Sun Tsu: The Art of War

Sales & Marketing Management
The Art of Competition

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Thomas W. Loker

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Sun Tsu: The Art of War
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For more information contact: Thomas W. Loker - thomas@loker.com

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Dedication

I have long felt that any book is a compilation of a life full of experiences. As such, books have many authors. Those of us who have chosen to channel our experiences onto paper need to acknowledge that what we think of as our words has truly come from all those who have touched our lives somewhere throughout our entire life.

I began this book many years ago while I was at Epson - Mid-Atlantic. It began as an outline for a seminar I wanted to give and grew from there. I have tried to let Sun Tsu's words speak for themselves in most cases and hold to the belief that readers will be able to adapt them on their own. Where I feel that the concepts deserve clarification, enhancement or driven home I have added context and comment.

To give credit to a few others who have helped me along the way is important. They are the ones that stimulated the initial idea, supported the time and effort it took to convert the perfect idea to imperfect prose, and to those who kept me sane throughout the process.

So, let me thank Marty Strayer, Marty Mannion, Bob Williams and Don Schick, who initially gave me the inklings that germinated the idea. Jack Andrews, who taught me much of what I think I now know about sales and marketing today. The myriad of entrepreneurs I have tried to help, who also helped me learn what does not work and sometimes what does. Steve Corio, who gave me the first opportunity to speak to his MBA class at Santa Clara University about Sun Tsu's Art of War and how it could apply in sales and marketing. Finally, last, but not least, my son Aleck who makes me wish to be a better man every single day.

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BIOGRAPHY OF SUN TZU

Sun Tzu was perhaps the foremost master of warfare in ancient China. Sun Tzu was a native of Ch'i who by means of this book on the art of war secured an audience with Ho-lu, King of Wu.[1] Sun Tzu was made a general eventually by the King and defeated the strong state of Ch'u to the west and entered Ying; to the north he intimidated Ch'i and Chin. Even though he lived and wrote his treatise on war over 2500 years ago his fundamentals for warfare are still valid. Whether you view his Strategies relative to war or business you will find them most enduring. Not surprising the Japanese have been devoted followers of Sun Tzu. Over one hundred separate editions of the Art of War have been published in Japan, including one devoted to the application of his principals of war to commerce.

Careful thought and application of these principals to business will yield the same results as those experienced by Sun Tzu's disciples over the past 2500 years. Mao Tse-tung was strongly influenced by Sun Tzu's thought. This is apparent in those works, by Mao, that deal with military strategy and tactics such as; *On Guerilla Warfare, On the Protracted War, and Strategic Problems of China's Revolutionary War*.

1 This was a normal method used during this period to secure a powerful patron.

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Art of Competition - Photo by Mike Wilson on Unsplash

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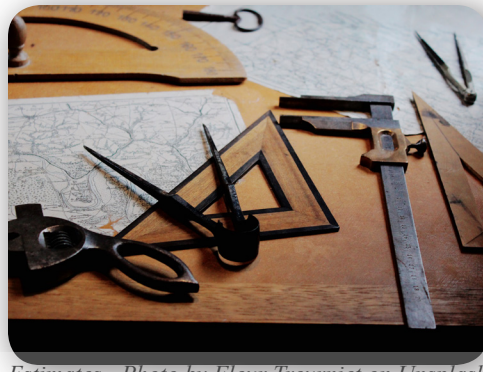

Estimates - Photo by Fleur Treurniet on Unsplash

Chapter 1 - Estimates

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Sun Tzu said:

1. War is a matter of vital importance to the State; the province of life or death; the road to survival or ruin. It is mandatory that it be thoroughly studied.

2. Therefore, appraise it in terms of the five fundamental factors and make comparisons of the seven elements later named. So you may assess it's essentials.

3. The first of these factors is moral influence; the second, weather, the third, terrain; the fourth, command; and the fifth, doctrine.

4. By moral influence I mean that which causes people to be in harmony with their leaders, so that they will accompany them in life and unto death without fear of mortal peril.

Good leaders draw upon the campaign motivation to instill trust and respect, they need not demand it! Good sales managers inspire their staff based upon this ingrained

propriety.

5. By weather I mean the interaction of natural forces; the effects of winter's cold and summers heat and the conduct of military operations in accordance with the seasons.

Sales, in general, has seasonal cycles. There are ebbs and flows in almost any business which we must account for in our schemes.

6. By terrain I mean distances, whether the ground is traversed with ease or difficulty, whether is open or constricted, and the chances of life or death.

Market nature, media accessibility, price/value climate, open or closed market, dealer concentration, competitive climate; all these may be considered as part of market terrain.

7. By Command I mean the general's qualities of wisdom, sincerity, humanity, courage, and strictness.

8. By doctrine I mean organization, control, assignment of appropriate ranks to officers, regulation of supply routes, and the provision of principal items used by the army.

9. There is no general who has not heard of these five matters. Those who master them win; those who do not are defeated.

10. Therefore in laying plans compare the following elements, appraising them with the utmost care.

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11. If you say which ruler possess moral influence, which commander is the more able, which army obtains the advantage of nature and the terrain, in which regulations and instructions are better carried out, which troops are the stronger;

12. Which has better trained officers and men;

13. And which administers rewards and punishments in a more enlightened manner;

14. I will be able to forecast which side will be victorious and which defeated.

In verses 10 thru 13 Sun Tzu urges us to analyze ourselves, and our competitors, according to these five matters. This becomes the basis for development of our strategies & tactics.

Deception - Photo by Craig Whitehead on Unsplash

15. If a general who heeds my strategy is employed he is certain to win. Retain him! When one who refuses to listen to my strategy is employed, he is certain to be defeated. Dismiss him!

16. Having paid heed to the advantages of my plans, the general must create situations which will contribute to their accomplishment. By situations I mean that he should act expediently in accordance with what is advantageous and so control the balance.[2]

17. All warfare is based on deception. Therefore, when capable, feign incapacity; when active, inactivity. When

2 When opportunities arise, work to exploit them, and gain the advantage

near, make it appear that you are far away; when far away, that you are near.

18. Offer the enemy a bait to lure him; feign disorder and strike him.

19. When he concentrates, prepare against him; when he is strong, avoid him.

20. Anger his generals and confuse him.

21. Pretend inferiority and encourage his arrogance.

22. Keep him under a strain and wear him down.

23. When he is united, divide him.

24. Attack where he is unprepared; sally out when he does not expect you.

25. These are the strategist's keys to victory. It is not possible to discuss them beforehand.

26. Now if the estimates made in the temple before hostilities indicate victory it is because calculations show one's strength to be superior to that of his enemy; if they indicate defeat, it is because calculations show that one is inferior. With many calculations, one can win; with few one cannot. How mush less chance of victory has one who makes none at all! By this means I examine the situation and the outcome will be clearly apparent.

We should estimate the strengths and weaknesses of our competitors. Understand when they are most vulnerable,

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and attack them when we can get the best effect. This requires that you understand their seasonality, sales staff, sales and marketing methods and profitability periods.

Seasonal Profitability

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Chapter 2 - Waging War

Sun Tzu said:

1. Generally, operations of war require one thousand fast four-horse chariots, one thousand four-horse wagons covered in leather, and one hundred thousand mailed troops.

2. When provisions are transported for a thousand *Li*[3], expenditures at home and in the field, stipends for the entertainment of advisors and visitors, the cost of materials such as glue and lacquer, and of chariots and armor will amount to one thousand pieces of gold a

3 A Li is a measure of distance equal to about 1/3 of a mile.

day. After this money is in hand, one hundred thousand troops may be raised.

