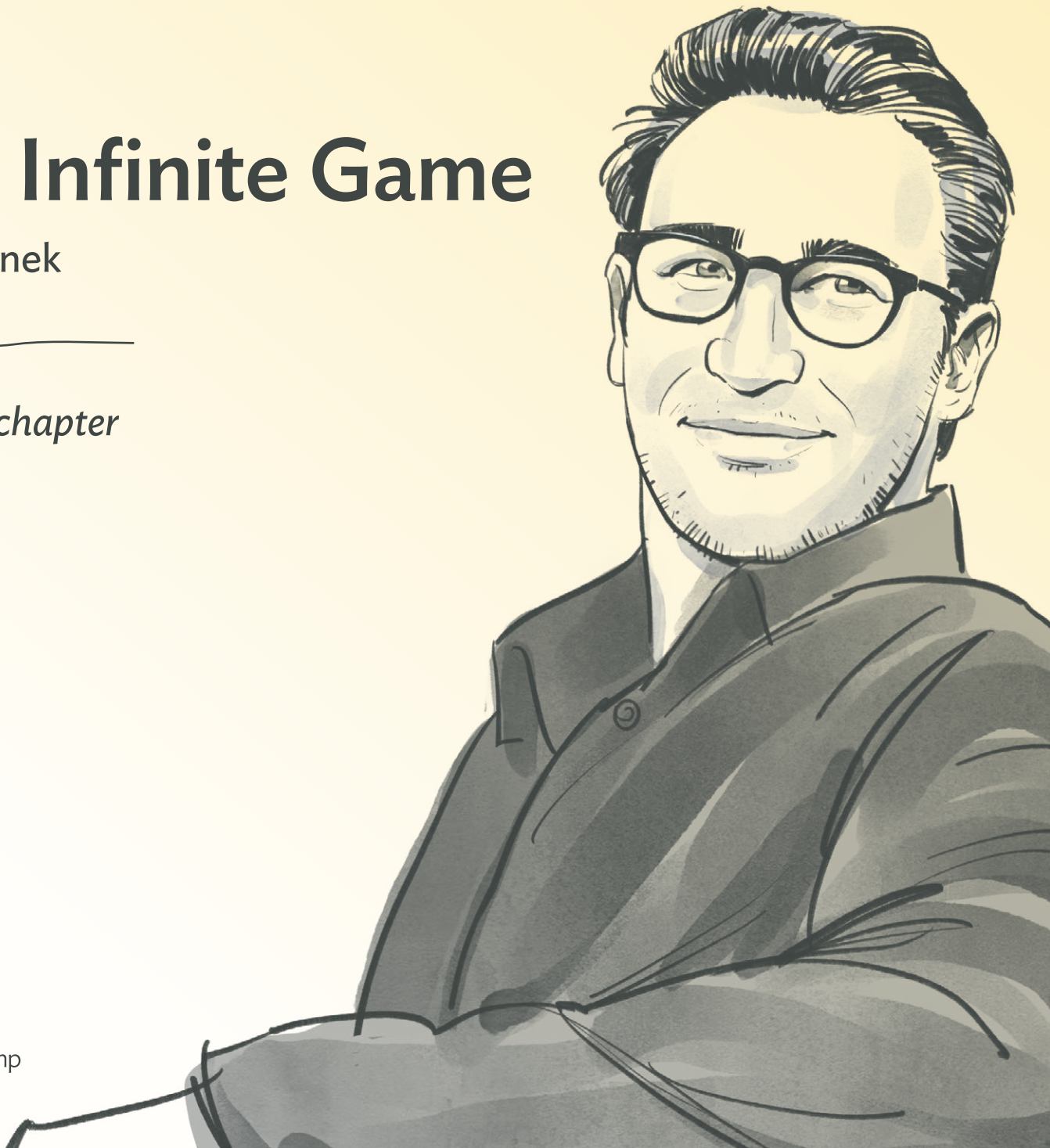


The Infinite Game

Simon Sinek

The first chapter



Simon Sinek

Simon Sinek is an unshakable optimist who believes in a bright future and works toward improving our ability to build it together. He discovered remarkable patterns about how the greatest leaders and organizations think, act and communicate. He is the author of five books, including *Start With Why* and *The Infinite Game*.

We are offering our podcast listeners the first chapter of *The Infinite Game*. This pioneering book identifies two different kinds of games: finite and infinite. Finite games, such as football or chess, have known players, fixed rules, and an agreed-upon objective that often ends the game with a winner and a loser. On the other hand, infinite games can be played by known and unknown players, have no exact rules and an infinite length of play. There is no winning or losing in infinite games. The objective is to continue playing. Examples of infinite games include business, politics, and life itself.

Learn more about Simon's work at simonsinek.com

About Culture First

Culture First: Stories for a better world of work is a podcast by Culture Amp, the People & Culture platform.

Join host Damon Klotz as he dives into heart-to-heart conversations with well-known and underground culture experts, and hear stories of trials and triumphs by people who are leading the culture first revolution.

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AVAILABLE
OCTOBER 15, 2019

WHY I WROTE THIS

IT'S SURPRISING THAT THIS BOOK EVEN NEEDS TO EXIST.

