

About *Planning*

Sun Tzu's system for competition is methodical. The first chapter of *The Art of War* is most commonly entitled "*Planning*," but today we think of planning as putting together a list of tasks. Sun Tzu's "planning" is an objective analysis of the competitive situation. This planning takes place long before we start laying out even the most basic competitive actions.

In this performing this analysis, we start with the basics. What roles does competition play in life? Why is competition important?

We then go on to analyze the components that make up a competitive system. What components determine success in competition? What are the characteristics of these components? How do they affect our chances of success?

Using these components, we can compare our position in competition with the competition. Where are we strong? Where are we weak? Where do our competitors have the advantage? Where do we have the advantage?

We judge more than our own situation from this type of analysis. We can judge the quality of competitors by whether *they* perform this type of analysis. How well do we think they understand their competitive situation?

Sun Tzu identifies success in competition as the control of information. Our analysis or planning is based on information. Our competition's planning is also based on information. Given the critical value of information, what information do we want our competitors to have? How do we want to control our competitors' perceptions of the situation? What do we want our competitors to know about the competitive universe?

Sun Tzu's chapter on planning provides the basics of identifying winning situations. Our goal is to predict where we can win and where we cannot.

Lesson 1

What role does competition play in a life?

- A. It is one of the most basic, natural skills in life.
- B. It is a necessary but unpleasant part of life.
- C. Competition creates most of the problems in life.
- D. The ability to compete is the most important skill in life.

This is war.

It is the most important skill in the nation.

From *The Art of War*

Answer:

- D. The ability to compete is the most important skill in life.

Sun Tzu begins by putting the importance of competition into perspective. Competition is natural in the sense that we are all the products of evolutionary competition, but skill in competition is not inborn. Competition creates problems, but only in the sense that, if we don't compete well, life is unnecessarily difficult. We earn our livelihood, our loves, and all else through competition.

When we say that competition is the most important skill in life, we are saying that competition *is* a skill. It isn't natural. It must be learned. We develop skills by working at them. Some people are more comfortable competing than others are, but to become successful at any level of competition, we all have to work.

Competition brings out the best in us. It enriches the world in which we live. It replaces less effective methods with more effective methods. The business world competes for our buying dollar. In doing so, business competitors constantly improve our buying choices and decrease product costs. Competition eliminates poorly run businesses and nations and leaves only the best in each category.

Today, we see this competition most clearly on the Internet. Thousands of websites compete for our attention. In the end, only those that provide value will survive and grow.

Lesson 2

Why should you want to develop your competitive skills?

- A. So you can better enjoy competition.**
- B. So you can make money more easily.**
- C. So you can survive.**
- D. So you can get more control of your time.**

It is the basis of life and death.

It is the philosophy of survival or destruction.

You must know it well.

From *The Art of War*

Answer:

- C. So you can survive.

Competition is the strategy of survival. Our lives, our ideas, the existence of our organizations, the survival of our nation, the continuation of our way of life all depend upon the outcome of life's competitions.

The success of human society makes it easy to take our personal survival for granted. This is always a mistake. We could all die tomorrow if we don't take the personal responsibility for making the right decisions. Nuclear war, a genetic plague, or an errant meteor could wipe out our entire race.

Success is totally dependent on competition. The big fallacy is that success depends on luck, hard work, or intelligence. These factors play a role, but when luck, hard work, and even intelligence come up against competitive skill, skill wins

Competition never ends. One cycle of competition simply leads to another. Yesterday's winner can be tomorrow's loser. AOL, Yahoo, Amazon, and Ebay may be the big Internet winners today. Tomorrow, they can and all will be replaced. Economists call this "creative destruction." Progress marches on. Winners and losers change places. We can be among tomorrow's winners. To do so, we must master the skills of competition.

Lesson 3

How many factors determine your success in competition?

- A. There is only one primary skill you need to master.**
- B. There are five factors that determine your success.**
- C. There are hundreds of different factors that determine success.**
- D. Every situation is different in what factors determine success.**

Your skill comes from five factors.