3. Victory is the main object in war. If this is long delayed, weapons are blunted and morale depressed. When troops attack cities, their strength will be exhausted.

4. When the army engages in protracted campaigns the resources of the state will not suffice.

Non-Focused sales and marketing programs are the same as protracted campaigns. They are futile and wasteful of valuable limited company resources.

5. When your weapons are dulled and ardor damped, your strength exhausted and treasure spent, neighboring rulers will take advantage of your distress to act. And even though you have wise counsellors, none will be able to lay good plans for the future.

6. Thus, while we have heard of blundering Swiftness in war, we have not yet seen a clever operation that was prolonged.

7. For there has never been a protracted war from which a country has benefited.

8. Thus those unable to understand the dangers inherent in employing troops are equally unable to understand the advantageous ways of doing so.

9. Those adept in waging war do not require a second levy of conscripts nor more than one provisioning.

10. They carry equipment from the homeland; they rely for

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provisions on the enemy. Thus the army is plentifully provided with food.

11. When a country is impoverished by military operations it is due to distant transportation; carriage of supplies for great distances renders the people destitute.

12. Where the army is, prices are high; when prices rise the wealth of the people is exhausted. When wealth is exhausted the peasantry will be afflicted with urgent exactions.

In this we may reverse the logic and say that; where competitors wage war profits are low, (cost to gain share are high); when prices are low customer service suffers.

13. With strength thus depleted and wealth consumed the households in the central plains will be utterly impoverished and seven-tenths of the wealth dissipated.

14. As to government expenditures, those due to broken-down chariots, worn out horses, armor and helmets, arrows and crossbows, lances, hand and body shields, draft animals and supply wagons will amount to sixty per cent of the total.

15. Hence the wise general sees to it that his troops feed on the enemy, for one bushel of the enemy's provisions is equivalent to twenty of his; one hundredweight of the enemy fodder to twenty hundredweight of his.

Think of verses 9 - 15 as relating to gaining market share from your competitor. The same returns on effort apply.

16. The reason troops slay the enemy is because they are

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enraged.

17. They take booty from the enemy because they desire wealth.

18. Therefore, when in chariot fighting more than ten chariots are captured, reward those who take the first. Replace the enemy's flags and banners with your own, mix the captured chariots with yours, and mount them.

19. Treat the captives well, and care for them.

20. This is called 'winning a battle to become stronger.'

21. Hence what is essential in war is victory, not prolonged operations. And therefore the general who understands war is the minister of the people's fate and arbiter of the nation's destiny.

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Chapter 3 - Offensive Strategy

Sun Tzu said:

1. Generally in war the best policy is to take a state intact; to ruin it is inferior to this.

One way to ruin a market is to lead a price war.

2. To capture the enemy's army is better than to destroy it; to take intact a battalion, a company or a five man squad is better than to destroy them.

Gain Market Share

3. For to win one hundred victories in one hundred battles is not the acme of skill. To subdue the enemy without fighting is the acme of skill.

A good marketeer does not rely on price or technology alone to gain victory. It does not require great strategy to be the cheapest guy in town nor does it lead to a healthy future.

4. Thus, what is of supreme importance in war is to attack the enemy's strategy.

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5. Next best is to disrupt his alliances:

Buy up available critical manufacturing supply items, monopolize supplier line time to gain critical advantage.

6. The next best is to attack his army.

7. The worst policy is to attack Cities. Attack cities only when there is no alternative.

8. To prepare the shielded wagons and make ready the necessary arms and equipment requires at least three months; to pile up earthen ramps against the walls as additional three months will be needed.

You cannot run a well planned tactical program on the spur of the moment. Ready - Fire - Aim is a ticket to disaster!

9. If the general is unable to control his impatience and orders his troops to swarm up the wall like ants, one-third of them will be killed without taking the city. Such is the calamity of these attacks.

10. Thus, those skilled in war subdue the enemy's army without battle. They capture his cities without assaulting them and overthrow his state without protracted operations.

11. Your aim must be to take All-under-Heaven intact. Thus your troops are not worn out and your gains will be complete. This is the art of offensive strategy.

12. Consequently, the art of using troops is this: When ten to the enemy's one, surround him;

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13. When five times his strength, attack him;

14. If double his strength, divide him.

15. If equally matched you may engage him.

16. If weaker numerically, be capable of withdrawing;

17. And if in all respects unequal, be capable of eluding him, for a small force is but booty for one more powerful.

18. Now the general is the protector of the state. If this protection is all-embracing, the state will surely be strong; if defective, the state will certainly be weak.

19. Now there are three ways in which a ruler can bring misfortune upon his army:

20. When ignorant that the army should not advance, to order an advance or ignorant that it should not retire, to order a retirement. This is described as 'hobbling the army'.

21. When ignorant of military affairs, to participate in their administration. This causes officers to be perplexed.

22. When ignorant of command problems to share in the exercise of responsibilities. This engenders doubts in the minds of the officers.

23. If the army is confused and suspicious. Neighboring rulers will cause trouble. This is what is meant by the saying 'A confused army leads to another's victory.'

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24. Now there are five circumstances in which victory may be predicted:

25. He who knows when he can fight and when he cannot will be victorious.

26. He who understands how to use both large and small forces will be victorious.

27. He whose ranks are united in purpose will be victorious.

28. He who is prudent and lies in wait for an enemy who is not, will be victorious.

29. He whose generals are able and not interfered with by the sovereign will be victorious.

30. It is in these five matters that the way to victory is known.

31. Therefore I say: "Know the enemy and know yourself; in a hundred battles you will never be in peril.

32. When you are ignorant of the enemy but know yourself, your chances of winning or losing are equal.

33. If ignorant both of your enemy and of yourself, you are certain in every battle to be in peril.

In this chapter wise counsel is given for us to focus our sales and marketing efforts on those competitors we are able to compete with. By attacking those over whom we have clear advantage, we are able to gain market share, and size, with minimal expenditure of assets. As we gain

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share and size, we then become capable of attacking those competitors on whom we have gained necessary size and strength.

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Samurai dispositions

Chapter 4 - Dispositions

Sun Tzu said:

1. Anciently the skillful warriors first made themselves invincible and awaited the enemy's moment of vulnerability.

2. Invincibility depends on one's self; the enemy's vulnerability on him.

3. It follows that those skilled in war can make themselves invincible but cannot cause an enemy to be certainly vulnerable.

4. Therefore it is said that one may know how to win, but cannot necessarily do so.

5. Invincibility lies in the defence; the possibility of victory in the attack.

Protecting or holding a dominant market position requires a defensive marketing program. Gaining share requires an aggressive, focused program tactically employed.

6. One defends when his strength is inadequate; he attacks

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when it is abundant.

Don't try to gain share in large doses from those much larger than you. Be a mosquito, look for many small bites over time. Then when you have grown closer in size take largers portions.

7. The experts in defence conceal themselves as under the ninefold earth; those skilled in attack move as from above the ninefold heavens. Thus they are capable both of protecting themselves and of gaining a complete victory.

8. To foresee a victory which the ordinary man can foresee is not the acme of skill;

9. To triumph in battle and be universally acclaimed 'Expert' is not the acme of skill, for to lift an autumn down[4]! requires no great strength; to distinguish between the sun and the moon is no test of vision; to hear the thunderclap is no indication of acute hearing.

Many so called "Experts" are mearly problem identifiers. They are great at stating and re-stating the problems, but offer little in the way of solutions becuase they lack the hands on experience to see how to actually fix the problems. It take significant skill, experience and vision to profer true solutions to most business problems.

