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Lessons From Sun Tzu

An Introduction

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- the information in this zine was compiled and heavily edited from an article appearing in the January, 2009 edition of BioProcess International, Defending the Supply chain, by Joseph F. Noferi and Ralph L. Dillon.

though the original authors meant for the lessons of Sun Tzu to be applied to the supply chain in bioprocess manufacturing principles, Sun Tzu should be applied by all to each situation one encounters. The very diversity of application of Sun Tzu concepts is shown by the fact that the original authors applied his thought to pharmaceutical manufacturing processes.

A Pauper's Press Publication

Toledo Ohio 2009

www.freesalerno.com

A skilled commander seeks victory from the situation and does not demand it of his subordinates.

John Boyd, US Air Force Colonel 1927-1997

Competition, whether commercial, political or military, focuses on two common objectives: making choices and converting those choices into direct action. Like commercial competition, most wars are won or lost through effective or faulty logistics. The Art of War by Sun Tzu is not merely a book about war. Captains do not carry it into battle with them. It is a book about strategy that generals and statesmen study. Mobilizing for war, committing an army to battle, and risking a power base should be undertaken only with the greatest seriousness. Indeed, the opening lines of the ancient Chinese volume stress the critical importance of warfare:

> The art of war is of vital importance to the State. It is a matter of life and death, a road either to safety or to ruin. Hence it is a subject of inquiry that can on no account be neglected.[1]

The essence of conflict is timeless, but the means and methods used continuously evolve. The strategic framework expounded by Sun Tzu is not a theoretical construct; it is a coherent, historically validated, and proven strategy for winning in conflict that is as applicable today as it was when it was written over two millennia ago. the organization supporting the construct is what is important: The combinations of people, ideas, and hardware, rather than individual technologies. We herewith present a tested and proven, 2,400 year old strategy of defense.

All references and quotes are taken from the original text of Sun Tzu, Lionel Giles translation of 1910. Recent translations may be more accurate or prescriptive but the Giles 1910 issue is a well used and accepted classic.

> Thus the highest form of generalship is to balk the enemy's plans; the next best is to prevent the junction of the enemy's forces; the next in order is to attack the enemy's army in the field; and the worst policy of all is to besiege walled cities.[2]

On September 11, 2001, long repressed fears of the mainstream, chattel society became real, and a new phrase entered our lexicon: 'Homeland Security.' Previously restricted to governments and think tanks, the term found new meaning and new interpretations as individuals and organizations wrestled with the new landscape of governmentally defined terrorism and its impact. The complacency that followed denies the force of history and, as new threats arise, a real need to conduct a thorough and sober assessment of the status quo accompanies them.

Industry is no stranger to terrorist acts. Product tampering, and executive kidnappings are standard lore. But new twists evolve. Following the events of '9/11,' the oldest and most revered distribution system in the U.S., the postal service, unwittingly became the messenger of death as letters containing deadly anthrax spores were delivered to targeted individuals. People died, Congress adjourned, and government functions were brought to a stand-still. The US government spent billions of dollars to repair the damage. To date, no indictments have been handed down, and the perpetrators remain free to strike again.

> If you know the enemy and know yourself, you need not fear the result of a hundred battles. If you know yourself but not the enemy, for every victory gained you will also suffer a defeat. If you know neither the enemy nor yourself, you will succumb in every battle.[3]

Crisis, competition, and innovation drive traditional risk. Terrorism, however, is an unusual adversary because its perpetrators are neither

competitors nor simple criminals. Their motivations can be anything from ideology to greed to vengeance, even something as foolish as 15 minutes of fame or notoriety. In the modern environment, landscapes are changing, and as new trends rise to the forefront they complicate protective behaviors. Disclaimer, probability, predictability, and protestations of innocence have little consequence if risks become a reality causing injury. Corporations, directors, officers, and executives are increasingly at risk, individually and collectively, for their own (in)actions and those of their subordinates.

The supply chain is an Achilles heel that proactive organizations must struggle with, especially those involved in the food and drug industries. Supply chains are vulnerable to internal and external breach as well as physical and nonphysical threats. Individual segments, separated by time and distance, often operate beyond the reach or control of those responsible. The internal workings of a company generally follow standardized procedures and processes written and designed to ensure normative behavior among personnel. Consequently, direct control measures can be used to solve most problems because those problems can be anticipated fairly well if their variables and boundaries are well-defined. The supply chain, however, extends beyond corporate limits of control

The pharmaceutical industry holds a sacred trust given to it by its customers to deliver safe and effective products. Consequently it pledges, under the penalty of law, not to put the safety of those products at risk. Logisticians assume responsibility for quality and track manufacturing and transportation; quality and security personnel assume responsibility from manufacturing through transporting products, so they seek to optimize proper achievement of all transactions. The advantage of addressing supply chain risks goes beyond simple protection of the revenue stream and economic profits. Other rewards include

reduced risk of product shortages/stock-outs, diminished risk of adverse publicity, limitation of threats to consumer confidence, decreased exposure to product liability claims, and improved control over both materials, and information flow.

