Practicing the Art of War in Business

An Overview of Sun Tzu’s
The Art of War for Executives
Objectives And Methods

• **WAR**
  – A group of people pursuing a common goal in the face of competition.
  – Object: Destroy and Defeat
Objectives And Methods

• BUSINESS
  – A group of people pursuing a common goal in the face of competition.
  – Object: Produce and Profit
Sun Tzu Says:

• The aim of competitive action should be to realize profit as quickly as possible.

“PROFIT”
Sun Tzu Says:

• Competition determines who advances and who retreats, who succeeds and who fails, who profits and who loses, who lives and who dies.

“LIFE”
Aspects of Character

- Execute
- Focus
- Inform
- Lead

Aspects of Environment

- Heart
- 80/20 Vision
- Point
- Note

WALTZ

Aspects of Character

- Sparkle
Sun Tzu Says:

- Success or failure is determined by executive leadership alone.

- Effective leadership is everything! Authority must reside in the hands of those who can lead.
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80/20 Vision

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Sun Tzu’s Pyramid Of Profit

WALTZ
Sun Tzu Says:

- Character can be assessed in terms of seven factors: **S**elf-image, **P**urpose, **A**ccomplishment, **R**esponsibility, **K**nowledge, **L**oyalty, and **E**-go (the example of excellence and effort). The effectiveness of organizational activities, and indeed its very substance, depends on the tone and quality of the character of its leaders.

“**SPARKLE**”
Deliberately choose your role models and govern your actions by a deliberately selected set of ethics.

“Select A Role”
LEAD - Aspects of Character:
SPARKLE

Purpose

Choose to act with a deliberately selected set of goals in mind.

“Chart A Course”
LEAD - Aspects of Character:
SPARKLE

Accomplishment

Measure results in terms of meeting needs of your constituents.

“Meet The Need”
LEAD - Aspects of Character:

SPARKLE

Responsibility

Take ownership of your chosen role and the outcomes of your actions.

“Take Title”
LEAD - Aspects of Character:

SPARKLE

Knowledge

Seek effectiveness through understanding.

“Learn The Ropes”
Aspects of Character: SPARKLE

Loyalty

Recognize that organization and cooperation enhance effectiveness.

“Seek Coherence”
LEAD - Aspects of Character: SPARKLE

E-Go

“Make It Happen”
Aspects of Character
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- POINT
- Sun Tzu’s Pyramid Of Profit

Aspects of Character
- HEART
- SPARKLE

NOTE
Sun Tzu Says:

- Serious competitive engagements will succeed only if people are wholly committed to plans and goals. When people are committed, they act with unified purpose. When they have unified purpose, no defender can stop them, no attacker overcome them.

“HEART”
LEAD - Aspects of Environment: HEART

Harmony

Extend the range of action through organized, collaborative effort.

“Pull Together”
LEAD - Aspects of Environment:

**Encouragement**

All human action results from motivation.

“Infuse The Spirit”
LEAD - Aspects of Environment:

HEART

Attitude

Create the feeling that expected performance is reasonably possible.

“Practice Optimism”
LEAD - Aspects of Environment: HEART

Rewards

The consequences of performance must be predictable.

“Establish Outcomes”
LEAD - Aspects of Environment:

HEART

Trust

Expectations must be consistently realized.

“Keep Promises”
Sun Tzu Says:

- Information means getting facts – timely, accurate, and meaningful facts – about the reality of conditions and circumstances in the competitive situation. Nothing in competition is more important.

“NOTE”
Nature of the Situation

Investigate the five elements of competition: substance, climate, structure, leadership, and information.

“Consider Everything”
Objectives of the Situation

Facts clarify the situation. Alternatives are based on facts. Appropriateness is based on evaluation of alternatives. Action is based on picking the most appropriate alternative.

“Adopt Appropriate Goals”
Techniques

In competitive situations, begin the battle using expected tactics so the enemy’s response can be assessed. Victory, however, is achieved by using unexpected tactics – that is, by rapidly adapting offensive and defensive actions in response to emerging opportunities.

“Combine Expected With Unexpected”
Effect of Actions

Move when it is profitable; stop when it is not.

“Aim For Profit”
Sun Tzu Says:

- If you know your market, know your competitors, and know yourself, your strategies will not fail, even if you are challenged a hundred times.
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80/20 Vision

Sun Tzu’s Pyramid of Profit

WALTZ

Point

NOTE
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Focus
FOCUS:

80/20 Vision

Focus 80 percent of effort on the most profitable 20 percent of activities.

“WHY?”
Sun Tzu Says:

• When he takes action, an effective executive succeeds like a heavy spear hurling through a bamboo curtain - his momentum cannot be stopped.

“POINT”
Potential

A skilled executive first weighs the benefits to be gained from winning a competitive engagement. Once he determines it is appropriate to begin, he fights to win.

“Magnify Your Advantage”
Opportunity

Wait for the opportunity to attack. Victory depends on using opportunity provided by the actions of others.

“Maintain Control”
Initiative
Victory results from seizing the initiative at the right moment.

“Plan to Act”
Necessities

If you skip over necessary preparation and move hastily into a difficult engagement, even if you work day and night, you will have little chance of success.

“Build On Strength”
Timing

When the diving falcon breaks the neck of its prey, it is because of precise timing. Timing is the trigger which unleashes the power to conquer.

“Seize the Moment”
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Sun Tzu’s Pyramid Of Profit
Sun Tzu Says:

• The important thing in competitive operations is timely execution leading to quick profitability. Competitive advantage is gained by effective execution. Adapt swiftly. Seize initiative. Turn the tables. Make them dance to your music.

“WALTZ”
Succeeding in a direct engagement on a competitor depends on deceiving him. If your stratagems are obvious to your competitor, no matter how good they are, he can defeat them.

“Embrace Ambiguity”
Successful strategies flow like water; they adapt themselves to the circumstances of the conflict. When water flows, it avoids the high ground and seeks the low.

“Flow Like Water”
EXECUTE: WALTZ

Leverage

A skilled executive compels the competition to respond while retaining his own initiative. He divides the competition while he remains intact. He distracts the competition while he remains focused. Thus, he creates overwhelming leverage.

“Concentrate Strength Against Weakness”
EXECUTE: WALTZ

Tempo

Competitive actions should proceed at a timely pace. Hastily performed operations tend to invite mistakes. But, operations that waste time are never profitable. To maximize profit, do simple things well, and do them at the appropriate time.

“Maintain Deliberate Speed”
EXECUTE: WALTZ

Zeal

Lead by setting the example. When worthwhile people are committed to plans and goals, they do not fear failure. When they are focused, they are calm. When they are deeply involved, they have no thought but to succeed.

“Foster Morale”
Aspects of Environment

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**NOTE**

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