

About *Armed March*

This is one of the longest chapters in *The Art of War*. It continues what was begun in the last chapter: looking in more detail at how we adapt to specific situations. It addresses situations that we encounter “on the march,” that is, those that occur when we are trying to position ourselves in new territories.

This chapter starts with a discussion of how to compete in different types of territory. When Sun Tzu discusses moving through mountains or marshes, he wasn’t using analogies. He was actually talking about physically moving through these types of territory. The same is true when he talks about animals startle or birds gathering. These are real events that occur when an army is moving through the countryside. However, each of these situations has an analogue in the business environment.

As the chapter continues, the emphasis shifts from understanding the environment to understanding what the competition is doing. We must discern the opposition’s intent from its words, actions, and emotions. Sun Tzu provides a great deal of detail to help us understand our competitor’s situation and direction. Because human nature has not changed, this advice works equally well in understanding the intentions of our competitors in the business world.

The chapter shifts focus again at the end. Finally, we must understand how to handle our people when we are moving into new areas. The final lessons are about getting the most out of our people.

Lesson 147

What would be your primary consideration when you are moving into a new competitive area?

- A. The territory.**
- B. The obstacles.**
- C. The trends.**
- D. The competition.**

Everyone moving their army must adjust to the enemy.

From The Art of War

Answer:

- D. The competition.

This chapter focuses on how to understand a number of situations. It analyzes a number of different types of territories and obstacles, but Sun Tzu warns us from the very beginning that we must not forget the competition. All movement is primarily movement against the opposition. Positioning is always a matter of using the territory, but when looking for a place in a new market, it is specifically trying to find a hole left by the competition.

As we move into a new business area, we are exploring. We suspect that there is a need in the market, but we don't know the shape and dimensions of that need. We wouldn't be involved in that market unless we were drawn in by customer need. That need exists only because our competition overlooked or ignored the needs of its customers.

As we will see in this chapter, business markets, like the physical environment, have different types of terrain. We call these differences "customer demographics," but as we go through the range of terrains that Sun Tzu describes, we will see that they are clearly analogous to various demographic groups in the business world. Sun Tzu advises how to make the best use of these different terrains, but the focus is always on how to best use them against the competition. Later in the chapter, the focus shifts even more clearly to what our competitors are thinking and doing in response to our movement.

Lesson 148

When moving into a new area, how do you establish a position for yourself?

- A. Go after the biggest companies.**
- B. Go after the top people.**
- C. Go into the areas that are easiest.**
- D. Go into areas that are difficult.**

Keep out of the mountains and in the valleys.

Position yourself on the heights facing the sun.

To win your battles, never attack uphill.

This is how you position your army in the mountains.

From *The Art of War*

Answer:

- C. Go into the areas that are easiest.

When moving into a new area, Sun Tzu tells us to stay in the valleys, that is, to keep low. In other words, we should follow the path of least resistance. In commerce, we should take whatever business comes our way. Typically, these would be the average customers, the most common customers, not big, visible customers.

Generally, when we are moving into a new area, we don't want to work with the largest customers. These customers are appealing. They are highly visible and they seem attractive, but they are also difficult. Like traveling in high mountains, working with big customers is very demanding. They consume our resources and make it hard for us to change. Big companies know that their business is valued and charge a premium for doing business with them.

When Sun Tzu tells us "never to attack uphill," the general advice is that we should not try to win by fighting against natural tendencies. Especially when we are trying to develop new markets, this type of struggle is seldom profitable. Given enough effort and cost, we can perhaps win the business, but we cannot be successful according to Sun Tzu's definition. We can't be profitable. We can't make victory pay.

Lesson 149

When you are faced with an area or situation that is completely fluid and changing rapidly, what do you do?

- A. Use the change.**
- B. Avoid the change.**
- C. Ignore the change.**
- D. Distrust the change.**

When water blocks you, keep far away from it.

Let the enemy cross the river and wait for him.

Do not meet him in midstream.

*Wait for him to get half his forces across and then take
advantage of the situation.*

From *The Art of War*

Answer:

- B. Avoid the change.

In the original, Sun Tzu meant water in the form of lakes and rivers, but water is also one of the standard metaphors used to symbolize change. When it stands for our ability to adapt, it is a good thing. Like water, we should take a shape that fits the situation that we are in. When the change is a part of the ground, it is a bad thing. It means that we cannot trust the ground. We cannot be certain of it.

We want to avoid areas or situations that are changing rapidly. In business, this would include industries and organizations that are going through rapid change. If an organization or industry is changing rapidly, we are not likely to make much progress in them and, even when we do make progress, we make ourselves vulnerable both to the change itself and to opposition is attack.

The primary way we can use these shifting areas or changing situations is as traps for our opponents. If we wait until our opponents are embroiled in a changing situation, we can attack them more successfully. They will have fewer resources to deal with competitive attacks because much of their organization is still trying to deal with the changes that they are embroiled in.

Lesson 150

How do you compete successfully when you are in the midst of change?

- A. You can't compete when you are in the midst of change.**
- B. You can defend yourself.**
- C. You must attack the enemy.**
- D. You must reevaluate your market.**

You need to be able to fight.

You can't do that if you are in the water when you meet an attack.

Position yourself upstream, facing the sun.

Never face against the current.

Always position your army upstream when near the water.

From *The Art of War*

Answer:

- A. You can't compete when you are in the midst of change..

