

## ***Project Business Management*<sup>1,2</sup>**

# **Project Business and Chinese Stratagems, Pt. 2: Deceptive Stratagems**

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*“Never attempt to win by force what can be won by deception.”*

Niccolò Machiavelli, *The Prince*



## **Summary**

Stratagems 7 to 12 of the 36 Chinese stratagems (sānshíliù jì, 三十六計) describe manipulative and deceptive trickery to win a battle. They can also help improve Project Business

More stratagems will be discussed in the coming articles.

<sup>1</sup>This is the 48<sup>th</sup> in a series of articles by Oliver Lehmann, author of the book [“Project Business Management”](#) (ISBN 9781138197503), published by Auerbach / Taylor & Francis. See full author profile at the end of this article. A list of the other articles in PM World Journal can be found at <https://pmworldlibrary.net/authors/oliver-f-lehmann>.

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## The Second Set of Stratagems

In the first set of six stratagems<sup>3</sup> collected in ancient China, the application was for a situation of strength. In this second article of the series, written for professionals in Project Management and even more in Project Business Management<sup>4</sup>, the focus of the next six stratagems is on deception.

Many of the following explanations are more warnings to not get deceived than recommendations.

## The Series of Articles

The stratagems are ordered into six groups, which are each discussed in dedicated article:

1. Introduction, Stratagems for a position of strength<sup>3</sup> (previous article)
2. Deceptive stratagems (this article)
3. Stratagems for attacks
4. Stratagems for confusion
5. Stratagems to win ground
6. Stratagems in the moment of defeat

## The Deceptive Stratagems

In a position of obvious strength, one may want to avoid exhausting resources unnecessarily and taking avoidable risks. The following six stratagems can help win in such situations:

### **7. Create something out of nothing** (无中生有)

Illusions can influence human behavior.

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<sup>3</sup> (Lehmann, 2023)

<sup>4</sup> (Lehmann, 2018)

There is a story behind the stratagem: In the year 756 A.D., the An Lushan Rebellion, one of the most bloody civil wars of all times, disrupted China. During the uprising, a pivotal battle was the siege of the fortress of Yongqiu. Commander Zhang Xun defended the city with 1,000 soldiers against an army of 40,000 rebels under General Linghu Chao.

Each night, Commander Xun let his men beat the war drums to give the impression that they were about to sally out and attack his enemies, which they didn't. But the besieging rebel army could not sleep, as they had to expect the assault at any moment, and, as the nights passed, its soldiers grew tired of the drums and let their guard down. Then, Xun ordered his troops to sally out at night and kill rebel soldiers sleeping in their tents. His soldiers swiftly returned to the fortress before the enemies could overwhelm them.



*Figure 1: Zhang Xun*

Later during the siege, the defenders faced a shortage of arrows. To betray General Chao, Commander Xun ordered the manufacturing of 1,000 straw dummies, which they equipped with real weapons. His soldiers lowered them by night outside the walls, making them look like abseiling fighters. Chao's archers immediately tried to bring them down with myriads of arrows. After a while, the defenders pulled the dummies back up and filled their quivers with the arrows sticking in them. Later, when Zhang Xun attempted the same trick with more dummies, Linghu Chao saw through the ruse and ignored them. In response, Xun lowered actual warriors from the walls, who ultimately succeeded in launching a violent attack on Linghu Chao's sleeping forces. After some more cheats by Xun, Chao's demoralized and humiliated army retreated, and the city was rescued.

Illusions can change people's behaviors. Creating the impression that something is there when it isn't, such as nightly threats of attacks that did not happen but gave the enemy sleepless nights, can change the course of history.

It's not uncommon to experience this stratagem in the business world. When we encounter an issue with a product or service, we reach out to a call center for assistance. Unfortunately, we often have to endure lengthy hold times and repetitive messages thanking us for our patience. Once we finally speak with an agent and explain our problem, they create a ticket and assure us that we'll receive an update soon. However, after waiting for three days, we're left with a closed ticket and no resolution. At this point, we question whether it's worth our time to try again.

In project business, vendors often claim competencies and free capacities that they don't have to lure the customer into the contract. They assume they can gain the missing skills and resources quickly by hiring people or using subcontractors once the buyer has awarded the contract to them.

