

About *Planning an Attack*

Sun Tzu discusses the issues that we must address before we start a competitive campaign. He discusses unity, focus, and the intersecting roles of a military commander and the nation's leader.

Sun Tzu wants to put the traditional view of competition into a larger context. The traditional view was all about size: the bigger force is stronger than the smaller one. Sun Tzu sees this view as too narrow. Indeed, he doesn't think that real strength comes from size at all. An army of any size can win, but, in his words, that force has to have the right attack strategy. Our size relative to our competitor's determines the strategy we choose. Sun Tzu is very specific about the strategy we must use given the relative size of our competitor.

Sun Tzu also reemphasizes the critical importance of the right competitive attitude. Though he counsels us to avoid destructive conflict, he doesn't want us to think that this means we can avoid competition. Indeed, he tells us that we must always be seeking those rare competitive situations where we are certain to win. This is the whole point of planning our attacks.

The chapter ends with a discussion of politics and its harmful affects on competitive organizations. Political issues arise from divisions within the organizations. They most likely arise when we plan our attack. We must work carefully to avoid these divisions from crippling our efforts.

Lesson 34: Individual Skill

How do individuals deal with the need for competitive skills?

- A. Everyone uses his or her competitive skills.**
- B. Some succeed despite their lack of competitive skills.**
- C. Those who never develop competitive skills always fail.**
- D. Everyone is born with the same competitive skills.**

Everyone relies on the arts of war.

From *The Art of War*

Answer:

- A. Everyone uses his or her competitive skills.

Everyone has and uses their competitive abilities. Sun Tzu organized these skills into a system, but people rediscover similar methods simply by working to survive. No one succeeds without competitive skills, but those that fail are also using their competitive skills to the best of their ability. We don't win a competition because no one else is playing. Everyone is always competing, whether they know it or not, whether they admit it or not, and whether they like it or not. Sun Tzu wants us to know that we are always facing competition.

To Sun Tzu, competition is not a good thing or a bad thing; it is simply a fact of life. Capitalism is competition. Communism is also competition with a different (less productive) set of rules. Politics is competition. War is competition. Business is competition. Competition, by nature, means that there are winners and losers. Both are using their competitive skills to the best of their knowledge and ability, but there are huge differences in skills.

Change opens new competitive territory such as the Internet. Such change sparks a huge competitive battle in which everyone is using their skills and knowledge to the best of their ability. In such battles, a few will survive and many will fail. In each new area, people compete for attention. They compete for income. They compete for market space. They compete for information space. In time, every open territory is filled with new competitors each using these ancient skills.

Lesson 35: Understanding Strength

How can you tell strong competitors from weak ones?

- A. Strong competitors are smart; weak ones are dumb.**
- B. Strong competitors are experienced; weak ones are novices.**
- C. Strong competitors are united; weak ones are divided.**
- D. Strong competitors are large; weak ones are small.**

A united nation is strong.

A divided nation is weak.

A united army is strong.

A divided army is weak.

A united force is strong.

A divided force is weak.

United men are strong.

Divided men are weak.

A united unit is strong.

A divided unit is weak.

From *The Art of War*

Answer:

- C. Strong competitors are united; weak ones are divided.

Sun Tzu redefines the idea of strength for competitive purposes. The natural mistake is to consider size and strength as the same thing. Sun Tzu says that this view is totally wrong. Size doesn't matter. Large forces can be beaten by smaller ones. The difference that determines strength is not in size, but unity and focus. Scale, that is, large differences in size do obviously matter, but within a given scale, the real competitive difference how strongly they are united and focused.

In the translation, we use the word "united," but Sun Tzu actually used the Chinese ideogram for the number "one," contrasting it with the character that means "divided" or "broken." He meant "unity," or "oneness" but he also meant focus, single-mindedness, and, as it says in a later chapter, concentration. He meant unity of purpose, ideas, and people. By this measure, an Amazon.com focused on selling books alone is stronger than one who sells many other products. In a real competitive battle, such division creates weakness.

Lesson 36: Your Competitive Goals

What should your competitive goals be?

- A. To use your strength to win the key battles you fight.**
- B. To use your strength to win most battles you fight.**
- C. To use your strength to win every battle you fight.**
- D. To use your strength to avoid battle.**

Unity works because it enables you to win every battle you fight.

Still, this is the foolish goal of a weak leader.

Avoid battle and make the enemy's men surrender.

This is the right goal for a superior leader.

From *The Art of War*

Answer:

- D. To use your strength to avoid battle.