When we are in “water,” we are surrounded by change. These are the positions in which we are the most vulnerable. We cannot really compete, even to defend ourselves, when we have to cope with change. This is why management changes, organizational restructuring, and especially market changes must be avoided when we are in any competitive risk at all. We are vulnerable when we are in the midst of this kind of uncertainty.

When we have a position in areas that are changing, we need to make sure that the trends of the time (the current), works for us rather than against us. We never want to battle against the current in trying to compete. Generally, we want to avoid change. When it can't be avoided, we must make sure that time is on our side.

“Change” is a two-edged sword. We must be able to adjust to the market and the competition. So we want to be able to change our plans. However, other types of changes—shifting markets, reorganizations, etc., must always be recognized inherently dangerous.

Lesson 151

When you find yourself in an uncertain market or situation, what do you do?

- A. Move through it quickly.**
- B. Explore the area thoroughly.**
- C. Wait for certainty.**
- D. Pick a battle.**

You may have to move across marshes.

Move through them quickly without stopping.

You may meet the enemy in the middle of a marsh.

You must keep on the water grasses.

Keep your back to a clump of trees.

This is how you position your army in a marsh.

From *The Art of War*

Answer:

- A. Move through it quickly.

There are many “marshes” in the marketplace, places where the ground is uncertain. These are business areas where money is tight, cash flow is slow, decisions are hard to come-by. We know we are in a marsh because our business bogs down in them. Many of those who find themselves doing business with the government discover that they are in a marshland or bog.

We can use these areas as stepping-stones to new areas, but we don’t take a definite competitive position in them unless we are confronted by the competition. When we are trying to reposition our company, we should move out of these areas as soon as possible. There may be little competition in these areas, but that is because no one can build a serious business in them.

If we temporarily find ourselves having to compete in these areas, we can defend ourselves only if we stick to the most solid ground, the best and most established customers in these markets. These positions are not strong, long-term positions, but they can be defended if we are careful.

Lesson 152

When you are in an area that puts everyone on equal footing, how do you position yourself?

- A. You take a position that you can change.**
- B. You take a position that you can defend.**
- C. You take a position that brings opponents to you.**
- D. You take a position that keeps the danger behind you.**

On a level plateau, take a position that you can change.

Keep the higher ground on your right and to the rear.

Keep the danger in front of you and safety behind.

This is how you position yourself on a level plateau.

From The Art of War

Answer:

- A. You take a position that you can change.

A “level plateau” represents any business area in which many different viable positions are available. These areas offer different players a number of choices to make in terms of how they position themselves. The quality of our position is determined as much as it is by the positions that others take as by the ground itself.

When we can choose, our first choice should be to take a position that we can change, adjusting to the competition. The various qualities of the ground here are less important than our relationship to our competition in the area.

This does not mean that we can totally ignore the ground. We want the “high ground,” (in markets, larger, more stable customers) behind us if possible. We want to be able to move forward along the path of least resistance.

Our focus should be on the competition and our difficulties. In these situations, we should face our problems, that is, aim ourselves directly at the competition’s customers, partners, and resources while we protect our own customers, partners, and resources.

Lesson 153

Are there any situations in which you can not find an advantageous position?

- A. Yes, in fast changing situations.**
- B. Yes, with larger organization or important people.**
- C. Yes, in uncertain situations.**
- D. No, you can find an advantage in every situation.**

*You can find an advantage in all four of these situations.
Learn from the great emperor who used positioning to conquer
his four rivals.*

From *The Art of War*

Answer:

- D. No, you can find an advantage in every situation.

When we are looking for a new position, some areas are simply better than others. Positions in mountains (with big organizations), new water (changing situations), or in marshes (uncertain ground) are always weaker than positions elsewhere. However, this does not mean that when we find ourselves in these situations we can't make the best of them. In each of these cases, Sun Tzu explains specifically how we can make the best of a bad situation.

The general rule for positioning is to seek out areas that others have overlooked. In following this basic plan, we can easily find ourselves in areas that are too steep, fast changing, or uncertain. Sun Tzu looks upon movement into a new area as an experiment. We are never certain of what a new area (marketplace, market position) is like until we explore it. This is why we generally commit ourselves to small, quick, inexpensive explorations.

This doesn't mean that we cannot win in these situations. No matter what situation we find ourselves in, we can play to win. This is why, along with explaining the weakness of certain types of territories, Sun Tzu *always* explains how to find an advantage. If we meet the competition in these areas, we can still beat them. If they are there, they are also on weak ground, and all strength is relative and local.

Lesson 154

What keeps your organization healthy?

- A. **Visibility.**
- B. **Success.**
- C. **Financial strength.**
- D. **Surprise.**

*Armies are stronger on high ground and weaker on low.
They are better camping on sunny, southern hillsides than on the
shady, northern ones.
Provide for your army's health and place it well.
Your army will be free from disease.
Done correctly, this means victory.*

From *The Art of War*

Answer:

- A. **Visibility.**

For those interested in oriental philosophy, in the original Chinese, this passage introduces the concept of yin-yang, that is, male and female principles. In the original form, the sunny, southern hillside is the male principle, whereas the shady, northern hillside is the female principle. Sun Tzu certainly appreciates the power of female mystery and secrecy in keeping our plans hidden, but for purposes of handling an organization, he favors openness and visibility, the sunny hillside.