Over the course of human history, we have seen the benefits of infinite thinking so many times. The rise of great societies, advancements in science and medicine and the exploration of space all happened because large groups of people, united in common cause, chose to collaborate with no clear end in sight. If a rocket that was headed for the stars crashed, for example, we figured out what was wrong and tried again . . . and again . . . and again. And even after we succeeded, we kept going. We did these things not because of the promise of an end-of-year bonus; we did these things because we felt like we were contributing to something bigger than ourselves, something with value that would last well beyond our own lifetimes.

For all its benefits, acting with an infinite, long-term view is not easy. It takes real effort. As human beings we are naturally inclined to seek out immediate solutions to uncomfortable problems and prioritize quick wins to advance our ambitions. We tend to see the world in terms of successes and failures, winners and losers. This default win-lose mode can sometimes work for the short term; however, as a strategy for how companies and organizations operate, it can have grave consequences over the longer term.

The results of this default mindset are all too familiar: annual rounds of mass layoffs to meet arbitrary projections, cutthroat work environments, subservience to the shareholder over the needs of employees and customers, dishonest and unethical business practices, rewarding high-performing toxic team members while turning a blind eye to the damage they are

doing to the rest of the team and rewarding leaders who seem to care a lot more about themselves than those in their charge. All things that contribute to a decline of loyalty and engagement and an increase of insecurity and anxiety that too many of us feel these days. This impersonal and transactional approach to business seems to have accelerated in the aftermath of the Industrial Revolution and seems to be accelerating even more in our digital age. Indeed, our entire understanding of commerce and capitalism seems to have fallen under the sway of short-term, finite-minded thinking.

Though many of us lament this state of things, unfortunately it seems like the market's desire to maintain the status quo is more powerful than the momentum to change it. When we say things like "people must come before profit," we often face resistance. Many of those who control the current system, many of our current leaders, tell us we are naïve and don't understand the "reality" of how business works. As a result, too many of us back down. We resign ourselves to waking up dreading to go to work, not feeling safe when we are there and struggling to find fulfillment in our lives. So much so that the search for that elusive work-life balance has become an entire industry unto itself. It leaves me wondering, do we have another, viable option?

It is entirely possible that perhaps, just perhaps, the "reality" the cynics keep talking about doesn't have to be that way. That perhaps our current system of doing business isn't "right," or even "best." It is just the system that we are used to, one preferred and advanced by a minority, not the majority. If this is, indeed, the case, then we have an opportunity to advance a different reality.

It is well within our power to build a world in which the vast majority of us wake up every single morning inspired, feel safe at work and return home fulfilled at the end of the day. The kind of change I advocate is not

easy. But it is possible. With good leaders—great leaders—this vision can come to life. Great leaders are the ones who think beyond “short term” versus “long term.” They are the ones who know that it is not about the next quarter or the next election; it is about the next generation. Great leaders set up their organizations to succeed beyond their own lifetimes, and when they do, the benefits—for us, for business and even for the shareholder—are extraordinary.

I wrote this book not to convert those who defend the status quo, I wrote this book to rally those who are ready to challenge that status quo and replace it with a reality that is vastly more conducive to our deep-seated human need to feel safe, to contribute to something bigger than ourselves and to provide for ourselves and our families. A reality that works for our best interests as individuals, as companies, as communities and as a species.

If we believe in a world in which we can feel inspired, safe and fulfilled every single day and if we believe that leaders are the ones who can deliver on that vision, then it is our collective responsibility to find, teach and support those who are committed to leading in a way that will more likely bring that vision to life. And one of the steps we need to take is to learn what it means to lead in the Infinite Game.

Simon Sinek

February 4, 2019

London, England

WINNING

ON THE MORNING OF JANUARY 30, 1968, NORTH VIETNAM LAUNCHED A SURPRISE ATTACK AGAINST U.S. AND ALLIED FORCES. Over the next twenty-four hours, more than 85,000 North Vietnamese and Viet Cong troops attacked over 125 targets across the country. The American forces were caught completely off guard. So much so that many of the commanding officers weren't even at their posts when the attacks began—they were away celebrating Tết in nearby cities. The Tết Offensive had begun.

Tết is the Lunar New Year and it is as significant to the Vietnamese as Christmas is to many Westerners. And, like the Christmas truce of World War I, there was a decades-old tradition in Vietnam that there was never any fighting on Tết. However, seeing an opportunity to overwhelm American forces and hopefully bring a swift end to the war, North Vietnamese leadership decided to break with tradition when they launched their surprise offensive.

Here's the amazing thing: the United States repelled every single attack. Every single one. And American troops didn't just repel the onslaughts, they decimated the attacking forces. After most of the major fighting had come to an end, about a week after the initial attack, America had lost fewer than a thousand troops. North Vietnam, in stark contrast, lost over 35,000 troops! In the city of Huế, where fighting continued for almost a month, America lost 150 Marines compared to an estimated 5,000 troops the North Vietnamese lost!

A close examination of the Vietnam War as a whole reveals a remarkable picture. America actually won the vast majority of the battles it

fought. Over the course of the ten years in which U.S. troops were active in the Vietnam War, America lost 58,000 troops. North Vietnam lost over 3 million people. That's the equivalent of America losing 27 million people in 1968.

All this begs the question, how do you win almost every battle, decimate your enemy and still lose the war?