Again, Sun Tzu wants to undermine our preconceptions about competition. Competition is not about conflict. Indeed, according to Sun Tzu's method, conflict is the *failure* of successful competitive strategy. Conflict is dangerous and destructive. Think of mating competition in the natural world. The most successful males aren't those that win numerous battles with competing males, rather they are those who discourage others from challenging them.

So, in planning an attack or confrontation, we want to put ourselves in a position in which others will be discouraged from competing with us. Ideally, we want them to surrender, not to contest, the position or market that we desire. Others concede to us for a number of reasons, but they all boil down to just one. **We must make the price of battle seem greater than the prize.**

The boom then bust in the Internet marketing highlights one of the biggest potential problems with competition. Too many willing competitors overestimate the value of competition (the prize) while underestimating the cost (the price). There are only two good strategies in competition: find areas or niches that others consider worthless or develop a position others view as unassailable. Only this approach gives us the rewards of competition without the pain of conflict.

Lesson 37: The Best Attack Strategy

What is the best attack strategy?

- A. Attack while opposition is still planning.**
- B. Attack the opposition's partnerships.**
- C. Attack the opposition's people.**
- D. Attack the opposition's strongholds.**

The best policy is to attack while the enemy is still planning.

The next best is to disrupt alliances.

The next best is to attack the opposing army.

The worst is to attack the enemy's cities.

From *The Art of War*

Answer:

- A. Attack while opponents are still planning.

This is a fundamental rule in Sun Tzu's method. We want to make our move before anyone else is prepared. By claiming our territory, showing our strength, or establishing our position, we want to change the competition's plans and discourage them from coming into conflict with us. This requires quick decisions and deceiving the enemy. Every other form of attack is less desirable than a preemptive strike. The purpose of this type of attack is to win without a battle.

If we cannot make a preemptive strike, the next best attack is indirect, one that breaks apart alliances. Remember that strength comes from unity. This attack weakens the enemy. The last two types of attacks, targeting armies and fortifications, should be avoided.

The problem with the initial economics of the Internet was that there were too many willing competitors in each obvious niche. However, the advantage of the Internet is that it offers "infinite" territory. Fighting over established territory is simply a failure of imagination. The only legitimate attack is to go after new territory that no one else has yet discovered. Getting to that area first gives us time to build up our position and develop the value of the territory. Competitors should only realize the value of our position when that position is unassailable.

Lesson 38: Attacking Strong Positions

If worse comes to worst and you must attack a stronghold, how do you do it?

- A. You must take time to build siege engines.**
- B. You must encircle the city and cut off its supplies.**
- C. You must swarm the city with overpowering force.**
- D. You must never attack an opponent's stronghold directly.**

This is what happens when you attack a city.

You can attempt it, but you can't finish it.

First you must make siege engines.

You need the right equipment and machinery.

You use three months and still cannot win

Then, you try to encircle the area.

You use three more months without making progress.

The commander still doesn't win and this angers him.

He then tries to swarm the city.

This kills a third of his officers and men.

He still isn't able to draw the enemy out of the city.

This attack is a disaster.

From *The Art of War*

Answer:

- D. You must never attack an opponent's stronghold directly.

Today's military theory tells us that we need an attacking force seven times larger than the defending one to attack an entrenched position. Sun Tzu's advice is much simpler. Even if we have such a force, we can always find more productive uses for it than attacking a stronghold.

One the Internet, how many companies have tried to duplicate Yahoo's business or Amazon's or Ebay's? How much money have they spent? How much progress have they made? The mistake is in our thinking. We see a target and think we should attack it. We see a business and know that we can do it better. A visible target doesn't matter. A better business plan doesn't matter. We cannot build a business by directly attacking our competition's strong points.

Lesson 39: Overcoming Strong Competitors

How then can you beat your competitors if you can't attack them directly?

- A. You must not go after competitors; you must simply avoid them by changing your position.**
- B. You must first collaborate with your competitors and then turn against them.**
- C. You must set up a series of small competitive battles that you can win.**
- D. You must keep hidden from your competition and secretly build your position.**

Make good use of war.

Make the enemy's troops surrender.

You can do this fighting only minor battles.

You can draw their men out of their cities.

You can do it with small attacks.

You can destroy the men of a nation.

You must keep your campaign short.

From *The Art of War*

Answer:

- C. You must set up a series of small competitive battles that you can win.