Sun Tzu taught that the sunny hillside keeps the organization healthy. We want the operations of our organization to be visible and the chain of command to be easily recognized. Modern management philosophy teaches that making problems visible is one of the keys to solving them. This is very close to what Sun Tzu teaches here. We want to keep the organization out of the shadows for the sake of efficient internal operation.

Externally, the high, sunny hillside corresponds to market visibility. This is also a critical element in the health of an organization. Whatever territory we are moving into, people must see us.

Lesson 155

When we are forced to defend a desirable position, where should we position ourselves?

- A. Where we can easily move.**
- B. Where we cannot go backward.**
- C. Where our opponents approach us directly.**
- D. Where we are hidden.**

*You must sometimes defend on a hill or riverbank.
You must keep on the south side in the sun.
Keep the uphill slope at your right rear.*

*This will give the advantage to your army.
It will always give you a position of strength.*

From *The Art of War*

Answer:

- B. Where we cannot go backward.

We can utilize any “high ground” no matter how slight. In business, we establish the “high ground” when we build up the value of our position. When Sun Tzu talks about keeping an uphill slope behind us, he is talking about using our position to make it difficult for competition to move against us. We do this by winning customers and developing skills. With real accomplishments behind us, it is difficult for others to compete with us. It also makes it difficult for us to abandon what we have developed. It is difficult to abandon real customers, cash flow, or the skills that create them. The “high ground” keeps us in our position.

We must continually look for ways to develop high ground that is hard to attack. Establishing a web presence and building the value of a web site is one way that small business can establish “high ground.” For example, at Clearbridge we continually build up the value of both our free site and our restricted owners’ site. As the valuable contents of these areas grow, we find ourselves on higher ground when competing with others who compete with us in selling *The Art of War*. This high ground gives us a position that is easy to defend and hard to abandon.

Lesson 156

What do you do when change sweeps across your existing positions when you are looking to develop new ones?

- A. Stop trying to move, and wait.**
- B. Look for allies that you can use.**
- C. Move quickly out of our current area.**
- D. Face the change directly and master it.**

*Stop the march when the rain swells the river into rapids.
You may want to ford the river.
Wait until it subsides.*

From *The Art of War*

Answer:

- A. Stop trying to move, and wait.

Water always represents change, but there is a difference between rivers and rain. When we discuss “rivers,” we are talking about the changing ground. We have a choice of ground, so we should choose to stay away from changing ground. When we discuss “rain,” we are discussing heaven, which is beyond our control. We cannot avoid rain. It comes to us. Periods of change come to every area. The best thing we can do is wait, but we can also do the next best thing: dig in at our current position and wait for the change to subside.

The general rule is that we should always move away from existing positions slowly. We should never abandon existing business quickly. We may want to change the basis of our business, but we do this by developing new areas quickly and abandoning existing areas slowly. Our existing position is the firm foundation for making the move into a new position.

When a period of change engulfs our existing business, we may be tempted to get out of that area quickly, to press on with our movement into new areas more quickly. This is extremely dangerous. Instead, we must be patient. The weather will change. We must weather the change until conditions are better for moving.

Lesson 157

What do we do when we are find an opportunity that limits our future movement?

- A. Develop the opportunity quickly.**
- B. Develop the opportunity temporarily.**
- C. Discourage the opposition from the opportunity.**
- D. Encourage the opposition to take the opportunity.**

All regions have dead-ends such as waterfalls.

There are deep lakes.

There are high cliffs.

There are dense jungles.

There are thick quagmires.

There are steep crevasses.

Get away from all these quickly.

Do not get close to them.

Keep them at a distance.

Maneuver the enemy close to them.

Position yourself facing these dangers.

Push the enemy back into them.

From *The Art of War*

Answer:

- D. Encourage the opposition to take the opportunity.

Every actor who has ever worried about being typecast understands this problem. Certain positions make it impossible to move in the future. Businesses also get typecast. We are defined by what we do. All successful positions cut us off from *some* future position. A waste management company may well find it impossible to get into the food management business. We must be aware that there are positions that cut-us off from *all* other future positions.

The deep assumption here is that all armies must keep their options open, leaving themselves the option to move in the future. This is equally true for all businesses. No matter how dedicated we are to our current position, we must be free to move. The best positions give us the most appealing options for future movement.

Lesson 158

How do we deal with areas that are complex and make it difficult to see the competition?

- A. Avoid them.**
- B. Move into them cautiously.**
- C. Move through them quickly.**
- D. Use them to hide.**

*Danger can hide on your army's flank.
There are reservoirs and lakes.
There are reeds and thickets.
There are forests of trees.
Their dense vegetation provides a hiding place.
You must cautiously search through them.
They can always hide an ambush.*

From *The Art of War*

Answer:

- B. Move into them cautiously.

Visibility is good thing. We like it when we are visible to the market. Our people like it when the operation and rules of our organization are highly visible. We also like it when we can easily see and understand the competition. When we are in area where we have difficulty understanding where the competition is and what they are doing, we have to be extremely careful.

Notice that Sun Tzu does not tell us to stay out of these areas entirely. Unlike an area that has no future, these areas are worth exploring. However, we must depart from our regular approach of trying to develop a new area quickly. Instead, we must be careful how we invest in these areas. Is the area open, or is the competition simply hidden?

Information is always the key ingredient in Sun Tzu's system. If we don't know where the competition is, we need more information before we can make a serious commitment to the new area. Speed is often an advantage, but we can use it only when we know the ground well, especially when we know exactly where the competition is.

