

## About *Types of Terrain*

This is the longest chapter of the text. Its focus is “terrain,” but in the sense of stages that a campaign goes through not in terms of market conditions. These stages are part of the natural evolution of a competition campaign. They occur as a competitive project develops over time. Though all do not occur in every competitive process, these situations represent the natural stages of the competitive process.

We sometimes describe these particular stages as “controlling.” This means that they determine our basic strategy at a specific step of a competitive campaign.

The purpose of understanding these controlling situations is to enable us to make quick, almost instantaneous decisions about where we need to focus our energies. Most of Sun Tzu’s system is analytical and deliberate. It seeks to impart understanding and vision. But success requires action and speed. The purpose of understanding the situations detailed in this chapter is so that we can make appropriate instant decision when we need them.

The ability to make quick, correct decisions is the heart of leadership. Much of this chapter discusses the management of people, but the context is getting them to follow us when the going gets difficult. The chapter ends by describing a number of typical competitive situations. These situations occur in the nine stages described by the chapter. One of the examples is what we should do when a former partner becomes a competitor.

## Lesson 208

**When evaluating a project, what aspect of its development should you consider?**

- A. Your penetration into enemy territory.**
- B. Your situation versus the competition.**
- C. Your position on the ground.**
- D. All of the above.**

*Use the art of war.*

*Know when the terrain will scatter you.*

*Know when the terrain will be easy.*

*Know when the terrain will be disputed.*

*Know when the terrain is open.*

*Know when the terrain is intersecting.*

*Know when the terrain is dangerous.*

*Know when the terrain is bad.*

*Know when the terrain is confined.*

*Know when the terrain is deadly.*

**From *The Art of War***

Answer:

- D. All of the above.

Here Sun Tzu gives us nine stages of project development. They are put in terms of “terrains,” but they do not refer to the ground, i.e. the marketplace. Unlike the last chapter, these conditions do not describe dimensions of a market space, but progressive development of a competitive campaign. They refer to our campaign’s progress toward establishing a new position. In military war, these stages are situations that we would have to move through. In business, they are situations in competition that we must learn to utilize.

These nine stages are *controlling* conditions. In other words, when we find ourselves clearly in one of these situations, we must act in a certain defined way. These stages of competitive demand a very specific course of action on our part. If we fail to respond appropriately to any of these situations, either because we don’t recognize them or know what to how to respond, we will fail.

## Lesson 209

**When you have to defend your existing territory, what is your greatest risk?**

- A. The competition having more strength.**
- B. Your existing customers wanting to try something new.**
- C. Losing your business focus.**
- D. Losing the income you need.**

*Warring parties must sometimes fight inside their own territory.  
This is scattering terrain.*

*From The Art of War*

Answer:

- C. Losing your business focus.

“Scattering” according to Sun Tzu means losing focus, fighting on our opponent’s terms and not our own. There is a difference between defending our territory and fighting in our territory. We defend at the borders. Scattering means leaving where we have developed our defenses and attacking opponents within the boundaries of our territory. This is always a serious mistake.

The beer market offers a great example of this “scattering.” First, there was beer. Then “light” beer came along. Instead of defending their brand strengths, the major beer sellers all brought out their own versions of light beer, fighting on a battleground within their territory. This added impetus to light beer sales. The company that was known for light beer picked up more market share. After the success of light beer, “ice” beer, “dry” beer, and so on were introduced, further fragmenting the market. If the leading brands of beer had stayed with the strengths of their brand identities, defending their territory at the borders instead inside those borders, their resources would not have been scattered.

This “scattering” has a number of other ramifications. When companies fight battles inside their borders, they tend to lose employees and managers as well as customers. They fragment market position and organizations as well.

## Lesson 210

**What is the easiest time in terms of competition for any new business, new project, or new relationship?**

- A. When we first start.**
- B. After we have tested our concept.**
- C. After we have invested enough time and energy.**
- D. After we have begun generating revenue.**

*When you enter hostile territory, your penetration is shallow.  
This is easy terrain.*

From *The Art of War*

Answer:

- A. When we first start.

We should think of the beginning of a campaign as the “honeymoon” period. At the beginning of any new business, new project, or new relationship, success seems most certain. People most optimistic. We encounter the fewest problems from active competitors.

This “easy” terrain is very different from the “unobstructed” ground described in the previous chapter though they are confused in most translations of *The Art of War*. There may or may not be problems or obstacles at a beginning, but, if there are, these obstacles do not usually stop us. Three things make beginnings easy: our psychological attitude, our stock of resources, and the lack of competitive response.

In the beginning, people have a great deal of energy to put into a new project. When we are looking forward to a new project, we are at our most creative. We have a fresh perspective that makes it easy to come up with inventive ideas.

This is also the time when we have the most physical resources. We have invested very little. We have not made any serious mistakes. Our strength for this particular project is at its maximum.

Finally, our progress hasn’t yet created any resistance. People are still looking at what we are doing and formulating their counters.

## Lesson 211

**When everyone knows that an area is very rich but no one organization can control it, what will happen to it?**

- A. The first to get to it will dominate it.**
- B. It will make a number of organizations successful.**
- C. Those who put in the most investment will win it.**
- D. This area will be constantly fought over.**

*Some terrain gives me an advantageous position.  
But it gives others an advantageous position as well.  
This will be disputed terrain.*

From *The Art of War*

Answer:

- D. This area will be constantly fought over.

This idea echoes back to the first lessons of Sun Tzu. We don't want to go where everyone else is going. Competition is a game of numbers. If an area is popular, it will be crowded. If it is crowded, it will be fought over. If it is fought over, it can never be profitable.

We should be attracted to areas that everyone else overlooks. The advantages that we are looking for are those that everyone else misses. As a matter of fact, the advantages that we are looking for look like problems to everyone else. This is very non-intuitive. In a way, it says that if something is clearly very good, in competitive terms, it is actually very bad.

Notice that in this *disputed* terrain, our behavior doesn't change the situation. We can get to these areas first, but since we cannot control them—"fill them completely," is how Sun Tzu puts this—we cannot get any long-term benefit from them. Putting more and more resources into battling for these areas also will not work. The problem is that *everyone* will tend to invest more and more resources into these areas.

The problem with disputed areas is that the cost of fighting for them makes it impossible to profit from them. We might make temporary use of them, but we get into costly battles over them.

## Lesson 212

**Can there be a situation in which both you and your potential competition can make progress without conflict?**

- A. Success demands confrontation.**
- B. To make such progress, we must avoid the competition.**
- C. To make such progress, the competition must avoid us.**
- D. Some areas are large enough for many.**

*I can use some terrain to advance easily.*

*Others can advance along with us.*

*This is open terrain.*

From *The Art of War*

Answer:

- D. Some areas are large enough for many.

In our first translation of this section, we translated “open” in the same way as “unobstructed,” following other popular translations. We now realize that is a mistake. We have changed this verse to better capture the sense of what Sun Tzu is saying here.

An “open” terrain is not unobstructed ground. It is a time where more than one potential competitor can make easy progress without conflict. It is in some respects the opposite of a “disputed” terrain that brings people into conflict. It is defined not by its riches but by its conduciveness to advancement. In Sun Tzu’s time, this may have meant progress in moving across the countryside, but today this is the idea of campaign progress in terms of innovation and project development.

