Notebook - The Infinite Game



Sinek, Simon

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all happened because large groups of people, united in common cause, chose to collaborate with no clear end in sight.

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annual rounds of mass layoffs to meet arbitrary projections,

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This impersonal and transactional approach to business seems to

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Groups that adopt an infinite mindset enjoy vastly higher levels of trust, cooperation and innovation and all the subsequent benefits.

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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.

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the infinite-minded leader works to ensure that their employees, customers and shareholders remain inspired to continue contributing with their effort, their wallets and their investments.

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want to leave their organizations in better shape than they found them.

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In business, that means building an organization that can survive its leaders.

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player to play for the good of the game.

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company built for the Infinite Game doesn't think of itself alone. It considers the impact of its decisions on its people, its community, the economy, the country and the world. It does these things for the good of the game.

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minded players do not like surprises and fear any kind of disruption.

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The infinite-minded player, in contrast, expects surprises, even revels in them, and is prepared to be transformed by them.

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Apple's infinite mindset helped them think, not outside the box, but beyond it.

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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.

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An infinite-minded leader does not simply want to build a company that can weather change but one that can be transformed by it.

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Great products fail all the time.

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Prioritizing comparison and winning above all else, finite-minded leaders will set corporate strategy, product strategy, incentive structures and hiring decisions to help meet finite goals.

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place excessive focus on the urgent at the expense of the important.

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respond to known factors instead of exploring or advancing unknown possibilities.

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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.

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and only part of that value is counted in money.

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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.

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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.

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After the 1929 stock market crash that lead 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.17

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There are three factors we must always consider when deciding how we want to lead: We don't get to choose whether a particular game is finite or infinite. We do get to choose whether or not we want to join the game. Should we choose to join the game, we can choose whether we want to play with a finite or an infinite mindset.

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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

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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.

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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.

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When we play in a finite game, we play the game to win. Even if we hope to simply play well and enjoy the game, we do not play to lose. The motivation to play in an infinite game is completely different—the goal is not to win, but to keep playing. It is to advance something bigger than ourselves or our organizations. And any leader who wishes to lead in the Infinite Game must have a crystal clear Just Cause.

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A Just Cause is not the same as our WHY. A WHY comes from the past. It is an origin story. It is a statement of who we are—the sum total of our values and beliefs. A Just Cause is about the future.

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A Just Cause inspires us to stay focused beyond the finite rewards and individual wins.

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A Just Cause must be: For something—affirmative and optimistic Inclusive—open to all those who would like to contribute Service oriented—for the primary benefit of others Resilient—able to endure political, technological and cultural change Idealistic—big, bold and ultimately unachievable

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oppose. Leaders can rally people against something quite easily.

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Being for something, in contrast, is about feeling inspired. Being for ignites the human spirit and fills us with hope and optimism. Being against is about vilifying, demonizing or rejecting. Being for is about inviting all to join in common cause. Being against focuses our attention on the things we can see in order to elicit reactions. Being for focuses our attention on the unbuilt future in order to spark our imaginations.

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We call it "vision" because it must be something we can "see."

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A Just Cause must involve at least two parties—the contributors and the beneficiaries. The givers and receivers.

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the primary benefit of the organization's contributions must always go to people other than the contributors themselves.

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The operative word in all this is "primary." Service orientation does not mean charity. In charity, the vast majority, if not all, the benefit of our contributions must go to the receiver. And any benefit the contributor gets is the good feeling that they contributed.

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This is what "servant leadership" means. It means the primary benefit of the contributions flows downstream.

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The reason a service orientation is so important in the Infinite Game is because it builds a loyal base of employees and customers (and investors) who will stick with the organization through thick and thin.

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If we articulate our Cause in terms of our products, then our organization's entire existence is conditional on the relevance of those products.

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Had the railroads defined their need to exist in terms related to moving people and things instead of advancing the railroad, they might be the owners of major car companies or airlines today. Publishers saw themselves in the book business instead of the spreading-ideas business and thus missed the opportunity to capitalize on new technology to advance their cause. They could have invented Amazon or the digital e-reader.

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For no matter how much success we may enjoy, the Just Cause for which we are working lies ahead and not behind.

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A written cause works like a compass. And with a compass in hand, each succession of leaders, their gaze looking beyond the horizon, can more easily navigate the technologies, politics and cultural norms of the day without the founder present.

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confusing their corporate social responsibility (CSR) program for a Just Cause.

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An organization that has a false cause is not a bad company, it just means they may have a little more work to do.