CHAPTER 1

FINITE AND INFINITE GAMES

If there are at least two players, a game exists. And there are two kinds of games: finite games and infinite games.

Finite games are played by known players. They have fixed rules. And there is an agreed-upon objective that, when reached, ends the game. Football, for example, is a finite game. The players all wear uniforms and are easily identifiable. There is a set of rules, and referees are there to enforce those rules. All the players have agreed to play by those rules and they accept penalties when they break the rules. Everyone agrees that whichever team has scored more points by the end of the set time period will be declared the winner, the game will end and everyone will go home. In finite games, there is always a beginning, a middle and an end.

Infinite games, in contrast, are played by known and unknown players. There are no exact or agreed-upon rules. Though there may be conventions or laws that govern how the players conduct themselves, within those broad boundaries, the players can operate however they want. And if they choose to break with convention, they can. The manner in which each player chooses to play is entirely up to them. And they can change how they play the game at any time, for any reason.

Infinite games have infinite time horizons. And because there is no finish line, no practical end to the game, there is no such thing as “winning” an infinite game. In an infinite game, the primary objective is to keep playing, to perpetuate the game.

My understanding of these two types of games comes from the master himself, Professor James P. Carse, who penned a little treatise called *Finite and Infinite Games: A Vision of Life as Play and Possibility* in 1986. It was Carse’s book that first got me thinking beyond winning and losing, beyond ties and stalemates. The more I looked at our world through Carse’s lens of finite and infinite games, the more I started to see infinite games all around us, games with no finish lines and no winners. There is no such thing as coming in first in marriage or friendship, for example. Though school may be finite, there is no such thing as winning education. We can beat out other candidates for a job or promotion, but no one is ever crowned the winner of careers. Though nations may compete on a global scale with other nations for land, influence or economic advantage, there is no such thing as winning global politics. No matter how successful we are in life, when we die, none of us will be declared the winner of life. And there is certainly no such thing as winning business. All these things are journeys, not events.

However, if we listen to the language of so many of our leaders today, it’s as if they don’t know the game in which they are playing. They talk constantly about “winning.” They obsess about “beating their competition.” They announce to the world that they are “the best.” They state that their vision is to “be number one.” Except that in games without finish lines, all of these things are impossible.

When we lead with a finite mindset in an infinite game, it leads to all kinds of problems, the most common of which include the decline of trust,

cooperation and innovation. Leading with an infinite mindset in an infinite game, in contrast, really does move us in a better direction. Groups that adopt an infinite mindset enjoy vastly higher levels of trust, cooperation and innovation and all the subsequent benefits. If we are all, at various times, players in infinite games, then it is in our interest to learn how to recognize the game we are in and what it takes to lead with an infinite mindset. It is equally important for us to learn to recognize the clues when finite thinking exists so that we can make adjustments before real damage is done.

The Infinite Game of Business

The game of business fits the very definition of an infinite game. We may not know all of the other players and new ones can join the game at any time. All the players determine their own strategies and tactics and there is no set of fixed rules to which everyone has agreed, other than the law (and even that can vary from country to country). Unlike a finite game, there is no predetermined beginning, middle or end to business. Although many of us agree to certain time frames for evaluating our own performance relative to that of other players—the financial year, for example—those time frames represent markers within the course of the game; none marks the end of the game itself. The game of business has no finish line.

Despite the fact that companies are playing in a game that cannot be won, too many business leaders keep playing as if they can. They continue to make claims that they are the “best” or that they are “number one.” Such claims have become so commonplace that we rarely, if ever, stop to actually think about how ridiculous some of them are. Whenever I see a

company claim that it is number one or the best, I always like to look at the fine print to see how they cherry-picked the metrics. For years, British Airways, for example, claimed in their advertising that they were “the world’s favourite airline.” Richard Branson’s airline, Virgin Atlantic, filed a dispute with Britain’s Advertising Standards Authority that such a claim could not be true based on recent passenger surveys. The ASA allowed the claim to stand, however, on the basis that British Airways carried more international passengers than any other airline. “Favourite,” as they used the word, meant that their operation was expansive, not necessarily preferred.

To one company, being number one may be based on the number of customers they serve. To another, it could be about revenues, stock performance, the number of employees or the number of offices they have around the globe. The companies making the claims even get to decide the time frames in which they are making their calculations. Sometimes it’s a quarter. Or eight months. Sometimes a year. Or five years. Or a dozen. But did everyone else in their industry agree to those same time frames for comparison? In finite games, there’s a single, agreed-upon metric that separates the winner from the loser, things like goals scored, speed or strength. In infinite games, there are multiple metrics, which is why we can never declare a winner.

In a finite game, the game ends when its time is up. The players live on to play another day (unless it was a duel, of course). In an infinite game, it’s the opposite. It is the game that lives on and it is the players whose time runs out. Because there is no such thing as winning or losing in an infinite game, the players simply drop out of the game when they run out of the will and resources to keep playing. In business we call this bankruptcy or sometimes merger or acquisition. Which means, to succeed in the Infinite Game of business, we have to stop thinking about who wins or who’s the

best and start thinking about how to build organizations that are strong enough and healthy enough to stay in the game for many generations to come. The benefits of which, ironically, often make companies stronger in the near term also.

