

HOW TO FIGHT COMPETITION? SIX STRATEGIES FROM PANCHATANTRA

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ABSTRACT

In this article we discuss the following six strategies from Panchatantra to fight an enemy: (1) Peace, (2) War, (3) Change of Base, (4) Entrenchment, (5) Alliances and (6) Duplicity. We also highlight the sixth strategy, viz., duplicity through the Panchatantra story 'Crows and Owls'. We also highlight the fact that no victory is permanent and one needs to keep a constant vigil to sustain his/her territory.

INTRODUCTION: Present day business environment is fraught with cut throat competition and companies are clueless as to how to combat domestic as well as global competition. Panchatantra, an ancient Indian Literature that teaches wisdom about human nature through animal fables, offers several strategies to deal with enemies. Particularly, Book III in Panchatantra which describes the enmity between crows and owls is richly endowed with strategies to fight competition.

Apparently, a crow-king named Cloudy was living in a big banyan tree along with a countless retinue of crows. A rival king, an owl named Foe-Crusher had its fortress in a mountain cave, and had an unnumbered retinue of owls. Due to previous enmity Foe-Crusher kept killing every crow that came in its way. Cloudy summoned all its counselors and asked them to advise a course of action out of the following six possibilities.

1. Peace
2. War
3. Change of Base
4. Entrenchment
5. Alliances and
6. Duplicity

The rest of the story is about the choice of a suitable strategy to counteract the owl menace. In this article, we describe each one of the strategies and also offer some suggestions on when to use what strategy.

PEACE: When the enemy is powerful and, it does not make sense to fight one can make peace with the enemy. However the enemy should be gentle enough to make peace with an under-dog. Enemy should not be a cunning fellow who in the guise of peace might end up devouring the weaker opponent.

The following example from Time, October 14, 1996 (Page - 34) illustrates a typical situation when a company opts for peace.

“..... Thailand’s giant Charoen Pokphand Group (CP) started selling its Chia Tai brand animal feed in China’s Sichuan province a decade ago. .. After two years of research, a small, family-owned Hope Group introduced its hope feed which produces the same results as CP’s. .. (It) did not simply put its product on the market. Instead, the firm slashed prices and waged a farm-by-farm battle for CP customers until, Hope Chairman Liu Yongxing claims, the Thai firm sent its manager to seek truce.”

Typically in Oligopoly markets it makes immense sense to form a cartel and work in peace rather than engage in a price war which is of no one’s advantage.

India’s relationship with its neighbouring countries can be a good example. Nepal, Bhutan, Bangladesh, Srilanka and Maldives have opted for a peaceful coexistence with India while Pakistan has chosen a confronting posture. To fight the multinationals in the PC (Personal Computer) market, every Indian

company has tied up with a multinational (HCL-HP, WIPRO-ACER) to fight each other. However PCL has opted for Peace by signing up with several multinationals for distribution of their Computers. No wonder PCL has sold the largest number of machines in the current year.

However the strength of the enemy is not a decisive factor in the choice of Peace as a strategy. In many instances the smaller can slay the great by showing greater vigour and energy. For example, Lion kills the elephant. Enemy can also be slain through some deceptive gesture which we shall discuss under Duplicity.

WAR: War refers to the frontal attack on the enemy. This should be attempted only when one can match the enemy in every respect. The fight between HLL and P&G in the detergent market is a good example of a War strategy. When Ariel was launched in the compact detergent category by P&G, Surf-Ultra was launched by HLL to counteract Ariel. The ad budgets were matched or surpassed by HLL. Point of purchase displays were matched. In every respect it was a war to gain territory in the detergent market.

CHANGE OF BASE: This refers to retreating to save imperiled life and then planning an invasion to win. This is practiced by near equals when one cannot match the enemy on certain critical factors. You retreat now to build those capabilities and then launch a frontal attack on the enemy or attack when the enemy is not alert. When a company starts bleeding red, it may not be worthwhile to continue fighting; which will only weaken the company further.

