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PERSON: Hi there. And welcome to another episode of the Talks at Google podcast, where great minds meet. I'm Lauren and I'm back to bring you this episode with Simon Sinek. Talks at Google brings the world's most influential thinkers, creators, makers, and doers all to one place. Every episode of this podcast is taken from a video that can be seen at youtube.com/talksatgoogle. Author, motivational speaker and organizational consultant Simon Sinek is the author of several books, including bestsellers "Start With Why" And "Leaders Eat Last," which have helped organizations around the world to inspire their people to reach new heights. Taken from Simon's April 2017 visit to Google, here is Simon Sinek: The Finite and Infinite Games of Leadership: Leadership, Business, and Finding Purpose in the Workplace.

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SIMON SINEK: Thanks. So, I thought I'd share with you some new stuff that I'm working on, 'cause it's fun. And then we'll spend most of the time just doing Q&A, 'cause that's also fun. So, I'm working on a new book and I've recently become completely smitten by game theory. Specifically, finite and infinite games. In game theory, there are two types of games: finite and infinite games. A finite game is defined as a known players, fixed rules, and an agreed-upon objective. Like baseball. We all agree to the rules. We all agree that whoever has the more runs at the end of nine innings is the winner, and the game ends, and we all go home. Nobody ever says, "If we can just play three more innings, I know we could come back from this deficit." It doesn't happen that way. An infinite game is defined as known and unknown players. The rules are changeable.

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And the objective is to keep the game in play. To perpetuate the game. When you pit a finite player versus a finite player, the system is stable. Baseball is stable. When you pit an infinite player versus an infinite player, the system is also stable. Like, the Cold War was stable, because there cannot be a winner and there cannot be a loser, so we just try to keep the game in play. And in infinite games, because there are no winners and losers, what happens is players drop out of the game when they run out of the will or the resources to continue to play. Right? So, technically, the United States didn't win the Cold War. The Soviets dropped out 'cause they ran out of the resources and the will to continue to play. Problems arise, however, when you pit a finite player versus an infinite player, because one is playing to win and the others playing to keep playing. Right? So, invariably, what happens is the finite player will always find themselves in quagmire. So, this was the United States in Vietnam.

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The United States was fighting to win, and the North Vietnamese were fighting to survive. Very different set of standards. And this was the Soviet Union in Afghanistan. The Soviets were fighting to beat the Mujahideen and the Mujahideen would fight for as long as necessary. And invariably what happens is the finite player will find themselves in quagmire until they dropped out of the game and leave the game because they run out of the will or resources to stay in the game. Right? So, this gets me thinking. Let's look at business. The game of business is an infinite game. Right? It obeys all the rules. There are known and unknown players. You don't know all of the competitors, necessarily, in one industry to another. The rules are changeable, we haven't all agree what the rules are. And there is no winning the

game of business. Right? The game just perpetuates. In fact, the game of business has existed for longer than every single company on the planet today, and it will outlast every single company on the planet today.

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If you look at the Dow index of 30 something odd companies that make up the Dow index, something like 70% or 80% of those companies are 35 years or younger. Right? So, it gets me thinking. If you listen to the language that companies use, they don't know what game they're in. They talk about being number one. They talk about beating their competition. Based on what agreed-upon criteria? Based on what agreed-upon time frame? Is it market share? Is it profits? Is it revenues? Square footage? Number of employees? Over what, one month? Five months? Six months? A year? Five years? Ten years? The life of the company? I haven't agreed to those rules. And so, companies can arbitrarily declare themselves number one in anything they want because if they set the standards and the time frames. And the only reason we do these things on an annualized basis--we tend to compare ourselves to other organizations annually--is only because we pay taxes annually. If we paid taxes every 18 months, that would be sort of the standard.

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But again, we still haven't agreed what the metrics are to be number one. That means the companies that are playing the infinite game are playing against most of the others who are playing the finite game--means those finite companies find themselves in quagmire. Almost every single bankruptcy--not almost, every single bankruptcy is a company that's run out of the will or the resources to play. They drop out of the game. The game will persist. Another company will fill their space. It's not like the business stops and the industry ends. And the companies that are playing the infinite game will frustrate those finite players, which I absolutely adore. So, I spoke at an education summit for Microsoft. I also spoke in an education summit for Apple. Now, I would say about 70% to 80% of the executives at Microsoft spent about 70% to 80% of their power points talking about how to beat Apple.

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At the Apple Summit, 100% of the executives spent 100% of their presentations talking about how to help teachers teach and how to help students learn. One was obsessed with their journey, with their vision, with their cause. The other was obsessed with their competition. Guess who's stuck in quagmire? Guess who's frustrated by their competition? So, at the end of my talk at Microsoft, they gave me a gift. They gave me a new Zune, when it was a thing. And I have to tell you this was one of the most remarkable, beautiful pieces of technology I have ever used. The UI was gorgeous. The design of the actual hardware was beautiful. It was logical in the way I could use it. It was intuitive. It was absolutely fantastic. Now, it didn't work with iTunes, which means I couldn't use it. That's different problem altogether. But this was a magical piece of technology. So, at the end of my talk at Apple, I'm sharing a cab with one of the senior Apple executives, sort of an employee number 12 kind of a guy, and I decide to stir the pot.

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So, I turned to him and I said, "You know, I spoke at Microsoft and they gave me the new Zune, and it is so much better than your iPod touch." And he turned to me and he says, "I have no doubt."

Conversation over. Because the infinite player understands sometimes your product is better and sometimes it's not. Sometimes you're ahead and sometimes you're behind. The goal is not to beat your competitor, the goal is to outlast your competitor. What you find is that the infinite players don't actually compete against their competition. They compete against themselves. The finite players are the ones who wake up every day trying to beat somebody else. The infinite players are the ones who say, "How can we be better version of results? How can we advance our metrics? How can we make our products more refined, more beautiful than they were last week?" It's totally fine to study our competition tactically. There's nothing wrong with knowing what our competitors are doing. But the number of companies that study their competition strategically blows my mind.