A Tale of Two Players

Some years ago, I spoke at an education summit for Microsoft. A few months later, I spoke at an education summit for Apple. At the Microsoft event, the majority of the presenters devoted a good portion of their presentations to talking about how they were going to beat Apple. At the Apple event, 100 percent of the presenters spent 100 percent of their time talking about how Apple was trying to help teachers teach and help students learn. One group seemed obsessed with beating their competition. The other group seemed obsessed with advancing a cause.

After my talk at Microsoft, they gave me a gift—the new Zune (when it was still a thing). This was Microsoft’s answer to Apple’s iPod, the dominant player in the MP3-player market at the time. Not to be outdone, Microsoft introduced the Zune to try to steal market share from their archrival. Though he knew it wouldn’t be easy, in 2006, then CEO of Microsoft Steve Ballmer was confident that Microsoft could eventually “beat” Apple. And if the quality of the product was the only factor, Ballmer was right to be optimistic. The version Microsoft gave me—the Zune HD—was, I have to admit, quite exceptional. It was elegantly designed. The user interface was simple, intuitive and user-friendly. I really, really liked it. (In the interest of full disclosure, I gave it away to a friend for the simple reason that unlike my iPod, which was compatible with Microsoft Windows, the

Zune was not compatible with iTunes. So as much as I wanted to use it, I couldn't.)

After my talk at the Apple event, I shared a taxi back to the hotel with a senior Apple executive, employee number 54 to be exact, meaning he'd been at the company since the early days and was completely immersed in Apple's culture and belief set. Sitting there with him, a captive audience, I couldn't help myself. I had to stir the pot a little. So I turned to him and said, "You know . . . I spoke at Microsoft and they gave me their new Zune, and I have to tell you, it is *SO MUCH BETTER* than your iPod touch." The executive looked at me, smiled, and replied, "I have no doubt." And that was it. The conversation was over.

The Apple exec was unfazed by the fact that Microsoft had a better product. Perhaps he was just displaying the arrogance of a dominant market leader. Perhaps he was putting on an act (a very good one). Or perhaps there was something else at play. Although I didn't know it at the time, his response was consistent with that of a leader with an infinite mindset.

The Benefits of an Infinite Mindset

In the Infinite Game, the true value of an organization cannot be measured by the success it has achieved based on a set of arbitrary metrics over arbitrary time frames. The true value of an organization is measured by the desire others have to contribute to that organization's ability to keep succeeding, not just during the time they are there, but well beyond their own tenure. While a finite-minded leader works to get something from their employees, customers and shareholders in order to meet arbitrary metrics, the infinite-minded leader works to ensure that their employees, custom-

ers and shareholders remain inspired to continue contributing with their effort, their wallets and their investments. Players with an infinite mindset want to leave their organizations in better shape than they found them. Lego invented a toy that has stood the test of time not because it was lucky, but because nearly everyone who works there wants to do things to ensure that the company will survive them. Their drive is not to beat the quarter, their drive is to “continue to create innovative play experiences and reach more children every year.”

According to Carse, a finite-minded leader plays to end the game—to win. And if they want to be the winner, then there has to be a loser. They play for themselves and want to defeat the other players. They make every plan and every move with winning in mind. They almost always believe they *must* act that way, even though, in fact, they don’t have to at all. There is no rule that says they have to act that way. It is their mindset that directs them.

Carse’s infinite player plays to keep playing. In business, that means building an organization that can survive its leaders. Carse also expects the infinite player to play for the good of the game. In business, that means seeing beyond the bottom line. Where a finite-minded player makes products they think they can sell to people, the infinite-minded player makes products that people want to buy. The former is primarily focused on how the sale of those products benefits the company; the latter is primarily focused on how the products benefit those who buy them.

Finite-minded players tend to follow standards that help them achieve their personal goals with less regard to the effects of the ripples that may cause. To ask, “What’s best for me” is finite thinking. To ask, “What’s best for us” is infinite thinking. A company built for the Infinite Game doesn’t think of itself alone. It considers the impact of its decisions on its peo-

ple, its community, the economy, the country and the world. It does these things for the good of the game. George Eastman, the founder of Kodak, was devoted to his vision of making photography easy and accessible to everyone. He also recognized that advancing his vision was intimately tied to the well-being of his people and the community in which they lived. In 1912, Kodak was the first company to pay employees a dividend based on company performance, and several years later issued what we now know as stock options. They also provided their employees with a generous benefits package, gave paid time off for sick leave (it was a new idea then) and subsidized tuitions for employees who took classes at local colleges. (All things that have been adopted by many other companies, in other words, it was not only good for Kodak, it was good for the game of business.) In addition to the tens of thousands of jobs Kodak provided, Eastman built a hospital, founded a music school, and gave generously to institutions of higher learning, including the Mechanics Institute of Rochester (which was later renamed Rochester Institute of Technology) and the University of Rochester.

Because they are playing with an end point in mind, Carse tells us, finite-minded players do not like surprises and fear any kind of disruption. Things they cannot predict or cannot control could upset their plans and increase their chances of losing. The infinite-minded player, in contrast, expects surprises, even revels in them, and is prepared to be transformed by them. They embrace the freedom of play and are open to any possibility that keeps them in the game. Instead of looking for ways to react to what has already happened, they look for ways to do something new. An infinite perspective frees us from fixating on what other companies are doing, which allows us to focus on a larger vision. Instead of reacting to how new technology will challenge our business model, for example,

those with infinite mindsets are better able to foresee the applications of new technology.