10. Anciently those called skilled in war conquered an enemy easily conquered.

11. And therefore, the victories won by a master of war gain him neither reputation for wisdom nor merit for

4 Referencing a rabbits inner layer of fur that develops in the fall.

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valor.[5]

12. For he wins his victories without erring. 'Without erring' means that whatever he does insures his victory; he conquers an enemy already defeated.

13. Therefore the skillful commander takes up a position in which he cannot be defeated and misses no opportunity to master his enemy

14. Thus a victorious army wins its victories before seeking battle; an army destined to defeat, fights in the hope of winning.

Proper Prior Planning Prevents Piss Poor Performance [6]

15. Those skilled in war cultivate the *Tao* and preserve the laws and are therefore able to formulate victorious policies.

Cultivating the Tao refers to following the laws of natural flow. Don't go against the grain. In other words "Don't try to push a rope!"

16. Now the elements of the art of war are first, measurement of space; second, estimation of quantities; third, calculations; fourth, comparisons; and fifth, chances of victory.

17. Measurements of space are derived from the ground.

18. Quantities derive from measurement, figures from

5 As an example, the victory during the first gulf war in Iraq was clearly a rout. The conquest was therefore not a good test of troops but it was a good test of General "Stormin" Norman Schwarzkopf

6. These are know as the Seven P's of Performance

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quantities, comparisons from figures, and victory from comparisons.

19. Thus a victorious army is a hundredweight balanced against a grain; a defeated army as a grain balanced against a hundredweight.

20. It is because of disposition that a victorious general is able to make his people fight with the effect of pent-up waters which, suddenly released, plunge into a bottomless abyss.

If we know when our competitors are profitable and when they are not; we can prepare our plans in such a way as to take strategic and tactical advantage of the two most vulnerable periods in his seasonal year. If we take away business when he is profitable we hurt his reserves for the slow periods. If we draw him out in the slow periods we force him to expend his assets without reserves!

Concentrating our efforts will cost us less assets and will increase our success.

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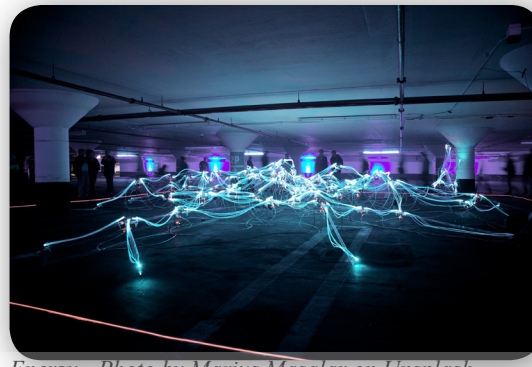

Energy - Photo by Marius Masalar on Unsplash

Chapter 5 - Energy

Sun Tzu said:

1. Generally, management of many is the same as management of a few. It is a matter of organization.

2. And to control many is the same as to control few. This is a matter of formations and signals.

3. That an army is able to sustain an enemy's attack without suffering defeat is due to operations of the extraordinary, *cheng*, and the normal forces, *ch'i*

4. Troops thrown against the enemy as a grindstone against eggs is an example of a solid acting upon a void.

5. Generally, in battle, use the normal force to engage; use the extraordinary to win.

6. Now the resources of those skilled in the use of extraordinary forces are as infinite as the heavens and earth; as inexhaustible as the flow of the great rivers.

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7. For they end and recommence; cyclical, as are the movements of the sun and moon. They die away and are reborn; recurrent, as are the passing seasons.

8. The musical notes are only five in number but their melodies are so numerous that one cannot hear them all.

9. The primary colors are only five in number but their combinations are so infinite that one cannot visualize them all.

10. The flavors are only five in number but their blends are so various that one cannot taste them all.

11. In battle there are only the normal and extraordinary forces, but their combinations are limitless; none can comprehend them all.

12. For these two forces are mutually reproductive; their interaction as endless as that of interlocked rings. Who can determine where one ends and the other begins?

13. When torrential water tosses boulders, it is because of its momentum;

14. When the strike of a hawk breaks the body of its prey, it is because of timing.

15. Thus the momentum of one skilled in war is overwhelming, and his attack is precisely regulated.

16. His potential is that of a fully drawn crossbow; his timing, the release of the trigger.

17. In the tumult and uproar the battle seems chaotic, but

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there is no disorder; the troops appear to be milling about in circles but cannot be defeated.

18. Apparent confusion is a product of good order; apparent cowardice, of courage; apparent weakness, of strength.

19. Order or disorder depends on organization; courage or cowardice on circumstances; strength or weakness on dispositions.

20. Thus, those skilled at making the enemy move do so by creating a situation to which he must conform; they entice him with something he is certain to take, and with lures of ostensible profit they await him in strength.

21. Therefore a skilled commander seeks victory- from the situation and does not demand it of his subordinates.

22. He selects his men and they exploit the situation.

23. He who relies on the situation uses his men in fighting as one rolls logs or stones. Now the nature of logs and stones is that on stable ground they are static; on unstable ground, they move. If square, they stop; if round, they roll.

24. Thus, the potential of troops skillfully commanded in battle may be compared to that of round boulders which roll down from mountain heights.

Apply each of your assets where they give the best advantage. Concentrate strength where it gives significant gain. Don't waste strong attacks on strongly defended markets. Attack weak areas with strong forces. Momentum

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can be created by proper planning and tactical execution. Proper timing can be calculated by understanding your competition through the methods discussed in the estimates section; particularly profitibility seasonality.

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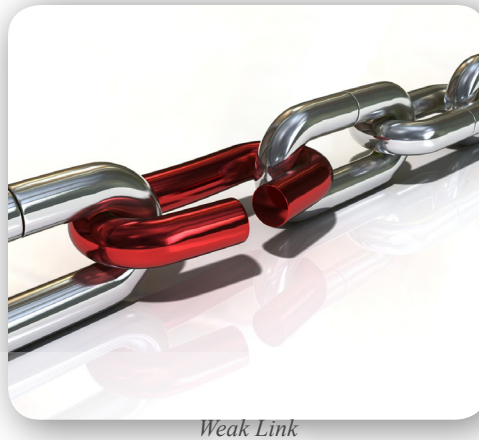

Weak Link

Chapter 6 - Weaknesses and Strengths

Sun Tzu said:

1. Generally, he who occupies the field of battle first and awaits his enemy is at ease; he who comes later to the scene and rushes into the fight is weary.

Think of the above advantage as being that of first with technology or market position. Although this is a favorable position; history is full of people who relied on these positions alone and have fallen.

2. And therefore those skilled in war bring the enemy to the field of battle and are not brought there by him.

3. One able to make the enemy come of his own accord does so by offering him some advantage. And one able to prevent him from coming does so by hurting him.

4. When the enemy is at ease, be able to weary him; when well fed, to starve him; when at rest, to make him move.

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5. Appear at places to which he must hasten; move swiftly where he does not expect you.

6. That you may march a thousand *li* without wearing yourself is because you travel where there is no enemy.

7. To be certain to take what you attack is to attack a place the enemy does not protect. To be certain to hold what you defend is to defend a place the enemy does not attack.

8. Therefore, against those skilled in attack, an army does not know where to defend; against the experts in defense, the enemy does not know where to attack.

9. Subtle and insubstantial, the expert leaves no trace; divinely mysterious, he is inaudible. Thus he is master of his enemy's fate.

10. He whose advance is irresistible plunges into his enemy's weak positions; he who in withdrawal cannot be pursued moves so Swiftly that he cannot be overtaken.

11. When I wish to give battle, my enemy, even though protected by high walls and deep moats, cannot help but engage me, for I attack a position he must succor.