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They look at what their competition is doing, and they make sudden sharp left and right turns to change the course of their company based on the movement of their competition. That's the point. That's what wastes resources. The constant changing of your mind. The constant going in this direction or that direction based on the wind of your competition. Assuming they know what they're doing. I find that fascinating. And the number of companies that play finite is the vast, vast, vast majority. So, it begs the question: how does one play the infinite game? How does one build an organization constructed for the infinite game? So, up here, you have the infinite game. This is where the why exists. I talk about the why, the purpose, cause, or belief about the organization. This is where our values lie. These are never changing. They are permanent. They will outlast all of us and they should outlast--they've been here from the birth of the company and they should last for the length of the company, right? The infinite stuff, the why stuff and the value stuff, is inherently intangible.

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And it is inherently difficult to measure. Right? Now, down here, you have the finite game. And this is where our interests lie. This is where what I would call your whats lie. This is where our products lie, and things like that. It is inherently tangible and inherently very easy to measure. Now, the goal is to run all decisions through our values, through our purpose or cause first, and then through our interests. So, what is a values-based decision? What does that even look like? So, here's a value-based decision. When our military goes into battle and we shoot a bad guy, we will take their injured body, we will send our medics on to the battlefield to rescue the injured buddy of our enemy. We will put them on our helicopters, fly them to our hospitals, put them in our hospital beds, our doctors will use our medicine to nurse them back to health.

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That is not in our interest. However, that's kind of who we are. Right? It is what defines us. In other words, we're wasting our resources because our values are more important than saving those resources, doing something purely in our interests. It's like torture. Right? The reason torture was done offshore and the reason we tried to keep it a secret, is because it kind of--everybody kind of knew it violated our values. 'Cause if we were totally fine with it ever will be like, just do it here It's totally fine. Why -- Somewhere in Wyoming. Right? And that's the point. So, great organizations are making values-based decisions all the time. And then our interests come into play. But the problem is, when you're playing a finite, these things get ignored. And every time we make a decision, we decide what we do in a vacuum.

So, your competitor comes out with a new product. How do we react? Quickly. Come out with something similar.

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What's going on with the marketplace? You make some other reaction. What's going on in this particular country? And every single decision we make in a vacuum seems perfectly good. We're making rational decisions based on our interests. Right? The problem is, when we pull back and look at all the decisions, all of the people we've hired--this is what happens when you only hire people based on their resumes, for example. "Smart guy. Get that person on board." Right? When you pull back, your culture's a mess and nobody knows what you stand for. The whole idea of making values-based decisions is we can look at almost all the decisions--every now and again, one can go sideways. But we look at all of the decisions, the people you hire, the things you do, the things you believe in, the things you stand for, everything tangible, and we can say of you or of your organization, "I know what you stand for. I believe what you believe. I would like to be a part of your organization. I would like to buy from your organization." This is where loyalty lies. Right? But the only way we can judge each other is down here. It's like human beings. Right?

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We want our friends to act and speak and do the things based on who they are. We want our friends to be--you know that word that's always thrown about--authentic. Which means saying and doing the things that we actually believe. That's what we mean. And the reason is is because we want to know who they are. We want them to be predictable. But that's the idea. That's the idea. So, this is what I'm doing. I've become fascinated by this game theory stuff, and I'm been running it through all kinds of scenarios. I'm looking at relationships, I'm looking at business, I'm looking at politics, I'm looking at war, and nation-states, and how this plays out the real world, because the game is the game. We don't get to change the rules. Of course, there are always finite games within the infinite. It's the difference between a goal and a vision. Right? A goal is 26.2 miles. Count the metrics, count the mile markers, and when you reach the goal, the game ends. It's over. A vision is having a crystal-clear sense of what the finish line looks like far off in the distance, but having no idea how far away it is.

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So far away that for all practical purposes, we'll never get there. Take the United States. The Declaration of Independence. Here's a nation who declared why we needed our own country. And it didn't start off by complaining or griping about the King and Great Britain. It started off with an ideal. We believe that all men are created equal. That all of us are endowed with certain unalienable rights, amongst which include life, liberty, and the pursuit of happiness. We'll never actually get there. But the goal is that we will die trying. And within that infinite contest, there are many finite games that we hope to advance that infinite contest. Or even little indefinite games within that. Like civil rights. We've never actually reached the point where we have perfect civil rights. But we'll continue to get better and better and better. That's the point. It is constant refinement. It's kaizen. It's no matter how good we do we can always do better. Right? But the goal is we have a North Star. We have a thing to point us in the right direction. It's not random. So, in the United States, we have civil rights.

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So, women suffrage, or gay rights, or education for everyone, or healthcare for everyone, however-- what form it takes. It is our way of trying to get closer, and closer, and closer to the ideal on which our nation was founded. I wish all organizations--they don't have to be nation-states--I wish all organizations did the same thing. Operated not just in their interests, but also have a sense of code or values, and a sense of purpose and vision. It matters. Because we want to stand for something. We want to work for something. We want all of our hard work, the products we produce, everything, we want it to count towards something. Not simply be against something or make something in the short-term. I see this so often with senior executives, with people who are making more money than they've ever made, they have more power and influence they've ever had, and yet later on in their careers, they don't feel as successful in their careers as they did when they were junior. When we're junior, the first promotion we get, the first raise we get, the first bonus we get, the first client we win, whatever it is, it's all very exciting right?