Study these factors when you plan war.

You must insist on knowing the nature of:

- 1. Military philosophy,*
- 2. The weather,*
- 3. The ground,*
- 4. The commander,*
- 5. And military methods.*

From *The Art of War*

Answer:

B. Five factors determine success.

These five factors are the components of our competitive situation. For modern competition, we can think of them as our competition philosophy, the trend of the times, the battleground we compete on, our competitive talent, and the processes we use. These five factors determine the eventual outcome of any competition. Planning, or more precisely, analysis, depends on our evaluation of these five factors.

All five of these factors are important. We have to question each of them in order to analyze our situation. In a given situation, one may be more important than the rest, but together these five factors determine our success or failure.

When we judge our competitive situation, we don't have to analyze hundreds of issues. People often fail to do the proper analysis because they think that it is too complex. Successful analysis depends on only a handful of relevant factors.

Lesson 4

What is the right competitive philosophy?

- A. You must always fight no matter what the costs.
- B. You must always have a clear-cut goal.
- C. You must always consider the needs of others.
- D. You must always use any means to succeed.

It starts with your military philosophy.

Command your people in a way that gives them a higher shared purpose.

You can lead them to death.

You can lead them to life.

They must never fear danger or dishonesty.

From *The Art of War*

Answer:

- C. Always consider the needs of others.

This answer surprises most people. They expect the most successful military philosophy of all time to be fierce and bloodthirsty. In reality, it is just the opposite. Sun Tzu's teaching is complex, but at its heart, it is a philosophy that puts people first.

Sun Tzu realized that in any human endeavor, we find success through our interactions with others. Only other people can make us successful. They support us only if we satisfy their needs. This means that we must have a higher purpose that we share with them. We all want our lives to mean something. In business, politics or religion, we must help people see the value and purpose of what they do.

At Clearbridge, for example, our mission is to bring the wisdom of *The Art of War* to the modern business world. By helping everyone become better competitors, we can make the world more productive and enrich everyone's lives. We sell books to do this, but the books are just the start. We have already added on-line training, video, and audio seminars. In the future, we plan to extend this training in every way that we can.

Lesson 5

What is the most important thing about managing the current trends?

- A. You must know how to overcome adverse trends.**
- B. There is no such thing as a bad time to compete.**
- C. You have to ignore trends and create your own.**
- D. You have to be aware of the trends and adjust to them.**

Next, you have the weather.

It can be sunny or overcast.

It can be hot or cold.

It includes the timing of the seasons.

From *The Art of War*

Answer:

- D. You have to be aware of the trends of the time and adjust to them.

In Sun Tzu's teaching, "weather" describes any natural condition that changes but that we cannot affect directly. Another meaning of the character that Sun Tzu uses for "weather" is "heaven" in the sense of higher forces or trends. Another good interpretation for this stanza would be a warning that we are at the mercy of larger trends. These trends can be obvious or hidden. They can be favorable or hostile. Most importantly, they change.

The secret here is to be aware of the trends and the fact that they change. Sometimes we can use these trends. Other times, we must seek shelter from them. We can't fight them. We can only adjust to them. Hubris is a fatal flaw.

The biggest mistake is assuming that the current "weather" will stay the same. Do we think that the Internet as we know it today will remain? The most important thing about the seasons is that they change. What is hot grows cold eventually. We only know one thing about the Internet of the future: it will be different than it is today. The only thing that succeeds in the long term is continuously adjusting to the world's changing trends.

Lesson 6

How does the battle ground affect your chances for success?

- A. A good competitor can be successful in any ground.**
- B. The larger the area of competition, the more successful you can be.**
- C. You can't always choose the ground for competition.**
- D. Success requires choosing the ground for competition.**

Next is the terrain.

It can be distant or near.

It can be difficult or easy.

It can be open or narrow.

It also determines your life or death.