> Hence to fight and conquer in all your battles is not supreme excellence; supreme excellence consists in breaking the enemy's resistance without fighting.[4]

Military history provides an interesting model for success and failure. throughout history, generals have always studied, and often fought, the most recent war. Consequently, innovative adversaries usually triumph at the next stage. Consider the French defeat in World War II as the German Blitzkrieg circumvented the Maginot Line by going through Belgium, a neutral nation.

At one time, RCA 'owned' vacuum-tube technology, much as Kodak 'owned' photography. No one could touch them. But that's no longer the case in either television or imaging. Technological advances or conceptual innovations alone are insufficient to guarantee an outcome, and they are usually short lived compared with social attitudes.

Consider the French Revolution, thanks to which people in France suddenly became national citizens rather than royal subjects. Although this did not significantly alter their daily lives, it did profoundly affect their motivation in defense of the state. Similarly, even as a new wave of Islamic fundamentalism is changing the world order, our daily lives seem mostly unaffected.

The sourcing of raw materials and distribution of goods is vital to a business entity. Business, like war, is about out-performing the competition in the midst of chaos and complexity. The Art of War is an

unequivocal indictment of leaders whose only ideas of strategy are to use brute force in frontal assaults and battles of attrition. Anyone who believes that the traditional model of supply chain security - detection, prosecution, judgment, and punishment - will remain valid should stand behind the Maginot Line and turn on their vacuum-tube radio. Industry no longer deals with simple systems that are linear, closed, and predictable. The mechanistic paradigm of the Machine Age is breaking down, and the paradigm of symmetry that has been so studied is now history. Businesses like armies need to understand the nature of competitive conflict and devise appropriate strategies - just as generals use strategic thinking to win wars.

Sun Tzu's foundation for strategy is elegant in its simplicity: Discover and leverage the advantages of your total environment. It is overpowering in its complexity: skillful action results only from knowing all the details surrounding a situation - its total environment. According to Sun Tzu, wisdom is the root of skillful action. Strategy must evolve from a deep knowledge of both ourselves and our enemy. Success is much more than simply winning. Sun Tzu sought to achieve victory in war, preferably by avoiding direct confrontation and instead causing the enemy's army to disintegrate before battle.

The strategy devised by Sun Tzu rests on two complementary forces, the internal and the external. Harmony on the inside is one objective; the external objective is to create confusion among the opposition that can be exploited.

the enemy commander and forces must become confused. The effectiveness of deception operations, security efforts, and intelligence gathering increases when the opponent is forced to deal with ambiguity.

Sun Tzu's text is not easily assimilated; it requires interpretation. For example, he states that

preparedness everywhere means lack everywhere. In other words, a strategy of preparing and reacting, no matter how comforting it may seem, contains inherent vulnerabilities. Merely waiting for adversaries to make mistakes - that is, detection, prosecution, judgment, and punishment - and then forcefully reacting may be an appropriate tactic if circumstances warrant, but it generally fails to lead your opponents where you want them to go. Reaction as a strategy may temporarily prevent defeat; but it rarely delivers victory.

The passive paradigms of anticipate and respond are anathema to proactive leaders. Fast reactions are important. But remaining in control, staying cool in the heat of battle, and using the other side's momentum to your own advantage are factors that weigh heavily on the outcome. Risk assessment and judgment must be integral to preparations, but if reaction becomes the objective of strategy, then vision is clouded, proaction is prevented, and initiative will be lost. When dealing with indiscriminate threats, individuals or organizations cannot be identified and proactively eliminated; their plans must be thwarted. The focus should never be on defending, but rather on regaining and using the initiative so that you can coerce opponents into a position where you want them to be.

We cannot be arrogant. Our opponents are thinking human beings, and they can also implement the basic strategic tools of surprise, deception, and ambiguity to target centers of gravity - the sources of power and movement upon which management depends. Too often, efforts focus on preparing to defend against the most recent enemy. Such efforts generally work within the limited range of their objective, and although short-term success can be proclaimed, the long term result may be very different. Again, the Maginot Line provides a clear analogy. France built it to defend against a World War I army - and it was successful for that intent. The attacking forces in 1940 did not

breach the defended zone. Instead, they avoided it entirely but still achieved their real objective.

