

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

# **Project Business and Chinese Stratagems, Pt. 6: Stratagems in the Moment of Defeat**

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*“When I was young, I observed that nine out of ten things I did were failures. So I did ten times more work.”*  
George Bernard Shaw



## **Summary**

This article discusses the last six of the ancient 36 Chinese Stratagems (also known as sānshíliù jì, 三十六計). The focus of these stratagems is on surviving in a moment of weakness and defeat to gain a chance for another attempt. Applied in Project Business, the stratagems may inspire solutions for crises.

And again, the stratagems come also as a warning: Someone may use them against you to undermine your organization and your project.

<sup>1</sup>This is the 52<sup>nd</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 Sixth Set of Stratagems

The first set of six stratagems, carried over from ancient China focused on a situation of strength. The second article of the series, written for professionals in Project Management and even more in Project Business Management<sup>3</sup>, looked at six stratagems using deception. The third set included offensive stratagems for attacks. The fourth set of stratagems brought confusion into an adversary's camp.

In this fifth collection, the focus is on situations when the adversary is stronger and stratagems are used to impair him.

And for these, as for all stratagems described in this series, the article is also a warning: Do not get deceived by others applying them.

## The Series of Articles

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

1. Introduction, Stratagems for a position of strength<sup>4</sup> (first article)
2. Deceptive stratagems<sup>5</sup> (second article)
3. Stratagems for attacks<sup>6</sup> (third article)
4. Stratagems for confusion<sup>7</sup> (fourth article)
5. Stratagems to win ground<sup>8</sup> (fifth article)
6. Stratagems in the moment of defeat (this article)

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3 (Lehmann, 2018)

4 (Lehmann, 2023a)

5 (Lehmann, 2023b)

6 (Lehmann, 2023c)

7 (Lehmann, 2023d)

8 (Lehmann, 2023e)

## The Stratagems in the Moment of Defeat

The final set of stratagems is the most daring among the 36 stratagems, requiring finesse and skill. These are reserved for crisis situations that justify high-stakes gambles and need experienced commanders to be executed successfully.

In the world of Project Business, crisis always lurks around the next corner. Therefore, it is crucial to execute projects with alertness, professionalism, and creativity, to ensure the projects' organizational and financial well-being despite the different interests of the parties involved under contract.

### 31. Lay Out a Beauty Trap (美人計)

Mata Hari is often remembered as a "beautiful spy," a characterization that stems from her fame as an exotic dancer and courtesan combined with her later involvement in espionage during World War I.

Indeed, her real name was Margaretha Geertruida Zelle; she was born on August 7, 1876, in Leeuwarden, Netherlands<sup>9</sup>. When she became an exotic dancer in Paris, she adopted the stage name "Mata Hari," which she claimed meant "eye of the day" in Malay. This name became synonymous with her persona as a glamorous and mysterious performer. Her beauty and charisma were central to her persona as a performer, and these traits also played a role in the narrative that developed around her as a spy.



*Figure 1: Mata Hari on a 1907 postcard*

However, the truth about her espionage activities remains shrouded in mystery and controversy. While she was indeed convicted of spying for Germany and executed by a French firing squad in 1917, there has been considerable debate over whether she was actually guilty of the charges against her. Some historians argue that she may have been more of a scapegoat or a pawn in a game of wartime intelligence, with her fame and high-profile liaisons making her an easy target for accusations. Others think she was correctly convicted.

Regardless of the true extent of her espionage activities, Mata Hari's legacy as a "beautiful spy" has become a lasting part of her mystique, contributing to her enduring fame and the continuing fascination with her life and death. Her story blends elements of sensuality, intrigue, and tragedy, making her a compelling figure in the history of early 20th-century Europe and a perfect example of the "beauty trap" or "honey trap" stratagem.

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<sup>9</sup> (Parsch, 2005)

The use of beautiful women or men to entrap others in war times as much as in business and politics is a well-documented ruse to obtain goals that may otherwise be unachievable.

And again, this stratagem also serves as a warning: The beautiful man or woman with great charisma at the hotel bar may be a trap laid out to bring damage to someone's business.