Trying to make progress alongside potential competitors has its challenges. In open terrain, the contest is for progress. We aren’t fighting over territory. We are fighting to stay ahead of the competition. These situations not only encourage advancement, they demand it. We have to take full advantage of the openness of these territories to make as much progress as we can. The stage of a campaign is like a race. Neither competitor is near the finish yet, but both have the energy and the optimism to want to make quick progress.

## Lesson 213

**When an area is naturally easy to get into, how should you deal with it?**

- A. Be the first to establish a presence.**
- B. Wait for others to develop it first.**
- C. Build the biggest presence in it.**
- D. Avoid it entirely.**

*Everyone shares access to a given area.*

*The first one there can gather a larger group than anyone else.*

*This is intersecting terrain.*

From *The Art of War*

Answer:

- C. Build the biggest presence in it.

On intersecting terrain, we find ourselves in a situation where it is in our best interests to join with others. At this point in campaign development, different parties share interest in a common goal. Making progress toward that goal requires a variety of talents. This intersecting terrain is like crossroads that brings together many different types of organizations.

In our time, these are projects that require different types of organizations to work together in order to develop them. No one organization is large enough or diverse enough to develop these areas on their own. Intersecting terrain can be controlled only by a dominant presence, but no single competitor can provide that presence by themselves.

These stages of the contest go to those who can put together a dominant group. This means assembling alliances and partners into a single, competitive unit that can dominate the area.

In many respects, the World Wide Web is clearly an intersecting terrain. No company can dominate it, but it is foreseeable that an association of companies could. Today's "associate" programs on the web are a natural development in this type of territory.

## Lesson 214

**When you have invested heavily in a competitive area and not yet made it profitable, what will happen?**

- A. You will lose your investment.**
- B. You must fight for resources.**
- C. You must temporarily withdraw to regroup.**
- D. You will lose your focus.**

*You can penetrate deeply into hostile territory.  
Then many hostile cities are behind you.  
This is dangerous terrain.*

From *The Art of War*

Answer:

- B. You must fight for resources.

When we invest heavily in a new project, we must be very concerned about our resources. All investment is limited. Our project may have been seen favorably at first, but as time goes by without it producing results, support for it will evaporate. What was once a richly supported idea gradually becomes a pariah if it doesn't pay off. Even if our plans didn't call for it to pay off, we will gradually lose our support.

The reaction of the investment community to the dot.coms is a perfect example of this. When they began, everyone supported them. They were the wave of the future. Even if they wouldn't be profitable for years, the investment community professed its solid belief in their potential. This was the stage of "easy" terrain.

What happened? A year later, the professed support evaporated. After investing heavily and getting deeply into this new market, the dot.coms didn't generate profits fast enough. Doubt set in. Suddenly everyone was speaking against the dot.coms. Opposition was everywhere. The "endless" supply of resources vanished, and the dot.coms disappeared.

When what we have invested in heavily doesn't generate revenue, we must focus our energy on generating profits. It is a matter of survival.

## Lesson 215

**What should we expect in every competitive campaign that we undertake?**

- A. Problems will eventually arise.**
- B. We will suffer initial setbacks.**
- C. The competition will outmaneuver us.**
- D. We will become confused.**

*There are mountain forests.*

*There are rugged hills.*

*There are marshes.*

*Everyone confronts these obstacles on a campaign.*

*They make bad terrain.*

From *The Art of War*

Answer:

- A. Problems will eventually arise.

Each competitive campaign is unique, but each will suffer setbacks and encounter problems. These setbacks may not occur initially. Sun Tzu believes that beginnings are often the easiest times. But eventually, we encounter this *bad* terrain.

Sun Tzu realizes that difficulties in a campaign are simply unavoidable. A project may start as easy or open, but it is only a matter of time before problems arise. Difficulties are unavoidable for us and for all our competitors.

Sun Tzu does not see difficulties simply as bad. His view is more complicated. These problems can slow us down. They pose risks, but they also offer opportunities. Surviving bad terrain is always a source of strength. Getting through these stages makes us tougher.

When we encounter these types of problems, we must overcome them. We must not get frustrated or turn aside from our goal. We must expect obstacles. We never see them when we start, but they are always there. Our goal from the beginning must be to surmount them in order to develop a position of strength.

## Lesson 216

**In the competitive process, when are we most vulnerable to competitive attack?**

- A. When good positions aren't available.**
- B. When we don't know how to use our position.**
- C. When we have too few options.**
- D. When our organization is too small.**

*In some areas, the passage is narrow.*

*You are closed in as you enter and exit them.*

*In this type of area, a few people can attack our much larger force.*

*This is confined terrain.*

From *The Art of War*

Answer:

- C. When we have too few options.

At first glance, the *confined* terrain seems a lot like the “constricted positions” of the previous chapter. They are completely different. This “terrain” is a condition that we pass through. It isn't a position; it is a temporary stage. Think of confined terrain as a bridge that we have to pass over to get to where we need to be.

This confined terrain is where we are the most vulnerable to competitive attack. At the point of crossing a bridge, our options are limited. We have to pass through a very narrow window of opportunity during which we can easily be attacked.

Think of the confined stage as any important transition points in business. For example, when we are moving to a new technology, only a few people initially understand our new methods. During this period, we are dependent on this small group. This dependency makes us vulnerable to competitive attack. We must pass through these transitions before our competitors become aware of our vulnerability. We must keep these transitions secret so that our rites of passage do not become points of attack for the competition.

## Lesson 217

**When our survival is threatened if we don't act immediately, what should we do?**

- A. Fight.**
- B. Withdraw.**
- C. Bargain.**
- D. Compromise.**

*You can sometimes survive only if you fight quickly.*

*You will die if you delay.*

*This is deadly terrain.*

*From The Art of War*

Answer:

A. Fight.

*Deadly* terrain is a situation where our campaign has run out of options. Our resources are gone. Our future is bleak. Normally, we must think long term, take a position that leads to the next position. When we are in this we see no future. It is all or nothing.

When we are on deadly terrain, we must fight. "Fight" in this context means using every aggressive means available. We attack the enemy. We use direct confrontation. We pull out all of the stops and, for the moment, forget about tomorrow. We must use all of our remaining strength and resources to win the day.

If we aren't comfortable with this extreme action, there are two possible explanations. First, we may not be on deadly ground. We may have problems, but they are not as serious as they might seem. The other possibility is more ominous. We might be in a deadly situation, but we are afraid to face it. We tell ourselves that the situation is not as bad as it seems when it really is. This denial is what makes deadly ground fatal.

Sun Tzu never advises that we always go with a bang, never a whimper. As a matter of fact, he sees the desperate action in this stage of competition as one of the keys to our success.

## Lesson 218

**Once you understand your stage of competition, what must you always do?**

- A. Explore your alternatives.**
- B. Find creative solutions.**
- C. Shift to the next logical stage.**
- D. Act in the one way that the stage demands.**

*To be successful, you control scattering terrain by not fighting.*

*Control easy terrain by not stopping.*

*Control disputed terrain by not attacking.*

*Control open terrain by staying with the enemy's forces.*

*Control intersecting terrain by uniting with your allies.*

*Control dangerous terrain by plundering.*

*Control bad terrain by keeping on the move.*

*Control confined terrain by using surprise.*

*Control deadly terrain by fighting.*

**From *The Art of War***

Answer:

- D. Act in the one way that the stage demands.

The reason that we want to understand the controlling context of our competitive situation is so we can behave appropriately. In these specific conditions, only one dominant course of action is appropriate. We are *not* free to act in any way we choose. We can take control of the situation only in the one way that is appropriate.