Don't mistakenly think that Sun Tzu preaches non-competition. He wants us to confront and beat the competition. However, we must pick the time and place for that competition. Temporarily, we may secretly build up our position. We may also avoid competition by changing our position, but we cannot actually beat competitors until we take something from them. The secret is taking from opponents only in situations where we are certain to win, that is, when we have more *local* force in small, quick battles. .

Does this mean that any competitor can eventually lose their dominant positions? Yes, in a predictable way. They will lose their focus, grow beyond their ability to defend, and open themselves to niche battles.

Lesson 40: The Competitive Attitude

What attitude should you have about beating the competition?

- A. You must attack competitors only when they threaten you.**
- B. You must be totally dedicated to beating them.**
- C. You must see attacking them as a necessary evil.**
- D. You must bide your time, protect your resources, and wait to beat them.**

You must use total war, fighting with everything you have.

Never stop fighting when at war.

You can gain complete advantage.

To do this, you must plan your strategy of attack.

From *The Art of War*

Answer:

- B. You must be totally dedicated to beating them.

We want to avoid direct conflict, but this doesn't mean that we aren't totally dedicated to beating the competition. We must push against them continually. We must always be looking for ways and places in which we can beat them. Sun Tzu advises patience in the sense that we must await our opportunities, but he also wants us to embrace competition. Just because we don't risk our resources in conflict doesn't mean we shouldn't be using everything we have every day to undermine our competition and their position.

Microsoft is attacked for being too aggressive, but Sun Tzu's definition of "too aggressive" is attacking in situations where we might lose. Microsoft has traditionally used every tool at its disposal to dominate its competitors. In business, the approach has worked flawlessly. It is not its size or its monopoly position that gives Microsoft its success (despite government claims). Microsoft's success comes from its relentlessness. They never quit. They keep on coming. It may take them years and several generations of products to beat their competition, but they keep at it. Microsoft does much less well in markets where it doesn't have a clear competitor. Does anyone remember "Bob," its proposed interface for home computers?

Lesson 41: Deciding Attack Strategy

What information is the basis of your attack strategy?

- A. Your knowledge of the relative size of your opposition.**
- B. Your knowledge of the competitor's goals and plans.**
- C. Your knowledge of the psychology of your competition.**
- D. Your knowledge of the local terrain.**

The rules for making war are:

If you outnumber the enemy ten to one, surround them.

If you outnumber them five to one, attack them.

If you outnumber them two to one, divide them.

If you are equal, then find an advantageous battle.

If you are fewer, defend against them.

If you are much weaker, evade them.

From *The Art of War*

Answer:

- A. Your knowledge of the relative size of your opposition.

Organizational size is not the basis of strength; *local* superiority is. We can target and beat much larger competitors, but we must divide and conquer. In each situation, our strategy must be designed to minimize destructive conflict and create a situation in which the competition will be forced to “surrender” to us.

Local superiority is situational. Even a small organization can put ten times more resources into a specific situation than a much larger one. Our strategy must be to arrange situations so that we are the dominant force. Unless we have five times the force, we aren't in a position to attack. We still have more work to do.

This local superiority is often difficult to measure. Competition in business can be measured in sales, or, more precisely, market share, but “market” is how we define a group of customers. Of course, markets can be defined and divided many different ways. What we are searching for is a way to define and divide the market so that we have absolute, unquestionable superiority in our segment. This requires knowledge of the market and the competition's exact position in it.

Lesson 42: The Challenge of Size

Can't you win the competitive battle simply by amassing the largest force?

- A. This should be your basic strategy.**
- B. Large forces are expensive to build and costly to support.**
- C. Both large and small forces have strengths and weaknesses.**
- D. Small forces are better suited to small targets.**

Small forces are not powerful.

However, large forces cannot catch them.

From *The Art of War*

Answer:

- C. Both large and small forces have strengths and weaknesses.

Size cuts both ways. Large organizations have more resources, but they can't move or change quickly or easily. This is no less true today than it was 2,500 years ago?

The strength and weakness of size is the basis of all competition. The power of the large counters the swiftness of the small. Philosophically, Sun Tzu clearly prefers the agility of speed over the power of size. Large forces, in general, are too costly to support and take too long to assemble. With agility, we can create situations where we have the necessary superiority of forces at a given place and time even though our total forces are much smaller than our opponent's forces.

Many large, established companies such as Wal-Mart and Sears waited to move on to the Internet until the market became more mature. They are unlikely to develop strong positions without a lot of patience. Large organizations have too many other priorities to concentrate their resources on a new, uncertain market for their products.

Microsoft is the exception that proves the rule. When confronted with the challenge of the Internet, they reshaped their business to focus on it. They redefined their mission within a few months. They were successful enough to get sued by the government.