From *The Art of War*

Answer:

- D. Success requires choosing the ground for competition.

One of the amazing things about *The Art of War* is how brilliantly its lessons create useful analogies. Here, Master Sun is talking literally about the land, the battlefield. But he is also talking about the basis of competition, the place we choose to fight. Much of his book is dedicated to lessons relating to picking the right battleground and how to use a given situation to find success.

In business, the battleground is the marketplace that we choose to serve. Like geographical terrain, the market *is* a place. In a small sense, it is the mind of a customer. In a larger sense, it is the marketplace as a whole. Using Sun Tzu, we learn to think of different markets as having different shapes and obstacles. These differences in terrain create different advantages and disadvantages

For example, the topography of the worldwide web is a new competitive terrain that places its unique demands on competitors. Places on the web are distant only if they are hard to find. They are crowded only if many sites offer the same information. Still, Sun Tzu's method of evaluating the strength and weaknesses of positions can be applied to this new, very different arena of competition.

Lesson 7

What characteristics does competitive leadership require?

- A. You must be quick, forceful, persuasive, forthright, and flexible.**
- B. You must be loyal, thrifty, brave, clean, and reverent.**
- C. You must be unswerving, dedicated, single-minded, focused, and commanding.**
- D. You must be smart, honest, caring, brave, and disciplined.**

Next is the commander.

He must be smart, trustworthy, caring, brave and strict.

From *The Art of War*

Answer:

D. You must be smart, honest, caring, brave, and disciplined.

First, we have to be intelligent. We must appreciate the value of knowledge and planning. If we aren't knowledgeable and smart, we cannot compete.

Next, we must be honest. If we are not honest, people will never trust us and we cannot succeed long-term.

Next, we must be caring. We must care about people and their feelings. If we are insensitive to others' needs, people will not support us. We must care about and win people to succeed.

Next, we must be brave. If we aren't courageous, we will never take the risks necessary to be successful. We must be able to fail repeatedly and keep going. Even someone well versed in Sun Tzu's methods may fail, but they know to keep going.

Finally, we must disciplined and strict. We must be willing to do the unpleasant parts of the job as well as the fun parts. We must honor our agreements scrupulously. People must be able to depend on us. If we are not reliable, no one will support us for long.

Lesson 8

What is important about the processes by which you achieve success?

- A. You must consistently use the same processes to get the same results.**
- B. You must let the situation determine the right methods to use.**
- C. You must let your management philosophy dictate your processes.**
- D. You should look for shortcuts to speed cycle time.**

*Finally, you have your military methods.
They include the shape of your organization.
This comes from your management philosophy.
You must master their use.*

From *The Art of War*

Answer:

- C. You must let your management philosophy dictate your processes.

The methods we use must be consistent with our philosophy, that is, the vision or mission that draws people together. Remember what Sun Tzu said about giving people a “shared, higher purpose”? Once we define that purpose, we have to be true to it. We cannot define methods, management systems, or business procedures that are inconsistent with our basic philosophy.

When we are building an organization, our philosophy determines the organization’s structure. We cannot preach empowerment and create a rigid hierarchical organization. It won’t work.

A large part of Sun Tzu’s text discusses how to identify the most effective methods to be successful. To use these lessons, we first have to define our mission. We must first know where we are going in order to choose the right methods to get there. We are going to be confronted with many opportunities to “improve” our methods, but unless they are consistent with our philosophy, we have to let them go.

Lesson 9

How important are these five factors in determining your success?

- A. You will be successful if you pay attention to all of them.**
- B. You will be successful if you understand some of them.**
- C. You will be successful if you master any one of them.**
- D. You will be successful when you learn which to ignore.**

All five of these factors are critical.

As a commander, you must pay attention to them.

Understanding them brings victory.

Ignoring them means defeat.

From *The Art of War*

Answer:

- A. You will be successful if you pay attention to all of them.