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We're living down here and everything is very exciting. But after you've had a bunch of bonuses, and you've won a bunch of clients, and you've had a bunch of product releases and a bunch of promotions-- it's exciting for a little bit. Like to go out for a nice dinner with your family. That's about it and then it wears off. Right? And so, what starts to happen is our work no longer feels like it has any sense of purpose. And so we default to back when we were young. We thought, "Well, when I won the client. Win more clients. When I reached a million dollars, get more millions of dollars. That gave me the feeling the first time, it will give me the feeling again." It doesn't. That's like winning one marathon, thinking it's amazing, you keep running marathons for the rest of your life, and at some point, you keep you thinking, "Why am I running all of these marathons?" They have to contribute to something. They have to contribute to something. So, I'm fascinated by the companies that play the infinite game because they frustrate--inherently, they frustrate their competition. For years, Apple frustrated Microsoft. Especially when it was run by Steve Ballmer. It was a guy who ran the company based on interests alone versus competing against an organization that was doing something bigger.

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You know, Costco versus Walmart. Southwest Airlines versus everybody. Right? Organizations that seem to not care about what Wall Street thinks about the quarter of the year. And when you listen to the language of people like Jim Sinegal, who is the founder of Costco, he says, "I don't care about Wall Street. Wall Street is worried about how my company does in a month or in a year. I care about what my company does for the next 50 years. That's the company I'm building." You listen to the language. Ones who are focused on teaching kids how to learn and teaching--helping teachers how to teach versus how to beat our competition. It makes for a much more fulfilling life and it makes for much more realistic existence when your competition is slightly ahead, and you think, "That's okay. You know, can't stay ahead forever based on some arbitrary perspective, arbitrary metrics anyway." Anyway. So, that's what I'm working on. I think it's fun, I think it's interesting. We've changed ways even in the way we do business, based on this. We've become more infinitely organized. Which means, we're much more interested in trends than absolutes. Right?

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'Cause absolutes exist down here, but ongoing exists up here. For example, let's say you will get a bonus if you hit a certain target by a certain date. That target is arbitrary. That date is arbitrary. Right? Somebody made it up. That's how most of our bonus structures are built, on arbitrary numbers on arbitrary dates. And let's say that that person is doing good work and building good systems, but they missed the target, they missed the number. Right? But if you would've pulled back and looked at how they've been doing and you see this beautiful steady line, we can see that they're doing good work, that they're building good systems, there's huge stability there, they just missed the arbitrary number on the arbitrary date. Give that person a bonus. Because we want that person to continue building those systems, and the odds are, they probably hit that number two or three months later. Which is totally fine. Because then it's going to grow, grow, and grow. Versus the person who stabs people in the back, plays politics, their performance looks like this, there's no stability, it's all over the place, they happen to meet the number on an arbitrary date.

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Give that person bonus? Why? They're breaking the company along the way. The point is the finite player only looks at these discrete moments in time where the infinite player is much more preoccupied with the trend of things. So, in our business, we have become absolutely preoccupied with the trend. There is some projects we wanted to implement that I wished took a year, and they took years. And I can--it doesn't matter how much I say, "I want it done at the end"--we missed it. But you know what, we were building good systems along the way. We just missed the prediction. And the result is we have much better systems, much better product, and we're all much more motivated by it, because nobody was penalized for missing arbitrary numbers on arbitrary dates. I'm sort of learning--I'm learning how to build and run a business for the infinite. And somebody asked me recently in an interview about my competition, like, how do I compete against the people in my space? The answer is, compete against what? What am I competing for?

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Like, am I going to compare how many views on TED? Or how many book sales? Or how much my personal income is? Or how much my corporate income is? What's the arbitrary standard, 'cause I can be ahead on some metrics and behind on others. I can drive myself crazy or I can be really proud of myself. Worse, I'm choosing who my competitive set is. But the competitive set is way larger than I can imagine. It's like, I love it when the networks declare that they're number one. You do realize that they're only comparing themselves to the few other networks that they want to compare themselves? NBC, ABC, CBS, and Fox compare themselves to each other. They ignore Netflix, Hulu, HBO--

PERSON: YouTube.

SIMON SINEK: YouTube, and the rest of them. But that's the point. If you'd make your own competitive set, you'll be number one. Everybody will have their day in the sun. I get a kick out of that. I get a kick out of that. So, especially for an organization like YouTube, the question who's your competition? The competition is yourself.

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wish everybody the best of luck. Let them make their own metrics. Let them declare themselves number one. Who cares? They'll fall out of the game before you. That's the goal. That's the goal. All right, should we do some questions?

PERSON: I think everything that you just said is really interesting, and it hits on something I've been wondering about for a long time. Here at Google, we have a phenomenal set of benefits, and I think it's no argument that we're looked to as a leader in kind of creating the utopian workplace for the smart, creative, or whatever terms you want to apply to it. And it seems congruent in a lot of ways, you know, the original founders' message with the indefinite game and everything that you're describing. But I wonder, is this a luxury that we are able to have because we're such a phenomenally profitable company, that we can provide these luxurious benefits on these things? And you look all the other companies that maybe don't have the luxury of these, you know, thick profit margins, and they can't afford to play the infinite game and they're focused on being tactical.

SIMON SINEK: No, no. They can afford to play a finite game.

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They can absolutely play the infinite game. So, because, based on your logic, every small company that's under-resourced would never make it, which is just not the case. Right? So, what holds, and people aren't loyal to free lunch. I mean, some people are. And you see this in the tech space so much. Which is people claim, "Oh, I want to work for a place with purpose and make a difference." Right? They claim they're looking for this, but the reality is, they really like free lunch, and the other company didn't have free lunch, so I'm going to take this one, 'cause they have free lunch. Right? In other words, they went for the rich company, which may last if the company is also an infinite player, but if they're just a finite player, it's going to run out at some point, because when the company starts to struggle, guess what things they'll start cutting? And like you have, we have friends in tech companies who don't work here.