This means that we don't attack competitors on our own territory. We make as much progress as possible in the beginning of a project when the going is easy. We avoid disputed territory that leads to fights. In open situations, we keep up with the competition. When the territory is too large for us alone, we find allies and build associations. When we are heavily invested in a project, we must find a way for it to generate revenue. We keep going when we encounter problems. We move through transitions without letting competitors know our vulnerability. When we have exhausted all options, we put everything into the fight.

## Lesson 219

**When you are looking for an opportunity to find success, what conditions should you look for?**

- A. Conditions that fragment the competition.**
- B. Conditions where money is plentiful.**
- C. Conditions that demand all of your resources.**
- D. Conditions where others have failed.**

*Go to an area that helps you in waging war.*

*Use it to cut off the enemy's contact between his front and back lines.*

*Prevent his small parties from relying on his larger force.*

*Stop his strong divisions from rescuing his weak ones.*

*Prevent his officers from getting his men together.*

*Chase his soldiers apart to stop them from amassing.*

*Harass them to prevent their ranks from forming.*

**From *The Art of War***

Answer:

- A. Conditions that fragment the competition.

Sun Tzu will now explain each of the nine stages in more detail. In the text above, he starts with *scattering* terrain and *easy* terrain.

Instead of fighting battles on our own territory, we take the battle to the competition. This puts us on easy terrain and our opponents on scattering terrain. How do we do this? We look for the separations that divide our enemy and move into these openings. We called this earlier the “attack on unity.” The four other principle forms of attack (deception, battle, siege, and surprise) are targeted at an opponent’s skills (vision, action, position, and knowledge), but an attack on unity is an attack on strength. It prevents an opponent from amassing enough power to attack us in our own territory which would divide us and put *us* on scattering terrain.

An attack on unity means looking for openings in the competition’s position that we can attack. These overlooked opportunities move us into the competition’s territory on easy ground.

## Lesson 220

**When we see an opening in the position of our competition, what must we assure ourselves of before we attack?**

- A. That our people support us.**
- B. That our superiors agree.**
- C. That winning will benefit us.**
- D. That battling will not hurt us.**

*When joining battle gives you an advantage, you must do it.  
When it isn't to your benefit, you must avoid it.*

**From *The Art of War***

Answer:

- C. That winning will benefit us.

This is the prescription for avoiding *disputed* territory. There are two types of advantage that we look for before we commit to competing.

First, we look for an advantage that will win the battle. This type of advantage is an edge, a reason why our efforts will succeed and our competition will fail. This is the type of advantage that we are looking for when we attack an opening left by the competition.

Second, we look for the advantage that we will get from battle. We must consider what we will win if we are successful. Victory must pay in a very tangible way.

Seeing an opening isn't reason enough to fight. Knowing that we will win isn't reason enough to invest the effort. The victory must gain us something that is more than worth this effort. An area that everyone thinks is rich and are willing to battle over—disputed terrain—is not a real opportunity because it cannot pay.

Success in the long term is determined more by the battles we don't fight than by the ones we do fight. We can look in any direction and see potential opportunities for contest. If we want to be successful, we must pick the battles in which we have the greatest advantage and from which we will reap the greatest reward.

## Lesson 221

**If you discover that a large, skilled competitor is going after the same areas as you are, what should you do?**

- A. Retreat.**
- B. Use speed.**
- C. Trust in defense.**
- D. Propose an alliance.**

*A daring soldier may ask:*

*“A large, organized enemy army and its general are coming. What do I do to prepare for them?”*

*Tell him:*

*“First seize an area that the enemy must have.*

*Then they will pay attention to you.*

*Mastering speed is the essence of war.*

*Take advantage of a large enemy’s inability to keep up.*

*Use a philosophy of avoiding difficult situations.*

*Attack the area where he doesn’t expect you.”*

**From *The Art of War***

Answer:

- B. Use speed.**

This text describes Sun Tzu’s prescription for dealing with *open* terrain, that is, new, undeveloped areas. In open markets, with plenty of opportunity, we have to keep ahead of the competition. Large organizations have no advantage in these situations, no matter how well run they are.

The reality is that large organizations can not compete with small organization in open situations because the basis of competition is speed. Open situations are won by organizations that know how to change and evolve. Large organizations are systematic, disciplined, and predictable. We know that they will try to do what they have done before. In an open situation, we can always keep a step ahead of them. We can develop programs and policies that undermine their progress. We can make them seem slow in situations that depend totally upon agility. Their very size is their enemy in these new areas.

## Lesson 222

**When you want to create strength through unity, how do you bring people together?**

- A. By invasion.**
- B. By inspiration.**
- C. By surprise.**
- D. By invention.**

*You must use the philosophy of an invader.*

*Invade deeply and then concentrate your forces.*

*This controls your men without oppressing them.*

From *The Art of War*

Answer:

- A. By invasion.

We have said before that the key to unity is a shared philosophy, but Sun Tzu goes further. He says that we need the philosophy of an invader. What is the philosophy of an invader?

It is the enthusiasm of going some place new. It is the thrill of being surrounded by the possibility of shared plunder. It is the brotherhood of shared danger. It is being isolated together, surrounded by enemies, and trusting only in each other.

Shared danger that individuals into a team and separate groups into a working whole. Here, philosophy addresses the problems of *intersecting* terrain, where we have to join with allies in order to succeed. The point is that we will never truly bond with any allies unless we are all at risk. We must share risk and danger in order to work together. Alliances where everyone tries to keep safely to their own territories never work. The only alliances that create strength of unity are those in which the individuals involved have to win or lose together, no matter where they came from.

Sun Tzu sees many types of opportunities in problems, but the biggest opportunity in adversity is the opportunity of strength from unity.

## Lesson 223

**When you must invest heavily in a new competitive area, how do you make sure that you have enough resources?**

- A. Find wealthy investors.**
- B. Conserve resources.**
- C. Take revenue from existing business.**
- D. Get revenue from the new area itself.**

*Get your supplies from the riches of the territory.  
It is sufficient to supply your whole army.*

**From *The Art of War***

Answer:

- D. Get revenue from the new area itself.

When we have penetrated deeply into a new, competitive area, we must find ways to make that exploration pay for itself. Sun Tzu called this *dangerous* terrain because we are far from our established markets and we can not trust our “supply routes” over long distances or long periods of time. No matter how dedicated we think our investors are, when we get deeply into a new area without profits, they will lose faith.

The solution to this problem is finding a way for the new market to pay for its own development. These initial sources of revenue do not have to be the same as those for our long-term plan, but they have to be large enough to support the development of the area. Sun Tzu called this plundering. We might also describe it as taking any easy money we find, even if that taking is sustainable in the long term.

This is another part of the philosophy of an invader. Sun Tzu teaches us to make forays into new areas. These are small forays in terms of their cost because we must find a way for these forays to quickly pay for themselves. If they cannot pay for themselves, they will have to be abandoned. The people involved must know that they must find their own revenue sources or fail. They must feel completely dependent on their new venture and forced to survive on their own. This is why “dangerous” situations are not really as dangerous as they seem. The potential income is there. If people must find it, they will.

## Lesson 224

**When your organization struggles against the inevitable problems in a campaign, what you do?**

- A. Push your people on.**
- B. Avoid overtaxing your people.**
- C. Find a new route.**
- D. Quit struggling.**

*Take care of your men and do not overtax them.  
Your esprit de corps increases your momentum.  
Keep your army moving and plan for surprises.  
Make it difficult for the enemy to count your forces.  
Position your men where there is no place to run.  
They will then face death without fleeing.  
They will find a way to survive.  
Your officers and men will fight to their utmost.*

From *The Art of War*

Answer:

- B. Avoid overtaxing your people.

