



GROWTH INSTITUTE  
SCALE IMPACT & REDUCE DRAMA

OUTTHINKER

# THE 36 STRATAGEMS CHEAT SHEET



### 1 TO CATCH SOMETHING, FIRST LET IT GO

Do not attack; rather, let it go and follow closely behind.

**Q.** What would happen if you let your competitor go?

**e.g.** Cable companies v. TiVo

### 2 EXCHANGE A "BRICK" FOR A "JADE"

Give something on which you place relatively little value in exchange for something that you value much more.

**Q.** What "brick" can you give away?

**e.g.** HP profits from cartridges rather than printers

### 3 INVITE HIM ONTO YOUR ROOF, THEN REMOVE THE LADDER

Entice him to enter your domain and remove his escape route. This moves the competition into your domain.

**Q.** How can you invite your adversary into your domain and remove his means of escape?

**e.g.** Microsoft Encarta v. Britannica



### 4 STAY OUT OF HIS STRONGHOLD

Purposefully avoid entering his stronghold. This will preempt resistance or, if he comes out of his stronghold to attack, will give you an advantage.

**Q.** What is your adversary's stronghold, and what would it mean to stay out of it?

**e.g.** Car Max v. AutoNation

### 5 PARTNER WITH SOMEONE UNEXPECTED

Ask yourself "who else benefits if I win?" to see how you might partner with "competitors" or with others outside of current consideration.

**Q.** Who else benefits if you win?

**e.g.** Hero Honda (a partnership between Honda and bicycle company)

### 6 FIND A THIRD PARTY INFLUENCE ("KILL WITH A BORROWED KNIFE")

Figure out who else could influence your target and have him do so to your advantage.

**Q.** What third party can influence your adversary?

**e.g.** Coca-Cola and the Home Sweetener Company

### 7 LAUNCH A TWO-FRONT BATTLE

Join forces with an ally in such a way that it forces a two-front, or multi-front battle.

**Q.** With whom can you launch a two-front battle?

**e.g.** Virgin Atlantic v. British Airways



### 8 REPLACE RESISTANT RELATIONSHIPS WITH A SUPPORTIVE ONE

Find out what critical relationships resistance depends on and work on that relationship to turn it into your favor.

**Q.** What critical dependency (relationship) can you remove?

**e.g.** Coca-Cola v. Pepsi in Venezuela

### 9 BUNDLE OR DISAGGREGATE

Combine things or separate things into their parts so as to alter how they perceive you and to remove yourself from direct comparison.

**Q.** What can you combine or disconnect to confuse your adversary?

**e.g.** Bundling or unbundling financial instruments; Microsoft Office

**10 LOCK UP RESOURCES**

*Rather than engage in a head-on confrontation, analyze what is fueling resistance and lock up its supply.*

**Q.** What inputs can you control?

**e.g.** Apple locks up hard drives for the first iPod

**11 CLOSE THE EXITS**

*When you enjoy a moment of influence, take full advantage of it and prolong it.*

**Q.** What moments of power can you capitalize on?

**e.g.** Barnes & Noble's book superstores

**12 REMOVE KEY SUPPORT STRUCTURES**

*Do not take on resistance head-on, but rather focus on the key supports that provide the integrity on which resistance depends.*

**Q.** What are the "structural beams" of resistance and how can you attack them?

**e.g.** Witherspoon v. large pub companies in the UK

**13 APPEAL TO A KEY WEAKNESS OR DESIRE**

*Identify a high-priority need or weakness and appeal to this to remove resistance.*

**Q.** What strong need or desire of your adversary's can you capitalize on?

**e.g.** Microsoft investments in retailers support MSN in the 1990s

**14 BEAT THE GRASS TO STARTLE THE SNAKE**

*Launch a "false" or small-scale advance to understand what response a real advance would trigger.*

**Q.** What small incursion could launch to gather information about your competition?

**e.g.** Microsoft's entry into servers

**15 SEIZE OPPORTUNITY OUT OF TROUBLE**

*When trouble strikes, others may freeze or retreat. Capitalize on this by advancing.*

**Q.** Where is there trouble, and what would happen if you advanced where others retreated?

**e.g.** Warren Buffet's and Carlos Slim's investment strategies

**16 RETREAT TO ADVANCE LATER OR ELSEWHERE**

*Rather than persisting with your current fight, retreat to preserve your strength and apply it somewhere else or at some other time.*

**Q.** From where can you retreat in order to win later?

**e.g.** Steve Jobs cuts Apple R&D projects to 7 from 300

**17 SEIZE THE "DEER IN THE HEADLIGHTS" MOMENT**

*Look for a moment when resistance is stopped by a conflicting agenda or is distracted, and move forward in the face of inaction.*

**Q.** What will your competition not do or defend?

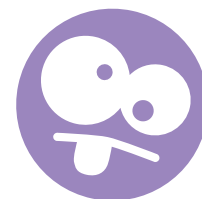
**e.g.** iPod vs. Walkman

**18 APPEAR CRAZY**

*In order to avoid being perceived as a threat, appear to be following an unrealistic plan or appear incapable of fulfilling it.*

**Q.** How can you appear "crazy"?

**e.g.** Richard Branson of Virgin

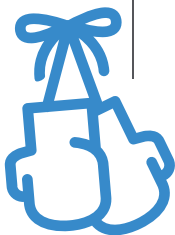


**19 LET THEM FIGHT**

When your adversaries are engaged in conflict, refrain from acting, as this might unify resistance. Stay out of the fray, let them fight, and move in later.