Lesson 43: The Role of Stakeholders

In planning a competitive thrust, what is the role of investors and other organization stakeholders?

- A. They should be involved in decision-making.**
- B. They must understand and agree with your plans.**
- C. If you are in charge, they must support you.**
- D. They must finance you.**

You must master command.

The nation must support you.

From *The Art of War*

Answer:

- C. If you are in charge, they must support you.

Sun Tzu wrote in a feudal era. The will of the state or nation, was the will of the duke, king, or emperor. The people of the nation were not consulted. Despite the deference of the times toward rulers, Sun Tzu thought that they should keep out of military matters. Once they hired a commander, the ruler's role was relegated to supporting that commander until he was dead or replaced.

In modern organizations, even the most powerful CEO or business owner has a number of people to whom he or she must answer. We have bankers, other owners, outside investors, and, in our more democratic times, other managers. Sun Tzu's advice would be the same. If you are the person in charge, these people must support you and let you make the decisions needed.

In smaller businesses, most owners think that they want outside investors. These owners often want to go public and bring in the stockholders. They see this as the road to success because it makes ownership in company valuable. We need to be aware that outside ownership is also extremely risky. Outside ownership doesn't make a company valuable; its sales, profitability and growth do that. Outside investors can make ownership more liquid, but they find it difficult to resist second-guessing management decisions.

Lesson 44: Decision-Making

Why shouldn't investors and other stakeholders involve themselves in high-level, strategic decisions?

- A. They will destroy the value of their investment.**
- B. They will hurt the confidence of their managers.**
- C. They don't have the right priorities in their concerns.**
- D. They don't know the true nature of the situation.**

Supporting the military makes the nation powerful.

Not supporting the military makes the nation weak.

From *The Art of War*

Answer:

- A. They will destroy the value of their investment.

Sun Tzu puts the problem into a context any investor should be able to appreciate. The ultimate result in weakening the control of the commander is weakening the organization as a whole. Remember what makes an organization strong? Strength comes first from unity. The organization's leader must have command. If he or she does, the organization and its investors will do well. If investors and other stakeholders fail to support their leader, they weaken the entire organization.

This is a matter of priorities. For a competitive organization, nothing else is as important as unity. The organization's mission is an important part of that unity, but support of the organization's leader is perhaps even more important. Making the "right" decision is never as important as maintaining organizational focus and unity. If a leader's decisions are questioned, debated, and not supported, we do the organization much more damage than we can ever benefit from the best possible decisions. Bad decisions can be corrected. Weakened leaders cannot be rehabilitated.

A good way to spot likely winners in any competitive market is to find organizations with a strong leader. To spot losers, look for companies run by their investors.

Lesson 45: The Mistakes of Politicians

What mistakes do investors and other politicians make in directing competitive organizations?

- A. They are too aggressive in risking competition.**
- B. They are too fearful about risking competition.**
- C. They are too confused, not knowing what to do.**
- D. They are at once too aggressive, too fearful, and too confused about what to do.**

Politicians create problems for the military in three different ways.

Ignorant of the army's inability to advance, they order an advance.

Ignorant of the army's inability to withdraw, they order a withdrawal.

We call this tying up the army.

Politicians don't understand the army's business.

Still, they think they can run an army.

This confuses the army's officers.

From *The Art of War*

Answer:

D. They are at once too aggressive, too fearful, and too confused about what to do.

Investors, bankers, stockholders, stakeholders, and all other business politicians know exactly what they want. They want to make money and not lose it. They are driven by both greed and fear. These emotions have nothing to do with running a competitive organization. Greed makes us too aggressive. Fear makes us too conservative. Switching back and forth creates confusion.

Our decisions must be based upon the situation we are in at the moment. Too much concern about eventual gains or losses takes the focus off competition and puts it where it doesn't belong. All the Internet companies that are in the business just to please their investors are doomed. They will not beat their competition if they must keep looking over their shoulders at their stock prices.

Lesson 46: The Organizational View

How do members in the organization view investors' and politicians' involvement in decision-making?

- A. They see it as giving them less freedom.**
- B. They see it as clarifying the chain of command.**
- C. They see it as giving them more freedom.**
- D. They see it as assuring the organization of financing.**

Politicians don't know the army's chain of command.

They give the army too much freedom.

This will create distrust among the army's officers.

From *The Art of War*

Answer:

- C. They see it as giving them more freedom.

