

# FROM MILITARY STRATEGY TO BUSINESS STRATEGY

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## Abstract:

*Strategy has always been a highly debated topic both in theory and practice. Business organizations need strategies for several reasons such as to establish a goal, to deploy resources in the most effective manner, or to obtain revenues. Many elements of business strategy can be found in the military strategy. However, the evolution of business strategy has been driven more by the practical needs of business than by the development of theory. The aim of our paper is to present the theoretical foundation of business strategy starting from the military domain. The methodological approach is literature review.*

**Keywords:** *strategy, military strategy, business strategy, war*

**JEL Classification:** *M1*

## Introduction

Strategy has always been a highly debated topic both in theory and practice, and has been evolving for centuries (Aurik, Fabel and Jonk, 2014). While the importance of the concept of strategy is generally accepted in many domains, ranging from military art to politics, international relations, economics or business, there are as many definitions of it in the literature as there are organizations. The concept of strategy has been described through multi-faceted approaches either as a science (Coutau-Bégarie, 1999; Clausewitz, 1873), an art (Coutau-Bégarie, 1999; Linnert, 1973; Mead Earle, 1943) or a combination of them (Barış, 2015).

As any organizations, enterprises need business strategies for several reasons such as “to give direction and purpose, to deploy resources in the most effective manner, to coordinate the decisions made by different individuals” (Grant, 2013, p. 12), or to obtain revenues. This why there are many similarities between business strategy and military strategy. However, the evolution of business strategy has been driven more by the practical needs of business than by the development of theory. The aim of our paper is to present the theoretical foundation of business strategy starting from the military domain. The methodological approach is literature review.

## Strategy: from war to business

The term strategy derives from the ancient Greek word “strategia”, meaning “generalship”. During the time, the concept has been adopted from the military domain and expanded in many others such as business. In this respect, strategy represents “the art of distributing and applying military means to fulfill the ends of policy” ([Liddell Hart, 1967, p. 321](#)). Two of the most relevant books on strategy and war were the creation of two famous military thinkers: a Chinese, Sun Tzu, and a German, Carl von Clausewitz.

Despite the passage of time, “The Art of War” written by Sun Tzu some 2,500 years ago, has remained a fresh and profound insight into the military wisdom. His book is about “life, death, fear, courage, subterfuge, integrity, victory and defeat, honor and disgrace, profit and loss, unpredictability and simplicity, accountability and responsibility” and about “relationships and interacting with those you view as generals, your fellow soldiers- even your competitors” (Chu, 2007, p. xii). Starting from the assumption that the art of war is of vital importance for the state, Sun Tzu identified five main elements which are at the heart of the “art of war” (Table no. 1).

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In his view, winning without fighting or winning without bloodshed is the best strategy. This is why “by playing on the psychological weaknesses of the opponent, by maneuvering him into precarious positions, by inducing feelings of frustration and confusion, a strategist can get the other side to break down mentally before surrendering physically” (Greene, 2007, p. xvii).

“The Art of War” constitutes a masterpiece of the military strategy. The wisdom of this book is reflected through several teachings such as:

- War is a very serious business of a state, a key of its survival or ruin.
- The elements of the art of war are the measurement of space, the estimations of quantities, calculations, comparisons, and chances for victory.
- The best strategy is obtaining the victory with the least amount of conflict. As an integral part of human society, conflict is all around us.
- Deceiving the enemy and good intelligence are vital in order to be successful in a war.
- The commander is responsible for military strategy.
- The difference between victory and defeat is determined by the commander’s qualities (e.g., courageous, sage, trustworthy).

Written by Clausewitz in 1832, “On War” has asserted that war might be seen as a duel on an extensive scale (Clausewitz, 1873). The Prussian general and military theorist systematically developed “his most creative and original insights into the nature of war (e.g., the primacy of rational, political cost/benefit calculations; the value of setting the objectives to be obtained and estimating the national means to be invested in war; the inherent differences between the offense and defense in the interruption and miscalculation in war; the concepts of friction and chance; and the dominant role of uncertainty [i.e., lack of information and intelligence])” (Handel, 1991, p. 4).