12. When I wish to avoid battle I may defend myself simply by drawing a line on the ground; the enemy will be unable to attack me because I divert him from going where he wished.

13. If I am able to determine the enemy's dispositions while at the same time I conceal my own then I can

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concentrate and he must divide. And if I concentrate while he divides, I can use my entire strength to attack a fraction of his. There, I will be numerically superior. Then, if I am able to use many to strike few at the selected point, those I deal with will be in dire straits.

14. The enemy must not know where I intend to give battle. For if he does not know where I intend to give battle, he must prepare in a great many places. And, when he prepares in a great many places, those I have to fight in anyone place will be few.

Most companies use a singular marketing and sales approach! These Macro-marketing systems are primarily defensive in nature and exhibit just the difficulty Sun Tzu refers to. Most companies structure, if unified in purpose, will allow Micro-marketing and tactical execution to exploit the weakness' inherent in Macro-market systems.

15. For if he prepares to the front, his rear will be weak, and if to the rear, his front will be fragile. If he prepares to the left, his right will be vulnerable and if to the right, there will be few to his left. And, when he prepares everywhere he will be weak everywhere.

16. One who has few must prepare against the enemy; one who has many makes the enemy prepare against him.

17. If one knows where and when a battle will be fought his troops can march a thousand *li* and meet on the field. But, if one knows neither the battleground or the day of battle, the left will be unable to aid the right, or the right the left; the van to support the rear, or the rear, the van. How much more is this so when separated by several tens of *li*,or, indeed, by even a few!

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18. Although I estimate the troops of *Yueh*[7] as many, of what benefit is this superiority in respect to the outcome?

19. Thus I say that victory can be created. For even if the enemy is numerous, I can prevent him from engaging

20. Therefore, determine the enemy's plans and you will know which strategy will be successful and which will not;

21. Agitate him and ascertain the pattern of his movement.

22. Determine his dispositions and so ascertain the field of battle.

23. Probe him and learn where his strength is abundant and where deficient.

24. The ultimate in disposing one's troops is to be without ascertainable shape. Then the most penetrating spies cannot pry nor can the wise lay plans against you.

25. It is according to the shapes that I lay the plans for victory, but the multitude does not comprehend this. Although everyone can see the outward aspects, none understands the way in which I have created victory.

26. Therefore, when I have won victory I do not repeat my tactics but respond to circumstances in an infinite variety of ways.

27. Now an army may be likened to water, for just as

7 The Yueh were people originally settled in the arid grasslands of the eastern Tarim Basin area, in what is today Xinjiang and western Gansu, in China

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flowing water avoids the heights and hastens to the lowlands, so an army avoids strength and strikes weakness.

28. And as water shapes its flow in accordance with the ground, so an army manages its victory in accordance with the situation of the enemy.

29. And, as water has no constant form, there are in war no constant conditions.

30. Thus, one able to gain the victory by modifying his tactics in accordance with the enemy situation may be said to be divine.

31. Of the five elements, none is always predominant; of the four seasons, none lasts forever; of the days, some are long and some are short, and the moon waxes and wanes.

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Movement

Chapter 7 - Manoeuvre

Sun Tzu said:

1. Normally, when the army is employed, the general first receives his commands from the sovereign. He assembles the troops and mobilizes the people. He blends the army into a harmonious entity and encamps it.

2. Nothing is more difficult than the art of manoeuvre. What is difficult about manoeuvre is to make the devious route the most direct and to turn misfortune to advantage.

3. Thus, march by an indirect route and divert the enemy by enticing him with a bait. So doing, you may set out after he does and arrive before him. One able to do this understands the strategy of the direct and indirect.

4. Now both advantage and danger are inherent in manoeuvre.

5. One who sets the entire army in motion to chase an

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advantage will not attain it.

6. If he abandons the camp to contend for advantage the stores will be lost.

7. It follows that when one rolls up the armor and sets out speedily, stopping neither day nor night and marching at double time for a hundred *li*, the three commanders will be captured. For the vigorous troops will arrive first and the feeble straggle along behind, so that if this method is used only one-tenth of the army will arrive.

8. In a forced march of fifty *li* the commander of the van will fall, and using this method but half the army will arrive. In a forced march of thirty *li*, but two-thirds will arrive.

9. It follows that an army which lacks heavy equipment. Fodder, food and stores will be lost.

10. Those who do not know the conditions of mountains and forests, hazardous defiles, marshes and swamps, cannot conduct the march of an army;

11. Those who do not use local guides are unable to obtain the advantages of the ground.

12. Now war is based on deception. Move when it is advantageous and create changes in the situation by dispersal and concentration of forces.

It is most appropriate to take firm positions in markets where we gain the best advantage. In strong markets, own your own sales force; in weak, use manufacturer rep firms. Allocate resources to those areas where we get the best

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return on capital employed.

13. When campaigning, be swift as the wind; in leisurely march, majestic as the forest; in raiding and plundering, like fire; in standing, firm as the mountains. As unfathomable as the clouds, move like a thunderbolt.

14. When you plunder the countryside, divide your forces. When you conquer territory, divide the profits.

15. Weigh the situation, then move.

16. He who knows the art of the direct and the indirect approach will be victorious. Such is the art of maneuvering.

17. The Book of Military Administration says: 'As the voice cannot be heard in battle, drums and bells are used. As troops cannot see each other clearly in battle, flags and banners are used.'[8] Now, gongs and drums, banners and flags are used to focus the attention of the troops. When the troops can thus be united, the brave cannot advance alone, nor can the cowardly withdraw. This is the art of employing a host.

Combined strategies and tactics between the various strategic business units in companies or marketing partnerships will strengthen your overall market position. By pairing those products in a market that have strong share with those who have weak share, you can strengthen your position overall. Effective communication and coordination will lead to victory; lack of coordination and communications leads to chaos, defeat.

18. In night fighting use many torches and drums, in day

8 Sun Tsu here references a previous work on military strategy that predates his own time.

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fighting, many banners and flags in order to influence the sight and hearing of our troops.

19. Now an army may be robbed of its spirit and its commander deprived of his courage.

20. During the early morning, spirits are keen; during the day, they flag; and in the evening thoughts turn toward home.

21. And therefore, those skilled in war avoid the enemy when his spirit is keen and attack him when it is sluggish and his soldiers homesick. This is control of the moral factor.

22. In good order, they await a disorderly enemy; in serenity, a clamorous one. This is control of the mental factor.

23. Close to the field of battle, they await an enemy coming from afar; at rest, an exhausted enemy; with well-fed troops, hungry one. This is control of the physical factor.

24. They do not engage an enemy advancing with well-ordered banners nor one whose formations are in impressive array. This is control of the factor of changing circumstances.

25. Therefore, the art of employing troops is that when the enemy occupies high ground, do not confront him; with his back resting on hills, do not oppose him.

26. When he pretends to flee, do not pursue.

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27. Do not attack his elite troops.

28. Do not gobble proffered baits.

29. Do not thwart an enemy returning homewards.

30. To a surrounded enemy you must leave a way of escape.

31. Do not press an enemy at bay.

32. This is the method of employing troops.

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Location - Photo by Andrew Neil on Unsplash

Chapter 8 - The Nine Variables

Sun Tzu said:

1. In general, the system of employing troops is that the commander receives his mandate from the sovereign to mobilize the people and assemble the army.

2. You should not encamp in low lying ground.

You should not base your market plans on those uncharacteristic of the areas you wish to exploit.

