

# COMPARING THE POTENTIAL USE OF ORIENTAL WAR PHILOSOPHY AND WESTERN COMBAT STRATEGIES IN THE COMPETITION OF COMPANIES

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## Abstract

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Sun Tzu's essays *The Art of War* are the oldest known treatise on this topic but they have never been surpassed in terms of content and depth of understanding. They are characterised by concentrated wisdom on warfare. Compared to Carl von Clausewitz, Sun Tzu has a clearer vision, deeper understanding of preparation and combat itself and this makes him modern for eternity. Clausewitz wrote more than two thousand years later but he is more indebted to this period than Sun Tzu and this makes him rather obsolete nowadays even though some of his ideas are applicable, even though they can be applied only within the limitations of the moral and ethic values applied in a particular territory. If using the approach stemming from Sun Tzu's oriental war philosophy it is necessary to understand these ideas and to implement them correctly. In this respect we find it very important to point out to the incorrect trend that can be identified in the studies of western literature dealing with this war philosophy.

competition strategy, competitive advantage, competition, war philosophy

In the present period of spreading globalization and associated growing rivalry and competition among businesses we can ask the question whether the war experience can be applied to the contemporary business world. Even though this association is often rejected, we have to realize that the business strategy has actually evolved from the military strategy. We know from historical studies that both the ancient and the present military institutions have long since mastered matters that many contemporary businesses are only beginning to realize these days.

For example, the coordination of forces among various types of troops, the ratio between discipline and delegation of power, the coordination of large troops movement and their supplies were resolved a long time ago. Experience from these mili-

tary campaigns is being studied and applied in many business organizations nowadays.

Many a business ran ashore because they could not hold their own in the combat with more successful competitors. The harshness, often even ruthlessness of competition, is as dramatic as that in a war. This similarity is aptly expressed in the Chinese proverb "*the world of business resembles a battlefield*". This is why it is no surprise that war strategies have made their way to the offices of business organisations.

Currently there are two basic ways of warfare that can be applied in the business competition. It is an approach based on using the western combat strategy and an approach based on the oriental war philosophy. There are numerous publications offering positive arguments in favour of this or that war thinking in the market practice of competing businesses.

## METHODS AND RESOURCES

This paper aims at evaluating the potential use of these two rather disparate approaches to warfare in the business competition. The basic methods used in this research were analysis, synthesis and comparison.

## RESULTS

### Western combat strategies

General Carl von Clausewitz<sup>1</sup> can be considered as a leading personage in the western combat strategy. His best known work (Clausewitz, 2008) *On War (Vom Kriege)* looks into the relationships between war, politics and “human resources”. According to some authors it is namely his understanding of the relationship between war (army) and politics (politicians) that can be viewed as the relationship between managers in the business competition, see (Allard, 2004).

We will examine Clausewitz’s work with the objective to apply it in the preparation of a business competition strategy. Based on this examination we can list the following characteristics of his which are in contradiction with the elementary ethical, legal and strategic rules of the contemporary business practice:

1. Direct combat between two enemies is considered to be the basic form of warfare.
2. The strength of a warring belligerent given by the number of soldiers is considered to be the most general principle of its victory in combat.
3. Achieving absolute victory is considered to be a strategic objective.
4. The combat between two parties in this concept aims at eliminating the enemy.

As well as the above there are also some characteristics of Clausewitz’s approach to the warfare strategy that is acceptable for the business competition strategy, for example:

1. An alliance is considered to be the parties’ effort to maintain the status quo.
2. The risk of war is considered to be an important factor influencing the combat result.
3. Defence is considered to be a better strategy than attack. (According to Clausewitz it is advisable to remain in defence until the enemy’s exhaustion, then to attack and win.) Even though this approach may seem to be applicable, it is difficult to implement it at the present time with the large number of competitors and their varying objectives in the market space.

4. Stratagem and surprise are not considered to be important warfare methods.

In conclusion to the possibilities of using western combat strategies as presented by Carl von Clausewitz in the business practice we can say that it is certainly possible to use some of his approaches in a particular case of business competition but this combat strategy cannot be adopted as a whole into the business strategic management.