PERSON: Right.

SIMON SINEK: Right? Who get free lunch. And beautiful offices. Flatscreen TVs in every hallway. Gorgeous. Right?

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And yet, they would like. You know?

PERSON: I think you're kind of cherry picking a few difference--like, very simple--of those benefits. I think a lot of the things that people herald are, for instance, long maternity benefits or, you know, anything associated with childcare and things like that. Maybe, if you run a construction company and you have to have people show up and lift the heavy thing and it's potentially dangerous, and you can't give everyone flexible work arrangements where they can work from home, and, you know, they can take their kids to day care because, you know, you have to have the guy driving the crane. You know, I begin to wonder, like, you know, are we--is it easy for us--you know, you, me, all of us in here--to sit here and say, "Oh, you know, we want to focus on these ideals," because the industry we happen to work in is relatively--makes it easy to provide for those ideals.

SIMON SINEK: Let us not confuse feeling like we belong and cushy. I'm not cherry picking. Right? There are many people who enjoy the benefits. We all enjoy the benefits. Why wouldn't we? But does not mean that if the benefits weren't there, we would immediately quit?

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PERSON: I don't know. I mean, I just--

SIMON SINEK: And what you find--so, take a company like WD-40.

PERSON: Sure.

SIMON SINEK: Okay? Much smaller than Google. Does very well. Their offices are kind of a dump. The benefits they offer--they're nice to their people, and where they can they offer all kinds of stuff for education and maternity, and all that stuff, but it's not as cushy as large, huge tech companies that have, you know huge amounts of extra cash. And the people who work their love working there, and will come in every day full of gusto, because it's the people we work with, not the stuff we get. The stuff we get--the very point of the stuff we get is it runs out. Like, it's finite. You have to keep injecting it. Right? Where the people we work with, that's--the relationships in the infinite component of the companies. So, if you do love working here, right? I would say that if you're loyal and you really love it, not like it but love it, I would argue you love the people with whom you work.

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And if some of the benefits were taken away for whatever reason, that you would still come to work loyally and still love it because of the people you work with. And if there were only people who chased benefits, benefits, to benefits--and there are people--that's like chasing salaries.

PERSON: Sure.

SIMON SINEK: Then there's never loyalty, and there's never love.

PERSON: Well, I certainly do agree with everything that you just said. But when you were talking about, for instance, like, these trend lines and, you know, being able to miss the arbitrary number, if you're a smaller, scrappier company, maybe you can't afford to miss these numbers, whereas we have the luxury of this big war chest of money that, if the goal is missed by a quarter or two quarters or, in your case, these project took additional years, I mean, isn't that sort of -- you are able to provide for that kind of flexible timeline because you have, you know, the tail end of success?

SIMON SINEK: There always finite games within the infinite course. Of course Of course.

PERSON: That's just stuff I was wondering about.

PERSON: Hi, Simon.

SIMON SINEK: How are you?

PERSON: so, my wife and I are both military veterans and we work here at Google, and I wanted to--

SIMON SINEK: Which force? Which force?

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PERSON: Army. Army officers. And I wanted to touch upon your example about the military. In one of your other talks, you talk about Medal of Honor recipients. And basically, they do these heroic things, and they say, "Why did you do it?" And you say in your talk, "Because they would've done it for me."

SIMON SINEK: Right.

PERSON: So, that mentality is actually my question. You also mentioned in the military, we're willing to sacrifice ourselves for the gain of others.

SIMON SINEK: Right.

PERSON: but in business, we're are willing to sacrifice others for our own gain.

SIMON SINEK:

PERSON: How do you build that military mind-set in companies like here or other companies?

SIMON SINEK: Leadership. I mean, it's--leadership creates an environment. And it's--and this is what I've learned. The whole concept of leaders eat last and those lessons that I learned by spending time with folks in uniform, it was born out of my own experience where I was going through point in my career as my career is growing--all of a sudden, you have new friends that I didn't have before. And that's wonderful. And then I learned the hard way that they weren't my friends. They were playing me. They wanted access or a deal or something. Right?

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And I learned the hard way. And so, I retreated. I was like, I wanted to be friends with nobody else but people I knew way back when, which is also not a good way to live. And yet, simultaneously, I'm spending time with tons of folks in the military, who--you know, in business, we have colleagues and co-workers. in the military, you have brothers and sisters. And that's a different kind of relationship. And as you know, I have hugged more people in uniform than I've ever hugged in suits. I have cried with more people in uniform than I've ever cried with in suits. I've stood in the audience and listened to officers give talks and I've sat in the audience and cried. I've never cried when any CEO gave a speech, ever. Right? So, there's a different nature of relationship. And my original conclusion was they're better people. That the reason you get a disproportionate amount of these kinds of behaviors is because they are better people, and better people are drawn to a life of service in the military, which is why we find a disproportionately high number of them there. And the more I started to learn, the more I realized I was completely wrong. It's the environment. It's the environment. And when the leader creates an environment in which people feel that someone has my back, they will do extraordinary things.

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And what I learned is that courage is not this deep-down internal fortitude. Right? It comes externally. It's like a trapeze artist would never try a brand-new, death-defying act unless they had a net. The courage didn't come from the trapeze artist. The courage came from the net. And it's the same in the military which is especially when you're in life-and-death situations, when you're in theater. People who you don't like, you still rely on to save your life, and the reason it works is because you don't have to look behind your shoulder. And that mentality--and you know better than anybody--which is when you are deployed into dangerous places--nobody sort of loves deployment, but people have warm

feelings towards deployment, which is really strange. And suicides rarely happen in combat situations. They usually happen back home. And it's the intensity of the relationships that create that warmth.