> Subvert, disorient, disrupt, overload, or seize adversary's critical connections, centers, and activities.[5]

Great commanders seek to cloud their opponents' vision and destroy their will so that a battle, if it must be fought, is quick, decisive, and painless. The concept is to frustrate opponents' designs sot hat maneuvers can be applied to further confuse their decision processes, damage their morale, and open up vulnerabilities that can be exploited through surprise, deception, and rapid change. Concurrently, there must be active efforts to probe the opponents and thus unmask weakness while interweaving menace, uncertainty, and mistrust. This strategy eliminates, or at worst greatly reduces, the need for bloody battles. The ideal result is to win without fighting.

Demotivated opponents are defeated opponents, no matter what weapons remain in their hands. anyone who has been on a losing team, followed a 'lost' leader, or worked for a failing organization can point to a management focus that wasted time, energy and generated frustration. A downward slide of internal conflict is created. They fall behind in competition and successes become rarer and rarer. Efforts to discover problems become 'witch hunts,' and people seeking to ride out the storm hug policies and directives hoping for survival. People split into camps and begin blaming others and the company turns ever more deeply inward. Sun Tzu emphasized internal harmony to create and exploit external chaos outside. Disharmony can catalyze disaster.

The best way to defeat the enemy is by attacking his strategy. this is not direction to attack early while the enemy's plans are being laid, but it is rather a deeper admonition to use unusual methods to seize victory without even battling. Should this prove impossible, he then recommends disrupting an adversary's alliances, isolating potential enemies from

their sources of support or intimidating them through strong alliances of your own. It is advantageous to have on hand a variety of responses that can be applied rapidly to gain sustenance, avoid danger, and diminish an adversary's capacity for independent action. To shape and adapt to change, you can't be passive; instead you must take the initiative.

therefore, The Art of War instructs us to analyze our environment and landscape, surmise courses of action, and identify the adversary's shortcomings. Probe the environment to ascertain the patterns of movement. The objective is to compel our adversaries to reveal their dispositions and, from that information, be able to ascertain our relative positions. The ultimate objective in dispositioning your own forces is to conceal them without exposing their strength and composition. Then the opponent cannot formulate plans against you.

Sun Tzu was not concerned with the types of hardware in use; he focused on the problem of how to get groups of people to work together harmoniously under conditions of hardship, danger, and the inevitable confusion of conflict. Real power is generated through the use of available tools with human interface.

The Art of War begins with political leadership, which provides a direct comparison to today's corporations. Before envisioning conflict, He explains that leadership should survey and compare five factors: moral law, Heaven, Earth, the commander, and method and discipline. Moral Law causes people to be in complete accord with their ruler, so they will follow him regardless of their lives and undismayed by danger. Heaven signifies night and day, cold and heat, times and seasons. earth comprises distances, great and small, danger and security, open ground and narrow passes, and the chances of life and death. The commander stands for the virtues of wisdom, sincerity, benevolence, courage, and strictness. By method and Discipline are to be understood the marshaling of an army in its proper subdivisions, the graduations of rank among officers, the maintenance of roads by which supplies may reach the army, and the control of

military expenditure. These five concepts should be familiar to every general. He who knows them will be victorious; he who knows them not will fail.

The operative point is that 3 of those 5, the most significant 3 because whether changes and along with terrain affects both sides, concern moral, human, and cultural issues. Moral, human and cultural issues can be controlled internally to influence the external world. This is the dominant theme of Sun Tzu. He believed that the moral strength and intellectual faculty of men were decisive in war and that if these were properly applied, it could be waged with certain success.

the final chapter deals with the use of spies. Often, foreknowledge is necessary to overcome others. It must be obtained from those who know the landscape and environment. The section on spies may be the key learning point of the book: 'Spies are a most important element in war, because on them depends an army's ability to move.'[6] this translates to Information.

> The direct and the indirect lead on to each other in turn. It is like moving in a circle - you never come to an end. who can exhaust the possibilities of their combination?[7]

Defense is conflict. Loss can translate to death. Specific tools and methodologies exist for defense and implementation is an art; a science. Skillful warriors strive for invincibility first, then wait for the vincibility of the foe. The most skillful defense eludes discovery. The bad guys will look for easier targets - those who missed the lessons of Sun Tzu.

All footnotes from The Art of War, Lionel Giles, 1910 translation, Tzu s.

1. Chapter 1, passages 1-2
2. Chapter 3, passage 3
3. Chapter 3, passage 18
4. Chapter3, passage 2
5. Chapter 3, passage 27
6. Chapter 3, passage 27
7. Chapter 5, passage 11

- see: Http://classics.mit.edu/Tzu/artwar.html

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