Lesson 159

We move into an area where the competition has a position but they seem to ignore us, what does it mean?

- A. They are secure in their position.**
- B. They are afraid of competition.**
- C. They are waiting to see what we do.**
- D. They are planning to attack.**

Sometimes, the enemy is close by but remains calm.

Expect to find him in a natural stronghold.

Other times, he remains at a distance but provokes battle.

He wants you to attack him.

From *The Art of War*

Answer:

- A. They are secure in their position.

Sun Tzu here changes topics. We began with judging the types of territories we move through. Now we change to judging the competition's reaction.

When competitors act confidently about their existing position, it is likely that they know the market better than we do and that they are secure in their position. They probably know that we are wasting our time in that market. This is even more certain if a competitor invites us into their market. They are baiting us. In these situations, we must resist the temptation to attack these positions.

The general rule is that we move away from the competition not toward it. We want to establish positions that others attack not attack positions that others have established. We must assume our competition knows what they are doing. Most of our competition is as rational as we are. When we are moving into an area that the competition knows better than we do, they have a special advantage. We should assume that their knowledge about that area is superior to ours. If they aren't worried about our presence and invite attack, we are usually wasting our time in the market.

Lesson 160

When a competitor moves away from his existing position, what does it mean?

- A. He is planning to attack.**
- B. He is leaving the area.**
- C. He is avoiding conflict.**
- D. He is looking for a stronger position.**

*He sometimes shifts the position of his camp.
He is looking for an advantageous position.*

From *The Art of War*

Answer:

D. He is looking for a stronger position.

An organization moves or should move for only one reason: they are looking for a stronger position. People do not leave where they are unless they have a reason. The most likely reason is that there is a problem with that area.

Here, Sun Tzu gives us an exception to the general rule. The general rule is that we move into open areas. A recently vacated area is open, but it isn't necessarily desirable. If our competitors didn't like that position, we should suspect that there are problems.

This is an extremely useful lesson because when someone moves out of an area, others are naturally drawn in. Nature abhors a vacuum. When a business moves out of a market, customers in that market look for another supplier. We must be wary about these situations.

Our competitors are rational. If they didn't like a position, there is a flaw. That flaw may not be immediately apparent, but we should expect that the competition knows something that we do not. They know this area better than we do. Because we are different than our competition, there *may* be an opportunity for us in this area, but we must find out what the competitor's problem was in the area in order to make that determination.

Lesson 161

How can we know best what the competition is doing if we can't see their moves directly?

- A. By observing the environment.**
- B. By listening to our instincts.**
- C. By knowing their leader.**
- D. By knowing ourselves.**

*The trees in the forest move.
Expect that the enemy is coming.
The tall grasses obstruct your view.
Be suspicious.*

From *The Art of War*

Answer:

- A. By observing the environment.

The topic shifts subtly again. We started by talking about responding to different types of environments. We then started talking about making judgements about the environment based on our competition's reactions. Now, we must judge our competition based upon our observations of the environment.

The general rule here is that if there is a change in the environment, we should suspect that the competition is causing it. If we can't see the environment, we have a problem. Environments that provide very little information should make us cautious and suspicious, but we shouldn't imagine things.

The underlying lesson is that we want facts upon which to base our suspicions. Sun Tzu is very concerned with people reacting with too little hard information. He dedicates the entire final chapter of the book to getting solid information from other people because he feels that people are the best source of information. We can, however, get hard information from the environment and we should always be looking for it. The absence of information is a problem. We cannot assume that it means the absence of competition. We can know, however, that if the environment changes, there is something else causing it.

Lesson 162

When people in the area you are moving into suddenly change direction for no apparent reason, what is happening?

- A. You are upsetting them.**
- B. It has nothing to do with you.**
- C. The competition is coming.**
- D. The competition is planning an ambush.**

The birds take flight.

Expect that the enemy is hiding.

Animals startle.

Expect an ambush.

From *The Art of War*

Answer:

- D. The competition is planning an ambush.

Ideally, we want information from people who tell us what is going on, but people's actions can also tell us what is happening.

When people change direction, they have a reason. When they won't tell us the reason, we have to assume that someone is working secretly against us. When the opposition is working against us, they usually want to keep it a secret. Since they know people talk, they build incentives in their plan for keeping people from telling us what is going on. Like the dog that didn't bark in *The Hound of the Baskervilles*, people's silence is strong evidence of what is happening.

Competition in business is often less direct than competition in the battlefield. Ambushes in battle are common enough, but almost all opposition in the business world takes the form of an ambush. In business, relationships are everything. When we move into a new area, we must focus on the reality that our competitors have established relationships. We have not. This makes it easy for established businesses to ambush new ones moving into an area. People won't tell us what is going on out of sympathy. If we don't pay attention to the way people behave, we will have no idea what is going on.

Lesson 163

If we get only tiny, seemingly meaningless bits of information from a new environment, how can we tell what is going on?

- A. By filtering out new from old.**
- B. By filtering out truth from fiction.**
- C. By the holes in the information.**
- D. By the pattern of the information sources.**

Notice the dust.

It sometimes rises high in a straight line.

Vehicles are coming.

The dust appears low in a wide band.

Foot soldiers are coming.

The dust seems scattered in different areas.

The enemy is collecting firewood.

Any dust is light and settling down.

The enemy is setting up camp.

From *The Art of War*

Answer:

- D. By the pattern of the information sources.