Involvement of investors and politicians give subordinate managers a “court of appeals.” If they don’t like their leader’s decisions, they can take those decisions “up” to the investors and politicians.

Running an organization is a balancing act in which some “officers” are always going to be unhappy with some decisions. Their ability to go “over the head” of their leader creates distrust in the organization. No one ever knows what decisions are final.

Once more, unity is what gives an organization strength. The organization must be focused on its competitive goals. However, the larger reality is that everyone in the organization has their own individual goals. Since everyone depends upon the organization, we subordinate our individual goals to the larger shared goals.

Sun Tzu knows what happens to an organization when the chain of command isn’t clear. He knows that some of the organization’s officers, many of whom think that they are smarter than the commander, will begin to put their own ideas and priorities first. Without a clear commander, everyone is fighting for power and recognition within the organization instead of fighting the competition outside of it.

Lesson 47: Internal Political Battles

What is the eventual result of internal political battles of an organization?

- A. A new, stronger commander will emerge.**
- B. The entire army is weakened, inviting destruction.**
- C. Competition slows and grows more expensive.**
- D. Competition waits until order is restored.**

The entire army becomes confused and distrusting.

This invites the invasion from many different rivals.

We say correctly that disorder in an army kills victory.

From *The Art of War*

Answer:

- B. The entire army is weakened, inviting destruction.

When external influences generate internal politics, there is no happy outcome. Internal politics weakens the entire organization. Distrust and conflict between different managers create distrust and conflict between different divisions. A united organization is now a divided, weak one. Investors, by trying to protect their investment, have weakened it.

Internal strife within an organization encourages external competition. The sharks smell blood in the water. The pace of external competition actually speeds up as other organizations try to take advantage of the situation. The organization is ill prepared to defend themselves against this raised level of competitive attacks.

For example, at one time, many companies wanted to serve as Internet incubators, growing Internet start-ups by providing a framework of services and skills for them. This model only works when the start-ups are too small to have any internal complexity. Once they begin to have different departments and divisions, they must be removed from an environment where the incubator or investors serve as a court of higher appeal. If employees are given a court of higher appeal, the CEO will never truly be in control and internal politics will tear these companies apart.

Lesson 48: The Five Lessons in Success

How many lessons in this chapter outline Sun Tzu's theory of success for planning an attack?

- A. There are five major lessons.**
- B. There are three major lessons.**
- C. There are seven major lessons.**
- D. There are nine major lessons.**

You must know five things to win:

Victory comes from knowing when to attack and when to avoid battle.

Victory comes from correctly using large and small forces.

Victory comes from everyone sharing the same goals.

Victory comes from finding opportunities in problems.

Victory comes from a having capable commander and the government leaving him alone.

You must know these five things.

You then know the theory of victory.

From *The Art of War*

Answer:

- A. There are five major lessons.

Sun Tzu summarizes his lessons in a slightly different order than he presented them. He began by discussing the strength of unity, which he calls here “sharing the same goals.” He then talked about when to attack--when enemies are still planning--and why not to attack a city. He then talked about the how relative size determines your strategy of attack. This is really a discussion of how to use large and small forces . He emphasized that both large and small forces have their abilities and liabilities, teaching us how to look for our opportunities in our problems. He ends with not second-guessing the commander, which returns us to the discussion about “sharing the same goals.”

Sun Tzu wants us to understand that these issues may be deep and complex, but they are not numerous. We can consider all of them before planning our competitive attacks.

Lesson 49: The Basis of Success

What is the basis for Sun Tzu's theory about when to attack to assure success?

- A. It is a theory of size and unity.**
- B. It is a theory of complete command.**
- C. It is a theory of force and speed.**
- D. It is a theory of knowledge.**

We say:

Know yourself and know your enemy.

You will be safe in every battle.

You may know yourself but not know the enemy.

You will then lose one battle for every one you win.

You may not know yourself or the enemy.

You will then lose every battle.

From *The Art of War*

Answer:

- D. It is a theory of knowledge.

Although we have been talking about unity, strength, speed, force, and command, Sun Tzu reminds us at the close that this is all really about knowledge. We have to know our focus, our shared goal. We have to know what our opponents are doing. We have to know the relative size of our forces. We have to know the right tactics to use. We have to know the right relationship between the commander and his forces.

According to this theory, not knowing our competition can be costly, but not knowing ourselves can be fatal. To catch the competition unprepared, we have to know what they are planning. To outnumber their forces at the point of attack, we have to know what they are doing. However, to keep our forces united and strong, we have to know that our people value our goals and that they are looking only one place for leadership.