It's easy now to see why the Apple executive with whom I shared a cab could be so nonchalant about Microsoft's well-designed Zune. He understood that, in the Infinite Game of business, sometimes Apple would have the better product, sometimes another company would have the better product. They weren't trying to outdo Microsoft; Apple was trying to outdo itself. The company was looking ahead to what would come after the iPod. Apple's infinite mindset helped them think, not outside the box, but beyond it. About a year after the Zune was first introduced, Apple released the first iPhone. The iPhone redefined the entire category of smartphones and rendered both the Zune and the iPod virtually obsolete. Though some people believed Apple could predict consumer preferences and see into the future, they couldn't. In reality it was their infinite perspective that opened a path for them to innovate in ways that companies with more finite-minded leadership simply could not.

A finite-focused company may come up with "innovative" ways to boost the bottom line, but those decisions don't usually benefit the organization, the employees, the customers and the community—those who exist beyond the bottom line. Nor do they necessarily leave the organization in better shape for the future. And the reason is simple. It's because those decisions tend to be made primarily for the benefit of the people who made them and not with the infinite future in mind . . . just the near future. In contrast, infinite-minded leaders don't ask their people to fixate on finite goals; they ask their people to help them figure out a way to advance toward a more infinite vision of the future that benefits everyone. The finite goals become the markers of progress toward that vision. And when everyone focuses on the infinite vision, it not only drives innovation, but

it also drives up the numbers. Indeed, companies led by infinite-minded leaders often enjoy record-making profits. What's more, the inspiration, innovation, cooperation, brand loyalty and profits that result from infinite-minded leadership serve companies not just in times of stability but also in times of instability. The same things that help the company survive and thrive during good times help make the company strong and resilient in hard times.

A company built for resilience is a company that is structured to last forever. This is different from a company built for stability. Stability, by its very definition, is about remaining the same. A stable organization can theoretically weather a storm, then come out of it the same as it was before. In more practical terms, when a company is described as stable, it is usually to draw a contrast to another company that is higher risk and higher performing. "Slow growth but stable," so goes the thinking. But a company built for stability still fails to understand the nature of the Infinite Game, for it is likely still not prepared for the unpredictable—for the new technology, new competitor, market shift or world events that can, in an instant, derail their strategy. An infinite-minded leader does not simply want to build a company that can weather change but one that can be transformed by it. They want to build a company that embraces surprises and adapts with them. Resilient companies may come out the other end of upheaval entirely different than they were when they went in (and are often grateful for the transformation).

Victorinox, the Swiss company that made the Swiss Army knife famous, saw its business dramatically affected by the events of September 11. The ubiquitous corporate promotional item and standard gift for retirements, birthdays and graduations, in an instant, was banned from our hand luggage. Whereas most companies would take a defensive posture—fixat-

ing on the blow to their traditional model and how much it was going to cost them—Victorinox took the offense. They embraced the surprise as an opportunity rather than a threat—a characteristic move of an infinite-minded player. Rather than employing extreme cost cutting and laying off their workforce, the leaders of Victorinox came up with innovative ways to save jobs (they made no layoffs at all), increased investment in new product development and inspired their people to imagine how they could leverage their brand into new markets.

In good times, Victorinox built up reserves of cash, knowing that at some point there would be more difficult times. As CEO Carl Elsener says, “When you look at the history of world economics, it was always like this. Always! And in the future, it will always be like this. It will never go only up. It will never go only down. It will go up and down and up and down. . . . We do not think in quarters,” he says. “We think in generations.” This kind of infinite thinking put Victorinox in a position where they were both philosophically and financially ready to face what for another company might have been a fatal crisis. And the result was astonishing. Victorinox is now a different and even stronger company than it was before September 11. Knives used to account for 95 percent of the company’s total sales (Swiss Army knives alone accounted for 80 percent). Today, Swiss Army knives account for only 35 percent of total revenue, but sales of travel gear, watches and fragrances have helped Victorinox nearly double its revenues compared to the days before September 11. Victorinox is not a stable company, it is a resilient one.

The benefits of playing with an infinite mindset are clear and multifaceted. So what happens when we play with a finite mindset in the Infinite Game of business?

The Detriments of a Finite Mindset in an Infinite Game

Decades after the Vietnam War, Robert McNamara, U.S. Secretary of Defense during the war, had the chance to meet Nguyen Co Thach, the North Vietnamese Foreign Ministry's chief specialist on the United States from 1960 to 1975. McNamara was flabbergasted by how badly America misunderstood their enemy. "You must never have read a history book," McNamara recounts Thach scolding him. "If you'd had, you'd know we weren't pawns of the Chinese or the Russians. . . . Don't you understand that we have been fighting the Chinese for a thousand years?" Thach went on. "We were fighting for our independence! And we would fight to the last man! And we were determined to do so! And no amount of bombing, no amount of U.S. pressure would ever have stopped us!" The North Vietnamese were playing an infinite game with an infinite mindset.