We consider Clausewitz’s concept of war as ... *an act of violence to compel our opponent to fulfil our will... In order to achieve this goal we have to reach a point where the enemy has no further chance of defence and that in itself is the actual objective of war. This objective substitutes the purpose and, to some extent, suppresses it as something that is not part of the war... Therefore war is an act of violence, unacceptable in business competition.* The fascists, for example, brought this understanding of combat strategy objectives to a level of absolute, even absurd, perfection.

We believe that pursuing such goals in business practice is not only unethical<sup>2</sup> but also extremely risky and inefficient. Also the practical application of his theorem “higher risk brings higher gain” can become fatal for a business in some circumstances.

In our opinion some of Clausewitz’s views of tactical management can have much better practical use. For example, a warning for the company top management against the situation immediately following success, the state of “euphoria” which can cause them to take their foot off the accelerator and their eye off the market, undoubtedly deserves the attention of business strategists.

Also applicable from this business competition strategy is the reference to the potential difference between goals defined by individual business partners – members of the alliance. A greater heterogeneity of goals in individual alliance members weakens the alliance from the inside and in most cases reduces the time of its existence considerably. Such an alliance is also more vulnerable to attacks from the outside. See (Bartes, 1997).

### Oriental war philosophy

The philosophy contained in *The Art of War* by Sun Tzu<sup>3</sup> (Sun Tzu, 1948) is clearly the basis of the oriental war philosophy.

To explain the way in which Sun Tzu can contribute to the understanding of the contemporary world of business in a more systematic way, we will demonstrate the similarity between challenges tackled by a director in a business office and challenges tackled by a military commander. The military commander’s tasks according to (McNEILLY, M., 1996) can contain the following requirements:

1 Carl von Clausewitz (1780–1831) was born in 1780 in Magdeburg, Prussia. He fought in the Prussian army against Napoleon.

2 Even illegal in some cases.

3 Sun Tzu – Chinese military general who lived in the 6<sup>th</sup> century B. C.

1. Consolidate the present rule with its existing territory. A leader can achieve that through basic politics, advanced politics or new politics. The ultimate goal of this strategy is to strengthen the government in its territory and to protect it from outside aggression.
2. Expand the rule beyond its existing territory. A leader can achieve that by:
  - a) conquering the neighbouring states if the risks are relatively low, or
  - b) set out on more ambitious campaigns to more distant lands and territories.

*If a military commander resolves to implement strategy 2a or 2b, he has to expand the rule over the conquered territories applying the existing politics or new politics. The aim of this strategy is to obtain new territories in order to increase the power and sphere of influence over the relevant territory.*

A business company director has to address the same issues, in particular:

1. To increase the market share for current products in existing markets.
2. To find and develop new products for existing markets.
3. To develop new products for new markets.

If we consider the same aspects which we looked at in Clausewitz's work, we will arrive at the following characteristics of Sun Tzu's work:

1. The objective is victory but, if possible, victory achieved without fighting.
2. Deception and deceit are believed to be very efficient means to achieve one's goal.
3. A perfect knowledge of the enemy and environment is considered to be the basis for making war plans.
4. Using unusual methods is considered to be the basis for a successful achievement of one's goal.

The main idea of Sun Tzu is the following: battles or competition are won by organisations or persons who (1) have the best competitive advantage and who (2) make the fewest mistakes or faults.

A competitive advantage can be secured by many factors including better quality human resources, better position, better execution and innovation. A competitive advantage is easy to understand for all people in business. A competitive advantage, however, is not the determining factor of success. It is the people who fight and win the battles.

According to Sun Tzu the best general wins the war even before the combat begins. He does it in two ways: at first, he develops his character continuously, at second, he builds critical strategic advantages. In Chinese philosophy the character is the basis of leadership. People with better characters become better leaders. A general's character cannot be developed overnight. This means that people who wish to become leaders have to cultivate the leadership characteristics over a long period of time.

A general gains a strategic advantage by putting his organisation in a position where it cannot be defeated. He waits for the enemy to give him a chance to win. He succeeds with the help of information management.