## **32. The Stratagem of the Empty Fortress**

(空城計)

In the historical narrative of "Romance of the Three Kingdoms"<sup>10</sup>, an episode involving the strategic prowess of Zhuge Liang and the cautious skepticism of Sima Yi stands out as an example of psychological warfare. This incident, known as the "Empty Fortress Strategy," encapsulates a masterful blend of strategy and psychology in ancient Chinese warfare.

The setting is Xicheng, a walled city and key strategic stronghold with Zhuge Liang at its helm, commanding a significantly outnumbered garrison. The situation becomes critical as Sima Yi advances with a considerably larger force, positioning Zhuge Liang and his men in a seemingly inescapable predicament.

In this context of imminent defeat, Zhuge Liang orchestrates a counterintuitive strategy. He orders the opening of the fortress gates, a direct contravention of conventional defensive tactics. Complementing this bold move, he instructs a few soldiers to disguise themselves as civilians and broom the streets near the entrance, projecting an atmosphere of peaceful relaxation.

The climax of this strategy is Zhuge Liang's own position atop the fortress walls, calmly playing the guqin<sup>11</sup>. This image of composed defiance in the face of an overwhelming enemy force serves as the centerpiece of his psychological maneuver.

Sima Yi, upon arriving at Xicheng and observing these unusual circumstances, is immediately struck by suspicion. The open gates and Zhuge Liang's apparent indifference to the looming threat challenge conventional military logic. Sima Yi, wary of falling into a potential trap and recognizing the tactical acumen of his adversary, opts for a strategic withdrawal.

In Project Business, openness can be disarming. Assuming accountability for errors instead of taking a defensive position often creates an understanding of empathy, sympathy, and kindness. The other side accepts one's good faith, politeness, and honesty and takes it as a signal that one wants to heal the conflict that would otherwise rise up.

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<sup>10</sup> See last article (Lehmann, 2023e)

<sup>11</sup> A plucked seven-string zither, traditionally used as a symbol of refinement, meditation, and tranquility.

### **33. Attack the Enemy by Sowing Discord**

(反间计)

Another story from the complex political landscape of the Three Kingdoms era: A notable episode of strategic deception unfolded between Jiang Gan and Zhu Yu, two former schoolmates. Tasked by warlord Cao Cao, Jiang Gan set out to covertly obtain intelligence from Zhu Yu who was at odds with Cao Cao. The encounter, under the guise of a friendly reunion, provided the perfect backdrop for Jiang Gan's clandestine mission.

After an evening of feasting and drinking, when Zhu Yu was already asleep, Jiang Gan seized the opportunity to search his friend's belongings, discovering a treasonous letter from two of Cao Cao's generals, plotting his assassination. Triumphant, Jiang Gan returned to Cao Cao with the letter, leading to the immediate execution of the implicated generals.

However, the true brilliance of this episode lies in Zhu Yu's foresight. The letter was a fabricated trap, intentionally placed to mislead Jiang Gan and induce paranoia within Cao Cao's ranks. Zhu Yu's implementation of the stratagem exemplified psychological warfare and the power of misinformation, successfully manipulating the enemy without engaging in direct conflict.



*Figure 2: A hallmark of our time: "Alternative facts", sold as truth.*

Misinformation, sometimes sold as "alternative facts", is a characteristic of our time. It is sold as truth and as reliable information, but it just serves someone's business interests. The rise of social media and the fragmentation of news sources have also contributed to an environment where "alternative facts" can spread rapidly and gain traction among certain groups, regardless of their veracity. Often, misinformation pollutes public discourse, in other moments, it poisons it.

### **34. Injure Yourself to Win the Enemy's Trust**

(苦肉計)

In another story from the Three Kingdoms period in China, there was a disagreement between General Huang Gai and Chief Commander Zhou Yu.

Zhou Yu punished Huang Gai with 50 lashes because of this disagreement. Huang Gai, however, remained steadfastly loyal to Zhou Yu and bore no grudges against him for the punishment.

In an attempt to deceive Zhou Yu's enemy, the warlord Cao Cao, Huang Gai sent him a message claiming that he wanted to defect. Cao Cao believed Huang Gai's message and

arranged a meeting with him. Unbeknownst to Cao Cao, Zhou Yu had also received news of Huang Gai's message and had planned an ambush for Cao Cao's army.