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the moon shot was an achievable, finite goal. More than an ideal future state, it is what Jim Collins, author of Good to Great and Built to Last, calls a BHAG, a big, hairy, audacious goal.2 It's easy to mistake a BHAG for a Just Cause because they can indeed be incredibly inspiring and can often take many years to achieve.

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At some point in their careers, they traded any fantasy of feeling like their work would contribute to

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something bigger than themselves for a rat race or a hamster wheel or some other unfulfilling running rodent metaphor.

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Though moon shots are inspiring for a time, that inspiration comes with an expiration date. Moon shots are bold, inspiring finite goals within the Infinite Game, not instead of the Infinite Game.

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"We will be the global leader in every market we serve and our products will be sought after for their compelling design, superior quality, and best value."

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By putting the egocentric statement first, it directs leaders to focus their efforts inward and not on actual people who may buy the product.

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Leaders with a finite mindset often confuse having a successful product with having a strong company.

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For companies that place their product above all else, which is fairly common among technology or engineering companies, it leaves people who are not engineers or product designers feeling like (and sometimes actually treated like) second-class citizens in their own companies.

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Infinite-minded leaders understand that "best" is not a permanent state. Instead, they strive to be "better."

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"Better," in the Infinite Game, is better than "best." Growth Is Not a Just Cause

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Money is the fuel to advance a Cause, it is not a Cause itself. The reason to grow is so that we have more fuel to advance the Cause.

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Corporate Social Responsibility Is Not a Just Cause

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Even well-intended finite-minded leaders often have the perspective of "make money to do good." An infinite perspective on service, however, looks somewhat different: "Do good making money" (the order of the information matters).

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The order in which a person presents information more often than not reveals their actual priorities and the focus of their strategies.

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Under pressure from Wall Street, we too often put finite-minded executives in the highest leadership position when what we actually need is a visionary, infinite-minded leader.

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The problem isn't how skilled an executive is when they take over as CEO. The problem is whether they have the right mindset for the job they are given.

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Luther King Jr. gave the "I have a dream" speech, for example. He didn't give the "I have a plan"

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speech.

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a "Chief Vision Officer," or CVO.

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the best organizations are often run in tandem. The combination of the keeper of the vision (CVO) and the operator (the CFO or COO).

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promise to customers, we will drive shareholder value, create opportunity for our associates and grow our business."

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Capitalism is about more than prosperity (measured in features and benefits, dollars and cents); it's also about progress (measured in quality of life, technological advancements and the ability of the human race to live and work together in peace).

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If so many companies use regular rounds of mass layoffs, using people's livelihoods, to meet arbitrary projections, does that strategy then cease to be unethical? If everyone is doing it, it must be okay. As a point of fact, laws and "ethical customs" usually come about in response to abuses, not by predicting them. In other words, they always lag behind. Based on the common interpretation of Friedman's definition, it's almost a requirement for companies to exploit those gaps to maximize profit until future laws and ethical customs tell them they can't. Based on Friedman, it is their responsibility to do so!

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Consider how differently we drive a car we own versus one we rent, and all of a sudden it will become clear why shareholders seem more focused on getting to where they want to go with little

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regard to the vehicle that's taking them there.

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"Without a sense of purpose," he explained, "no company, either public or private, can achieve its full potential. It will ultimately lose the license to operate from key stakeholders. It will succumb to short-term pressures to distribute earnings, and, in the process, sacrifice investments in employee development, innovation, and capital expenditures that are necessary for long-term growth."

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The irony is that everyone who works with or for the public markets understands that when the system becomes too unbalanced, there will always be a correction. That correction is often sudden and violent.

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Where there is unbalance, there is unrest.

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The data shows that the current system benefits the top 1 percent of the population disproportionately more than anyone else.

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Five years since the start of the Occupy movement we heard the populist message rise to the level of a presidential election from Bernie Sanders on the left and Donald Trump on the right. Both candidates fanned the flames about inequality and unfairness of "the system."

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the definition of the responsibility of business must: Advance a purpose: Offer people a sense of belonging and a feeling that their lives and their work have value beyond the physical work. Protect people: Operate our companies in a way that protects the people who work for us, the people who

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buy from us and the environments in which we live and work. Generate profit: Money is fuel for a business to remain viable so that it may continue to advance the first two priorities. Simply put: The responsibility of business is to use its will and resources to advance a cause greater than itself, protect the people and places in which it operates and generate more resources so that it can continue doing all those things for as long as possible. An organization can do whatever it likes to build its business so long as it is responsible for the consequences of its actions.

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"How do I create an environment in which my people can work to their natural best?"

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In any game, there are always two currencies required to play—will and resources.

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The finite-minded leader tends to show a bias for the score.