In his opinion, the art of war comprises tactics and strategy: “The first is concerned with the form of the individual engagement, the second its use.” (Clausewitz, 1984, pp. 131-132). He also stated that military strategy refers to the employment of the battle to gain the end of the war and revealed five elements of strategy: moral, physical, mathematical, geographical, and statistical (Figure no. 1). Later, Luttwak’s “Strategy: The Logic of War and Peace” provided a lucid review of Clausewitz’s insights into war’s dialectic. He has shown that strategy is made of self-contradictory propositions (Luttwak, 2001).

In search of the military success, Clausewitz advocated “six principles of strategic effectiveness:

1. Advantage of terrain.
2. Surprise.
3. Attack from several sides.
4. Aid to theatre of war by means of fortifications.
5. Assistance of the people.
6. Use of great moral forces.” (Horwath, 2006, p. 3)

**Table no. 1. Three translations of the five key elements which are governing the “art of war”**

No.	Author of the translation of “The Art of War”	The five key elements which are governing the “art of war”	Explanation
1.	Denma Translation Group	a) Tao; b) heaven c) Earth d) the general e) method	“Tao is what causes the people to have the same purpose as their superior. Thus they can die with him, live with him and not deceive him. Heaven is yin and yang, cold and hot, the order of the seasons. Going with it, going against it, this is military victory. Earth is high and low, broad and narrow, far and near, steep and level, death and life. The general is knowledge, trustworthiness, courage and

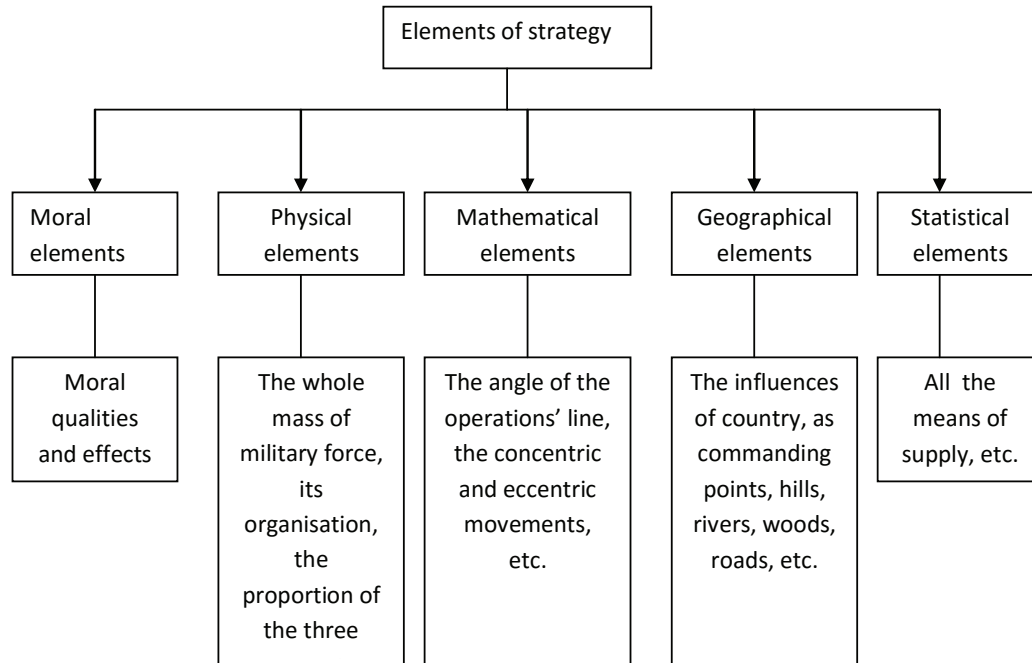
No.	Author of the translation of “The Art of War”	The five key elements which are governing the “art of war”	Explanation
			strictness. Method is ordering divisions, the Tao of ranking and principal supply.” (Sun, 2002, p. 3-4)
2.	Giles L.	(1) the Moral Law; (2) heaven; (3) Earth; (4) the commander; (5) method and discipline	“The Moral Law causes the people to be in complete accord with their ruler, so that they will follow him regardless of their lives, undismayed by any 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; the chances of life and death. The Commander stands for the virtues of wisdom, sincerely, benevolence, courage and strictness. By method and discipline are to be understood the marshaling of the army in its proper subdivisions, the graduations of rank among the officers, the maintenance of roads by which supplies may reach the army, and the control of military expenditure.” (Sun, 2000, p. 1-2)
3.	Shibing Y.	I. politics; II. weather; III. terrain; IV. the commander; V. doctrine	“Politics means the thing which causes the people to be in harmony with their ruler so that they will follow him in disregard of their lives and without fear of any danger. Weather signifies night and day, cold and heat, fine days and rain, and change of seasons. Terrain means distances, and refers to whether the ground is traversed with ease or difficulty and to whether it is open or constricted, and influences your chances of life or death. The commander stands for the general’s qualities of wisdom, sincerity, benevolence, courage, and strictness. Doctrine is to be understood as the organization of the army, the gradations of rank among the officers, the regulation of supply routes, and the provision of military materials to the army.” (Sun, 1998, p. 21)