When Cao Cao arrived at the meeting point, he was met with a surprise attack by Zhou Yu's troops. It was then revealed that Huang Gai had never intended to defect and had been loyal to Zhou Yu all along.

As a result of Huang Gai's loyalty and bravery, Zhou Yu's forces emerged victorious in the ensuing "Battle of Red Cliffs". This battle has since become one of the most famous and significant battles in Chinese history. Cao Cao had planned to rule all over China, however, his plans finally ended here.

As dangerous and painful as it is – feigning injury or actually injuring oneself in the context of this stratagem offers two distinct opportunities. Firstly, it can serve as a tactical ploy, whereby the enemy is lulled into a false sense of security due to the perception that you no longer pose an immediate threat. By simulating injury, one can convince the enemy that one is unable to continue fighting, potentially leading to a decrease in vigilance on their part and an opportunity for a surprise attack.

Secondly, feigning injury can also serve as a diplomatic tool, whereby the perception is created that a common adversary caused the injury. This can be leveraged to ingratiate oneself with the enemy, creating a sense of both compassion and camaraderie that can be useful in future negotiations. This tactic can be particularly effective if the enemy is convinced of a shared adversary, creating a sense of unity and shared purpose that can facilitate a peaceful resolution to the conflict, often at a cost to the third party.

In politics as well as in private life and business, the perception of getting hurt and injured can forge parties together: Hasn't my adversary repeatedly hurt me for a long time, and now, he or she did the same to another one? This person has been treated unjustly and suffered pain; the person must be trustworthy.

In Project Business, we are lucky to not have to fear lashing, but malicious gossip may be good enough, such as:

- "We've worked with his contractor for a long time, and their deliveries to us have been late and of poor quality. Allow us, dear customer, to do the work for you instead, we ensure you of our reliability and timeliness."

## **35. Use a Sequence of Stratagems**

(連環計)

In June of 1812, Napoleon led his Grande Armée of over 475,000 soldiers and 200,000 horses into Russia. Soldiers and horses came from many different countries including France, Germany, and Poland. The sheer size of the army presented a significant problem as

they marched through a sparsely populated country with only a small number of cities and few poorly paved roads.

A train of vehicles accompanied the army, but the many thousands of people, horses, and oxen driving them also required care. The train slowed the army's pace and extended the time they would have to remain in Russia. Unfortunately, the country did not have enough resources to feed such a vast army, and the logistics required to bring stored food were not sufficient. Additionally, managing such a large army spread out over an area roughly the size of Germany and speaking many different languages was challenging as the communication systems were not up to par.

During this time, Russia applied the ninth stratagem, "Watch the fire burning across the river"<sup>12</sup>, observing the Grande Armée getting weaker from hunger, disorganization, and desertion while only rarely attacking the enemy. While the Russian army was not much smaller, the training level of its soldiers was much less developed, and so were their weapons. Napoleon took the cities on the way without much resistance, but their food stocks were insufficient to feed his army, and where they were sufficient, he lacked the logistics to bring them to his soldiers.

The situation got worse when heavy rain stopped the progress of the train while the soldiers still marched forward, increasing the distance between the two groups. Soldiers suffered from hunger while the train had plentiful bread but was out of their reach. Russia applied the 4<sup>th</sup> stratagem, "Relaxing while expecting the exhausted enemy".<sup>13</sup> They used the still unoccupied home country to feed their troops while the French army got decimated by hunger, dysentery, and other misfortunes.

France had some small successes when invading the few cities on the way, but things turned even worse when the Russian Orthodox Church called Napoleon "the Antichrist". Citizens, farmers, and even serfs considered the resistance against Napoleon's army a religious duty. "Creating something out of nothing", the church made poor people join forces with their oppressors from the nobility to stand against the French army, making sure its soldiers suffered even more.

In September 1812, Napoleon arrived at Moscow. He expected a delegation of city representatives to hand him over the symbolic key to the city, but the town was mostly empty. Its inhabitants had left it, and the food and other supplies Napoleon's army found there were soon consumed. Russia applied the 32<sup>nd</sup> "Stratagem of the empty fortress", turning the seeming success into a disaster for Napoleon.