Sun Tzu teaches that to use information, we must be sensitive to details. In some situations, we don't even need the exact details to get information out of what is happening.

We can think of dust as the tiny disturbances that arise from the actions of opponents. Dust particles are the seemingly meaningless rumors or mere indications of the opponent's presence here and there. Sun Tzu's point is that the information itself doesn't have to make any sense. We can glean a great deal merely from the pattern of "dust."

Where do these bits information come from? Are they coming directly from a few people? Are they the top people or people lower down? Are they coming broadly from everywhere? The sources tell us where and how broadly the competition is working. Is it increasing or is it dying down? This change in pattern reveals a change in activity.

Lesson 164

When the enemy communicates with you, how do you discern his intentions?

- A. By evaluating his words.**
- B. By evaluating his actions.**
- C. By evaluating his emotions.**
- D. By evaluating his intentions.**

*Your enemy speaks humbly while building up forces.
He is planning to advance.*

*The enemy talks aggressively and pushes as if to advance.
He is planning to retreat.*

From *The Art of War*

Answer:

- D. By evaluating his intentions.

People know that they are in competition. They know that their words, actions, and even their emotions are being evaluated. To mislead others, we have all become actors. We pretend in our words, attitude, and our actions that we are going to do one thing when we are really planning something quite different.

Sun Tzu teaches us to ask why a person behaves the way he does. When a person acts angry is he truly angry? It is more likely that he wants us to think that he is angry. People don't usually attack out of anger. They attack because they have something to gain. Why would they signal an attack by showing anger? A show of anger is more often a sign that our opponent wants to avoid a fight.

Generally, we can trust actions more than words, but even actions are not a perfect indicator of intention. People commonly feint to make us think that they are doing one thing when they are actually doing another. In every situation, we must look at the words, actions, and emotions of our opponents and ask why they are showing them. By such analysis we distill their intentions.

Lesson 165

When your opponent's leader sends his captains into the field after a meeting, what does it mean?

- A. They are preparing to attack.**
- B. They are preparing to withdraw.**
- C. They are preparing to move to a new position.**
- D. They are preparing to defend their position.**

Small vehicles exit his camp first and move to positions on the army's flanks.

They are forming a battle line.

From *The Art of War*

Answer:

- A. They are preparing to attack.

Sun Tzu's point again is that we don't have to know the content of a message to understand the intent. What do we see here? We see vehicles leaving the leader's camp and moving to the flanks. What is happening? What do the vehicles contain? These aren't simply messengers, who would travel by horseback. The assumption is that the army's officers gathered for a meeting and are now being quickly returned to their troops. Why?

A leader doesn't call in his subordinates for a meeting and then quickly send them out to the flanks to defend a position, to move the troops, or to withdraw from a position. Speed and coordination are important only in an attack. Withdrawals are done slowly. Defense is built up patiently. Only attacks require speed and coordination at the flanks.

In business, a leader sends his best people out into the field only because he is serious about winning a new market or supporting a new business. If an opponent is aiming at our market, we have to prepare ourselves for serious defense. This is the type of action that speaks much louder than words. We cannot confuse our competition's intent when they are clearly preparing to do battle against us. We have to concentrate on our plans for dealing with direct confrontation.

Lesson 166

When our competitors say that they want an agreement with us but without offering a concrete plan, what does it mean?

- A. They are planning an attack.**
- B. They are seeking information.**
- C. They are in trouble.**
- D. They know that an agreement is impossible.**

*Your enemy tries to sue for peace but without offering a treaty.
He is plotting.*

From The Art of War

Answer:

- B. They are seeking information.

In this situation, the enemy is not necessarily planning an attack. They are also not likely looking for an agreement. If they really wanted an agreement, they would know what type of agreement that they would want. In other words, they would come with an offer.

In this situation, they want to know more about us. Offering an agreement puts them in a position where they can make contact with us. By not offering anything specific, they are putting us in a position where we have to talk. In such a discussion, they learn at the least what our goals are. They also learn more about our attitude. All of this helps them formulate their plans. An agreement may even be possible if they are able to formulate one that is to their advantage.

Microsoft has become somewhat infamous for using this tactic regularly with potential competitors. Microsoft would ask for meetings with leading companies in areas to which they were planning on moving. They used the offer of a potential agreement to open up their competitors and see inside their organization, but very few of these meetings produced actual agreements. Instead, these meetings were often simply tools for market research in which Microsoft obtained an advanced look at their competitors' plans. Lawsuits sometimes resulted, but the tactic worked more often than not.

Lesson 167

When your opponents give contradictory signs about advancing or retreating, what should you think?

- A. Their forces are confused.**
- B. Their leaders want to fight, but their men do not.**
- C. They are trying to lure you.**
- D. They plan to fight but are afraid.**

*Your enemy's men run to leave and yet form ranks.
You should expect action.*

*Half his army advances and the other half retreats.
He is luring you.*

From *The Art of War*

Answer:

- C. They are trying to lure you.

Defense is always less costly than attack. Luring a potential competitor into our market to steal their markets is often less costly than attacking them directly. If we can beat them on our own terms, we can easily move into their market when we expand.

When we are on an “armed march” looking for territories to conquer, we may forget the defensive reality. It is said that to a hammer, everything looks like a nail. We might say something similar about organizations that are looking for new territories. Since organizations are looking for viable opportunities, they will tend to see opportunities whether they are there or not.