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And the sort of weird enjoyment of really bad, uncomfortable, and dangerous circumstances. It's because, we're human beings, and human beings, as social animals, feel our safest when we trust each other. And good leaders are capable of producing that. So great businesses look very much like well-run military organizations. You know, there's poorly run military organizations as well. But great businesses look exactly the same, where the leaders give the glory. They distribute authority. They push it down the ranks. They let other people make decisions. If they screw up, there's no risk of getting fired. If the company misses its arbitrary projections on its arbitrary date, we do not use the people to balance the books. We figure out other ways. Or we even invite people to solve the problems. These are the things that produce that circle of safety, that produces that exact same outcome, where people will love each other, cry for each other, sacrifice for each other. You see it business plenty. But it always boils down to leadership.

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I mean, I can't help but talk about it. Let's look at United Airlines, which just happened shortly. It's going to come up. That is, usually when things like that happen, that is a red flag that they have a leadership problem. Right? It's very rare that you have something like that just show up out of nowhere. What that probably is, is as an environment in which people are operating in a fear-based culture. Where, if you don't follow the rules exactly as we've told you, you're going to get trouble. And the rulebook says: offer them an incentive. And it says, if that didn't work, it says randomly pick people. And then it says, if doesn't work, call security. "And I'm just following the rules. I'm just following the rules." There's no discretion--where everybody knows that's stupid. Right? Like, when the CEO announced that we are no longer gonna forcibly remove--like, why was that ever a policy? That's like food companies saying, "Now with no chemicals."

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And it's like, "Wait, wait, wait. Why were there ever chemicals?" Right? But that's the point. Nobody has discretion. So, I was boarding a flight. I've told the story. I was boarding a flight, and a scene played out in front me and there, where one of the passengers attempted to board the plane before their group number was called. In the gate agent literally berated him. "Sir, step aside. I haven't called your group. Please step aside until I call your group." So, I spoke up and said, "Why do you have to talk to us that way? Why can't you talk to us like we're human beings? And she looked me in the eye and said, "If I don't follow the rules, I could get in trouble or lose my job." All she revealed to me is that she doesn't feel safe in her own company and her leaders do not trust her to do the job for which she's been trained to do. And guess who suffers? Us and the company. The reason we love flying Southwest Airlines is because the company trusts them to do the job they're trained to do and use discretion. We trust people to follow the rules. We trust people to know when to break them.

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And the problem is, in a fear-based society, people fear for their own jobs more than common sense. That was a perfectly--a perfect scenario of what happens when somebody in the company is too afraid

to break the rules, break the policies, use discretion, find another way. You know? So, almost predictable that something will happen, something will break at some point.

PERSON: Appreciate it.

SIMON SINEK: Thanks. How are you doing?

PERSON: So, for some industries that we're in, I feel like we are very much playing the infinite game. With have a set of values that I feel like we're very much trying to follow we come up with new products and new features. My question is, when--after that is played up for five, ten years in some of these industries, its clear that we're reaching some sort of maximum.

SIMON SINEK: Yep.

PERSON: Where following those values is only going to get us so much of the market.

SIMON SINEK: Yep.

PERSON: And even though we might not be, like reactively looking to see our competitors to see what they're up to.

SIMON SINEK: Yep.

PERSON: We can't help but notice that they have most of the pie. And even though we've stuck to our guns, we're as far as we can get without doing something different.

SIMON SINEK: Yep.

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PERSON: So, it's of course very tempting at that point to change and start emulating what other people are doing to get that bigger piece of the pie.

SIMON SINEK: Yes.

PERSON: So, how much flexibility do you see when you're playing the infinite game to change course?

SIMON SINEK: Depends the reason you want to increase the slice of the pie. Just 'cause? Or, because you have a message and you know that if you can get more of the pie, that message will reach and help more people. Like, is it nobly pursued or is it selfishly pursued? You know? And who says the time frame has to be now? You know, the Women's Suffrage movement. Pretty important. Get the women the vote. Pretty good idea. Did you know that almost all the founders of the suffrage movement died before the first woman ever voted, because that's how long it took? It took more than a lifetime for them to get it. But the point was, the pursuit, the pursuit, the pursuit. Would they like for it to have happened in their lifetime? Of course. Of course. Of course. Were they more preoccupied that it happened? Absolutely. And that's the point. You build legacy.

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You take people who can take that torch to carry it without you. So, the problem is, the vision--here's the thing that's always boggled my mind. Right? Why is it, on balance, on balance--not always, but on balance--why is it that small companies tend to be more innovative the big companies? Right? Small

companies that are under-resourced can't necessarily get the best and brightest, they're going to out of business any day, and yet they come up with brilliant ideas. And big companies, full of resources, full of amazing people, buy the little companies that come up with the good ideas. That's usually how the big companies innovate. They buy the smaller ones. Right? Why is that? Why is it that most research companies tend not--and I think it's a question of reality. And what I mean by that is small companies, their vision is more distant than their grasp. Right? They have delusions of grandeur. "We're going to change the world. Change industries. Reinvent this. Reinvent that."

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"We have no money and no people, but so what?" My point is the grasp is shorter than vision. And I think what happens is as companies get bigger, and bigger, and bigger, with more and more resources, what they start to do is one of two things. Either their visions become well within their grasp and they don't readjust the vision, or they actually bring back the vision back to put within their grasps. Right? Make things very achievable. Difficult, but achievable. For vision to truly be vision, it should feel unachievable. When a small business gets together and says "Here's our vision," everybody goes like this. "How are we going to do that?" And big business, we say, "Here's a vision." Everybody goes, "All right. Yeah. Got it. We'll do a back plan. We got that." And I firmly believe that innovation is born out of the struggle. Innovation is born out of the resourcefulness that you are forced to figure out, because literally, the vision is way beyond your grasp.