In October 1812, Napoleon and his troops left Moscow to return to France. He had expected a message from Russia's Tsar Alexander I to offer negotiations, which never came. Napoleon knew that the Russian winter was about to come and that his soldiers would not survive in Moscow.

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<sup>12</sup> (Lehmann, 2023b)

<sup>13</sup> (Lehmann, 2023a)

In the end, the Grande Armée had lost around 300,000 soldiers.

In the realm of Project Business Management, the implementation of a chain of stratagems can prove to be an invaluable asset. When confronted with multifaceted and strenuous problems, it is often necessary to employ a variety of approaches that can be applied either simultaneously or sequentially.

Ensuring a diverse range of stratagems is at one's disposal is often essential to deliver the effective resolution of the problem at hand. However, if a single approach proves to be ineffective, the entire plan may be jeopardized if alternative plans are not readily available and prepared for execution.

Therefore, it is crucial to maintain contingency plans that operate within a broader framework to guarantee success, even when a particular approach fails to yield the desired outcome. By doing so, one can remain confident that they are well-equipped to tackle any obstacle that may arise.

This approach can help maintain flexibility while still remaining focused on the ultimate goal. Additionally, a chain of stratagems can help identify potential roadblocks before they become major problems, providing the opportunity to address them proactively. By working through a series of stratagems, a clear view of the big picture can be maintained while remaining responsive to changing circumstances. Overall, a well-designed chain of stratagems can be a powerful tool for success in Project Business.

And this stratagem also serves as a warning: Someone may use a stratagem against us. Someone may resist the project or is dissatisfied with how we manage it. We may identify the use of a stratagem against us and our project and respond to that, but the next stratagem may already be prepared.

## **36. Sometimes, Running Away is the Best**

(反客為主)

In situations where all options have been exhausted, it may be necessary to retreat strategically. In doing so, one can preserve their resources and physical well-being in order to regroup and continue the struggle at another time. While this decision may result in a temporary loss of dignity, it ultimately allows for a more effective and sustainable approach in achieving one's goals.

In a poorly performing project, it may be sometimes best to terminate it, before small damage turns into a much larger smash-up. In project contracts with incompatible or bad-willing (and bad-tempered) partners, ending the agreement and accepting losses may be better than letting the crisis grow until it can be no more managed.

Ideally, we can then collect our resources and redirect them to a use that is more beneficial and profitable.



## An Overview of the 36 Stratagems:

### 1. Stratagems for a Position of Strength

1. Deceive the Emperor and Cross the Sea
2. Lay Siege to Wei to Rescue Zhao
3. Borrow a Knife to Kill a Person
4. Relax While Awaiting the Exhausted Enemy
5. Plunder the Burning House
6. Make Noise in the East but Attack in the West

### 2. Deceptive Stratagems

7. Create something out of nothing
8. Openly repair the plank road while you sneak through Chencang
9. Watch the fire burning across the river
10. Hide a dagger behind a smile
11. Let the plum tree wither to save the peach tree
12. When the opportunity arises, pilfer the goat

### 3. Stratagems for Attacks

13. Hit the grass to disturb the snake
14. Borrow a dead body to let the soul come back
15. Lure the tiger from the mountain
16. To capture something, one must first let it go
17. Throwing a brick away to win a jade stone
18. Defeat the enemy by capturing their chief

## **4. Stratagems for Confusion**

19. Hit the grass to disturb the snake
20. Borrow a dead body to let the soul come back
21. Lure the tiger from the mountain
22. To capture something, one must first let it go
23. Throwing a brick away to win a jade stone
24. Defeat the enemy by capturing their chief

## **5. The Stratagems to Win Ground**

25. Replace the Beams with Rotten Timber
26. Point at the Mulberry Tree while Scolding the Pagoda Tree
27. Feign Foolishness but Remain Rational
28. Remove the Ladder when People Are on the Upper Floor
29. Decorate the tree with false blossoms
30. Turn the Guest into the Host

## **6. The Stratagems in the Moment of Defeat**

31. Lay Out a Beauty Trap
32. The Stratagem of the Empty Fortress
33. Attack the Enemy by Sowing Discord
34. Injure Yourself to Win the Enemy's Trust
35. Use a Sequence of Stratagems
36. Sometimes, Running Away is the Best

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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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