3. In communicating ground, unite with your allies.

In areas controlled by a dominant competitor; plan your strategy in such a way as to assault the dominant player in a unified fashion. Either through cooperation with your ally or imitation of his efforts to share and expand momentum.

4. You should not linger in desolate ground.

Get out of unprofitable markets quickly and refocus those assets on areas with advantage. You can revisit later.

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5. In enclosed ground, resourcefulness is required.

When surrounded, look for ways to turn problems into opportunities.

6. In death ground, fight.

When Ponce De' Leon came to the new world he burned his ships in order to force his crew to desperate loyalty and action. Mao Tse Tung advocated that his generals set up positions with no avenue of escape. This forced his troops to fight to the death with unbridled force leading many times to victory.

7. There are some roads not to follow; some troops not to strike; some cities not to assault; and some ground which should not be contested.

8. There are occasions when the commands of the sovereign need not be obeyed.[9]

9. A general thoroughly versed in the advantages of the nine variable factors knows how to employ troops.

10. The general who does not understand the advantages of the nine variable factors will not be able to use the ground to his advantage even though familiar with it.

11. In the direction of military operations one who does not understand the tactics suitable to the nine variable situations will be unable to use his troops effectively, even if he understands the 'five advantages'.

9 On numerous occasions Sun Tsu reiterates that the ruler should leave the exercise of war to the generals and that the generals should leave politics to the ruler. Often the same can be said for the relationship between CEO's and the VPs of Sales and Marketing.

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12. And for this reason, the wise general in his deliberations must consider both favorable and unfavorable factors.

13. By taking into account the favorable factors, he makes his plan feasible; by taking into account the unfavorable, he may resolve the difficulties.

14. He who intimidates his neighbors does so by inflicting injury upon them.

15. He wearies them by keeping them constantly occupied, and makes them rush about by offering them ostensible advantages.

These exercises are completed with a minimum of assets employed. They are done to either weary the enemy, draw him to waste his assets, or test his responses to improve planning, measurements and your commitment to this marketplace.

16. It is a doctrine of war not to assume the enemy will not come, but rather to rely on one's readiness to meet him; not to presume that he will not attack, but rather to make one's self invincible.

This is also a valuable tenant in today's business environment. No matter what product or market exclusivity you may have, someone will prepare to defeat your position. When you are smaller, be a mosquito but when you are large, be wary of many mosquitos.

17. There are five qualities which are dangerous in the character of a general.

18. If reckless, he can be killed;

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19. If cowardly, captured;

20. If quick tempered, you can make a fool of him;

21. If he has too delicate a sense of honor, you can calumniate[10] him;

22. If he is of a compassionate nature, you can harass him.

23. Now, these five traits of character are serious faults in a general and in military operations are calamitous.

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10 Meaning to slander or scandalize

Chapter 9 - Marches

Sun Tzu said:

1. Generally when taking up a position and confronting the enemy, having crossed the mountains, stay close to valleys. Encamp on high ground facing the sunny side.

2. Fight downhill; do not ascend to attack.

Again this refers to focusing resources upon those markets that gain strategic advantage. Invest assets to gain in those markets that will give a significant return on capital employed and gain a substantial enough position to make strong defenses.

3. So much for taking position in mountains.

4. After crossing a river you must move some distance away from it.

5. When an advancing enemy crosses water do not meet him at the water's edge. It is advantageous to allow half his force to cross then strike.

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6. If you wish to give battle, do not confront your enemy close to the water.[11] Take position on high ground facing the sunlight. Do not take position downstream.

In unprofitable periods, draw your competitor to expend market dollars and use reserves to maintain position.

7. This relates to taking up positions near a river.

8. Cross salt marshes speedily. Do no linger in them. If you encounter the enemy in the middle of a salt marsh you must take position close to grass and water with trees to your rear.

9. This has to do with taking up positions in salt marshes.

10. In level ground occupy a position which facilitates your action. With heights to your rear and right, the field of battle is to the front and the rear is safe.[12] This is how to take up position in level ground.

11. Generally, these are advantageous for encamping in the four situations named. By using them the Yellow Emperor conquered the four sovereigns.[13]

12. An army prefers high ground to low; esteems sunlight and dislikes shade. Thus, while nourishing its health, the army occupies a firm position. An army that does not suffer from countless diseases is said to be certain of victory.

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11 The concept is to withdraw in order to draw the enemy to cross over the water and place them in an unfavorable position with their back to the water and no place to retreat

12 The actual quote is “to the front, death; to the rear, life” The right flank was more vulnerable because shields were carried on the left arm!

13 During 2697-2597 B.C.E.

13. When near mounds, foothills, dikes or embankments, you must take position on the sunny side and rest your right and rear on them.

14. These methods are all advantageous for the army, and gain the help the ground affords.

15. Where there are precipitous torrents, 'Heavenly Wells', 'Heavenly Prisons', 'Heavenly Nets', 'Heavenly Traps', and 'Heavenly Cracks', you must march speedily away from them. Do not approach them.

Raging waters in deep mountains are 'precipitous torrents'. A place surrounded by heights with low lying ground in the center is called a Heavenly Well. When you pass through mountains and the terrain resembles a covered cage it is a Heavenly Prison. Places where troops can be entrapped and cut off are called Heavenly Nets. Where the land is sunken for several tens of feet, this is a Heavenly Crack. Each condition above can be likened to unfavorable market tendencies, I.E., precipitous torrents can equate to a raging price war, heavenly well equates to small markets, heavenly prison to a market heavily influenced by markets that surround it, heavenly net can be a market with a high concentration of dealers, and a heavenly crack is a market with a dead economy.

16. I keep a distance from these and draw the enemy toward them. I face them and cause him to put his back to them.

17. When on the flanks of the army there are dangerous defiles or ponds covered with aquatic grasses where reeds and rushes grow, or forested mountains with dense tangled undergrowth you must carefully search them out, for these are places where ambushes are laid

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and spies hidden.

18. When the enemy is near but lying low he is depending on a favorable position. When he challenges to battle from afar he wishes to lure you to advance, for when he is in easy ground he is in an advantageous position.

19. When the trees are seen to move the enemy is advancing.

20. When many obstacles are placed in undergrowth, it is for the purpose of deception.

21. Birds rising in flight is a sign that the enemy is lying in ambush; when the wild animals are startled and flee he is trying to take you unaware.

22. Dust spurting upward in high straight columns indicates the approach of chariots. When is hangs low and widespread infantry is approaching.

23. When dust rises in scattered areas the enemy is bringing in firewood; when there are numerous small patches which seem to come and go he is encamping the army.

24. When the enemy's envoys speak in humble terms, but he continues his preparations, he will advance.

25. When their language is deceptive but the enemy pretentiously advances, he will retreat.

26. When the envoys speak in apologetic terms, he wishes a respite.

27. When without a previous understanding the enemy asks

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for a truce, he is plotting.

28. When light chariots first go out and take position on the flanks the enemy is forming for battle.

29. When his troops march speedily and he parades his battle chariots he is expecting to rendezvous with reinforcements.

30. When half his force advances and half withdraws he is attempting to decoy you.

31. When his troops lean on their weapons, they are famished.

32. When drawers of water drink before carrying it to camp, his troops are suffering from thirst.

33. When the enemy sees an advantage but does not advance to seize it, he is fatigued.

34. When birds gather above his camp sites, they are empty.

35. When at night the enemy's camp is clamorous, he is fearful.

36. When his troops are disorderly, the general has no prestige.

37. When his flags and banners move about constantly he is in disarray.

38. If the officers are short-tempered they are exhausted.

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39. When the enemy feeds grain to the horses and his men meat and when his troops neither hang up their cooking pots nor return to their shelters, the enemy is desperate.