In return, buyers have the power to not only get a great deal but also positively impact their vendors' businesses. They can help contractors gain new customers and grow their business by offering letters of recommendation. It's a small act that only takes a few minutes but can make a big difference to someone else's business success.

And as always, sometimes these methods are effective, while at other times they aren't.

## **8. Openly repair the plank road while you sneak through Chencang**

(明修棧道,暗渡陳倉)

This stratagem is also based on a historical event.

It took place in 206 A.D. during a conflict between the state of Chu and rebel armies led by Xiang You and Liu Bang. During the conflict, a power struggle emerged between two rebel leaders, Xiang You and Liu Bang.

Xiang You claimed supremacy over Liu Bang, who had a weaker army and was forced to seek refuge in a city named Hanzhong. To prevent Xiang You's army from reaching him there, Liu Bang burned a wooden path to this city through mountainous terrain.

As he prepared to return and confront Xiang You, Liu Bang sent some of his men to repair the gallery road through the mountains, enough to make it look serious. However, he secretly marched his main force around the mountains through the city of Chengcang, while Xiang Lu became complacent, thinking the gallery road repairs would take years.

As a result, despite being outnumbered, Liu Bang was able to surprise and defeat Xiang You's lightly guarded army.

In Project Business, as much as in military conflicts, looking deceptively busy at a place that doesn't matter, driving away the attention from the activities that do matter, is also often a means to achieve goals. Attention – particularly management attention – is the scarcest and most valuable asset in any project. Attention paid to one thing may make it hard to pay attention to the things that deserve it much more.

Assuming that Project Business should be driven by honesty and openness, this is more a warning than a recommendation for action:

Sometimes, a contractor may choose to take a shortcut while working on a project, which goes against the agreed-upon contract and disregards the customer's interests. In an attempt to avoid consequences for breaching the contract, the contractor may distract the customer from the issue at hand.

In some cases, a customer may purposefully hinder the contractor's potential to profit from the project, which is a violation of the principles of good faith, trust, and shared responsibility. Additionally, the customer may redirect the contractor's focus towards unrelated matters in order to avoid taking responsibility for the misbehavior.

So here is the warning: In Project Business, if one notices attention being diverted towards insignificant matters, it's crucial to consider that more important issues might require attention elsewhere.

## **9. Watch the fire burning across the river**

(隔岸观火)

Sometimes, when the opponent is in upheaval, the best strategy may be to sit and wait until the weakened party can be easily defeated. When competition between two parties in a project is weakening them, a third party may benefit from the conflict and step in when the situation seems right.

I have a memory of a project where I was responsible for training project managers in a new methodology during a PMO development project. Two consulting firms were involved and their relationship was great when the customer-side project manager was present. They worked well together for the common goal of a successful project.

However, when the project manager was absent, the relationship between the teams changed dramatically. The project meant billable business for both consultancies, and their success was measured by the share of the business they would win for their organizations, making them behave as fierce competitors. When the project manager returned, all competition vanished.

Unfortunately, due to these hidden conflicts, the methodology developed by the two groups was inconsistent and non-compliant with the project managers' needs, and it was also difficult for me to teach it. After observing the development for a while, I spoke with the project manager and discussed my concerns, cataloging the issues and proposing improvements. He was grateful and tasked me with developing the improvements.

While the reputation of the consultancies suffered, the project brought me extra income, a happy customer, and led to a methodology that was easier to use.

## **10. Hide a dagger behind a smile**

(笑里藏刀)

Friendliness can be a key to success in private and business life. With friendliness comes trust, which is the most effective driver of performance in a project, especially a cross-corporate one. With trust, we can reduce bureaucracy, shorten processes,

make decisions speedier, and implement them more decisively. Trust can save a lot of costs and stress.

However, when we trust the wrong people, they will rip us off.



*Figure 2: Types of Stakeholders in a project<sup>5</sup>*

We trusted our business partners and thought we were together in the top-right field of Figure 2. However, we soon discovered they were actually dishonest and deceitful charlatans located in the bottom-right field. As a result, we were pushed to the left side, either as naïves, when the charlatans just harmed us but not the project, or as fools when the project got harmed too.

There is no failsafe protection from charlatans, however, a concept of “safe trust” may help, that has protective mechanisms in place that we can call upon when the trustworthiness that we expected from partners does not materialize.

