT perspective, it reminds me of the Gartner Hype Cycle, where emerging technologies quickly rise the slope to the peak of inflated expectations only to trail off almost just as swiftly in the trough of disillusionment, and then more modestly through the slope of enlightenment to the plateau of productivity. At some point, the bubble bursts, inflated expectations lead to disillusionment, and the irrational exuberance crashes.

When this happens, fear takes over.

People and enterprises who wanted more and nothing was ever enough, now want out. They are afraid of losing it all. They fear the consequences of greed, excess, and poor decision making. The thinking changes for individuals from why didn't I put more money in the high-tech mutual funds or hedge funds to why didn't I diversify better and rebalance more often. Enterprises wonder how did I end up betting the farm on risky loans, gobbling up too many other companies (at home and overseas), overbuilding capacity, hiring too many employees, and paying them fat-cat bonuses and stock options worth hundreds of millions or even billions in some cases.

Fear causes the biggest of our executives to lie and tell the analysts, the news, their employees, the government regulators, and Congress that everything was okay all along and then out of nowhere look what happened.

Fear causes enterprises and people to reverse direction almost on a dime: Cut production, shelve the newest ideas, trim 10% of the staff, fire the CEO, dump the stock, turn in the keys to the house that is worth less than the mortgage.

Fear is self and corporate preservation. Greed is self and corporate excess.

As enterprise architects, we are relied on to provide useful and usable information to enable sound decision making and investments in the organization. It seems imperative that while we help spur innovation, process improvement and technology enablement that we also help guide decision making toward sustainable moderation.

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Moderation does not mean that we do stop striving to be better as an enterprise and as individuals, but rather that we pace ourselves, follow a rational path, evolve linearly, and not build a house of cards, because we want ever more now, rather than incrementally more later.

Unfettered greed will lead to overwhelming fear. Let's choose an alternate path and architect our enterprises and our personal lives more moderately, deliberately, honestly, and with more integrity.

Andy Blumenthal is the Chief Technology Officer for the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF). His blogs, [The Total CIO](#) and [User-Centric Enterprise Architecture](#), can be viewed at <http://totalcio.blogspot.com> and <http://usercentricea.blogspot.com>. He can be reached at usercentricea@yahoo.com.

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