The United States assumed the Vietnam War was finite because most wars are, indeed, finite. In most wars there is a land grab or some other easy to measure finite objective. If the combatants enter the war with clear political objectives, whoever achieves their finite objective first will be declared victor, a treaty will be signed and the war will end. But that's not always the case. Had America's leaders paid closer attention, perhaps they would have recognized the true nature of the Vietnam War sooner. There were clues all around.

For starters, there was no clear beginning, middle and end to America's involvement in Vietnam. Nor was there a clear political objective that, when achieved, would allow them to declare victory and bring their troops home. And even if there had been, the North Vietnamese would not have agreed to it. The Americans also seem to have misunderstood who they

were fighting against. They believed the conflict in Vietnam was a proxy war against China and the Soviet Union. But the North Vietnamese were ardent that they were no puppet of any other government. Vietnam had been fighting against imperialist influence for decades, against the Japanese during World War II, then against the French afterward. To the North Vietnamese, the war with the United States. wasn't an extension of the Cold War; it was a fight against yet another interventionist power. Even the manner in which the North Vietnamese fought—their propensity to disobey the conventions of traditional warfare and their refusal to keep fighting no matter how many people they lost—should have signaled to America's leaders that they had misjudged the nature of the game they were in.

When we play with a finite mindset in an infinite game, the odds increase that we will find ourselves in a quagmire, racing through the will and resources we need to keep playing. This is what happened to America in Vietnam. The United States operated as if the game were finite, fighting against a player that was playing with the right mindset for the Infinite Game there were actually in. While America was fighting to “win,” the North Vietnamese were fighting for their lives! And both made strategic choices according to their mindset. Despite their vastly superior military might, there was simply no way the United States could prevail. What brought America's involvement in Vietnam to an end was not a military or political win or loss, but public pressure back home. The American people could no longer support a seemingly unwinnable and expensive war in a faraway land. It's not that America “lost” the Vietnam War, rather it had exhausted the will and resources to keep playing . . . and so it was forced to drop out of the game.

The Quagmire of Vietnam in Business

When Microsoft launched the Zune, there was no grand vision that the product was helping to advance. They weren't thinking about what possibilities the future might hold. It was just a competition for market share and money—one in which Microsoft wasn't doing very well. Ballmer's prediction that the Zune could "beat" the iPod couldn't have been more wrong. Debuting with a 9 percent market share, the Zune's popularity declined steadily until it hit 1 percent in 2010. The following year it was discontinued. The iPod, in contrast, enjoyed around a 70 percent slice for the same time period.

Some have argued that the Zune failed because Microsoft didn't invest enough in advertising. But the theory doesn't hold up. Spanx, Sriracha, and GoPro are just three brands that relied solely on word of mouth and the power of social media to increase brand awareness. All three not only emerged from obscurity without traditional advertising, but went on to thrive without it. Others suggest that the Zune failed because Microsoft was too late to the MP3 player market. This theory doesn't hold up much better. Apple itself introduced the iPod a full five years after MP3 players were a well-known product category. Brands like Rio, Nomad and Sony were already advancing the technology and selling well. Yet, within four years of its 2001 launch, the iPod had gained the lion's share of the U.S. digital music player market . . . a number that only continued to rise.

As great as Microsoft's Zune may have been, it wasn't the design, marketing or the timing of the product that were the problem. It takes more than all those things to survive and thrive in the Infinite Game of business. Great products fail all the time. It's how a company is led that determines the long-term success of an organization. Prioritizing compari-

son and winning above all else, finite-minded leaders will set corporate strategy, product strategy, incentive structures and hiring decisions to help meet finite goals. And with a finite mindset firmly entrenched in almost all aspects of the organization, a sort of tunnel vision results. The result of which pushes almost everyone inside the company to place excessive focus on the urgent at the expense of the important. Executives instinctively start to respond to known factors instead of exploring or advancing unknown possibilities. And in some cases, leaders can become so obsessed with what the competition is doing, falsely believing they need to react to their every move, that they become blind to a whole host of better choices to strengthen their own organization. It's like trying to win by playing defense. Seduced by a finite mindset, Microsoft found themselves in a never-ending game of whack-a-mole.

Microsoft's leaders failed to appreciate the Infinite Game they were in and the infinite mindset with which Apple was playing. Though Steve Ballmer sometimes spoke of "vision" or the "long term," like other finite-minded leaders who use this kind of infinite language, he almost always did so in the finite context of rank, stock performance, market share and money. Playing with the wrong mindset for the game they were in, Microsoft was chasing an impossible objective—"to win." Wasting the will and resources needed to stay in the game, like America in Vietnam, Microsoft was in quagmire.

It seemed the company had not learned its lesson with the iPod. When the iPhone came out in 2007, Ballmer's reaction to it underscored his finite perspective. Questioned about the iPhone in an interview, he scoffed, "There's no chance that the iPhone is going to get any significant market share. No chance. . . . They may make a lot of money. But if you actually take a look at the 1.3 billion phones that get sold, I'd prefer to have our

software in 60% or 70% or 80% of them, than I would to have 2% or 3%, which is what Apple might get.” Constrained by a finite mindset, Ballmer was more focused on the relative numbers the iPhone could achieve instead of seeing how it might alter the entire market . . . or even completely redefine the role our phones play in our lives. In a turn of events that must have driven Ballmer crazy, after just five years on the market, iPhone sales alone were higher than all of Microsoft’s products combined.