The stanza here is a prescription for dealing with *bad* and *confined* terrain.

First, when we are moving through bad situations, facing difficult problems, we have to make sure that we keep moving, but at the same time, we cannot push our people too hard. Problems are frustrating. We can overcome them, but solving them often takes time. We cannot be impatient with our people's progress without damaging their enthusiasm for the organization.

When we must make a dangerous transition through a confined terrain, when we rely on only a few people, we have to make sure our competition doesn't know our plans. This is also part of maintaining our esprit de corps. This spirit increases our momentum, which is fed by surprise, that is, by innovation. Both bad and confined terrain can be *deadly* terrain. Because of this, we want to make sure that no one gives up.

## Lesson 225

**What trait allows people to stop worrying about the real difficulties of their situation?**

- A. Ignorance.**
- B. Commitment.**
- C. Courage.**
- D. Training.**

*Military officers that are committed lose their fear.  
When they have nowhere to run, they must stand firm.  
Deep in enemy territory, they are captives.  
Since they cannot escape, they will fight.*

From *The Art of War*

Answer:

- B. Commitment.

Commitment is an interesting concept. When we are committed, we have gone past the point where a decision needs to be made. When we are committed, we no longer have a decision to make; we no longer have a choice. This lack of choice clarifies the situation. .

Courage is required before we reach *deadly* terrain. It takes courage to make a dangerous decision. This is where fear comes in. Courage must overcome the fear, but fear doesn't fade until we have made the commitment. Once we are committed, we can focus on the situation.

We want people's commitment. We want them to get this decision behind them. To do this, we have to put people in positions where the choice is clear. We must either be successful or fail completely. In these types of black and white situations, people know where they stand. We have to make it clear that their situation is black and white and that they have no fall back position.

Removing choice means putting people on *deadly* terrain, that is, in a do-or-die situation. Deadly terrain is closely associated with all dangerous situations, where we are deeply invested on hostile ground.

## Lesson 226

**When can you trust your people to make the right decisions without being supervised?**

- A. When they are at personal risk.**
- B. When they are thoroughly trained.**
- C. When they have esprit de corps.**
- D. When they have been rewarded well.**

*Commit your men completely.*

*Without being posted, they will be on guard.*

*Without being asked, they will get what is needed.*

*Without being forced, they will be dedicated.*

*Without being given orders, they can be trusted.*

From *The Art of War*

Answer:

- A. When they are at personal risk.

The essence of commitment is feeling that we have something to lose and something to gain. The risk must be real. When people have been or will be rewarded no matter what the outcome, they are not committed to success. Risk is the foundation of success. This is why entrepreneurs are so successful in comparison to hired managers. Entrepreneurs are risking their own money, whereas professional managers know that they can go onto their next job no matter what the outcome.

If our people are as committed as we are, we no longer have to manage them in the traditional sense. They will watch out for the well being of the organization because they are protecting their own well being. Once they understand the connection between the organization's success and their own, they will do whatever they can to make the organization successful. This is, of course, the power of ownership. In our era, this most often takes the form of stock options.

A sense of risk is not as easy to create in our era. People are too quick to move to another company when conditions get difficult. This is why we must hire people who might find it difficult to find jobs elsewhere. We want misfits who find a home in our organization.

## Lesson 227

**What characteristic of a leader helps his people understand how strongly committed he is?**

- A. Charisma.**
- B. Decisiveness.**
- C. Caring.**
- D. Trustworthiness.**

*Stop them from guessing by removing all their doubts.*

*Stop them from dying by giving them no place to run.*

**From *The Art of War***

Answer:

B. Decisiveness.

A leader must have a certain strictness to be successful. We must be caring and trustworthy as well, but the way we take care of people is by making our decisions clear and holding to them. Uncertainty is disastrous to an organization. If people never know if a decision is made, they are always wavering and are never committed. .

People have a tendency to doubt and second-guess their leaders. They never think that they are getting the straight story or the whole story. They always suspect that management is hiding problems from them. They can secretly think that the stated needs and goals are inflated. They are always wondering what the real goals and problems are.

We stop people from guessing by being straight forward with them. We gain nothing by sugarcoating a bad situation. Quite the opposite. We can often get more commitment by emphasizing the risks. If we want people to believe us, we can not mislead them. We can be optimistic about our chances of success, but this doesn't mean that we should minimize the difficulties.

We keep people from failing by eliminating uncertainty. We stop them from failing by challenging them. We stop them from failing by focussing their abilities on the task at hand. They must never think that what they are doing isn't important and critical to success.

## Lesson 228

**What trait will keep our people dedicated to their tasks?**

- A. Desire for recognition.**
- B. Self-interest.**
- C. Spirit of brotherhood.**
- D. Devotion to duty.**

*Your officers may not be rich.*

*Nevertheless, they still desire plunder.*

*They may die young.*

*Nevertheless, they still want to live forever.*

**From *The Art of War***

Answer:

- B. Self-interest.

We must be realistic about what motivates people. We must learn to see the world from their point of view. Motivating people begins and ends with our understanding their personal self-interest.

Sun Tzu identifies two primary areas of self-interest: wealth and health. Interestingly enough, he presents them in this order. People will often put their desire for wealth ahead of concern for their health.

This passage also infers another important element of self-interest: the future. People are surprisingly concerned with the long-term implications of their decisions. They will often pass over better pay in the short term for a much bigger reward in the long term. People don't want to just get by. They want to find a path to real success. When we build an organization, we have to build in a pathway to success for the people who join us to work in it.

People are looking for a way to fulfill their dreams. People work with others to find a shared pathway to mutual success. All companies should be built with the self-interest of their employees in mind. We do want people who are looking for an easy time. We want people who want to make their hard work pay off.

## Lesson 229

**When your people and especially your managers complain about what they must do, how should you respond?**

- A. Listen to their complaints and sympathize.**
- B. Agree to address their concerns when you can.**
- C. Don't discuss their complaints, but rethink your decisions.**
- D. Put them in a position where they have no choice.**

*You must order the time of attack.*

*Officers and men may sit and weep until their lapels are wet.*

*When they stand up, tears may stream down their cheeks.*

*Put them in a position where they cannot run.*

*They will show the greatest courage under fire.*

From *The Art of War*

Answer:

- D. Put them in a position where they have no choice.

If we want to lead, we have to make tough decisions. Once those decisions are made, people have to know that their course is set.

People will always complain. When it comes to competition, the world is full of naysayers and second-guessers. Even if people agree with our decisions, they will play devil's advocate out of habit. We should expect people to complain. We can even sympathize and even agree with their complaint. But we can never let these complaints affect our decisions once they are made.

The most critical role is the role of the decision-maker. The world of competition is uncertain. Many of our decisions are going to be wrong, but making decisions is critical. Organizations that never decide cannot compete successfully. One of the handicaps of the Japanese "ringi" system is its slow method of seeking internal agreement before the organization can act. Organizations in today's world have to respond quickly to fast changes in the environment. This means that the leaders of competitive business must be trained in making quick and correct decisions. .