This lesson is particularly important in evaluating an ambiguous situation. Is the opposition really in disarray—an easy victim—or are we seeing something more threatening—a competitor trying to lure us into an area where they can easily beat us? Sun Tzu wants us to always suspect the latter. If the enemy is really in disarray, we should see more signs of it, as we discuss later in this chapter.

Lesson 168:

What does it mean when all your opposition's people are focused first on personal rewards?

- A. Their organization lacks resources.**
- B. Their organization has poor leaders.**
- C. Their organization encourages selfishness.**
- D. Their organization rewards them too well.**

*Your enemy plans to fight but his men just stand there.
They are starving.*

*Those who draw water drink it first.
They are thirsty.*

From *The Art of War*

Answer:

- A. Their organization lacks resources.

First, let us consider so-called selfishness. People are motivated by self-interest in all circumstances. When they are focused on the well being of their organization, it is because they perceive that if the organization is successful, they will be successful. When they focus even more broadly on the general welfare, it is because they perceive that they will personally do better in an environment where everyone is doing better. Even Mother Teresa said that she chose to serve the poor because it fulfilled her needs and that she had benefitted more than anyone else did by her generosity.

If people must focus on their personal rewards, it tells that they have lost faith in their organization, at least in terms of providing for them. When an organization is successful, people expect the rewards to be distributed equitably. When an organization is strapped for resources, the organization must make difficult choices about which individuals are important and which are not. In these situations, the individuals themselves must work, not for the success of the organization but for their own interest.

This breakdown in unity is an invitation to attack that unity.

Lesson 169

When a competitor has a clear opportunity but does not take advantage of it, what does it mean?

- A. They are moving in another direction.**
- B. They are planning a trap.**
- C. They are stretched too thin.**
- D. They have poor leadership.**

*Your enemy sees an advantage but does not advance.
His men are tired.*

From *The Art of War*

Answer:

- C. They are stretched too thin.

This topic is covered again at the end of the chapter where look at how we cope with the fact that there is more work than manpower to get it done. Here we focus on recognizing this in the competition.

The foundation of Sun Tzu's philosophy is that all resources are limited. No matter how many opportunities we have, we can only do so much. People can only do so much. We cannot continually move from opportunity to opportunity at full speed. Eventually, we have to stop.

Since all resources, including human endurance, are limited, we have to be selective about the opportunities we invest in. We want to make sure that we use our limited resources in the best possible way. We don't want to be fully committed when an even better opportunity comes alone.

We want to recognize this situation in our opposition because being tired is a weakness. We can take advantage of this weakness in the competition. If they are stretched too thin, we know that they can't take advantage of an opening even if we leave it for them. For a little while, we can know where they are and what they are doing. We can take advantage of this situation by giving them more work to do, further overloading their already overtaxed resources.

Lesson 170

What does it mean when new, small companies suddenly appear into a competitor's market?

- A. Technology is changing.**
- B. The competitor is leaving the market.**
- C. The competitor has brought in new partners.**
- D. There has been a shift in market demand.**

Birds gather.

Your enemy has abandoned his camp.

From *The Art of War*

Answer:

- B. The competitor has abandoned its customers.

Organizations seldom announce when they are leaving a market. If they are wise, they move out of the market slowly. They gradually shift to a new position. As much as possible, they try to make the transition invisible. People tend to promote moving into a market. They keep it quiet when they are moving out.

We can, however, know when a competitor is moving out of a market by observing what is happening in that market. We have discussed the vacuum that is left in a market when a competitor leaves. The appearance of new, small businesses is one of the first signs of this vacuum. These vacated markets are not usually good opportunities, but new, small business can temporarily feed on what a larger company has left behind.

When we notice a competitor moving out of a market, we shouldn't be attracted to their leavings. Their leavings are literally for the birds. Our more immediate question should be where they are going and why. The reason that a competitor leaves a market is because he has found better opportunities elsewhere. Since resources are limited, businesses have to focus on the most profitable, longest-term opportunities they can find. We want to know what that opportunity is.

Lesson 171

How can you tell when the competition is really in disarray and not just trying to fool you?

- A. Their people contact you secretly.**
- B. Their people act out of control.**
- C. Their internal alliances change.**
- D. All of the above.**

*Your enemy's soldiers call in the night.
They are afraid.*

*Your enemy's army is raucous.
They do not take their commander seriously.*

*Your enemy's banners and flags shift.
Order is breaking down.*

From *The Art of War*

Answer:

D. All of the above.

There are many different signs that indicate real problems within a competitive organization. Any of them can be faked, but a pattern of disorder shows up in many places.

First, it shows up in self-interest. When individuals from a competitor start making contact with us, they are looking at their personal options. This means they are concerned about the condition of their organization.

Next, problems show up in the behavior of their people as a group. If, as a group, they act disorderly and out of control, they have lost faith in their management. They are no longer worried as a group about losing their jobs.

Finally, the alliances within the organization start to change. The leaders within the organization start to turn on one another. They start picking sides and finding scapegoats.

Lesson 172

If your opponent is in serious trouble, what should you be concerned about?

- A. Losing the opportunity to attack.**
- B. Encountering the same trouble.**
- C. Falling into a trap.**
- D. That they have nothing to lose.**

*Your enemy's officers are irritable.
They are exhausted.*

*Your enemy's men kill their horses for meat.
They are out of provisions.*

*They don't put their pots away or return to their tents.
They expect to fight to the death.*

From *The Art of War*

Answer:

- D. That they have nothing to lose.