In 2013, at his final press conference as CEO of Microsoft, Steve Ballmer summed up his career in a most finite-minded way. He defined success based on the metrics he selected within the time frame of his own tenure in the job. “In the last five years, probably Apple has made more money than we have,” he said. “But in the last thirteen years, I bet we’ve made more money than almost anybody on the planet. And that, frankly, is a great source of pride to me.” It seems Ballmer was trying to say that under the thirteen years of his leadership, his company had “won.” Imagine how different that press conference could have been if, instead of looking back at a balance sheet, Ballmer shared all the things Microsoft had done and could still do to advance Bill Gates’s original infinite vision: “To empower every person and every organization on the planet to achieve more.”

A finite-minded leader uses the company’s performance to demonstrate the value of their own career. An infinite-minded leader uses their career to enhance the long-term value of the company . . . and only part of that value is counted in money. The game didn’t end simply because Ballmer retired. The company continued to play without him. In the Infinite Game, how well he did financially is much less important than whether he left the company culture adequately prepared to survive and thrive for the next thirteen years. Or thirty-three years. Or three hundred years. And on that standard, Ballmer lost.

In the Infinite Game of business, when our leaders maintain a finite mindset or put too much focus on finite objectives, they may be able to achieve a number one ranking with an arbitrary metric over an arbitrary time frame. But that doesn't necessarily mean they are doing the things they need to ensure that the company can keep playing for as long as possible. In fact, more often than not, the things they do harm the company's inner workings and, without intervention, accelerate the company's ultimate demise.

Because finite-minded leaders place unbalanced focus on near-term results, they often employ any strategy or tactic that will help them make the numbers. Some favorite options include reducing investment in research and development, extreme cost cutting (e.g., regular rounds of layoffs, opting for cheaper, lower quality ingredients in products, cutting corners in manufacturing or quality control), growth through acquisition, and stock buybacks. These decisions can, in turn, shake a company's culture. People start to realize that nothing and no one is safe. In response, some instinctually behave as if they were switched to self-preservation mode. They may hoard information, hide mistakes and operate in a more cautious, risk-averse way. To protect themselves, they trust no one. Others double down on an only-the-fittest-survive mentality. Their tactics can become overly aggressive. Their egos become unchecked. They learn to manage up the hierarchy to garner favor with senior leadership while, in some cases, sabotaging their own colleagues. To protect themselves, they trust no one. Regardless of whether they are in self-preservation or self-promotion mode, the sum of all of these behaviors contributes to a general decline in cooperation across the company, which also leads to stagnation of any truly new or innovative ideas. This is what happened at Microsoft.

Consumed by the finite game, Microsoft became obsessed with quar-

terly numbers. Many of the people who had been at the company from the early days lamented a loss of inspiration, imagination and innovation. Trust and cooperation suffered as internal product groups started to fight with each other instead of supporting each other. And as if large companies don't struggle enough with silos, Microsoft's divisions sometimes actively worked to undermine each other. It went from being a place that made people who worked there feel like they were on a crusade to a place that the best and brightest avoided like the plague. A company that used to be a "lean competition machine led by young visionaries of unparalleled talent," as *Vanity Fair* reported, "mutated into something bloated and bureaucracy-laden, with an internal culture that unintentionally rewards managers who strangle innovative ideas that might threaten the established order of things." In other words, a finite mindset left the company culture a mess.

It can take a long time for very large companies with a finite-minded leader at the helm to exhaust the will and resources accumulated by the infinite leader that preceded them. Under Ballmer, Microsoft was still a dominant player, especially in business markets. This was largely thanks to the groundwork laid under the more infinite-minded Bill Gates. Had Ballmer stayed, or another finite leader replaced him, however, the will of the people to keep fighting the good fight and the resources the company would need to keep playing would eventually have run out. Just because a company is big and has enjoyed financial success does mean it is strong enough to last.

Microsoft's experience is not unique. Business history is littered with similar cautionary tales. General Motor's obsession with market share over profit, for example, would have put them out of business if it weren't for a government bailout. Sears, Circuit City, Lehman Brothers, Eastern

Airlines and Blockbuster Video were not so lucky. They are just a few more examples of once strong, well-established companies whose leaders were seduced by the thrill of playing with a finite mindset only to put their companies on a path to destruction.

Sadly, over the course of the past thirty to forty years, finite-minded leadership has become the modern standard in business. Finite-minded leadership is embraced by Wall Street and taught in business schools. At the same time, the life span of companies appears to be getting shorter and shorter. According to a study by McKinsey, the average life span of an S&P 500 company has dropped over forty years since the 1950s, from an average of sixty-one years to less than eighteen years today. And according to Professor Richard Foster of Yale University, the rate of change “is at a faster pace than ever.” I accept there are multiple factors that contribute to these numbers, but we must consider that too many leaders today are building companies that are simply not made to last. Which is ironic because even the most goal-oriented, finite-minded leader must concede that the longer an organization can survive and thrive, the more likely it is to achieve *all* its goals.