## Lesson 230

**What is the purpose of identifying your controlling stage and undertaking the appropriate response?**

- A. To make the best possible move.**
- B. To enable you to react quickly.**
- C. To make the best use of your strength.**
- D. To enable you to spot your opponent's weaknesses.**

*Make good use of war.*

*This demands instant reflexes.*

*You must develop these instant reflexes.*

*Act like an ordinary mountain snake.*

*Someone can strike at your head.*

*You can then attack with your tail*

*Someone can strike at your tail.*

*You can then attack with your head.*

*Someone can strike at your middle.*

*You can then attack with both your head and tail.*

From *The Art of War*

Answer:

- B. To enable you to react quickly.

Sun Tzu's system is largely analytical. It requires that we balance a number of factors together to arrive at the appropriate conclusion. The last chapter on analyzing our field position is an excellent example. This part of Sun Tzu's system is very methodical and deliberate.

But many times, we need to react quickly. The purpose of this chapter is to describe the stages in which a basic decision is instantly called for. There are nine stages or situations we call controlling conditions. These controlling conditions give us our basic policy. They tell us if we fight, keep moving, focus on surprise, etc.

Once we identify the stage we are in, we must respond appropriately. We may not have the ideal resources with which to respond, but we must respond with whatever resources we have. We should constantly question whether our situation calls for an immediate response.

## Lesson 231

**How often can we be certain that the prescription offered by Sun Tzu directly meets our immediate needs?**

- A. Always.**
- B. Usually.**
- C. Sometimes.**
- D. Never.**

*A daring soldier asks:*

*“Can any army imitate these instant reflexes?”*

*We answer:*

*“It can.”*

*From The Art of War*

Answer:

- A. Always.

Sun Tzu’s analogies were crafted for military war. How can we be certain that they will work for our business? Especially since each of our businesses is unique?

Even if we aren’t certain, we will be more successful if we act with certainty. This chapter isn’t only about having the right answer. It is also about speed and creating confidence.

Sun Tzu’s system may not be perfect, but it is the most detailed and thorough analysis of competitive systems ever devised. The nine controlling conditions were listed in this chapter because they require quick decision-making. Under these specific kinds of conditions, we don’t need to debate our most basic course of action. We know what will usually work.

Speed is its own reward. Even if we make mistakes, speed allows us to uncover them quickly and change our course. We must have a preference for action if we are to be successful in business. Organizations that hesitate and debate create a uncertainty among their people. People are simply more effective when the direction is clear and our decisions certain.

## Lesson 232

**If you want people to work together more smoothly, what should you do?**

- A. Give them discussion time.**
- B. Give them more control of their environment.**
- C. Create a sense of belonging.**
- D. Create a crisis.**

*To command and get the most of proud people, you must study adversity.*

*People work together when they are in the same boat during a storm.*

*In this situation, one rescues the other just as the right hand helps the left.*

**From *The Art of War***

Answer:

- D. Create a crisis.

Strong organizations are not built from luck and good fortune. They are not created from good times. Successful organizations are forged out of adversity. They are built from overcoming difficulties.

Even when times are good, we must create a sense of challenge and adversity to draw our people together. As the leader, we can be the “bad guy” that draws the organization together by continually challenging our people. Too many leaders are too concerned about being liked to play this role, but tough leadership draws people together, especially when the leader is successful and fair.

People want to be challenged. They want to succeed in situations that are difficult. They want to prove themselves. We must run our businesses in a way that allows people to find these types of challenges and enjoy this type of success. Of course, we must give them both the challenge and the success. Challenging people isn’t the same as constantly criticizing them. It means setting high (not impossible) standards and recognizing people for meeting them.

## Lesson 233

**How do you get all of your people to share in the organization's high standards?**

- A. Peer pressure.**
- B. Monetary rewards.**
- C. Management discipline.**
- D. Strict controls.**

*Use adversity correctly.*

*Tether your horses and bury your wagon's wheels.*

*Still, you can't depend on this alone.*

*An organized force is braver than lone individuals.*

*This is the art of organization.*

*Put the tough and weak together.*

*You must also use the terrain.*

**From *The Art of War***

Answer:

- A. Peer pressure.

People stay with our organization because of their hope for eventual reward, but on a day-to-day basis, their behavior is governed more by peer pressure than by anything else. The first key to peer pressure is making sure that everyone shares in the success and failure of the organization. Once that is understood, we must organize our people so that the best people are as guides for everyone else.

This means that we don't want our weakest and poorly motivated people working with one another. Bad people also reinforce one another within an organization. We do not want to create pockets of dissatisfaction. Instead we want new or weaker people working with our best-trained and motivated people. These are the people we want spreading values within the organization.

In modern management, we address quality problems with improving measurement and visibility. These measurement systems are great, but we must remember that our people set the real standards within the organization. If everyone expects quality, these systems will work.

## Lesson 234

**When your organization is united behind you, what do you have to encourage them to *not* do to be successful?**

- A. Not to over extend themselves.**
- B. Not to be too aggressive.**
- C. Not to lose focus.**
- D. Not to give up.**

*Make good use of war.*

*Unite your men as one.*

*Never let them give up.*

**From *The Art of War***

Answer:

- D. Not to give up.

We want to get the most possible rewards from competitive effort. We don't want any of our efforts to be wasted. To see any task through to success, we must insist on persistence.

According to Sun Tzu's teaching, unity gives an organization its strength. An organization that is united has a clear focus. When we get our people working together, we enable them to use all their capabilities. But this doesn't mean that everything that we attempt will be successful initially. The type of strength that comes from unity is critical to success, but success also requires time.

Unity means that the organization has a single focus at any given point in time. Persistence means that we are capable of maintaining that focus over a long period of time. Unity is good. Unity and persistence together are unstoppable.

One of the ways that we instill persistence in an organization is to put people into situations where they simply cannot quit. In other words, when we must make progress, we keep the organization on dangerous ground. The situation itself should make it difficult if not impossible for them to give up.

## Lesson 235

**If you want to be a successful leader, how should you appear to your subordinates?**

- A. Relaxed and approachable.**
- B. Confident and remote.**
- C. Strict but friendly.**
- D. Mysterious and unknowable.**

*The commander must be a military professional.*

*This requires confidence and detachment.*

*You must maintain dignity and order.*

*You must control what your men see and hear.*

*They must follow you without knowing your plans.*

**From *The Art of War***

Answer:

- B. Confident and remote.

When we lead, we must accept a role that separates us from the people with whom we work. Many people are not comfortable with this separation, but it is necessary. We want our people to have faith in us. Being a friend requires that we are open and honest, even about our doubts. If we want to lead people, we cannot share our doubts and uncertainties. This will only make them insecure and less effective at doing their jobs.

For this reason, Sun Tzu teaches us to have a formal, dignified relationship with our employees. As the leader, we represent the organization as a whole. We should expect people to treat us with a certain amount of respect just as we would insist that they treat their fellow employees with respect. People should never be completely comfortable when we are around. They should be on their best behavior. Over time, this best behavior becomes a standard for the organization itself.

As the leader of the organization, it is our responsibility to interpret what happens in a way that puts everyone's efforts in the best light. People should see the organization and its potential through a filter that we create for them.

## Lesson 236

**What should people expect from you in terms of how you work to define their roles within the organization?**

- A. People should expect stable roles.**
- B. They should expect well-defined roles.**
- C. They should expect to be trained in their roles.**
- D. They should expect that their roles could change at any time.**

*You can reinvent your men's roles.*

*You can change your plans.*

*You can use your men without their understanding.*

**From *The Art of War***

Answer:

- D. They should expect that their roles could change at any time.