## **11. Let the plum tree wither to save the peach tree** (李代桃僵)

In traditional Chinese cuisine, peaches were considered more valuable than plums because of their flavorful and sour taste. If one had to choose between the two due to limited supply, they would have likely opted for peaches.

<sup>5</sup> This diagram is based

If one had limited garden space and wished to plant a peach tree, it may have been necessary to remove the older plum tree to make room. Similarly, if someone had a plum tree and a peach tree in the garden and there is a scarcity of water, it would be wiser to water only the peach tree. This way, the valuable peach tree will thrive, while otherwise by dividing the inadequate water supply equally between both trees, both may dry up.

This stratagem is about prioritizing. In war, it is about pawn victims that are used to distract the enemy and bind its forces to a place where they cannot do any harm.

In Project Business, when a contractor works with scarce resources for several customer projects, prioritization may also become necessary. The sacrificed “plum tree” here may be the customer whose project is the least profitable, where the conditions of the contract punish poor performance to the lowest degree, or whose potential impact on the reputation of the contractor is smallest.

A similar decision may happen in the other direction. A customer may have insufficient liquidity to pay all contractors timely and has to prioritize. Here, the disadvantage may lie with the contractors working on the projects with the least priority. Commonly, payments to those contractors are shortened or delayed who made small errors in performance or in invoicing, making it easiest to save money, at least for the moment, without legal consequences.

On whatever side one stands—one does not want be the other party’s “Plum Tree”.

## **12. When the opportunity arises, pilfer the goat**

(順手牽羊)

Still today, in many countries, goats commonly stand unsupervised near roads, chewing on plants, and having a good time. These animals like to roam over wide areas individually or in small groups to find food and can hardly be controlled by their herders to the degree that shepherds can do with flocks of sheep. The stratagem says, “Take the figurative, unprotected goat” with you when you have the opportunity.

This is another deceitful stratagem: Never miss a chance to take advantage of a situation, even if it involves stealing or looting. It includes having the agility to change plans or veering off from them in order to take advantage of an unexpected opportunity that would otherwise be missed by sticking strictly to the plan. It also includes violating the principles of good faith, mutual responsibility for the well-being of business partners, and honesty in professional relationships.

An example: Hambantota, a small town in Sri Lanka with a long history of fishing, is located near a busy shipping lane where thousands of container ships pass each year between the Strait of Malacca in the East and the Red Sea and the Persian Gulf in the West. Despite having no industrial hinterland at the location, the Sri Lankan

government decided in 2002 to build a new port there, financed by a \$1.1 billion loan from China and built by Chinese contractors. The port project became part of the Chinese Belt-and-Road Initiative (BRI), among hundreds of other infrastructure projects in many countries to connect China's industry with Western Europe and Africa.

However, when the port opened in 2010, it immediately began losing money. International shipping companies mostly avoided the Hambantota port, which was visited by about 400 vessels per year<sup>6</sup>, by far not enough to cover its running costs. In 2017, it was clear that Sri Lanka couldn't make interest payments on the loans.

China then pilfered the goat, making the best use of the opportunity: A Chinese state-owned operator took control of the port on a 99-year lease. While China is rapidly expanding its Navy to become a major maritime power, it now has access to a harbor near one of the busiest routes of international sea traffic with infrastructure for storage, fueling, and ship repairs.

One should note, the loan that Sri Lanka must pay back to China for the construction of the port has not been repaid with the money Sri Lanka received under the lease contract.<sup>7</sup> Meanwhile, the country reportedly owes China even more money.<sup>8</sup>

*In the next article: Stratagems for attacks.*

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<sup>6</sup> (Gupta, 2022)

<sup>7</sup> (Abi-Habib, 2018)

<sup>8</sup> (International Finance Business Desk, 2023)



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## About the Author

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Oliver F. Lehmann, MSc, ACE, PMP, is a project management educator, author, consultant, and speaker. In addition, he is the owner of the website [Project Business Foundation](http://Project Business Foundation), a non-profit initiative for professionals and organizations involved in cross-corporate project business.



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He has been a member and volunteer at PMI, the Project Management Institute, since 1998 and served as the President of the PMI Southern Germany Chapter from 2013 to 2018. Between 2004 and 2006, he contributed to PMI's *PM Network* magazine, for which he provided a monthly editorial on page 1 called "Launch," analyzing troubled projects around the world.

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