Sun Tzu – The Art of War
Interpretation for Business

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Abstract
This paper presents an interpretation of a business military strategy manual 2500 years old of a great Chinese General, successful interpretation of a British specialist who finds similarities between an economic and a military strategy.

Key words: strategy, order, position, market

About 2,500 years ago (century VI î.e.n.) a great Chinese philosopher and general wrote “The Art of War”, work for 25 centuries has been a guideline, a manual for all the political and military leaders. In essence, Sun Tzu shows 13 concepts and tactics, military strategy, concepts of which should take into account any wise General:

1. Strategic assessment;
2. The Conflict;
3. Plan of attack;
4. Tactical considerations;
5. Efficiency;
6. Weaknesses and strengths;
7. The execution of manoeuvres;
8. Flexibility;
9. Stratagems;
10. The land;
11. The new situation;
12. Fire attack;

Over the centuries, the Chinese General work had many translations in different languages and "entered" slowly in the western world. One of the most successful interpretations for The Art of War belongs to Dean Lundell**. According to Lundell, the fundamental idea of the work of Sun Tzu is to win without having to fight, even though this concept is somewhat contradictory.

In synthesis, the interpretation given by Dean Lundell for each of the 13 listed concepts from Sun Tzu is as follows:
● Tactical considerations or how to be stable in a changing environment

The wise warrior avoid defeat, does not engage in the final battle, procrastinating and save time -says Sun Tzu- then stand in queue until the enemy becomes vulnerable, because conditions change.

In business it suggests a strategy of waiting and an accumulation of financial resources to be ready at the right time, offered by the market, since the overall market conditions are in a permanent/fast-changing.

Also, Sun Tzu says that defending yourself when you have insufficient means to attack only when you have the necessary forces. This suggestion supports small investors or individual players which says Dean Lundell, should avoid accumulating "good money over bad money" is preferable to wait for "tomorrow".

No need skill, intelligence or strength, says Sun Tzu, to pick a leaf, to distinguish the Sun from the Moon or to predict victory when it's obvious.

In transactions or investments earn the one who has an action plan based on the approach "what if?", one who gives evidence of an iron discipline and respect a set of own rules.

● Strategic evaluation and understanding of the big picture

Sun Tzu says that the war is of vital importance to the state/nation is a matter of survival, of life or death, so must be studied carefully and understood. The world is changing rapidly, we have no national economy but a global economic system where you have to know the policy of the Central Bank, what is liberal or conservative governance, economic performance, exchange rates, interest rates, and so on - says Lundell "Like soldiers on the battlefield"-says the same analyst-"the money will leave a bad market and will head to a good market: so you have to make a strategic assessment".

Sun Tzu says that a conflict is measured/is dependent on six factors:

  a) Way, the direction the market is going, current or trend can be observed, "sensed" (The market is never wrong, only uninformed policymakers can make wrong judgments).

  b) Weather or sky, that the cyclical evolution of the market and business (hope, greed, fear or desperation).

  c) The land or earth, the assessment of the situation/position held depending on the time, distance, accessibility and danger. On what market Act? That is the moment of its cyclic evolution?

  d) Management, which means or requires courage, loyalty and wisdom (which influences cause and foreseeable effects so on).

  e) Discipline, order and hierarchy that is resource allocation: requires a careful management of money and risk - simplified we can consider:
The essence of the art of war lies in to mislead the opponent:
- If you're heavily looks like you're weak;
- Trying to stretch the enemy traps;
- If your enemy is superior on all levels, then avoid it.

"The General who thinks long at headquarters –says Sun Tzu- will win the fight, while the one who makes few calculations / analyzes will lose."

- **Weaknesses and strengths or when to attack and when to retreat**
A skillful General, says Sun Tzu, first occupies the land and it cause the enemy to come and attack on a specific battlefield. In business it means "let the market come in support of its strategy" to oversee permanent "movements" of other competitors to keep secret the final plan of action to identify any breach in the market, being quick in decision and action. Either war or in business who have vision / strategic thinking developed a distinct plan to learn the strengths and weaknesses of the main opponents.

According to Sun Tzu, war is like water, so change as water adapts to the shape of the land that crosses it. Therefore business is needed to watch the daily market and tortuous route to act after this sinuous/cyclic evolution (but what worked last week or month you might no longer bear fruit today).

The most skilled military strategist Sun Tzu, says change their way of thinking and tactics according to the opponent specifically, its mentality and thinking of "pattern" or cultural, depth of thought/his education (witness genuine mental chess game between main competitors on the market).

- **Execution maneuvers or how to manage your position**
Sun Tzu shows that ordering a large number of people equivalent to ordering a few subordinates (divided into teams and decentralization of hierarchical levels), which can act as a homogenous team quickly adaptable to new, unconventional and inventive in everything does; this team can exploit opportunities that the market offers, it becomes increasingly more efficient.

Sun Tzu's opinion is nothing harder than the art of maneuvering to confuse the opponent (it provides false information, it intoxicates the opponent's spies so
Sun Tzu also recommends the use of trusted allies, the local guides for the movement of troops in the field; therefore admissible any "tools" for correct assessment of the situation and attack at the right time of day (morning markets are more active, quiet lunch so on), “Patience is a quality difficult to achieve for many businessmen and investors”, says Dean Lundell.

- **Flexibility or resorted to several types of transactions**
  There are no roads to be followed and armies, which may not be appealed, says Sun Tzu (an enemy found in position "from above", so on); so it is imperative for an investor to remain on the market he knows best.

  A skillful General, says Sun Tzu, is flexible and carefully weighs the potential benefits and risks assumed. In business, being flexible involves accepting and miscalculations, unregistering temporarily, to allocate a sum of money on more options.

  Sun Tzu shows that a general can have five dangerous flaws:
  - carelessness;
  - shyness;
  - irritability;
  - weakness;
  - excessive concern over troops.

  These five flaws are perfectly valid for managers and investors.

- **Stratagems or occupation of position**
  Simplifying various theoretical views found in textbooks, we consider as acceptable rigorously following separation (national):
- bumpy;
- remote.

On the land available can easily accede both opponents the first to occupy a favorable position to win. For Business ground deceptively equates to a market where transactions are small and unpredictable price changes. On the land / market timers it is recommended waiting, the first opponent who 'moves' will lose operation.

When the markets evolves very tight between prolonged periods should remember Sun Tzu's advice about "narrow ground" (equivalent to a pass in that if you are caught, you will be destroyed forever).

There are, says Sun Tzu, six disasters that can lead to defeat a General:
- run;
- insubordination;
- collapsing;
- ruin;
- disorganization;
- confusion.

"When troops are strong and weak officers, the army is disobedient; when officers are strong, and the troops are weak, defeat is certain" – says Sun Tzu (we deduce that it is suggested a permanent balance between those who print the trend in a market, between managers and employees, between bosses and subordinates). An angry officer would throw into battle against a hasty plan devised, greed always darken clear judgment, so it is recommended to avoid desperate decisions, rigorous planning, knowing yourself and your opponent.

- **Situations or survival tactics**
  According to Sun Tzu, as it is offensive or defensive, there are nine countermeasures dependent nature/psychology of individuals. Decision-maker can use these steps, depending on the evolution of war / market if he can lead the army as such as the one man.
  For this decision-maker must learn the tactics and stratagems possible, but especially need to understand market psychology; to use intuition, flair and to resort to flexibility for team work.

- **The collection of information**
  The wise General, says Sun Tzu, get exceptional results appealing to spies and any other source of information.
  Therefore the real power lies in information and not a temporary position winner, reached on a market.

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