*On War* by Sun Tzu is often contested by some authors for the fact that very little space is dedicated to risk. We believe that this criticism is ungrounded because Sun Tzu in his preparation for combat tries to eliminate this risk as much as possible by careful preparation. The preparation involves a detailed analysis of the particular situation as well as the moment of surprise for the enemy.

## DISCUSSION

In the business practice there is considerable room for applying the Sun Tzu's war philosophy. The oriental war philosophy based on Sun Tzu's work can be used for at least these two reasons (Bartes, 2004):

- a) Sun Tzu's war philosophy is a priori focused on achieving the defined goal, not the combat.
- b) This philosophy changes the business strategists' way of thinking in favour of achieving the defined goals.

It is in these two basic principles where we see the essence of the possible application of the oriental war philosophy on the demanding market environment and business practice (Bartes, 1997). This is possible also thanks to the fact that all competition arises for the same reason. Sun Tzu according to (Gagliardi, 2002) wrote about *human character; problem of confrontation and what is the reason for a wish. The character of competition has not changed in the last two thousand years and it is not about to change in the next two thousand years. The only difference between market competition and war is the type of weapons and character of battlefield.*

### Unsuitability of the direct combat strategy

In analysing the existing approach of many publications authors (Gagliardi, 2002), (Krause, 2002), (Michaelson, 2001), (McNeilly, 1996) dealing with the issue of applying Sun Tzu's war philosophy in the business practice I concluded that not all but a majority of these authors, when interpreting this philosophy, unconsciously prepare the business competition strategy of "direct combat" against the competitor (Bartes, 2006). Such a combat where they fight for victory in a direct, open and often a long way, is in my view the worst way of business competition because direct combat is a type of conflict that usually takes place in an anticipated place, in an anticipated moment and in an anticipated way and, unfortunately, mostly it takes a long time. Alas, placing one force against another is frequently the preferred method of competition among many western businesses.

We have to realize that this fact is often reflected in the following deduction (Bartes, 1997): *If our competitors are successful in the market because they do certain*

*things better than we do, we can mimic their best methods and win. Or, in a nutshell, if they can do it, we can do it too.*

A strategy based on mimicking the successful activities of competitors leads many managers to leading attacks in places or areas where the competitors are the strongest.

Even if a company has a preponderance of means over its adversary, if it attacks their strong points, the probability of victory is still low. Such a method of competition is not creative but destructive (Bartes, 2006).

And even if this company wins, what does victory mean in a situation like this? The adversary is "de-

feated" but at a very high cost. Here is another pitfall which I would like to emphasize: if the company top management's attention is concentrated on the all-encompassing conflict with another company, it can easily overlook other opportunities that may present themselves in the market. Even if it is aware of these other opportunities, it may not have the means needed to take advantage of these opportunities available at the right time. For these reasons we believe that it is not fortunate to apply these offensive or any other strategies in the business environment where they actually only prepare and implement direct combat methods.

## SUMMARY

The Author examines the possibility and expediency of oriental war philosophy usage (Sun Tzu) and western combat strategy (Carl von Clausewitz) in conditions of the competitive battle of firms on the market. The author compares both of these considerably different approaches of struggle with the enemy. Author arrive at conclusion that western combat strategies based on Carl von Clausewitz work and his followers are in its core focused on improving itself in the combat army activities context, on the concrete war area. The aim of this improvement is the improvement of own war approaches to enemy destruction. In many cases are these approaches so far, even loose own goal and the reason of the prosecution of war. The usage of this approach in the competitive struggle author refuses and considers it as entirely unacceptable.

The author sees a decent space for the war philosophy of Sun Tzu usage in business. The oriental war philosophy based on Sun Tzu work is possible to use minimally from two following reasons:

- a) The war philosophy of Sun Tzu is a priori in common focused on gaining the goal, not at the combat.
- b) This philosophy is complexly changing the way of thinking of firms' strategists to gaining goal approach.

The author finds in two basic principles the fundamentals of potential usage of oriental war philosophies in exacting business environment.

At the close the author bring forward potential problems of the Sun Tzu war philosophies, which are connected with "western way of thinking" of managers. Those managers have the tendency to privilege direct struggle as the basic way of competitive conflict solutions.

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