**Q.** What would happen if you did not push forward?

**e.g.** Intel avoiding entering hardware business

**20 SACRIFICE ONE FRONT TO WIN ANOTHER**

Allow your adversary a victory on one front to preserve, even strengthen, your competitiveness on another front.

**Q.** What can you sacrifice?

**e.g.** Qualcomm exits hardware and infra-structure

**21 REVEAL YOUR STRATEGY**

Openly reveal your strength, weakness, or strategy to encourage your adversary to call off his attack (e.g., because he fears your strength or no longer considers you a threat).

**Q.** What would happen if you revealed your strategy in the open?

**e.g.** Vaporware; iPad v. HP and Microsoft tablets

**22 MOVE EARLY TO THE NEXT BATTLEGROUND**

Identify the next battleground, set up a defensible position there, and wait for the others. When they arrive, use your superior position to win.

**Q.** Where is the next battleground?

**e.g.** Rosetta Stone in language software

**23 EXCHANGE THE ROLE OF GUEST FOR THAT OF HOST**

Take an unthreatening stance then incrementally build trust and influence.

**Q.** How can you move up the decision-making chain of your customers/ adversary?

**e.g.** SharePoint's free version

**24 BORROW A ROAD**

Look for someone who has better access to your objective. Create an alliance with them to gain passage.

**Q.** Whose road could you borrow? Who is borrowing your road?

**e.g.** Legend (now Lenovo) v. HP; Google v. Motorola

**25 CREATE A FAÇADE THEN MOVE THE ACTION**

Create a façade that appears to be the real thing, then move the action somewhere else.

**Q.** If your current activity were an empty shell, to where could you move the action?

**e.g.** Best Buy profits from service not selling electronics

**26 INJURE YOURSELF**

Injure yourself to either (1) win trust or (2) avoid appearing a threat.

**Q.** How would the competition respond if you injured yourself?

**e.g.** Intel v. IBM in the first PC

**27 EMBRACE WHAT OTHERS ABANDONED**

Adopt a forgotten or abandoned model, idea, or technology to differentiate yourself and build power.

**Q.** What has been abandoned?

**e.g.** Blackberry uses abandoned pager network

**28 SEND A COVERT MESSAGE**

*Rather than attack directly, aim your effort at a different target. This will send a covert message to your real target that will alter his behavior.*

**Q.** What “covert message” could you send?

**e.g.** Price guarantees

**29 CLAMOR IN THE EAST; ATTACK TO THE WEST**

*Feign an approach the defense of which exposes your target to a different (true) attack. Fake left, move right.*

**Q.** What fake attack could you launch; would this expose your adversary to an alternative attack?

**e.g.** The Flick Group takeover of Feldmühle Nobel

**30 TAKE THE UNORTHODOX PATH**

*When others are focused on the direct, orthodox approach, use an indirect, unorthodox path to them by surprise.*

**Q.** What is the obvious path; what if you took the unorthodox path?

**e.g.** Dell goes direct

**31 HIDE IN THE OPEN**

*Make your actions appear normal (i.e., appear to be everyday actions) so that others will not see that something new is coming.*

**Q.** What are the everyday activities in which you could hide your actions?

**e.g.** Disney purchases land for Disneyworld

**32 CREATE SOMETHING OUT OF NOTHING**

*When the direct approach (i.e., one using existing players) is ineffective, create a new player or entity “out of nothing” to change the dynamic in your favor.*

**Q.** What player do you wish was in the game?

**e.g.** White Day in Japan and Korea

**33 BE GOOD**

*Because a threat will generate resistance, choose an approach that is, or appears to be, friendly. You thereby transform resistance into pull.*

**Q.** How could you appear or truly be helpful?

**e.g.** Google v. Yahoo! and Alta Vista

**34 COORDINATE THE UNCOORDINATED**

*Combine and coordinate independent elements within your environment to orchestrate much greater power.*

**Q.** Who could you coordinate?

**e.g.** Wikipedia

**35 FOCUS INFLUENCE ON THE LEADER**

*Rather than influence the entire organization, identify and incent just the leader(s). This is like leading a horse by directing its head.*

**Q.** What unique needs does your adversary’s leader hold?

**e.g.** Rupert Murdoch v. John Malone in battle for DirectTV

**36 LINK STRATEGIES**

*Rather than execute one strategy, execute multiple strategies (simultaneously or in succession). If one strategy is not effective, the next one is. If the next one is not effective, the following one is.*

**Q.** What strategies could you combine?

**e.g.** Apple’s iPod strategies