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Regardless of how many resources you have, it should always feel overwhelming and impossible. Take a group of people who have tons of resources, and give them a vision, and they're going to go--So, I think that's part of it. I think that's part of it. So, you've been at it for five years. You've achieved a lot. Congratulations. So, the question is, well, was the vision not big enough? Or you want more piece of the pie. Why not just stay in the game? Like, we have an obsession in America with growth. Not stability. Size. We love size and growth. We have lists of the fastest growing companies. We have fortune lists of biggest companies. We don't have lists of most stable companies. Enron, WorldCom, Tyco, Lehman Brothers, big companies, Arthur Andersen, Circuit City. Remember that one? Right? Proof. Not, like--right? Like, big, not stable. Fast growth. We love fast growth.

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We put peoples' pictures on magazines and say "look"--Groupon. Remember that one? Does anyone really care about Groupon anymore? It was like, "Copy Groupon. They are the future." For now. Right? And that's the point. For some point, we're obsessed with growth. And again, it goes back to this. Growth, to what end? Here's how I understand growth. Right? So, you see your neighbor packing up his car across the street from you and you say, "Hey, where are you going?" And he says, "Vacation." You go, "Cool. Where are you going?" He says, "Vacation." You go, "Awesome. Where are you going?" He says, "Vacation." So you go, "Well, how are you going to get there?" He says, "I'm going to take Route 95 and my goal is to drive 150 miles a day." That is the same as growth. Like, "Why does your company exist?" "Growth." "Awesome. To what end?" "Well, we're a business. To grow." "Love it. How are you going to do it?" "Growth."

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Like, "Good. What route are you going to take?" "our goal is to increase topline revenues by 20% every year." "Duh. To what end?" And so, you get on vacation, everyone is so proud of themselves, smacking each other on the back, because we drove 150 miles. We drove 180 miles. We're above goal. In what direction? And we see opportunities that actually aren't good. Somebody offers you a ride in their private jet you're like, "Ooh, quicker than a car. Yes." Except they're flying in that direction. As opposed to somebody who knows their vision. "I want to get to California." "How are you going to get there?" "Route 95." "What's your goal?" "150 miles day." "And what happens if you drive 30 miles a day toward California?" "That's okay. We're going to figure out how we can find other routes." Or what if the highway is blocked, so you're forced to go slower? But it's okay, 'cause you know the direction you're going in. As opposed to firing off in other directions. When somebody says, "Hey, I have a private jet. Do you want to fly in it?" You go, "Where you going?" "Calgary." "Not interested. Thank you very much." You get my point?

PERSON: Yeah, thank you. That's very helpful.

SIMON SINEK: So, yeah.

PERSON: I just wonder--about Apple. When you talk about Apple--Apple beat Microsoft at the time, how do you see--what is your [inaudible] of Apple now under the leader Tim Cook, after Steve Jobs? [inaudible] What values do you observe, or do you still believe that they have--?

SIMON SINEK: I figure that if I let you keep talking, I don't have to answer. Which is good. So, I tend not to comment on companies--wait for it--where the founder leaders are still there. Because people ask me about these companies and the answer is, we don't really know the kind of culture they've built until the founder leaders have left. Because the founder leaders tend to be the personifications of the cause, of the values. And you can really test the quality of the culture of a company and its stickwithitness and whether they truly have imbued into the company the values first after the founder goes.

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So, Walmart is A great example. Walmart used to be an amazing company. It was all about this. And then Sam Walton died, and first CEO who took over for him, who grew up with Sam, and so he kind of got it. And then all of a sudden, it started to go sideways, because they became preoccupied with this and they completely forgot about that. You see their tagline? Their tagline is "save money, better life." It's actually in the wrong order. It should be "better life, save money." That would be a values-based decision. Right? It's one of the pieces. So, we see this all the time. You know, Bill Gates left, and so Microsoft went a little bit sideways under Ballmer. Ballmer was obsessed with this over this. So, this happens also very often when CEOs leave and replace themselves with their CFO or COO, because we have a flawed hierarchy in business. We think CFO or COO is the number two job.

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And many CFOs or COOs see themselves as in-line for the big job. The problem is it's not one and two, it's one and A. They are separate skill sets. And it's the combination, the mom and the dad, the visionary and the operator, the person who sees far and the person who knows how to get there, the person who sees the forest, who lives above the trees, and the person down in the trenches trying to figure out their way through the trees. It's that magical combination that makes a business grow. But too often, we take a visionary, and we replace them with an operator. It happens all the time. Mike Dell left Dell. Mike Dell

had to come back. Howard Schultz left Starbucks. Replaced himself by his COO. Howard Schultz had to come back. Bill Gates left. You know? And there was sort of talk of Bill coming back after Ballmer. Satya now is a little more in Bill's--you know, a little more like Bill, right? So, Tim Cook was the COO. So, the problem is we judge COOs on what they've done in the past. We judge good CEOs--good visionary--based on how far they can see in the future.

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And if you look at the titles that we give people--CMO, CIO, CTO, COO, CEO--in their title, it says what the responsibility is: finance, operations, marketing. What the hell is an executive? Chief Executive Officer. It's the only job that literally doesn't have job specs. And it doesn't give away. It should be CVO. Chief Visionary officer. Because, like I said, we judge somebody like that by how far in the future they can see, and we want them to work with someone who knows how to get them there. These things work together, not separately. Right? So, I have concerns about Apple because it is run by an operator. Good guy, smart guy, believes in the vision, but the problem is he sees problems more than he sees future. You know, these people are huge risk takers. These people are calculated risk takers. You know? And so, I think we're starting to see cracks. Are they--does it mean the end of Apple? No. But we're starting to see the cracks.