Some of these principles served as a guide for other authors. In this respect, the so-called “Marine Corps Way” pictures the power of maneuver warfare starting from the following seven guiding principles:

- I. Targeting critical vulnerabilities.
- II. Boldness.
- III. Surprise.
- IV. Focus.
- V. Decentralized decision-making.
- VI. Rapid tempo.
- VII. Combined arms. (Santamaria, Martino and Clemons, 2003)

These principles have proved to be a useful framework for designing a successful business strategy (Clemons and Santamaria, 2002). Similar ideas are to be found as explanations for victory and defeat both in the military and business world, as follows:

- i. Knowledge of the enemy’s characteristics and plans.
- ii. Focus.
- iii. Choice of terrain.
- iv. Surprise. (Vasconcellos e Sá, 2005)



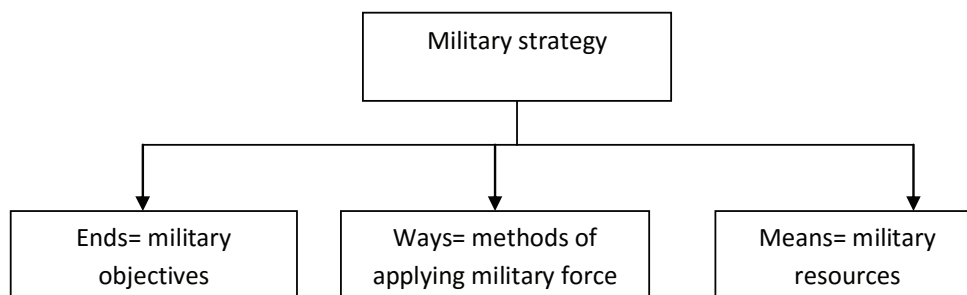
**Figure no. 1. The five elements of strategy according to C. von Clausewitz**

Other researchers proposed the ends, ways, and means paradigm of military strategy (Lykke Jr., 1995). Thus, strategy equals ends plus ways plus means (Lykke Jr., 1997- Figure no. 2), taking into account that: “Ends are expressed as national objectives drawn from national values and interests. Ways are courses of action to achieve ends. Means are the resources (manpower, materiel, money, forces, logistics, etc.) required to support each course of action.” (Fast, 1997, pp. 8-9)

Nowadays, military forces are facing a multitude of challenges all over the world. A strategic five-step risk assessment process should focus on several key issues such as:

- “Understanding the strategic and operational environment and leveraging information...
- Shaping strategic and operational conditions...
- Projecting forces...
- Employing forces and capabilities to achieve strategic and operational objectives...
- Protecting and sustaining forces consistent with operational conditions...
- Terminating military operations consistent with strategic and operational objectives...” (CSIS, 2013, p. 5)