We must teach our people that they are bigger than the role they play at any given time within the organization. We should teach everyone that they have only one real job: making the organization and everyone in it successful. All other roles are temporary. People's roles can and must change as the challenges that the organization faces change.

One of the biggest defects of the labor movement was its unfortunate focus on rigid roles for employees. The goal was to prevent people from being abused by their employer and solidify the employment contract, but the effect was to freeze organizational structure. The inevitable result was that highly unionized businesses could only compete in highly unionized industries. The unionized part of the work force began to shrink as these industries faded in the face of change. The government became the one and only growth sector for union employment.

People who work for us must understand that our goal is continued success, success for everyone in the organization. We will use whatever skills we develop in the best possible way to achieve that success. This means that the organization and people's roles within it will always be susceptible to change. They should expect their personal role to shift and evolve as the needs of the organization change.

## Lesson 237

**When you have found success doing business a certain way in the past, when do you change it?**

- A. When your business runs into trouble.**
- B. When competitors find success with different methods.**
- C. When customers demand something different.**
- D. Whenever you get the chance.**

*You must shift your campgrounds.*

*You must take detours from the ordinary routes.*

*You must use your men without giving them your strategy.*

**From *The Art of War***

Answer:

- D. Whenever you get the chance.

Sun Tzu champions innovation as a core philosophy in his chapter on momentum. Here, he reinforces that lesson in the context of getting the most out of your people in challenging situations.

People generally don't like change. In most organizations, people are threatened by change and actually work, consciously or subconsciously, to subvert it. How do we address this natural tendency?

We must condition people to accept that change is built into our corporate culture. We do this by changing continuously. We change methods as a matter of habit. We continuously experiment and encourage our people to experiment.

Certainly, one advantage of this is that our competitors cannot predict what we will do, but Sun Tzu goes further. Even our own people shouldn't think that they can predict us. If they can predict our strategy, they know as much as we do. They don't want to feel like they know as much as their leader. They want their leader to be ahead of them, to have more insight and vision than they have. If we don't have greater vision than our people, why should they follow us?

Encouraging change is the primary job of a leader.

## Lesson 238

**As a leader, how do you discover the opportunity that you need to find success?**

- A. You get your organization deeply involved.**
- B. You map out position after position to reach your goal.**
- C. You increase your organization's rewards and punishments.**
- D. You don't take any changes and keep looking.**

*A commander provides what his army needs now.*

*You must be willing to climb high and then kick away your ladder.*

*You must be able to lead your men deeply into your enemy's territory and then find a way to create the opportunity that you need.*

From *The Art of War*

Answer:

A. You get your organization deeply involved.

Is there a contradiction here? In the early chapters, Sun Tzu teaches us that small, quick wars are the best. They put us at less risk and, should we fail, we only lose what we can afford. Here, however, he says that to find opportunity, we must take risks. We must get deeply involved to see the opportunity that we need.

Both pieces of advice are equally true. We *do* want to limit the cost of our explorations or experiments in new areas. We want to pick small doable projects. We want to tackle small markets, small improvement in production, and small campaigns. However, we must commit to these projects completely. We can't dabble in an area and expect to understand it. We do not see the opportunity in a given area unless we are completely committed to it.

The group of people involved in these small expeditions must be totally committed to and dependent upon success. These projects may not in fact put the company at risk, but the individuals should feel as though they are totally at risk. As their leader, we should make it clear that we are totally committed to these projects.

## Lesson 239

**How should your people feel when it comes to doing what you expect of them?**

- A. They should never feel pressured.**
- B. They should always feel pressured.**
- C. They should sometimes feel pressured.**
- D. All of the above.**

*You must drive men like a flock of sheep.*

*You must drive them to march.*

*You must drive them to attack.*

*You must never let them know where you are headed.*

*You must unite them into a great army.*

*You must then drive them against all opposition.*

*This is the job of a true commander.*

**From *The Art of War***

Answer:

- B. They should always feel pressured.

In a sense, we must recreate in our organization the real pressures of the competitive marketplace. Most organizations isolate people from those pressures. People don't even know that their business is in trouble until they are laid off.

This is not to say that we should overwork people. Sun Tzu is very clear in saying that we get less out of people by overworking them. There is a difference between overtaxing people, that is, asking them to do more than can be done, and keeping them working hard.

The ideal environment is one of steady pressure that keeps everyone working up to their potential. In this environment, the pressure becomes part of the job. New people have to adjust to it, but existing people are completely acclimated. Working hard should be part of the corporate culture, uniting the organization. Microsoft is a perfect example of how this can be done. Organizations that keep people doing their best work reap the best rewards for everyone.

## Lesson 240

**What makes it difficult for most organizations to deal with difficult situations and find new opportunities?**

- A. They are unwilling to invest.**
- B. They are unwilling to work hard.**
- C. They are unwilling to adapt to change.**
- D. They are unwilling to take the time.**

*You must adapt to the different terrain.*

*You must adapt to find an advantage.*

*You must manage your people's affections.*

*You must study all these skills.*

From *The Art of War*

Answer:

- C. They are unwilling to adapt to change.

Our topic has been how to deal with the situations in which we find ourselves. Most people, unfortunately, cannot even see the situation they are in, much less adapt to it. The problem is that people want to believe in a false stability that simply doesn't exist.

To master Sun Tzu, we have to learn to continuously look at our business with fresh eyes. We have to temporarily forget everything that we've thought and learned and know. We have to forget our preconceptions. In this state of mind, we have to ask ourselves what our situation really is. Are we on easy ground or dangerous ground? Are we fighting battles in our own territory or are we venturing deeply into the enemy's territory looking for an opportunity?

We have to be willing to throw out our plans at a moments notice if we see an opportunity. More, we have to be looking for the type of opportunity that would make it a good idea for us to throw out all our plans. We can always make new plans. We cannot make new opportunities. They are gifts that the market gives us.

Through all of this, we have to keep our people with us. We have to keep them working hard and totally involved with the business.

## Lesson 241

**What does Sun Tzu mean when he says that we must have the philosophy of an invader?**

- A. We must be outsiders.**
- B. We must grab what we can as fast as we can.**
- C. We must like other people's business better than our own.**
- D. We must be deeply committed.**

*Always use the philosophy of invasion.*

*Deep invasions concentrate your forces.*

*Shallow invasions scatter your forces.*

*When you leave your country and cross the border, you must take control.*

*This is always critical ground.*

*You can sometimes move in any direction.*

*This is always intersecting ground.*

*You can penetrate deeply into a territory.*

*This is always dangerous ground.*

*You penetrate only a little way.*

*This is always easy ground.*

*Your retreat is closed and the path ahead tight.*

*This is always confined ground.*

*There is sometimes no place to run.*

*This is always deadly ground.*

**From *The Art of War***

Answer:

- D. We must be deeply committed.

Being an invader means that we are willing to go somewhere new and get totally involved. We are willing to invest our entire lives and future on that new area to find success there. We must be willing to live off the land, not only for now, but for always.

This is a difficult mindset. It is the mindset of the tycoon and the entrepreneur. It is dangerous, scary, with real risks. We can only afford to do it because Sun Tzu teaches us how to control the risks. When opportunity comes, however, we must be willing to grab it.

## Lesson 242

**How many different techniques must we master to address the conditions that Sun Tzu covers in this chapter?**

- A. Eight.
- B. Nine.
- C. Ten.
- D. Twelve.