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Infinite-minded leaders, in contrast, work hard to look beyond the financial pressures of the current day and put people before profit as often as possible.

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when some are forced to bear an unbalanced amount of the burden, it can rip a culture apart.

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When companies make their people feel like they matter, the people come together in a way that money simply cannot buy.

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Trust is a feeling. Just as it is impossible for a leader to demand that we be happy or inspired, a leader cannot order us to trust them or each other.

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When we work on a Trusting Team we feel safe to express vulnerability. We feel safe to raise our hands and admit we made a mistake, be honest about shortfalls in performance, take responsibility for our behavior and ask for help. Asking for help is an example of an act that reveals vulnerability. However, when on a Trusting Team, we do so with the confidence that our boss or our colleagues will be there to support us. "Trust is the stacking and layering of small moments and reciprocal vulnerability over time,"

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Lead. "Trust and vulnerability grow together, and to betray one is to destroy both." When we are not on a Trusting Team, when we do not feel like we can express any kind of vulnerability at work, we often feel forced to lie, hide and fake to compensate. We hide mistakes, we act as if we know what we're are doing (even when we don't) and we would never admit we need help for fear of humiliation, reprisal or finding ourselves on a short list at the next round of layoffs.

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Performance is about technical competence. How good someone is at their job. Do they have grit? Can they remain cool under pressure? Trust is about character. Their humility and sense of personal accountability. How much they have the backs of their teammates when not in combat. And whether they are a positive influence on other team members.

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The funny thing is, it is actually incredibly easy to identify the high performers of low trust on any team. Simply go to the people on the team and ask them who the asshole is. They will likely all point to the same person.

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When confronted with the information about how others feel about them, high performers of low trust rarely agree or even want to listen.

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trust. If someone's performance is struggling or if they are acting in a way that is negatively impacting team dynamics, the primary question a leader needs to ask is, "Are they coachable?"

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One of Cauley's first acts as police chief was to hold listening sessions with every single member of the organization—every sworn officer and every staff member.

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True trusting relationships require both parties to take a risk.

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In an organization, it is the leader's responsibility to take the first risk, to build a Circle of Safety. But then it is up to the employee to take a chance and step into the Circle of Safety.

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So just imagine how people act when they work in constant fear of missing out on a promotion, fear of getting in trouble, fear of being mocked, fear of not fitting in, fear of their boss thinking they're an idiot, fear of finding themselves on a short list for the next round of layoffs.

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weekly business plan reviews (BPRs).

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To help them feel safe from humiliation, for example, he depersonalized the problems his executives faced. "You have a problem," he would tell them.6 "You are not the problem."

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Chief Cauley calls it "one-by-one policing," because the benefits build up one step, one problem

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solved at a time. It's a system that promotes consistency over intensity.

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Police can never "beat" crime. Instead, the police can make it more difficult for the criminals to be criminals. At

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customers will never love a company until the employees love the company first,

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"The community sees us as problem solvers," says Chief Cauley, "not the enforcers."

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In weak cultures, people find safety in the rules.

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They believe a strict adherence to the rules provides them with job security.

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In strong cultures, people find safety in relationships. Strong relationships are the foundation of high-performing teams.

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the Leadership Reaction Course. The LRC is a series of twenty mini obstacle courses—problem-solving courses, to be more accurate.

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can understand a situation and prioritize and delegate tasks.

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The ability for any organization to build new leaders is very important.

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One of the primary jobs of any leader is to make new leaders.

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Marines know that a leadership climate based on trust is what helps ensure they will enjoy success more often than not.

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leaders are not responsible for the results, leaders are responsible for the people who are responsible for the results.

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create an environment in which information can flow freely, mistakes can be highlighted and help can be offered and received.

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Ethical fading is a condition in a culture that allows people to act in unethical ways in order to advance their own interests, often at the expense of others, while falsely believing that they have not compromised their own moral principles. Ethical fading often starts with small, seemingly innocuous transgressions that, when left unchecked, continue to grow and compound.

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those who behaved dubiously but hit their targets are rewarded,

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"I gotta put food on the table," "It's what management wants," "I have no choice," and my personal favorite, "It's the industry standard," are all rationalizations we tell ourselves or tell others to help us mitigate any sense of guilt or responsibility we may feel.

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a flawed incentive structure that drives good people to do bad things. If that's all it was, we would expect the people who engage in such behaviors to be consumed by guilt and struggle to sleep at night. By all evidence, though, they seem completely relaxed about the choices they make—and in Bresch's case, defensive and unapologetic.