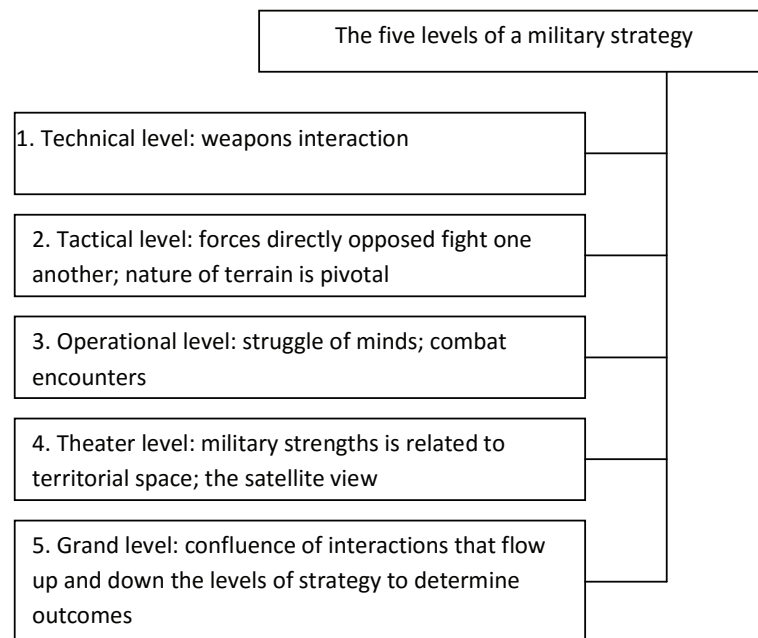
All these lead to the identification of the main levels of a military strategy. The first level is a technical one, and the last is a so-called “grand” level (Figure no. 3).



**Figure no. 2. The three components of military strategy according to A. F. Lykke Jr.**

In spite of the fact that the study of strategy started with warfare, many books and articles on business strategy have been written worldwide since the 1960s (Mintzberg, 1994; Ansoff, 1984; Andrews, 1980; Porter, 1980; Ansoff, 1969; Ansoff, 1965). Moreover, “business began to adopt and adapt the military discourse to ‘discover’ its own articulate discourse of strategy” (Hoskin, Macve and Stone, 1997, p. 20).

As the military principles for success in strategy proved their effectiveness, they were adopted in the business world. Therefore, the principles for business strategy success are similar or identical to principles of military strategy (Cohen, 2004). Without any doubt, “modern business strategies, just as military ones, are based on analyses of enterprises and how they conclude their struggles with minimum loss and maximum profit.” (Ozleblebici and Dogan, 2015, p. 79). For example, “a military commander will vary his strategy and tactics depending on whether he is fighting a large or small enemy, and whether he is fighting on flat, open ground or hilly terrain” and “likewise, each sector of the market or even each major customer should be looked at as an individual battleground, and the most appropriate tactics and strategy used.” (Skellon, 2000, p. 191)



**Figure no. 3. The five levels of a military strategy**

Source: Horwath, 2006

Business organizations need strategy for several reasons. Thus, “strategy assists the effective management of organizations, first, by enhancing the quality of decision making, second, by facilitating coordination, and, third, by focusing organizations on the pursuit of long-terms goals” (Grant, 2013, p. 16). As “a plan that aims to give the enterprise a competitive advantage over rivals through differentiation”, strategy is “about understanding what you do, what you want to become, and-most importantly- focusing on how you plan to get there” (Luecke, 2005, p. xiv). Corporate strategy defines “the scope of the firm in terms of the industries and markets in which it competes” whereas business strategy is concerned with “how the firm competes within a particular industry or market” (Grant, 2013, p. 19).

Whether in military or business world, strategy is a plan and involves the deployment of resources, and the establishment of a goal. Also, strategic decisions are very important in both cases. In sum, military strategy and business strategy have in common many concepts and principles.

## Conclusions

Strategy is critical in any field of activity, either war, or business or politics. The concept of strategy was used for the first time in the military domain. Later, it was adopted and adapted for application in the business world.

Similar or identical concepts and principles are to be found both in the military strategy and the business strategy. In military, as in the business, strategy bridges the gap between means and ends, and represents a link between the organization and its environment. This is why strategy should be fully integrated into all activities and processes of any organization.

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