*To use scattering terrain correctly, we must inspire our men's devotion.*

*On easy terrain, we must keep in close communication.*

*On disputed terrain, we should try to hamper the enemy's progress.*

*On open terrain, we must carefully defend our chosen position.*

*On intersecting terrain, we must solidify our alliances.*

*On dangerous terrain, we must ensure our food supplies.*

*On bad terrain, we must keep advancing along the road.*

*On confined terrain, we must make block flow from our headquarters.*

*On deadly terrain, we must show what we can do by killing the enemy.*

**From *The Art of War***

Answer:

B. Nine.

Notice how Sun Tzu is specific on his advice about how we need to address the different conditions that we face. For example, when we are on *confined* terrain, going through a difficult transition, we want to keep it secret. To do that, we must block the flow of information and people from our headquarters. When we are on scattering ground, that is, tempted to fight a battle in our own territory, we must focus on building up our image and the unity of our organization.

Competition demands progress. Progress means that our situation will change continuously. As it changes, we must know what our goals are and the specific techniques that we need to achieve them. We should all know these prescriptions by heart.

## Lesson 243

**If you don't know what your competition is planning, what should you *never* do?**

- A. Directly confront them.**
- B. Enter into their territory.**
- C. Build alliances against them.**
- D. Make progress against them.**

*Do the right thing when you don't know your different enemies' plans.*

*Don't attempt to meet them.*

From *The Art of War*

Answer:

- A. Directly confront them.

At this point in the chapter, Sun Tzu changes the focus from dealing with the nine specific stages or terrains of competition to the general problem of information. We can only understand the situation that we are in if we have the appropriate knowledge. More importantly, we cannot act appropriately to satisfy our situation unless we know what we are doing. Most importantly, there are some actions that we cannot take unless we have the information that we need.

The only situation that demands that we meet the enemy is a do-or-die situation. Unfortunately, we cannot meet our competition unless we know what their plans are. This means we must make sure that we know a lot about our competition before we get ourselves into a do-or-die situation.

This is only logical. Do-or-die situations come at the end of a process after we have passed through many if not most of the nine situations that Sun Tzu describes. If we are not constantly accumulating information about our competition's plans and ideas throughout this process, we will not be in any condition to face them in a do-or-die situation at the end of it. This is not to say that a confrontation must end every competitive process. It doesn't. But if it does, we must get the needed information.

## Lesson 244

**When you enter into an area where you have little experience, what should you do?**

- A. Hire an experienced person.**
- B. Explore on your own.**
- C. Talk to your allies.**
- D. Hire a consulting organization.**

*You don't know the local mountains, forests, hills and marshes?  
Then you cannot march the army.  
You don't have local guides?  
You won't get any of the benefits of the terrain.*

From *The Art of War*

Answer:

- A. Hire an experienced person.

There is no substitute for experience. If we don't have that experience ourselves, we need to buy. One of the categories where Sun Tzu feels that too little money is spent is on getting the right information. This doesn't mean that we literally have to put someone with experience on our payroll, but it does mean that we should find a way to pay for valuable information and advice.

For most of us, the impulse is to explore the territory on our own. We think that we can save money and get information for free. Unfortunately, most people, including our allies, have ulterior motives for giving us information. We must expect that their information is slanted toward their own self-interest. We cannot know how to evaluate information if we don't know the territory.

We must also be wary about consulting organizations. These organizations sell advice, but they are not necessarily experienced with the terrain that we are interested in. Consulting organizations are experts at feigning experience. They cast themselves as impartial observers, but observing is not the same as experiencing. Their opinions and bias are not formed in or by the territory we are interested in.

## Lesson 245

**In dealing with different situations, should we focus information gathering on the enemy, the territory, or our own people?**

- A. The enemy.**
- B. The territory.**
- C. Our people.**
- D. All of the above.**

*There are many factors in war.  
You may lack knowledge of any one of them.  
If so, it is wrong to take a nation into war.*

**From *The Art of War***

Answer:

- D. All of the above.

In this chapter, we are learning to think about a competitive process that passes through many common stages. Each of these stages demands a different type of knowledge. To see the process through, we must have all the different types of knowledge and skill the nine situations demand.

This means that we must master a range of knowledge in order to be successful. We should not be leading an organization unless we have developed knowledge in every area. Competition is a complex process. It requires complex understanding of situations in order to master competition.

Undertaking new projects or conquering new territories is an especially risky process. Our first concern must be the well-being of our existing organization and business. We have to be extremely careful when undertaking new projects because of the risks to the organization.

We cannot always know when we lack information. Knowledge is never perfect. To act, we must have information on the three main factors that contribute to success—the territory, the competition, and our own people. If we know we are missing information in these areas, we must not go forward.

## Lesson 246

**When you are planning to target an opponent, what must you know about them?**

- A. The size of their forces.**
- B. The weaknesses of their leader.**
- C. The divisions in their organization.**
- D. The readiness of their people.**

*You must be able to dominate a nation at war.*

*Divide a big nation before they are able to gather a large force.*

*Increase your enemy's fear.*

*Prevent his forces from getting together and organizing.*

**From *The Art of War***

Answer:

- C. The divisions in their organization.

To attack, we need an opening. The size of an opponent is relatively unimportant. Knowing the weaknesses of its leader is useful in predicting what an opponent will do, but it doesn't tell us where to target our efforts. We are usually more concerned about the readiness of our own people than we are about the readiness of the opposition. Since we plan on attacking where their force is the weakest, their readiness is less of an issue.

Openings can be found in many different places, depending on what viewpoint we use to analyze our opposition. An opponent's weakness may be in holes in the product line. Or it can be in the geographical coverage. Their weakness might be in the way they group customers together, neglecting one group or another. Their weakness might be in distribution, leaving certain channels hungry for product that they cannot get.

When we first target an opponent, we have to know where these holes are. All companies have these holes. It is simply a matter of locating them. Our first priority should be on figuring out a way that we can isolate a small area of the opponent's position to attack.

Lesson 247:

**When do we want to compete for alliances with our opponent to amass a larger force?**

- A. Whenever we have the opportunity.**
- B. When the price isn't too high.**
- C. Whenever we are on *confined* terrain.**
- D. Never.**

*Do the right thing and don't try to compete for outside alliances.  
You won't have to fight for authority.  
Trust only yourself and your own resources.  
This increases the enemy's uncertainty.  
You can force one of his allies to pull out.  
His whole nation can fall.*

From *The Art of War*

Answer:

D. Never.

The key word here is “compete.” We never want to compete with the competition for alliances. We can compete for territory, customers, sales, distributors, and other resources, but we don't want to compete for alliances.

Alliances are not really the strength that most people think that they are. Strength comes from unity. Alliances are seldom or never truly united. They give people a false sense of strength when there is really no strength at all. In an alliance, everyone will work for their own self-interest regardless of the agreements among them. Alliances destroy the one element Sun Tzu requires for a true competitive unit: a clear leader.

There are other problems with alliances. Alliances create a battle for authority. They create a potential weak point that can be exploited by enemies. There are special situations where alliances are necessary. In some markets, a “complete product” simply isn't possible without organizations coming together. In these situations, we have to take the lead in controlling our relationships if alliances are to succeed.

## Lesson 248

**What is the main benefit of competing as a single organization instead of as an alliance?**

- A. A strong leader.**
- B. A good philosophy.**
- C. A clear goal.**
- D. Control of the money.**

*Distribute plunder without worrying about agreements.*

*Halt without the government's command.*

*Attack with the whole strength of your army.*

*Use your army as if it was a single man.*

From *The Art of War*

Answer:

- D. Control of the money.