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Like, they don't seem to be leading markets anymore. They don't seem to be defining product categories anymore. In fact, a few times they've been the followers. You know? So, you make this little joke. Like, your phone doesn't work, "Oh, ever since Steve died." You know? There's, like, politics playing out in the company and its weirdness. Is it the end of Apple? I don't think so. Of course not, but definitely it makes me interested.

PERSON: Simon. I am a weird 21st Century case of somebody for whom Google is my first and only full-time employer. And we often--I work in marketing--sort of copy and paste the company's value statements into briefs that we write in a way feels very mechanical and not really, like--to your earlier point, I came here and signed up here to work for this value.

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Can you speak to, at the value-setting stage, what are the kind of questions you're asking when you're sitting down to think, you know, what do we really stand for? How do I put a few words to these larger ideas?

SIMON SINEK: I'll wax philosophical. It's not a--there's no sort of answer. So, we're obsessed in our business with the movement. We obsess about the movement. We never ask ourselves--literally it never comes up--is that good for the company? It just doesn't come up. It does secondarily but we want to know if a decision we're about to make, a product we're about to develop, something we're about to sell--whatever it is, we always say, "Is it good for the movement?" So, what it does, is it forces everybody to put first the movement, this vision that we all share in our organization. We believe--imagine a world in which the vast majority of people wake up every single morning inspired to go to work, feel safe when they're there, and turn home fulfilled at the end of the day. Our goal is to get closer to that, stand as a beacon that points towards that, and offer the tools that we can to others to build tools to get to that world.

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That's what we mean by the movement. And we're obsessed with it. Even when we talk about our P&L. We don't actually have a line on our P&L that says profit. It says freedom. Because none of us are motivated by the abstract thing called profit. We absolutely are motivated by freedom. Because the more money we make, it allows us to stay in the game. It's fuel for the drive, right? It allows us to get our message out to a bigger and broader audience. It allows us to say yes to things that don't pay and say no to things that do pay. But we don't like the people who are calling us up. It gives us discretion to give money away to people we like, and it gives us opportunities to give benefits, to the question before, and give freedom. So, you're damn right I want to give more freedom this month than I had last month. Right? So, I think it comes from an obsession from leadership. And not just me, at all levels. And sometimes that leadership comes from bottom up, where we catch each other and we remind each other.

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because it is tempting to put all of this first. Because we can demonstrate measure and how to improve or advance a metric. And the question I ask is, to what end? And I don't mean rationalizing. I mean, explain to me in hard words how this advances that. Not some backpedaling. Right? Which is very often what happens. You know? And so clearly that everybody else in the room is going, "Mm-hmm." Not, "Whatever. If you say that." You know? Like, we're all--that's the funny thing about these. Like, We all know what the right thing to do is. But we like to rationalize sometimes. So, I think--I think there has to be an obsession with the cause to advance the cause. And it doesn't have to be the top person. It can be somebody who signed up for it. "Guys, guys, guys, guys, guys. Remember what we signed up for this." Right? It's like the military example. Like, everybody has the same flag on their shoulder. And if you're in Marines, Army, Air Force, or Navy, when you're in a combat situation the uniform disappears. The only thing that matters is this and each other.

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Right? We all signed up for the same thing. Do you believe in it or do not believe in it? Do you want to advance this cause or not? Do you care about changing the way the world works and making it into something better or do you not? What can we do in our sphere of influence? Marketing, product, whatever. What can we do in our sphere of influence? What little bit can we do? What piece of the jigsaw puzzle do we have to put down to help and help build the picture that's on the box? But somebody has to be pointing to the picture on the box. And that's the job of the leader. Whether they have rank or not.

PERSON: Thank you.

PERSON: So, I manage a team here.

SIMON SINEK: We need to talk. Nobody wants to be managed. People want to be led.

PERSON: Thank you, very helpful. I have a group of finite players from a personal situation. And definitely infinite players.

SIMON SINEK: Yep.

PERSON: So, they don't need more money. They're here for the purpose. It's wonderful. How do I get a team dynamic and how do I get the infinite players aligned on the vision? They view their part of the role here is to set that vision.

SIMON SINEK: Well, that's--so, there is a vision at the Google, or Alphabet level, and all of the companies within Alphabet should be working in cones to advance the bigger vision. And within that there should be--you know, nested-wise, we would call it--that advance--you know, it all goes up. So, ideally, the question is what did they sign up for? If they--do they believe in the big vision? And can they help advance it? And I love that they're big thinkers, and you want to combine big thinkers with big doers. Right? Good teams. Right? I love that. What if going, "Ooh, I can do that." Somebody else goes, "I can do that." But if they see themselves as the one who has to come up with a vision, the question is, at what point do we start building? Like, this happens very often with entrepreneurs. And entrepreneurs are big businesses and not. It has nothing to do with owning a small business.

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Where it's shiny object syndrome Where every shiny object is something they want to pursue. And at some point, you're going to have to pick one. This is one of the things I actually admire in the Marine Corps. If you go to OCS, the Marine Corps, in Quantico, where they select their officers, they have something called the--I forgot what the term they call it, but it's basically Leadership Reaction Course. The LRC. Basically, it's mini, little obstacle courses. And there are like 20 of them. Ten wet, ten dry. Things like, carry--take these three planks of different sizes and lay them on the telephone poles sticking out of the water, and get all of your people and this ammunition across the water. Figure it out. And they give them a time constraint. And then have to run it twice. One they assign a leader and one they don't. Right? So, one of the things I'm fascinated by in the LRS--which is they're looking for a leader to take input from everybody and then make a decision on the strategy of how we're going to get across.

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Right? But they're also looking to the followers. Because what they find is that the best followers take advice and make a decision. And the best followers will give advice, but once the decision is made, want to see their leader successful. And never, never work to sabotage or stand on the sidelines because they didn't get their way or enjoy the failure because they say, "I told you so," but work tirelessly to see that whatever direction is set happens very successful. So, I hope that's happening here too.

