



The Chronicles of Yen Tzu

The Specialist

Yen Tzu's nephew, Merchant Hui Neng, had sent his eldest son, Ni, for guidance following a decline in business, which Neng attributed to Ni's lack of focus. Yen Tzu tilted his head to one side and smiled affectionately at his great nephew Ni, after the young man had explained that what he may lack in experience, he most assuredly made up with enthusiasm and commitment and was ready to do everything and anything.

'When you truly express yourself, the world embraces the enthusiasm and commitment you display,' replied Yen Tzu. 'Indeed it applauds your individuality. Yet, when you extend yourself toward everything and anything the outcome is not always as you would have hoped for. The key to fully expressing yourself is to find out what you are good at and then become exceptional at and then to specialise in it to the full.

'Those who do seek to specialise inevitably discover that the rewards are disproportionate between the best and the rest. Similar to the winning horse whose owner receives ten times more than the owner of the horse that came second, the specialist will reap increasing returns for being the best.

'Specialisation is perhaps the single most important factor in evolution itself. Every species has a tendency to seek out its ecological calling and develops its strengths accordingly in order to fulfil itself. Man, however, has a tendency to be influenced by artificial circumstances rather than natural conditions. Thus he seeks to adapt and improvise rather than create and develop.'

'Can you illustrate with one of your famous stories, great uncle?' asked Ni, enthusiastically.

Yen Tzu nodded: 'It is said that the great Sun Tzu was always searching for the world's greatest strategist, right up until he was called to enter the Garden of the Jade Emperor.'

'Indeed, at the very gates the Immortal Guardian, Dragon King Ao-Kuang, welcomed him, exclaiming: 'Ah Sun Tzu, we have been expecting you. The very person for whom you have searched so long and hard has also recently arrived.'



'Do you actually mean the world's greatest strategist? Who? Where?' asked Sun Tzu immediately.

'Look yonder, the person you seek is just over there,' replied the Immortal Ao-Kuang.

Filled with anticipation and excitement, Sun Tzu turned but what he saw dismayed him.

'But what joke is this? Is this hell's gate I have come to? This man cannot be the person I sought so long and so hard for! He is no warrior or leader of men. He was the general boatman on the River Huai in my home state of Wu, and, so they say, a handyman before that.'

'Because he was good at many things,' said the Immortal Guardian, 'he was often called upon by others, and never got down to doing what he would have excelled at. Had he specialised with the talents he had been given by the Jade Emperor, he would have been the greatest warrior strategist who had ever lived.'

'Artfully manoeuvring the dangerous current and courageously saving the lives of many on the River Huai came easily to him because of his gifts.'



Yen Tzu, paused after telling the story, before adding, 'You see, Ni, had the boatman known about his true strengths, or had they been recognised by another, he would have been able to harness them. Had he been aware of them he would not have spent his life diversifying, he would have focused his energy on becoming the specialist that would have fulfilled his capabilities.'

'You have always spoken wise words, great uncle, but surely what you are saying requires you to put all your eggs in one basket? My earlier scholars were adamant about diversifying, as it helped to spread any risk.'

'Ah,' answered Yen Tzu, 'but how many scholars have ever operated a business, let alone successfully? Experiencing the dark night of the soul is not a theory that can have a model built and applied. Business to many of them is something they test their theories on, making it appear more complex than it actually is. Parents with one child will watch their child more carefully than parents with five children. Each child should be watched the same, but there is not the time unless the family works as a team.'

'If you only have one basket of eggs you are more careful with that basket. When you have eggs in lots of different baskets you are not so concerned if one basket is lost. When you diversify, where do you spend the fixed amount of energy that one day provides? A bit here and a bit there. When you specialise, you apply all your energy. Always put your eggs in one basket, Ni, and guard that basket well, with all of your energy. In that way your eggs will hatch, grow and multiply.'

'But although what you say appears to be sound,' pressed Ni, 'why is it that so many businesses fail? If they had something else to fall back on, they could see their way through hard times.'

'More businesses fail that have diversified than specialised,' answered his great uncle. 'But there are many reasons that businesses fail, the top of which is that people demand more out of something than they are prepared to put in. Many are impatient, and after trying one thing for a short time become bored and apply their energy in another direction.'

'You talk of the need of your father's business to diversify, when its strength is in the speciality it provides. There is of course nothing wrong with diversifying within the specialisation itself, so long as the core skill remains and does not become incidental to the business. You will discover nephew, that the strength of a core skill will diminish in proportion to the increase in diversification. A business needs to be nurtured like a child.'

And the best way to rear a child is to recognise that it is not an extension of yourself, it is an expression of everything that is good about you.

'For example, a person may create a speciality that meets a demand and develop a niche market that brings rewards. Later, the very dynamics responsible for the speciality and niche can often become influenced by external factors. The somewhat larger business that has evolved because of the original speciality and niche becomes concerned about changing markets, competition or recession cycles.

'Believing that future survival depends on adapting to changing circumstances it decides to diversify. Unwittingly, however, it begins to weaken itself. Instead of reviewing core skills and expressing them in such a way as to meet the changing demands of the marketplace, it involves itself in the areas in which it lacks strength. Where it was once in command, it is now at the mercy of fluctuations in share and interest rates that lie beyond its control. As it extends its energy in concern about elements beyond its control, it becomes increasingly vulnerable.

'To specialise, however, does not mean to restrict the possible range of services or products, as long as they are complementary. A bookshop holding a wide range of books is preferable to a bookshop carrying a restricted selection. Where a firm of lawyers may choose to cater for every eventuality that requires law, an individual lawyer who chooses to do so will inevitably be mediocre. Where a mediocre lawyer mistakes being busy for being successful, a specialist lawyer is in demand regardless of his or her fee. Indeed, regardless of the business, when you are competing with a specialist, your profitability will be determined by the service they offer against yours.

'Knowledge, more now than ever before, is the critical ingredient for attaining leadership irrespective of the marketplace. Knowledge provides the edge in specialisation to the extent that if you are not continually learning in your specific subject, then whenever you meet another person who is, they will win, and you won't.'