It’s not just companies that are impacted by too much finite-minded leadership. With more finite thinkers in positions of authority in all facets of life comes increased pressure to change public policy to further entrench even more finite-mindedness. And before too long, we have an entire economy operating within the constraints of a finite mindset, playing by the rules for a game we are not in. This is an untenable situation. And the data reflects it. After the 1929 stock market crash that led to the Great Depression, for example, the Glass-Steagall Act was introduced to curb some of the more finite-minded corporate behaviors that were the cause of the instability in the markets at that time. Between the time Glass-Steagall

was passed until the 1980s and '90s, when the act as virtually gutted in the name of opening up the financial markets, the number of stock market crashes that happened was zero. Since the gutting, however, we have had three: Black Monday in 1987, the burst of the dot-com bubble in 2000 and the financial crisis of 2008.

When we play with a finite mindset in the Infinite Game, we will continue to make decisions that sabotage our own ambitions. It's like eating too many desserts in the name of "enjoying life" only to make oneself diabetic in the process. Creating the conditions for a stock market crash are an extreme example of what happens when too many players in the game opt to play with a finite mindset. The more likely scenario is a general decline in trust, cooperation and innovation in an organization, all of which make it vastly more difficult to survive and thrive in a fast-moving business world. If we believe trust, cooperation and innovation matter to the long-term prospects of our organizations, then we have only one choice—to learn how to play with an infinite mindset.

Lead with an Infinite Mindset

There are three factors we must always consider when deciding how we want to lead:

1. We don't get to choose whether a particular game is finite or infinite.
2. We do get to choose whether or not we want to join the game.
3. Should we choose to join the game, we can choose whether we want to play with a finite or an infinite mindset.

If we join a finite game, clearly we want to play by the right rules in order to increase our chances of winning. There is no use preparing to play basketball if we are about to enter a game of football. The same is true if we decide to become a leader in an infinite game. We are more likely to survive and thrive if we play for the game we are in.

The choice to lead with an infinite mindset is less like preparing for a football game and more like the decision to get into shape. There is no one thing we can do in order to get into shape. We can't simply go to the gym for nine hours and expect to be in shape. However, if we go to the gym every single day for twenty minutes, we will absolutely get into shape. Consistency becomes more important than intensity. The problem is, no one knows exactly when we will see results. In fact, different people will show results at different times. But without question, 100 percent, we all know it will work. And though we may have finite fitness goals we want to reach, if we want to be as healthy as possible, the lifestyle we adopt matters more than whether or not we hit our goal on the arbitrary dates we set. With any health regime, there are certain things we have to do—eat more vegetables, work out on a regular basis and get enough sleep, for example. Adopting an infinite mindset is exactly the same.

Any leader who wants to adopt an infinite mindset must follow five essential practices:

- Advance a Just Cause
- Build Trusting Teams
- Study your Worthy Rivals
- Prepare for Existential Flexibility
- Demonstrate the Courage to Lead

If we want to follow a health regime, we can choose to follow some of the practices but not all of them—we can exercise but never eat vegetables, for example. If we choose this approach, we may get some benefit. But we will only enjoy the full benefit if we do everything. Likewise, there is a benefit to following some of the practices required for infinite thinking. However, to fully equip and organization for a long and healthy life in the Infinite Game, we must do it all.

Maintaining an infinite mindset is hard. Very hard. It is to be expected that we will stray from the path. We are human and we are fallible. We are subject to bouts of greed, fear, ambition, ignorance, external pressure, competing interests, ego . . . the list goes on. To complicate matters further, finite games are seductive; they can be fun and exciting and sometimes even addictive. Just like gambling, every win, every goal hit releases a shot of dopamine in our bodies, encouraging us to play the same way again. To try to win again. We must be strong to resist that urge.

We cannot expect that we or *every* leader will lead with a perfectly infinite mindset, or that *any* leader with an infinite mindset will be able to maintain that mindset at all times. Just as it is easier to focus on a fixed, finite goal than an infinite vision of the future, it is easier to lead a company with a finite mindset, especially during times of struggle or downturn. Indeed, every one of the examples I cite in this chapter, including the affirmative examples, has, at some point in their history, been led by someone who abandoned the infinite foundation upon which the company was built to focus on more finite pursuits. In fact, finite-mindedness nearly destroyed all of these companies. Only the lucky ones that were rescued by an infinite-minded leader have gone on to become even stronger versions of themselves, more inspiring for the people who work there and more appealing to the people who buy their products.

Regardless of how we choose to play, it is essential that we be honest with ourselves and others about our choice—for our choice makes ripples. Only when those around us—our colleagues, customers and investors—know how we have chosen to play can they adjust their expectations and behaviors accordingly. Only when they know the mindset we have adopted can they figure out the short- and long-term implications for themselves. They are entitled to know how we will play so that they may make smarter decisions about who they want to work for, buy from or invest in. When they see that we have embraced the five practices of an infinite-minded leader, they can be confident that we are focused on where we are going and committed to taking care of each other along the way. They can also be confident that we will strive to resist short-term temptations and act ethically as we build our organizations to survive and thrive for a very, very long time to come.

As for us, those who choose to embrace an infinite mindset, our journey is one that will lead us to feel inspired every morning, safe when we are at work and fulfilled at the end of each day. And when it is our time to leave the game, we will look back at our lives and our careers and say, “I lived a life worth living.” And more important, when imagining what the future holds, we will see how many people we’ve inspired to carry on the journey without us.

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