The enemy feeds grain to its horses and his men eat meat to increase their strength and endurance. If the army has no cooking pots it will not eat again. If the troops do not go back to the shelters they have no thoughts of home and intend to engage in decisive battle. Because only in victory will they again eat and dream of home. Much can be determined by the actions in a market of competitors. How do their sales people travel? Where do they stay? Where do they eat, or take clients? How much are they offering in Market Development Funds (MDF), and Sales Performance Incentive Funds (SPIFs)?

40. When the troops continually gather in small groups and whisper together the general has lost the confidence of the army.

41. Too frequent rewards indicate that the general is at the end of his resources; too frequent punishments that he is in acute distress.

42. If the officers at first treat the men violently and later are fearful of them, the limit of indiscipline has been reached.

43. When the enemy troops are in high spirits, and, although facing you, do not join battle for a long time, nor leave, you must thoroughly investigate the situation.

44. In war, numbers alone confer no advantage. Do not advance relying on sheer military power.

Just because you have more sales reps, products, assets or

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better technology will not give you any advantage. Many outsell you every day with less technology, fewer sales reps, less assets employed and fewer products offered. Out of necessity they must concentrate their attack and like gnats may drink unseen. Although the attacker is small the combined effects of many can be very large.

45. It is sufficient to estimate the enemy situation correctly and to concentrate your strength to capture him. There is no more to it than this. He who lacks foresight and underestimates his enemy will surely be captured by him.

46. If troops are punished before their loyalty is secured they will be disobedient. If not obedient, it is difficult to employ them. If troops are loyal, but punishments are not enforced, you cannot employ them.

47. Thus, command them with civility and imbue them uniformly with martial ardor and it may be said that victory is certain.

48. If orders, which are consistently effective, are used in instructing the troops, they will be obedient. If orders which are not consistently effective are used in instructing them, they will be disobedient.

49. When orders are consistently trustworthy and observed, the relationship of a commander with his troops is satisfactory.

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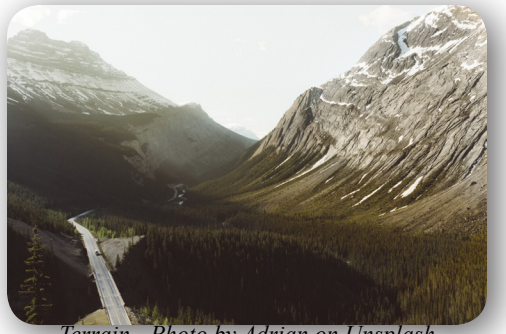

Terrain - Photo by Adrian on Unsplash

Chapter 10 - Terrain

Sun Tzu said:

1. Ground may be classified according to its nature as accessible, entrapping, indecisive, constricted, precipitous, and distant.

2. Ground which both we and the enemy can traverse with ease is called accessible. In such ground, he who first takes high sunny positions convenient to his supply routes can fight advantageously.

Primarily, secondary and tertiary markets.

3. Ground easy to get out of but difficult to return to is entrapping. The nature of this ground is such that if the enemy is unprepared and you sally out you may defeat him. If the enemy is prepared and you go out and engage, but do not win, it is difficult to return. This is unprofitable.

Primarily, major markets in the top 50. But not closed markets to outside influence.

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4. Ground equally disadvantageous for both the enemy and ourselves to enter is indecisive. The nature of this ground is such that although the enemy holds out a bait I do not go forth but entice him by marching off. When I have drawn out half his force, I can strike him advantageously.

Major Markets closed to outside influence.

5. If I first occupy constricted ground I must block the passes and await the enemy. If the enemy first occupies such ground and blocks the defiles I should not follow him; if he does not block them completely. I may do so.

6. In precipitous ground I must take Position on the sunny heights and await the enemy. If he first occupies such ground I lure him by marching off; I do not follow him.

7. When at a distance from an enemy of equal strength it is difficult to provoke battle and unprofitable to engage him in his chosen position.

8. These are the principals relating to six different types of ground. It is the highest responsibility of the general to inquire into them with the utmost care.

9. Now when troops flee, are insubordinate, distressed, collapse in disorder or are routed, it is the fault of the general None of these disasters can be attributed to natural causes.

10. Other conditions being equal, if a force attacks one ten times its size, the result is flight.

11. When troops are strong and the officers weak the army

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is insubordinate.

12. When the officers are valiant and the troops ineffective the army is in distress.

13. When the senior officers are angry and insubordinate, and on encountering the enemy rush into battle with no understanding of the feasibility of engaging and without awaiting orders from the commander, the army is in a state of collapse.

14. When the general is morally weak and his discipline not strict, when his instructions and guidance are not enlightened, when there are no consistent rules to guide officers and men and when formations are slovenly the army is in disorder.

This state parallels many companies engaged in business today. Do not let familiarity with your own situation color your judgement of your competitors.

15. When a commander unable to estimate his enemy uses a small force to engage a larger one, or weak troops to strike the strong, or when he fails to select shock troops for the van[14], the result is a rout.

16. When any of these six conditions prevails the army is on the road to defeat. It is the highest responsibility of the general that he examine them carefully.

17. Conformation of the ground is of the greatest assistance in battle. Therefore, to estimate the enemy situation and to calculate distances, and the degree of difficulty of the terrain so as to control victory, are virtues of the superior general. He who fights with full knowledge

14 Military term for the front line of a fighting force

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of these factors is certain to win; he who does not will surely be defeated.

18. If the situation is one of victory but the sovereign has issued orders not to engage, the general may decide to fight. If the situation is such that he cannot win, but the sovereign has issued orders to engage, he need not do so.

19. And therefore the general who is advancing does not seek personal fame, and in withdrawing is not concerned with avoiding punishment, but whose only purpose is to protect the people and promote the best interests of his sovereign, is the precious jewel of the state.

While noble in war, this more likely than not will get you fired in business. See, even Sun Tzu could be wrong about some things!

20. Because such a general regards his men as infants they will march with him into the deepest valleys. He treats them as his own beloved sons and they will die with him.

21. If a general indulges his troops but is unable to employ them; if he loves them but cannot enforce his commands; if the troops are disorderly and he is unable to control them, they may be compared to spoiled children, and are useless.

22. If I know that my troops are capable of striking the enemy, but do not know that he is invulnerable to attack, my chance of victory is but half.

23. If I know that my enemy is vulnerable to attack, but do

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not know that my troops are incapable of striking him, my chance of victory is but half.

24. If I know that the enemy can be attacked, and that my troops are capable of striking him, but do not realize that because of the conformation of the ground I should not attack, my chance of victory is but half.

25. Therefore when those experienced in war move, they make no mistakes; when they act, there resources are limitless.

26. And therefore I say: "Know the enemy, know yourself; your victory will never be endangered. Know the ground, know the weather; your victory will then be total."

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Markets

Chapter 11 - The Nine Varieties of Ground

Sun Tzu said:

1. In respect to the employment of troops, ground may be classified as dispersive, frontier, key, communicating, focal, serious, difficult, encircled, and death.

2. When a feudal lord fights in his own territory, he is in dispersive ground.

Here officers and men wish to disperse and return to their nearby homes. Like the sales reps who make quota with just a few accounts and with much time remaining for selling during the period who want to take off and play golf - and often do.

3. When he makes but a shallow penetration into enemy territory he is on frontier ground.

At the first point in gaining market share regardless of market size.

4. Ground equally advantageous for the enemy or me to occupy is key ground.

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Strategic Markets

5. Ground equally accessible to both the enemy and me is communicating.

Major Markets

6. When a state is enclosed by three other states its territory is focal. He who first gets control of it will gain the support of All-under- Heaven.[15]

A singular market that influences all others around it, i.e., New York, Los Angeles, Atlanta, or Chicago.