Certainly good leadership, philosophy and goals are all worthy ideas, but they are certainly not guaranteed by competing alone. What is guaranteed is that there will be no question about how the benefits of success are divided.

From a business standpoint, this makes a customer/vendor relationship among potential partners superior to a voluntary alliance. In a customer/vendor relationship, the customer controls the money. For example, in technological markets, it is frequently necessary to bring together hardware, software, and services from different companies to provide a complete solution. Companies can try to ally themselves to provide this solution, but it always works better if one company becomes the integrator, buying products from the other companies and selling them to the end user. In this situation, the integrator has clear control of the money. They are also the organization taking the biggest risks and who therefore should get the biggest rewards.

When we stop wasting time trying to create meaningless alliances and focus on the “money flow” relationship, i.e. buying products and selling them, we take control of our future. We know what has to be done and that we are responsible for doing it.

## Lesson 249

**How careful should you be when you have enough of an advantage to consider an attack?**

- A. You should eliminate all risks.**
- B. You should discuss it with your people.**
- C. You should make sure you never fail.**
- D. You should try even if you might fail.**

*Attack with skill.*

*Do not discuss it.*

*Attack when you have an advantage.*

*Do not talk about the dangers.*

*When you can launch your army into deadly ground, even if it stumbles, it can still survive.*

*You can be weakened in a deadly battle and yet be stronger afterward.*

**From *The Art of War***

Answer:

- D. You should try even if you might fail.

If we are skilled, we will know when the time is right for an attack. We see a clear advantage. We see both a reason why we should win and a benefit if we win. We balance our chances and calculate that the risk is worth what we can gain. When we know the time is right, we must move.

We should not talk about the dangers before we move. We talk about the benefits. We create enthusiasm for the move. The beginning is an easy time. We should keep people moving. We want to get them deeply involved before they realize the risks involved. We don't want them to worry about the difficulties and risks until they have no choice but to succeed.

We can fail. No matter how good we are, competition is uncertain. Even a reasonable risk is a risk. If we are smart, we calculate the size of risk we can take and still recover. We never bet it all on a single throw of the dice. We can lose battles but still win the war.

## Lesson 250

**When you run into trouble, how do you make sure that you can still survive?**

- A. You make sure that you are large enough to survive.**
- B. You adapt yourself to the needs of the competition.**
- C. You move far away from the competition.**
- D. You must find a new opponent to attack.**

*Even a large force can fall into misfortune.*

*If you fall behind, however, you can still turn defeat into victory.*

*You must use the skills of war.*

*To survive, you must adapt yourself to your enemy's purpose.*

*You must stay with him no matter where he goes.*

*It may take a thousand miles to kill the general.*

*If you correctly understand him, you can find the skill to do it.*

**From *The Art of War***

Answer:

- B. You adapt yourself to the needs of the competition.

No matter how successful or large we become, we can always make a misstep and fall victim to the shifts in the marketplace. Someone else's vision can turn the market on its head, redefining the terms for success. This kind of shift reopens the market, creating "open" situations.

When this happens, we must copy our opponent's new methods. We must keep up with them. We must be persistent. We must be patient. If we keep up with them, eventually we will find an opportunity to turn the market around again and defeat them.

Microsoft is the master of this particular technique. They did it with Apple and the GUI interface. They did it again with Netscape in the browser wars. Despite their size or because of it, other companies are always stealing their thunder, but they follow this technique and always win back leadership through persistence.

## Lesson 251

**What should you do first when a friendly relationship suddenly turns into a competitive one?**

- A. Cut off communication.**
- B. Try to mend the relationship through diplomacy.**
- C. Attack them without waiting.**
- D. Protect your mutual alliances.**

*Manage your government correctly at the start of a war.  
Close your borders and tear up passports.  
Block the passage of envoys.  
Encourage politicians at headquarters to stay out of it.  
You must use any means to put an end to politics.  
Your enemy's people will leave you an opening.  
You must instantly invade through it.*

**From *The Art of War***

Answer:

- A. Cut off communication.

It is common in business for onetime partners to become competitors. Suppliers become competitors. Customers can become competitors. This happens constantly in every industry as organizations look for ways to expand. This is a perfect example of the new competitive situation that develops through the stages described in this chapter.

When this happens, the first thing that we must do is cut off communication. We must quickly take a competitive stance. If people want to compete with us, they want the information that we have about our territory. We must immediately protect ourselves. We want to stop them from stealing our secrets, hiring our employees, and getting any information from us. We don't try to keep our door open or repair the relationship. If we do, opponents will steal us blind.

After doing this, we don't attack immediately. We wait for our opponent to leave an opening. Openings are inevitable. When we see the opening, we cannot hesitate. We take advantage of it immediately to attack our new opponents.

## Lesson 252

**Once you invade a new competitor's territory, what do you have to do?**

- A. Attack their stronghold.**
- B. Seize something they need.**
- C. Take your first steps carefully.**
- D. Plunder their border.**

*Immediately seize a place that they love.*

*Do it quickly.*

*Trample any border to pursue the enemy.*

*Use your judgment about when to fight.*

From *The Art of War*

Answer:

- B. Seize something they need.

We must avoid their strong points. Instead, we must find a sensitive weak point. In the scenario here, when a former partner becomes an enemy, we know them well enough to know their prized customers, prized distributors, and other prized relationships. We must identify one of these areas as a weak point and quickly go after it. We must win it away from them even if it costs us a lot.

We shouldn't worry about conventions in this type of battle. We shouldn't worry about past agreements or contracts. Normally, we honor agreements scrupulously, but in this type of competitive situation, all bets are off. We must do whatever it takes to compete.

We want to use our competitive skills to redefine the battleground. We want to force our competition to fight in their own territory on the terms that we define. In other words, we want to lure them into a "scattering" situation within their border. In this situation, they are tempted to fight on our terms. This turns the advantage in battle to us. This in turn gives us the opportunity to lure away their customers, employees, and other allies. We use this opportunity to gather their people and their expertise. We make ourselves stronger while making them weaker.

## Lesson 253

**How do you keep any new competitor from trapping you within their territory?**

- A. By not getting in too deeply.**
- B. By amassing a force too large to fight.**
- C. By moving faster than they can.**
- D. By trapping them first.**

*Doing the right thing at the start of war is like approaching a woman.*

*Your enemy's men must open the door.*

*After that, you should act like a streaking rabbit.*

*The enemy will be unable to catch you.*

From *The Art of War*

Answer:

- C. By moving faster than they can.

This one stanza summarizes Sun Tzu's entire approach to war. He describes warfare as wooing a woman. This is an excellent analogy.

We first must wait for an opening. We must be invited into a competitive area. The need of the market must draw us in. We don't create the opening, our competition does. We can't push ourselves forward. If we do, we will be rebuffed. We must see the need. We must understand the opening.

After we see an opening, we must use it to invade as far and as fast as we can. If this were a potential lover, we would want to get deeply involved in their lives. We must get ourselves in so deeply that we are totally committed. If we don't, we will be frightened away by the first sign of adversity. If we commit ourselves, we can suffer a lot of rejection and still persist.

Still, we don't want to go after competition forces directly. We want to capture something that they care about so that they come after us. We don't want to pursue them; we want them to fight on terms that we define. They must attack while we defend.