We normally expect people to act in their own self-interest. We can normally predict their behavior because we understand where their interests lie. However, when organizations are pushed to the extreme, they become more unpredictable and therefore more dangerous.

The problem begins with management. The strain of competition puts managers under tremendous pressure and they are no longer making completely rational decisions. They can choose the costly battle that they can't win simply to take their hostility out on their opponents. The normal estimation of what the battle is worth is forgotten.

When people start consuming their assets simply to keep the organization going, they realize that they have little to lose. As a group, they are psychologically capable of anything. People who are willing to fight to the death are the toughest possible adversaries. People are many times more effective when their backs are to the wall and they know that they will gain nothing from defeat.

Lesson 173

What is the first sign your opponent's organization is headed for problems?

- A. Their internal communication slows down.**
- B. Their leaders are proud and boastful.**
- C. Their methods are aggressive.**
- D. Their positioning is weak.**

*Enemy troops appear sincere and agreeable.
But their men are slow to speak to each other.
They are no longer united.*

*Your enemy offers too many incentives to his men.
He is in trouble.*

*Your enemy gives out too many punishments.
His men are weary.*

From *The Art of War*

Answer:

- A. Their internal communication slows down.

An organization only exists if it has good internal communication. When people within the organization stop talking to one another, problems are unavoidable. Communication up and down the hierarchy is less important than communication among people in general. It isn't even necessary that communication stop; just having it slow down is enough to break down the unity of an organization.

Leaders too often think that they can solve their internal problems and get people to do the right things with incentives and penalties directing them. The reality is that trying to control an organization through incentives is a sign of weakness. Penalties make problems even worse.

Sun Tzu teaches that organizational strength comes from a shared philosophy or mission. That philosophy must define the shared goals of everyone. It is the basis of all internal communication. It assures that people do the right thing without being told.

Lesson 174

When an opponent's emotional reactions don't seem to fit their past behavior, what does it mean?

- A. They are trying to buy time.**
- B. They are having internal conflicts.**
- C. They do not know what they are doing.**
- D. They are hoping for a change of luck.**

*Your enemy first attacks and then is afraid of your larger force.
His best troops have not arrived.*

*Your enemy comes in a conciliatory manner.
He needs to rest and recuperate.*

From *The Art of War*

Answer:

- A. They are trying to buy time.

Earlier we talked about how competitor's use the offer of an agreement to find out about our organization. The lines above describe a similar ruse whose purpose is buying time. In this case, we must sense a mismatch between our opponent's current attitude and past behavior.

The major lesson here again is that people don't do anything without a reason. Opponents don't change their approach in a moment without having a very good reason. In this case, these are simply tactics for delaying a conflict at least for a short time so that the situation will improve in the immediate future.

Why would someone use attack as a delaying tactic? Because they like the position they are in and they want to hold us to our current position. Even though they don't have the resources that they need to conduct the battle, they want to fight on the current ground. This is why they start the engagement and then slow it down by pulling back. They want to confuse us. More obvious is a fake reconciliation that is simply a means of securing enough time to get their act together.

Lesson 175

When an opponent doesn't attack for a long time despite indicating that they want a confrontation, what should you do?

- A. Attack them before they build up resources.**
- B. Forget about them because they aren't serious.**
- C. Get more information about them.**
- D. Suspect that they are laying a trap.**

Your enemy is angry and appears to welcome battle.

This goes on for a long time, but he doesn't attack.

He also doesn't leave the field.

You must watch him carefully.

From *The Art of War*

Answer:

- C. Get more information about them.

This lesson at first seems vague, but it is very important. The lines above describe two possible competitive situations. We need to gather more information because identifying the wrong possibility is a costly error.

The first possibility is that our opponents want us to attack them, in other words, they are luring us. This is one of the first lessons that Sun Tzu teaches about an enemy that keeps their distance. In this case, we should stay away from them and not fall for the bait.

The other possibility is just as likely. Our opponents could be buying time because they want to build up their forces. The contradiction between their attitude and behavior fits Sun Tzu's description of a person trying to buy time. In this case, keeping our distance is the worse thing that we can do.

So, faced with two equally likely scenarios, we need more information. This lesson is the final one in this section devoted to diagnosing the competition's condition because it points out the types of conflict we might run into using the other rules we've been studying. When we see such a conflict, we must look at the situation more closely and not get ourselves into trouble that we could have been avoided.

Lesson 176

When you are developing a new area, how do you know when you've gone far enough?

- A. You can never go too far.**
- B. You find it difficult to get information.**
- C. Your people are overworked.**
- D. You run out of new directions.**

If you are too weak to fight, you must find more men.

In this situation, you must not act aggressively.

You must unite your forces, expect the enemy, recruit men and wait.

You must be cautious about making plans and adjust to the enemy.

You must increase the size of your forces.

From *The Art of War*

Answer:

- C. Your people are overworked.

This chapter is about “the armed march,” that is, exploring new areas. At this point the topic shifts from diagnosing competitive behavior in specific situations to understanding our own limitations.

In Sun Tzu’s system, we go after new territory whenever we have excess resources that we can use for expansion. We stop that expansion when we run out of resources. In Sun Tzu’s thinking, knowing when to stop is at least as important as knowing how to expand.