All five factors are critical. We must select the right competition mission. We must leverage the trends of the times. We must pick the right basis for competition. We must have the right leadership qualities. We must use effective methods, consistent with our mission.

If we forget any of these elements, we cannot consistently defeat our competition. Any one of these areas can become a stumbling block preventing our success. A weak philosophy, poorly judged trends, the wrong battleground, poor character, or inconsistent methods lead to failure.

In looking at the Internet today, it is easy to discover weak philosophies, missed trends, poor positioning, lack of character, and cumbersome procedures. This means most of companies on the web will not survive for the long term. A few have a good philosophy that serve them well in building their organization and procedures, but most lack such a philosophy. Most companies are simply looking for a way to get rich quickly in stock offerings. They will fail. Competition is more difficult than that.

Lesson 10

What is the purpose of planning or analysis as it is defined by Sun Tzu?

- A. It is a process by which you determine the situation.**
- B. It is a process by which you determine the right actions.**
- C. It is a process by which you identify the wrong actions.**
- D. It is a process by which you assure your success.**

You must learn through planning.

You must question the situation.

From *The Art of War*

Answer:

- A. It is a process by which you determine the situation.

We tend to think of planning as the process by which we create a list of to-do items. This is not the process that Sun Tzu describes. He wants us to first study the situation. His method has many more steps. This is only the first, the beginning of the process of competition. His five factors give us the big picture.

Why do most people fail? Because they assume that they understand the situation and what needs to be done. Sun Tzu has no faith in assumptions. We cannot afford the mistakes that naturally flow from making assumptions. No matter what we think we know, the first step is questioning our knowledge.

Sun Tzu's methods are based on understanding our specific situation. All situations are unique. Time and place, two of the key factors in competition, are always unique. No two situations happen at the same place and time.

Time and place affect our analysis of all the other factors. We have to discover how our unique situation works within the context of our philosophy, leadership, and particular methods. This situation is dynamic. We must continually question our situation from year to year, month to month, and day to day.

Lesson 11

When you question your situation, where do you look for relevant information?

- A. You question what differs from past situations.**
- B. You question how you compare with the competition.**
- C. You question what is new and unfamiliar.**
- D. You question your philosophy, leadership, and methods.**

You must ask:

Which government has the right philosophy?

Which commander has the skill?

Which season and place has the advantage?

Which method of command works?

Which group of forces has the strength?

Which officers and men have the training?

Which rewards and punishments make sense?

From *The Art of War*

Answer:

- B. You question how you compare with the competition.

Sun Tzu's method focuses on the competition. His analysis is competitive analysis. "Good" is always a relative term. We are strong only if the competition is relatively weak. We must question our relative strength in each key area. In some, we may be stronger. In any area, our competition may have the advantage.

Comparing our strengths with those of the competition puts our abilities into perspective. We can improve anything, but resources are always limited. We don't have to be perfect. We only have to be better than the competition. In the marketplace, people can only choose between real alternatives. We need to improve in the areas where the competition is stronger than we are. Comparing ourselves to our competitors tells us where we must focus our resources.

Competition on the Web is highly visible, making such comparisons uniquely easy to perform.

Lesson 12

Can you predict which competitions you will win and which you will lose?

- A. You must accept that you can't always predict outcomes.**
- B. You can know certain wins but not all losses.**
- C. You can know certain losses but not all wins.**
- D. Over the long term, you can predict your wins and losses.**

This tells when you will win and when you will lose.

Some commanders perform this analysis.

If you use these commanders, you will win.

Keep them.

Some commanders ignore this analysis.

If you use these commanders, you will lose.

Get rid of them.

From *The Art of War*

Answer:

D. Over the long term, you can predict your wins and losses.

Sun Tzu teaches that if we ask the right questions and objectively perform the right analysis, we can know when we will succeed and when we will fail. The heart of Sun Tzu's teaching is making the right choices. Our goal should be to understand our relative strength in a given situation 100 percent of the time.