7. When the army has penetrated deep into hostile territory, leaving far behind many enemy cities and towns, it is in serious ground.

Dominant Position in a Major Market

8. When the army traverses mountains, forests, precipitous country, or marches through defiles, marshlands, or swamps, or any place where the going is hard, it is in difficult ground.

9. Ground to which access is constricted, where the way out is tortuous, and where a small enemy force can strike my larger one is called 'encircled'.

Closed Markets where there is significant opportunity but little, or no, outside influence. Richmond, VA, Hawaii etc.

10. Ground in which the army survives only if it fights with the courage of desperation is called 'death'.

15 The Empire is always described as All-under-Heaven

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Major Markets where you have virtually no presence.

11. And therefore do not fight in dispersive ground; do not stop in the frontier borderlands.

12. Do not attack an enemy who occupies key ground; in communicating ground do not allow your formations to become separated.

13. In focal ground, ally with neighboring states; in deep ground, plunder.

14. In difficult ground, press on; in encircled ground, devise stratagems; in death ground, fight.

15. In dispersive ground I would unify the determination of the army.

16. In frontier ground I would keep my forces closely linked.

17. In key ground I would hasten up my rear elements.

18. In communicating ground I would pay strict attention to my defences.

19. In focal ground I would strengthen my alliances.

20. In serious ground I would ensure a continuous flow of provisions.

21. In difficult ground I would press on over roads.

22. In encircled ground I would block the points of access

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and egress.

23. In death ground I would make it evident that there is no chance of survival. For it is the nature of soldiers to resist when surrounded; to fight to the death when there is no alternative, and when desperate to follow commands implicitly.

24. The tactical variations appropriate to the nine types of ground, the advantages of close or extended deployment, and the principals of human nature are matters the general must examine with the greatest care.

25. Anciently, those described as skilled in war made it impossible for the enemy to unite his van and his rear; for his elements both large and small to mutually cooperate; for the good troops to succor the poor and for superiors and subordinates to support each other.

26. When the enemy's forces were dispersed they prevented him from assembling them; when concentrated, they threw him into confusion.

27. They concentrated and moved when it was advantageous to do so; when not advantageous they halted.

28. Should one ask: "How do I cope with a well-ordered enemy host about to attack me?" I reply: "Seize something he cherishes and he will conform to your desires."

29. Speed is the essence of war. Take advantage of the enemy's unpreparedness; travel by unexpected routes and strike him where he has taken no precautions.

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30. The general principals applicable to an invading force are that when you have penetrated deeply into hostile territory your army is united, and the defender cannot overcome you.

31. Plunder fertile country to supply the army with plentiful provisions.

Take strong market share in secondary and tertiary markets use this advantage to play into the next larger markets, etc.

32. Pay heed to nourishing the troops; do not unnecessarily fatigue them. Unite them in spirit; conserve their strength. Make unfathomable plans for the movements of the army.

Provide adequate compensation plans that reward diligence and punish poor performance. Do not over burden sales people with non-sales related activities. Provide regular meetings to rally sales staff. Provide expense budgets that reward sacrifice and incentivise travel and performance.

33. Throw the troops into a position from which there is no escape and even when faced with death they will not flee. For if prepared to die, what can they not achieve? Then officers and men together put forth their utmost efforts. In a desperate situation they fear nothing; when there is no way out they stand firm. Deep in hostile land they are bound together, and there, where there is no alternative, they will engage the enemy in hand to hand combat.

Make it clear that unsatisfactory performance of both the individual and the group can lead to dismissal. While you foster competition, it must be clear that individuals must achieve, both for their own good and the good of the group!

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34. Thus, such troops need no encouragement to be vigilant. Without extorting their support the general obtains it; without inviting their affection he gains it; without demanding their trust he wins it.

35. My officers have no surplus of wealth but not because they disdain worldly goods; they have no expectation of long life but not because they dislike longevity.

36. On the day the army is ordered to march the tears of those seated soak their lapels; the tears of those reclining course down their cheeks.

37. But throw them into a situation where there is no escape and they will display the immortal courage of Chuan Chu and Ts'ao Kuei.

38. Now the troops of those adept in war are used like the 'Simultaneously Responding snake of Mount Ch'ang. When struck on the head its tail attacks; when struck on the tail, its head attacks; when struck in the center both head and tail attack.

39. Should one ask: "can troops be made capable of such instantaneous coordination?" I reply: "They can! For, although the men of Wu and Yueh mutually hate one another, if together in a boat tossed by the wind they would cooperate as the right hand does with the left."

40. It is thus not sufficient to place one's reliance on hobbled horses or buried chariot wheels

41. To cultivate a uniform level of valor is the object of military administration. And it is by proper use of the ground that both shock and flexible forces are used to

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the best advantage.[16]

42. It is the business of a general to be serene and inscrutable, impartial and self controlled.

43. He should be capable of keeping his officers and men in ignorance of his plans.

44. He prohibits superstitious practices and so rids the army of doubts. Then until the moment of death there can be no troubles.

45. He changes his methods and alters his plans so that people have no knowledge of what he is doing.

46. He alters his camp-sites and marches by devious routes, and thus makes it impossible for others to anticipate his purpose.

47. To assemble the army and throw it into a desperate position is the business of the general.

48. He leads the army deep into hostile territory and there releases the trigger.

49. He burns his boats and smashes his cooking pots; he urges the army on as if driving a flock of sheep, now in one direction, now in another, and knows where he is going.

50. He fixes a date for rendezvous and after the troops have met, cuts off their return route just as if he were removing a ladder from beneath them.

16 Weak forces and hold strong ground and of course vice versa

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51. One ignorant of the plans of neighboring states cannot prepare alliances in good time; if ignorant of the condition of mountains, forests, dangerous defiles, swamps, and marshes he cannot conduct the march of an army; if he fails to make use of native guides he cannot gain the advantages of the ground. A general ignorant of even one of these three matters is unfit to command the armies of a Hegemonic King.

52. Now when a Hegemonic King attacks a powerful state he makes it impossible for the enemy to concentrate. He overawes the enemy and prevents his allies from joining him.

53. It follows that he does not contend against powerful combinations nor does he foster the power of other states. He relies for the attainment of his aims on his ability to overawe his opponents. And so he can take the enemy's cities and overthrow the enemy's state.

54. Bestow rewards without respect to customary practice; publish orders without respect to precedent. Thus you may employ the entire army as you would one man.

Honors, in this sense, refers to non-monetary rewards. Armies provide medals of valor, certificates of commendation, and promotions as tangible reward and public recognition for extraordinary actions. Selling and marketing organizations provide bonuses, SPIFs, and sales contests of various kinds to incentive higher attainment. Good selling organizations do not forget the reward for spouse and family as well. They offer other incentives geared towards the recognition of the sacrifices family members make and the support that the sales rep needs at home to achieve high performance.

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55. Set the troops to their tasks without imparting your designs; use them to gain advantage without revealing the dangers involved. Throw them into a perilous situation and they survive; put them in death ground and they will live. For when the army is placed in such a situation it can snatch victory from defeat.

56. Now the crux of military operations lies in the pretence of accommodating ones's self to the designs of the enemy.

57. Concentrate your forces against the enemy and from a distance of a thousand li you can kill his general. This is described as the ability to attain one's aim in an artful and ingenious manner.

58. On the day the policy to attack is put into effect, close the passes, rescind the passports, have no further intercourse with the enemy's envoys and exhort the temple council to execute the plans.