PERSON:

Thanks.

SIMON SINEK: You're welcome. Okay. It's very egalitarian.

PERSON: Hello, Simon. Thanks for the talk. My question is, so what is the, worst thing that happened in your life. I'm very interested in your life story.

SIMON SINEK: With regards to what? My career? Family?

PERSON: Your career or your life in general.

SIMON SINEK: What you want to know?

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I mean, I stubbed my toe, that was really bad. So, my whole journey, this whole why thing, was born out of pain. I owned a small marketing business and I lost my love for my work, and people give me stupid advice like, "Do what you love." "Follow your passion." Like, what am I supposed to do with that? Like, I'm doing the same thing and I don't love it anymore. And it was a very, very dark place for me, spending all of my energy trying to pretend I was happy or more successful and more in control than I felt. I was lying, hiding, and faking every day of my life. Right? And it's debilitating, quite frankly. And it wasn't until a friend came to me and said, "I'm worried about you," did it give me this courage, this strength, to admit that I was struggling and then look to find a solution. And that journey pointed me to the concept called the why. I knew what I did it and I know how I did it, but I didn't know why. It's a basic biology of human decision-making and I realized there was a major piece missing.

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And so, the pain of that, which I never want to go back to--but I'm glad it happened--has profoundly changed the course of my life in my career. I mean, it's why I'm here now is because the pain that I went there back then.

PERSON: Quick question. You open up this framework with very notable examples from politics.

SIMON SINEK: Yep.

PERSON: Cold War, Afghanistan, Vietnam.

SIMON SINEK: Yep.

PERSON: And then we transitioned to business.

SIMON SINEK: Yep.

PERSON: And make sense that you don't have to focus on the competition.

SIMON SINEK: Yep.

PERSON: But politics sometimes you don't have that luxury.

SIMON SINEK: Yep.

PERSON: Especially if it's a zero-sum game.

SIMON SINEK: Yep.

PERSON: Some kind of geopolitical warfare.

SIMON SINEK: Yep.

PERSON: So, if you are facing opposition that leads with why.

SIMON SINEK: Yep.

PERSON: Has an infinity outlook.

SIMON SINEK: Yep.

PERSON: And is intrinsically motivated in the process.

SIMON SINEK: Yep.

PERSON: How you combat them?

SIMON SINEK: Yep.

PERSON: Is it as simple as you last longer with more infinity, or at a certain point, do you--if there's such a thing. Or is it a certain point where to engage or not engage is a more important question?

SIMON SINEK: It's such an important question. And the answer makes me really uncomfortable.

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'Cause I'm looking at what the criteria are. Actually, going through the necessities of what elements are required to play an infinite game. Right? That's what I'm working on right now. And I'm uncomfortable with the fact, but I think the fact is you have to have opposition. And one of the reasons is having opposition, having an adversary, actually allows for a game to exist because you can't play game by yourself. Right? Even if you're playing, like, solitaire, you're still playing against the cards. You know, there's an opposition. And so, as uncomfortable as I am, even in the old Apple days, they still wanted to take down IBM, and then they wanted to take down Microsoft. But having an opposition in the infinite level helps make it easier for us to see what we stand for because we can see what we're against. And so, even if in the United States, we struggle to put our vision into terms, we could look at the Soviet Union and say, "Not that." Right? But you still have to have the four. It's still got to be, there. 'Cause when players drop out and are replaced, you still stand for the same thing.

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'Cause if you're only against what anybody else is, then you're not going anywhere. So, you still have to have the four. You know, so, the Romans debated on the floor of the senate for 50 years whether they should just flatten Carthage, which was their Soviet Union, right? And they finally decided to do it. And they flattened Carthage. And then the Roman Empire quickly went into decline. Right? That's interesting to me. So, I think you need opposition. I think Apple needed Microsoft. George Lucas talks about this. He says, "what you do when you become the thing that you hate--hated," you know? And I think an adversary at this level, another infinite adversary, is important. Now, it's not like more infinity, you have to keep the game in play, 'cause we never know when it's going to end. Nobody could predict that the Cold War would end when it ended. In fact, it caught most people by surprise when the Berlin Wall came down. It sort of happened very quickly. Right? The point is, you have to maintain a good business so you can maintain resources so you can stay in the game.

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You have to run efficiently, but you need to keep people ideologically invested. You want to find allies, right? You wanted to be in ideological export. You want to preach your cause, preach your cause, preach your vision, preach your vision, so that others will go, "Me too," and you get allies. Other companies or partners or vendors or employees who go "I'm in. I believe. I'm loyal. Never going to abandon you. I'm in." So, the adversary makes all that very easy. The reason we stand for something is when one adversary drops out, while we're waiting for a new adversary, which will show up, we have to know

what we stand for. And if you really want to get into geopolitics that was the single biggest mistake that the United States made after the Cold War--we're really going here--which is we declare ourselves the winner, but that's not what happened. The other guy dropped out. And then we imposed our will on the rest of the world for 11 years. Turns out the world didn't like it, and new adversaries started to show up.

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Soviet-style communism--you know, both ideological exporters--was replaced by Islamic extremism. The nuclear power of the Soviet Union was replaced by North Korea, Pakistan, maybe Iran. Right? The economic tension with the Soviet Union was replaced by China. The problem is, now it's diffused. Now, it separated. But the Cold War is alive and well. Cold War 2.0. Right? And we're still battling life, liberty, and the pursuit of happiness. It's more complicated now. But we foolishly gave up what we stood for for a while. So, I think you need both. And I'm uncomfortable by the fact, but I think you need adversaries. You need to have a not that. We're clear on what we stand for, 'cause we know we don't ever want to be that. Thanks very much for your time everyone. I appreciate it. Thank you.

Thanks for listening.

[00:55:59]

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