The problem is that we fail to ask the right questions and fail to obtain the answers objectively. In general, we tend to be overly optimistic at the beginning of every opportunity and overly negative when success doesn't come easily.

Sun Tzu teaches that we make the right decision and then work to prove our decisions correct. Peter Drucker, the dean of business advice, teaches us that one of the two ways to predict the future is to make it happen. I can predict with certainty that there will be a paragraph after this one because I intend to write it. We can predict which competitive battles we will win for the same reason: we know how to win them and intend to do it.

Lesson 13

What is the most important communication skill that a competitor must master?

- A. Intimidation.**
- B. Persuasion.**
- C. Self-promotion.**
- D. Listening.**

Planning gives you an advantage because it makes you listen.

Planning makes you powerful.

Planning makes it easy for you to kill the enemy.

Planning is power.

Planning creates advantages and controls power.

From *The Art of War*

Answer:

D. Listening.

Listening is the heart of analysis. Analysis is important simply because it forces us to listen. In other words, it forces us to pay attention. Without this active listening, we don't really know our true situation. Without this active listening, we can never use the power of other people to help us.

All the other benefits of analysis or planning flow from the fact that planning first forces us to listen. If we listen, we can identify where to put our resources to become powerful. We can identify the areas where we can easily beat the competition. We can use our resources to win the contest.

Very few on the Internet are good listeners. The Internet encourages self-promotion, persuasion, and demonstration. It doesn't encourage listening. Sites want feedback from their visitors, but volumes of visitors generate noise. Solid information is either difficult to solicit or difficult to filter out from the noise. The best way to listen is to visit other competitive sites on the web, but surprisingly few people take the time to do this.

Lesson 14

How would you the best possible form of competitive attack?

- A. Helping people work together.**
- B. Deceiving the opponent.**
- C. Overcoming the opponent.**
- D. Discovering opportunity.**

Warfare is one thing.

It is a philosophy of deception.

From *The Art of War*

Answer:

B. Deceiving the opponent.

Without studying the text, this type of statement is easily misinterpreted. Sun Tzu said earlier that the right philosophy was giving people a higher, shared purpose. Now he *seems* to be saying that we must deceive people. Earlier, he is talking about our general philosophy toward other people. Now, he is talking about our specific information strategy toward our competition.

This statement is closely connected to what Master Sun has said about listening. We should listen. We should also expect that our competition *is also* listening. Since our competitors are listening, we don't want them to know our strengths, weaknesses, and plans.

The Art of War is unique because it assumes a dynamic competitive environment. We adjust to our competition, but we must expect that our competition will adjust to us. The dynamic nature of the contest makes secrecy critically important.

This is one of the Internet's biggest weaknesses. The nature of the Web encourages transparency. We can see our competitors. Our competitors can see us. When we put information out on our website, we must assume our competition sees it.

Lesson 15

How do you portray yourself in a situation in which the competition can hear you?

- A. You should give out as little information as possible.**
- B. You should be honest but careful about what you say.**
- C. You should portray your situation as the opposite of what it actually is.**
- D. You should always be assured and confident.**

When you are ready, you try to appear incapacitated.

When active, you pretend inactivity.

When you are close to the enemy, you appear distant.

When far away, pretend you are near.

From *The Art of War*

Answer:

C. You should portray your situation as the opposite of what it actually is.

The goal is always to mislead the competition. We don't want them to know anything about us that they can use against us.

The process of deception starts when we learn to control our emotions. Emotionally, we want people to know who we are. This leads to self-promotion, but our potential investors, partners, and customers don't care who we are. They only care about what we can do for them. Only our competitors want to know who we are so that they can use our condition against us.

The tendency on the Internet is to tell everything. If a site is successful, all this information becomes useful to its potential competitions and opponents.

Look what happened to Matt Drudge. He was too free portraying himself as one guy working out of an apartment scooping the big media. His competitors turned this information against him, pointing out that he had limited resources to check out his news. Today, he is not so quick to point up his limitations.