59. When the enemy presents an opportunity, speedily take advantage of it. Anticipate him in seizing something he values and move in accordance with a date secretly fixed.

60. The doctrine of war is to follow the enemy situation in order to decide on battle.

61. Therefore at first by shy as a maiden. When the enemy gives you an opening be swift as a hare and he will be unable to withstand you.

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Chapter 12 - Attack by Fire

Sun Tzu said:

1. There are five methods of attacking with fire. The first is to burn personnel; the second, to burn stores; the third, to burn equipment; the fourth, to burn arsenals; the fifth, to use Incendiary missiles.

Consider fire as utilization of low price points to penetrate a market!

2. To use fire, some medium must be relied upon.

3. Equipment for setting fires must always be at hand.

4. There are suitable times and appropriate days on which to raise fires.

5. 'Times' means when the weather is scorching hot; 'days' means when the moon is in Sagittarius, Alpharatz, I, or Chen constellations, for these are the days of rising winds.

There are also suitable times of year to gain volume over profitability. This can be an effective weapon against competition if you can take away their profit when they should be making it, and draw them into loosing money in

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unprofitable seasonal periods.

6. Now in fire attacks one must respond to the changing situation.

7. When fire breaks out in the enemy's camp immediately coordinate your action from without. But if his troops remain calm bide you time and do not attack.

8. When a fire reaches its height, follow up if you can. If you cannot do so, wait.

9. If you can raise fires outside the enemy camp, it is not necessary to wait until they are started inside. Set fires at suitable times.[17]

10. When fires are raised upwind do not attack from down wind.

11. When the wind blows during the day it will die down at night. 1 Don't get cooked in your own fire!

12. Now the army must know the five different fire-attack situations and be constantly vigilant.

13. Those who use fire to assist their attacks are intelligent; those who use inundations are powerful.

But, Those who lose control of the fires are stupid! While using lower price to drive a market can be a good idea, the use of price needs to be couched in temporary terms. Some form of special sale, or temporary deal, is the best way. Many companies have mastered the concept of always having a reason to buy today. Each period they change

17 Don't get cooked in your own fire - don't let setting a low price bind you to non profitability.

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the deal, yet the customers average purchase price often stays the same. The use of rebates, event sales prices, and various theme based promotions are really simple ways to plan for and control the "fire"!

14. Water can isolate an enemy but cannot destroy his supplies or equipment.

Image oriented marketing and advertising programs can help position a company against it's competitors; but often do not either draw down ones resources or move their inventory, i.e. increase debt, or increase his warehouse's inventory turns.

15. Now to win battles and take your objectives; but to fail to exploit these achievements is ominous and may be described as a 'wasteful delay'.

16. And therefore it is said that enlightened rulers deliberate upon the plans, and good generals execute them.

17. If not in the interests of the state, do not act. If you cannot succeed, do not use troops. If you are not in danger, do not fight.

18. A sovereign cannot raise an army because he is enraged, nor can a general fight because he is resentful. For while an angered man may again be happy, and a resentful man again be pleased, a state that has perished cannot be restored, nor can the dead be brought back to life.

We cannot devote assets to aggressive actions in a market based upon emotional motives. Once an image is damaged, or a market price point is driven to unprofitable levels,

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recovery is a long time in coming.

19. Therefore, the enlightened ruler is prudent and the good general is warned against rash action. Thus the state is kept secure and the army preserved.

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Chapter 13 - Employment of Secret Agents

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Sun Tzu said:

1. Now when an army of one hundred thousand is raised and dispatched on a distant campaign the expenses borne by the people together with the disbursements of the treasury will amount to a thousand pieces of gold a day. There will be continuous commotion both at home and abroad, people will be exhausted by the requirements of transport, and the affairs of seven hundred thousand households will be disrupted.

2. One who confronts his enemy for many years in order to struggle for victory in a decisive battle yet who, because he begrudges rank, honors and a few hundred pieces of gold, remains ignorant of his enemy's situation is completely devoid of humanity. Such a man is no general; no support to his sovereign; no master of victory.

3. Now the reason the enlightened prince and the wise general conquer the enemy whenever they move and their achievements surpass those of ordinary men is

foreknowledge.

4. What is called ‘foreknowledge’ cannot be elicited from spirits, nor from gods, nor by analogy with past events, nor from calculations. It must be obtained from men who know the enemy situation.

One thing to note is solid market and competitor intelligence can come from unlikely places. A good friend of mine once quoted something his mother told him as a child, “Pay attention, you can often learn something from a fool!”

5. Now there are five sorts of secret agents to be employed. Those are native, inside, doubled, expendable, and living.

6. When these five types of agents are all working Simultaneously and none knows their method of operation, they are called ‘The Divine Skein’ and are the treasure of a sovereign.

7. Native agents are those of the enemy’s country people whom we employ.

8. Inside agents are enemy officials whom we employ.

9. Doubled agents are enemy spies whom we employ.

10. Expendable agents are those of our own spies who are deliberately given fabricated information.

11. Living agents are those who return with information.

12. Of all those in the army close to the commander none is

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more intimate than the secret agent; of all rewards none more liberal than those given to secret agents; of all matters none is more confidential than those relating to secret operations.

13. He who is not sage and wise, humane and just, cannot use secret agents. And he who is not delicate and subtle cannot get the truth out of them.

14. Delicate indeed! Truly delicate! There is no place where espionage is not used.

15. If plans relating to secret operations are prematurely divulged the agent and all those to whom he spoke of them shall be put to death.

16. Generally in the case of armies you wish to strike, cities you wish to attack, and people you wish to assassinate, you must know the names of the garrison commander, the staff officers, the ushers, gate keepers, and the bodyguards. You must instruct your agents to inquire into these matters in the most minute detail.

17. It is essential to seek out the enemy agents who have come to conduct espionage against you and bribe them to serve you. Give them instructions and care for them. Thus double agents are recruited and used.

18. It is by means of the doubled agent that the native and inside agents can be recruited and employed.

19. And it is by this means that the expendable agent, armed with false information, can be sent to convey it to the enemy.

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20. It is by this means also that living agents can be used at appropriate times.

21. The sovereign must have full knowledge of the activities of the five sorts of agents. This knowledge must come from the doubled agents, and therefore it is mandatory that they be treated with the utmost liberality.

22. Of old, the rise of Yin was due to I Chih, who formerly served Hsia, the Chou, came to power through Lu Yu, a servant of the Yin.

23. And therefore only the enlightened sovereign and the worthy general, who are able to use the most intelligent people as agents, are certain to achieve great things. Secret operations are essential in war; upon them the army relies to make its every move.

Even from Sun Tzu's time 2500 years ago, the concept of spies has elicited a negative response from those upon whom they have been employed. Corporate espionage does exist! Those who do not believe that it is a thriving business in itself are woefully naïve. Many companies do not take an active roll in these affairs but choose to develop an effective method to route all clandestine information obtained from competitive sources to one group for analysis and reporting. There are others who take a proactive roll and have much more elaborate systems to secure and obtain tactical and strategic plans for competitive review and analysis. It behoves all to not only be aware of these possibilities but to set guidelines and systems in place commensurate with company policies to effectively utilize competitive source information.

There are PR and Advertizing Agencies who specialize in

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both gathering intelligence and in mounting disinformation campaigns and campaigns to demean or diminish competitor products. They are highly effective and have been used by Big Tobacco and many currently popular technology companies.

In the days of printed reports and financial spreadsheets, more than one company has had people dumpster-dive outside the corporate offices at night and find treasure troves of useful competitive intelligence.

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