

## What game are you playing?



89The average business in the US now has a lifespan of 30 years. This is probably less than half the average lifespan of the employees who work in these US businesses. Simon Sinek, author of the books *Start with Why* and *Leaders Eat Last*, offers a possible explanation for this three-decade lifespan. He says businesses often don't know what game they are playing and as a result don't quite know what approach to business is right for them.

### Are you playing a finite or infinite game?

In a talk entitled, "Understand the Game We're Playing" Sinek suggests that some businesses are playing a "finite" game and others are playing an "infinite" game.

When a business is playing a finite game, their primary concern is whether or not they are beating the competition. After all, a finite game is a game that can be won. Who exactly the competition is, may not always be clear. As a financial planner you may think your local Private Bank, or another financial planning business in the area is your competition. You may be right. But you could also be wrong. Ask your local taxi driver whether they saw Uber coming.

But even if you do know who the competition is, how do you know if you are beating them? Are you playing to the same rules? Is the way you keep score the same as the way they keep score?

## What's the best way to keep score?

There are obvious ways to keep score in a financial planning business: revenue levels; profitability; number of clients; assets under advice; number of employees. All these measures do give some indication of how well you are playing the game. Or do they really?

As a financial planner hopefully the primary focus of your business is on the financial health of your clients. Should this then not be the key score you keep?

It is challenging. Each client is unique. They have their own goals, needs and priorities. They invest at different times with unique return requirements, time horizons and risk appetites. They retire at different times. Death, divorce and debt are often unpredictable variables to contend with. Yet all these factors go into the melting pot of the financial health of your clients.

But if their financial health is the key measure of your success, the need to be competitive seems trite. Does your profitability really matter if none of your clients are retiring with enough money? Is a big business really a better business? If the game you are playing is a finite one, your key challenge is to determine exactly how to measure whether you are a winner or loser. And there is no guarantee which side of the score lines you will end up.

## What if business is an infinite game?

Rather than worrying about competition, perhaps a sounder approach, as Simon Sinek suggests, is to think about the game of business as an infinite game. After all, as he says, the game of business will outlast every business. If the infinite game is your perspective, suddenly short-term revenue or profit measures become less meaningful. Obviously you need enough cash to keep operating! But beyond that how much of your focus should be in the short-term, particularly when it comes to the financial health of your clients.

After all, how often do you have to remind a client that their quarterly investment return is irrelevant in the context of their overall plan? You no doubt often have to remind them of the context of their overall life, and the life of their heirs. Financial planners, possibly without realizing it, are trying to get clients to play the infinite game. Recent research from Bain Consulting and Harvard Business School suggests that the element of value which clients value most from financial services businesses is that of the "heirloom": the ability to provide for one's heirs. A finite game this is not.

As Sinek points out, when you are playing the infinite game, competition is likely to become irrelevant. In fact co-operation may become more important. This is something we see close-up as we work with IFA businesses on our Adviser Programmes. Most are interested in building sustainable businesses, which will outlive their own professional tenure. They share their success and challenges with each other. They learn from each other. They don't see each other as threats because they all see themselves as playing the infinite game. So their focus tends to be on where their own business is going, rather than that of the competition.

## What can we learn from those who play finite games for a living?

Given the average lifespan of a business in the US, it would be fair to conclude that most businesses see themselves playing a finite game. Competition is key. Winners take all. So it is no surprise that businesses when looking to improve what they do, often seek inspiration and insight from the sports arena. After all, sport is all about winning and losing.

So last week I listened with interest when I had the privilege and pleasure of attending a function where three members of South Africa's Sevens Rugby team shared their insights about being part of a World Championship winning team and being bronze Olympic medalists.

"What's the secret of your success?" was the first question they were asked.

"It's about the environment we operate in."

"It's about the system we follow."

"It's about the values of the team."

"We play for each other."

"Humility is key."

"We run a lot".

I kept waiting to hear about the importance of winning. The need to compete. But there was none of that. There was nothing about their passion for winning. Or even their need to win. It was effectively all about building a culture - the environment in which they operate. And

having a sustainable system that others can easily integrate into. It was about support for one another. Without saying it, they were actually talking about playing an infinite game.

So too the All Blacks rugby team, the greatest sporting franchise in the world when measured by performance. Yet in the book *Legacy* which shares some of their secrets of success, the focus is not on winning. In fact the opposition are merely a means for them to improve how they play the game. Their ethos is founded on leaving a legacy. Leaving their jersey in a better place. And perhaps most importantly, they have a firm belief that better human beings make better All Blacks. Again another sports team that seems to be playing an infinite game.

The surprise for me from these insights from sportsmen, who only play finite games, is that they offer wonderful wisdom into how to play an infinite game. In focusing, on things like values, systems, culture and leaving a legacy, they in effect are acknowledging that they are ultimately playing an infinite game.

Do you know what game you are playing? An honest answer to this will help you decide whether to compete or collaborate; where to focus your efforts; how you measure success, and most importantly, what your game plan is.