Lesson 16

How should you react to information about your competitor's situation?

- A. You should take actions to keep them off balance.**
- B. You should stick to your plan despite their situation.**
- C. You should attempt to incite their emotional reactions.**
- D. You should demonstrate that you know as much as they do.**

If the enemy has strong position, entice him away from it.

If the enemy is confused, be decisive.

If the enemy is solid, prepare against him.

If the enemy is strong, avoid him.

If the enemy is angry, frustrate him.

If the enemy is weaker, make him arrogant.

If the enemy is relaxed, make him work.

If the enemy is united, break him apart.

Attack him when he is unprepared.

Leave when he least expects it.

From *The Art of War*

Answer:

- A. You should take actions to keep them off balance.

Sun Tzu's advice on dealing with our competitor's situation is detailed. In some situations, we must avoid them. Other times, we should attack them. Just how we react depends on our opponent's state of mind and organization. In every case, we use that state to weaken their position, but mostly we try to keep them off balance, not knowing what to expect.

Don't miss the larger context here. We are in the middle of a discussion about using deception in warfare. The first lesson is sending misleading signals. The second is how we must act to further confuse our opponents by using their situation against them. Competitors should never know what to expect from us. Whatever their situation, we must muddy it. It is difficult for most organizations to maintain their focus. It is especially difficult if we target their focus.

Lesson 17

How do you create situations in which you can win the competitive battle?

- A. You conserve your strength for a well-planned attack.**
- B. You develop a plan that leads to victory step-by-step.**
- C. You don't create the situation; you wait to find it.**
- D. You lay traps for your opponents and wait for them to fall.**

*You will find a place where you can win.
Don't pass it by.*

From *The Art of War*

Answer:

- C. You don't create the situation; you wait to find it.

This is a central theme in Sun Tzu's work. We will hear it repeated often. We can't create a winning situation. We don't control our competitors. We can confuse them, but we can't force them. The situation is dynamic. Too often, competitors do something that we don't expect. Usually, they protect themselves well. We have to be patient. Eventually, we will discover a situation in which we can beat our competition decisively if we act.

Competition is the act and art of discovery. Sun Tzu doesn't believe that we can plan success like a writing to-do list. The art is recognizing a winning situation when we see it. The key factors in competition must line up in our favor.

As the chapters of *The Art of War* unfold, Sun Tzu trains us how to recognize a winning situation when it finally arrives. We don't wait inactively. We must act to keep repositioning ourselves to take advantage of winning situations when they occur.

The word for this approach is opportunistic. The winners on the Internet won't be those that have the best business plans. The winners will be those that are able to see and take advantage of opportunities as they arise and keep adjusting to new opportunities.

Lesson 18

How do you identify an opportunity where you are certain to succeed?

- A. You have the resources and the knowledge to win.**
- B. Your opponent is thoroughly confused about the situation.**
- C. You see the situation and foresee the results of competition.**
- D. Your opponent is at a disadvantage in several key areas.**

Before you go to war, you must believe that you can count on victory.

You must calculate many advantages.

Before you go to battle, you may believe that you can foresee defeat.

You can count few advantages.

Many advantages add up to victory.

Few advantages add up to defeat.

How can you know your advantages without analyzing them?

We can see where we are by means of our observations.

We can foresee our victory or defeat by planning.

From *The Art of War*

Answer:

- C. You see the situation and foresee the results of competition.

This last stanza brings us back to our original discussion about analyzing the five key factors that lead to success. We study the situation, we mislead our opponents, and we position ourselves. Eventually, we recognize a situation where the weight of advantage is clearly on our side. At this point, we commit ourselves. Sun Tzu devotes the rest of his text to discussing how to identify the advantages and disadvantages.

Analysis doesn't take place just at the beginning of the process. We have to continually analyze the situation to recognize our opportunity. The five key factors are the framework for understand our strengths and weaknesses.

The point of competition is not simply to fight. The only point is winning. We must restrain ourselves from competing unless we will win.