For Sun Tzu, knowing when to stop is simply a matter of knowing when you have too few people to continue. You must now consolidate your holdings and use your position to build up your resources. This takes time. During this time, we must be careful about making plans for new expansion. Instead, our focus must shift back to defense until we can build up the resources that we need to continue expansion. This is a critical phase in every campaign.

Lesson 177

How do you treat new people in your organization in comparison to how you treat veterans?

- A. You treat new people more severely.**
- B. You treat new people more kindly.**
- C. You treat new people more patiently.**
- D. You treat new people with indifference.**

With new, undedicated soldiers, you can depend on them if you discipline them.

They will tend to disobey your orders.

If they do not obey your orders, they will be useless.

You can depend on seasoned, dedicated soldiers.

But you must avoid disciplining them without reason.

Otherwise, you cannot use them.

From *The Art of War*

Answer:

- A. You treat new people more severely.

Since we must add more people when we no longer have enough resources to expand, we must know how to successfully build our organization.

The great truth about developing relationships is that we must treat new relationships differently than existing ones. When a relationship is new we must be much more serious and strict about the rules. In the beginning of a relationship, we haven't established our share goals. New people don't understand or necessarily buy into our mission. They haven't found their role in the organization. So we must be disciplined in these early relationships, making sure that both sides (we and they) honor the agreement between us.

However, this is opposite of the way we treat existing relationships. Existing relationships must be based on trust. We must expect our experienced people to understand our mission and their role. If we are too strict in the relationship, we destroy what makes relationships work.

Lesson 178

How do you get new people to believe in your organization's mission and develop esprit de corps?

- A. You train them well.**
- B. You suffer together.**
- C. You honor all agreements.**
- D. You win victories.**

*You must control your soldiers with esprit de corp.
You must bring them together by winning victories.
You must get them to believe in you.*

From *The Art of War*

Answer:

D. You win victories.

Where does the fabled “esprit de corps” come from? Training is good, but no amount of training creates spirit. Suffering together creates a bond, but that bond is well short of “esprit.” Honoring all our agreements is a necessity for trust, but this too is inadequate. In the end, the only thing that brings people together is shared success. Esprit de corps comes from the sure knowledge that we are part of a winning team.

People don't believe in us until they see that we are successful. People join an organization because they want to share in success. Organizations that never win in competition are doomed to fall apart. People will look for success elsewhere. Organizations that win but don't share that success with their people will never develop esprit de corp. People will drift away when the going gets tough.

If we want to build an organization that lasts, one that can grow in good times and bad, we have to develop esprit de corp. This means that we must continually engineer wins for our organization. As the leader of the organization, we can engineer wins simply for the sake of building organization spirit. We must engineer “wins” that may not win us much but that do give people a sense of progress and success, especially when people are new.

Lesson 179

How do you get new, inexperienced people to obey your orders?

- A. By making sure they understand why it is necessary.**
- B. By using incentives and rewards to encourage obedience.**
- C. By making your orders simple enough to train them.**
- D. By using punishments that make disobedience unthinkable.**

Make it easy for them to obey your orders by training your people.

Your people will then obey you.

If you do not make it easy to obey, you won't train your people.

Then they will not obey.

From *The Art of War*

Answer:

- C. By making your orders simple enough to train them.

The rule here is simple. Obedience depends on training. Training depends on simplicity. Simplicity must come first. We must start developing new people by making our orders easy to understand. We must assume that they know nothing. We must build up their knowledge one small piece at a time.

Is there a contradiction here? Sun Tzu's book, *The Art of War*, is not simple and, though it starts with some of the basics, it also starts with an assumption the reader understand Sun Tzu's complete system. This is clear evidence that Sun Tzu never meant this book as a training tool. He meant it as summary for those who had already been trained in his system by the tutorial methods of the time.

We cannot, however, obey Sun Tzu's methods until we understand them. We cannot understand them until we are trained. The best training is probably still personal training, but electronic media also make other forms of training possible. This is why we have taken the trouble to break Sun Tzu's lessons down into slide shows and study guides. We want to make them as simple and easy to understand as possible.

Lesson 180

What is the key to making your commands easy to follow?

- A. Making them as detailed as possible.**
- B. Starting with the easiest ideas first.**
- C. Understanding how people think.**
- D. Repeating them until they are understood.**

Make your commands easy to follow.

You must understand the way a crowd thinks.

From *The Art of War*

Answer:

- C. Understanding how people think.

This final verse addresses the most common mistake people make in trying to train people. Too often, we start with what we know instead of what our audience knows. To build a successful training course, we actually have to forget everything we know. We can then approach our subject with the same viewpoint as a beginner.

This is, of course, very difficult to do. One of the first steps is to escape from the “technical nomenclature” of our specialty. Every area of expertise develops its own terminology. These special vocabularies are filled with obscure technical terms and lots of acronyms that take the place of complex phrases but that mean little in themselves. When we are immersed in a specialty, we learn to think in its technical terms. Unfortunately, those special terms often act as an obstacle to learning, a barrier to entry, if you will, into our specialty.

Of course, this specialized language sounds impressive. It points to the secret knowledge that we have and that others lack. Unfortunately, it also makes it difficult to explain ideas to new people. We have to learn to see our speciality with fresh eyes and explain it without letting the technical terms get in the way. This is why we choose to use simple terms—knowing, vision, action, positioning—to describe Sun Tzu’s methods. These terms actually describe very complex ideas, but at least the terms give an inkling of what they mean.