The trouble with this approach is that once you vacate a territory and leave it to the enemy, he becomes stronger and it may be difficult to recapture the same. Particularly in marketing, even a temporary withdrawal from the market can cause irreparable damage to a company. Solidaire, a TV brand popular in south India temporarily shifted its attention to the German Market neglecting its home base helped other brands consolidate their position. Solidaire is yet to regain its market share in its home market.

ENTRENCHMENT: This is a kind of defense wherein you strengthen your base and stay entrenched. It is said that one man entrenched can hold a hundred foes at bay. Panchatantra says that a crocodile at home can beat an elephant but if he goes elsewhere even a dog can make him pant. Similarly a hostile blizzard spares the shrubs that grow in clumps. This is practiced by smaller people who are very strong in their narrow territories.

Though there are star hotels that offer exotic food, road-side restaurants also prosper side by side. Similarly we have branded confectionery items like bread and biscuits which are not able to dampen the enthusiasm of the neighbourhood bakeries. In every city there are small bakeries which have earned name for themselves. People tend to prefer the bakery bread to the branded ones. Also small firms can fight in unison like the match factories in Sivakasi or the spots goods makers in Patiala.

ALLIANCE: In this strategy you stay at home and seek some competent ally, to make a counterweight against the enemy. According to Panchatantra the ally can either be strong or weak. The wind is a friend to forest fire though it can put off a candle. At the same time a weak bamboo stem can provide strength to the scaffolding. The choice of an ally depends on the purpose and mutual interests. In the Indian business context, there is certain amount of immaturity exhibited in the way strategic alliances are made. It has become fashionable to enter into some kind of an alliance with a foreign company without understanding the motives of the ally. That is the reason why several joint ventures are in trouble in India.

DUPLICITY: In this you win the trust of the enemy, enter his fort and then destroy him. It is sometimes coupled with change of base. This is a form of gorilla attack. Find a weakness in the enemy and then make a surprise attack to pulverize the enemy. Ramesh Chauhan did this to Campa Cola in Delhi by introducing Thums-Up in its Maha Cola version in one summer. It was done so swiftly that Campa Cola

did not have an answer to the Thums-Up campaign of `more quantity for the same price`. Ramesh Chauhan kept his operation so secretive that Campa Cola was clueless as to how to react. First of all it was a summer month and Campa Cola had to react fast or else lose the market; additionally introducing larger bottles required such a large lead-time that effectively kept them out of the summer months.

HOW DID THE CROWS OVERCOME THE OWL MENACE?: Live-strong was one of the counselors of the crow-king Cloudy. Live-Strong staged a drama in which Cloudy pounced upon Live-Strong, pecked at him gently, smeared him with blood (which Live-Strong had provided), and departed with his retinue to another place. This was promptly reported by a spy to the owl-king Foe-Crusher. Immediately Foe-Crusher visited the site and made an enquiry. Live-Strong explained how Cloudy had hurt him badly and earned the sympathy of Foe-Crusher, which in turn took Live-Strong to its fortress in the mountain cave. In a short-while Live-Strong won the confidence of Foe-Crusher, and started building a nest at the entrance of the cave with the consent of the owl-king. Once the nest was completed, Live-Strong flew to its King and requested each crow to come with a lighted fagot apiece in their bills and throw upon the nest built by it. The operation was carried out during the day-time when the owls were blind. As there was only one entry to the cave all the owls got roasted inside the cave. In this fashion Cloudy exterminated all its foes and returned to his old fortress in the banyan tree.

POST-SCRIPT FROM PANCHATANTRA: No victory is permanent and one need to sustain the territory wrested from the enemy. The following advice by Live-Strong to Cloudy should serve as a note of caution to all CEOs.

“.....the thought `My Kingdom is Won` should not shatter your soul with the intoxication of glory. And this because the power of kings is a thing uncertain. Kingly glory is hard to climb as a bamboo-stem; hard to hold, being ready to tumble in a moment, with whatever effort it be held upright; even though

conciliated, yet sure to slip away at last; unbalanced as water on a lotus-leaf; mutable as the wind's path; untrustworthy as the rogues' friendship; hard to tame as a serpent; gleaming but a moment like a strip of evening cloud; fragile by nature, like the bubbles on water, ungrateful as the substance of man's body; lost in the moment of attainment, like the treasure of a dream.”.

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