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several uncomfortably simple and common ways that we, as individuals and groups, are able to engage in unethical behavior without perceiving it as unethical.

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Euphemisms allow us to disassociate ourselves from the impact of decisions or actions we might otherwise find distasteful or hard to live with. Politicians were aware that Americans find torture to be inhumane and inconsistent with our values. So "enhanced interrogation" became the way for them to protect our homeland after September 11 without feeling bad about it.

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"If they don't like it," the thinking goes, "then they don't have to buy it." This is the oft-invoked response we hear from executives when questioned about their responsibility for the negative effects of their products. Though

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It's sad that we have reached a point in some industries, like technology and social media, where we probably do have to legislate ethics.

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ethical fading is about self-delusion.

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When Structure Replaces Leadership

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When problems arise, performance lags, mistakes are made or unethical decisions are uncovered, Lazy Leadership chooses to put their efforts into building processes to fix the problems rather than building support for their people.

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It's easier to trust a process than to trust people. Or so we think.

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punishment for being honest is sometimes greater than for lying,

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the very definition of ethical fading is engaging in unethical behavior while believing that we are still acting in line with our own moral or ethical code.

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When we use process and structure to fix cultural problems what we often get is more lying and cheating. Little lies become bigger lies. And the behavior becomes normalized.

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is a people problem. And counterintuitive though it may seem, we need people—not paperwork, not training, not certifications—to fix people problems. The best antidote—and inoculation—against ethical fading is an infinite mindset. Leaders who give their people a Just Cause to advance

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and give them an opportunity to work with a Trusting Team to advance it will build a culture in which their people can work toward the short-term goals while also considering the morality, ethics and wider impact of the decisions they make to meet those goals. Not because they are told to. Not because there is a checklist that requires it. Not because they took the company's online course on "acting ethically."

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leaders are not, by definition, responsible for the results. Leaders are responsible for the people who are responsible for the results.

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Patagonia is not driven to be the best, they are driven to be better.

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Though Patagonia is a certified B Corp—a company that practices "stakeholder capitalism"—it is not a charity. It is a for-profit organization that wants to make more money this year than they made last year. However, they also recognize that making money is not the reason they exist. Like all good infinite-minded companies, they see money as the fuel they need to continue to pursue their Just Cause.

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Ethical decisions are not based on what's best for the short-term. They are based on the "right thing to do."

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he isn't my competitor, he is my rival.

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A Worthy Rival is another player in the game worthy of comparison.

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Regardless of who they are or where we find them, the main point is that they do something (or many things) as well as or better than us.

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We choose them to be our Worthy Rivals because there is something about them that reveals to us our weaknesses and pushes us to constantly improve ... which is essential if we want to be strong enough to stay in the game.

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take on an attitude of winning. A Worthy Rival inspires us to take on an attitude of improvement.

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Upholding the values by which we operate becomes more important than the score, which actually motivates us to be more honest

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When he called the Lexus the finest car in the world, Mulally wasn't trying to make the people at Ford feel bad. He was offering them a Worthy Rival.

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Toyota was a company that, as Mulally describes it, "[makes] products that people want ... with less resources and less time than anybody in the world."

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It's easier for us to follow a real company or a leader than an abstract idea.

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Worthy Rivals, especially if we find them disagreeable, to do so is the best way to become better

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players ourselves.

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Without identifying our Worthy Rivals, strong players start to falsely believe they can control the direction of the game or the other players.

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Absent the identification of any new Worthy Rivals, the internal fighting among so many of America's institutions continued unchecked.

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Existential Flexibility is the capacity to initiate an extreme disruption to a business model or strategic course in order to more effectively advance a Just Cause.

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Without that sense of infinite vision, strategic shifts, even extreme ones, tend to be reactive or opportunistic. Existential Flexibility is always offensive.

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If You Don't Blow It Up, Someone Else Will

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see the new technology as a better way to advance their Cause

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The Courage to Lead is a willingness to take risks for the good of an unknown future. And the risks are real.

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It takes the Courage to Lead to operate to a standard that is higher than the law—to a standard of ethics.

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the best leaders and the best companies prioritize people before numbers.

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trust is built by acting in a way consistent with one's values, especially when it's least expected. Trust is built when we do the right thing, especially when we aren't forced to.

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Playing the Infinite Game is not a checklist, it's a mindset.

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It requires less strength to announce layoffs at the end of the year to quickly squeeze the numbers to meet an arbitrary projection than it does to explore other, maybe untested, options.

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Our lives are finite, but life is infinite. We are the finite players in the infinite game of life.

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To live a life with an infinite mindset means thinking about second and third order effects of our decisions.