# Theme F: The Right Game and “Co-opetitio

## 1. “It’s a Game, Jim, but Not as We Know Them”

**Business is a game, but different from structured board games or arcade games or computer games:**

- **it is not win-lose (not zero-sum): possible for all players to win**
- **apart from the law, there is no rule book**
- **others will change the game to their advantage**
- **the game is made up of five PARTS (see below)**
- **success comes from *playing the right game***

**So game theory provides a framework for an ever-rapidly changing world.**

# Competition and Cooperation

***Competition:***

**how to get a bigger piece of an existing pie.**

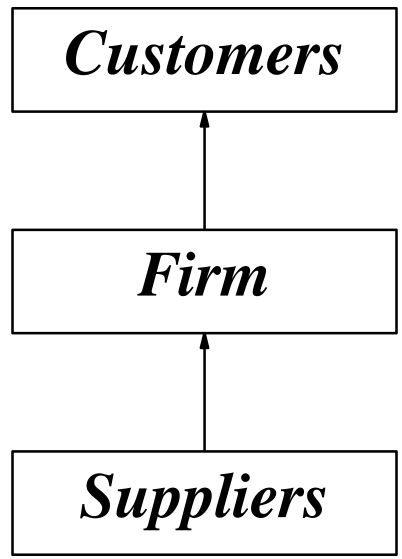
***Cooperation:***

**how to increase the size of the pie.**

$\longrightarrow$ ***Co-opetition***

## 1.1 The Value Chain

**The business buys from its suppliers and sells to its customers.**




**Companies compete to dominate one or more stages of the chain.**

**Write down your organisation's Value Chain.**

## 1.2 Complementors

**Every business has**

- **customers**
- **suppliers**
- **competitors**
- **and ?**

**Business strategy frameworks often overlook the role of complements.**

**Brandenburger and Nalebuff suggest a new term — *complementor* — for those who provide complements.**

**Customers, suppliers, and complementors can all be partners with the business.**

**Firms can be complementors with respect to their customers and with respect to their suppliers**

# Customers and Complementors

**Examples of customer's complements:**

- **computer hardware and software**
- **Pentium III and Windows NT**
- **Cars and roads**
- **Selling cars and car loans**
- **Sweets & masks and Hallowe'en**
- **Red wine and Dry cleaners**
- **ISDN phone lines and videophones**
- **Golf courses and real estate**
- **desktop colour printers and digital cameras**
- **TV and *TV Week***

## Complementors v. competitors. (Customers)

**A firm is your *competitor* if**

**if customers value your product *less* when they have the other firm’s product than when they have your product alone.**

**e.g.?**

**A firm is your *complementor* if**

**if customers value your product *more* when they have the other firm’s product than when they have your product alone.**

**e.g.?**

## *Customers' Complementors*

**Technical definition:**

**Two businesses** *A* **and** *B* **are *complementors* with respect to a customer if the customer's willingness to pay (***WTP***) for both of their products together is greater than** *WTP* **for** *A***'s product alone plus** *WTP* **for** *B***'s product alone:**

$$WTP\ (A\ \&\ B) > WTP(A) + WTP(B)$$

# Suppliers and Complementors

**Examples of supplier's complements:**

- ➢ **supplying wheels to car majors**

  **— even if different wheels, less costly if two or more customers.**

- ➢ **Compaq and Dell**
  - — **compete with each other for the latest Intel chip**
  - — **complement each other in defraying Intel's R&D costs**

- ➢ **Virgin and Qantas**
  - — **competed with each other for passengers, freight, landing slots, and gates**
  - — **complemented each other in defraying Boeing's or Airbus' R&D costs**

## Complementors v. competitors. (Suppliers)

**A firm is your *competitor* if**

**if it’s *less* attractive for a supplier to provide resources to you when it’s also supplying the other firm than when it’s supplying you alone.**

**e.g.**

**A firm is your *complementor* if**

**if it’s *more* attractive for a supplier to provide resources to you when it’s also supplying the other firm than when it’s supplying you alone.**

**e.g.**

## *Suppliers' Complementors*

**Technical definition:**

**Two businesses *A* and *B* are *complementors* with respect to a supplier if the opportunity cost (*OC*) for supplying both of their products together is less than the *OC* of supplying *A*'s product alone plus the *OC* for supplying *B*'s product alone:**

$$OC\ (A\ \&\ B) < OC(A) + OC(B)$$

**Specialising in supplying goods to firms *A* and *B*.**

# Common and Proprietary Complements

**Create a market by cooperating with competitors to develop *Common Complements:***

- **In the U.S. in 1913, General Motors, Hudson, Packard, and others formed the Lincoln Highway Association to build “seedling miles”.**
- **IBM, Compaq, Sun, Netscape, Oracle, and others created a $100 m Java Fund.**
- **IBM, Hewlett Packard, Intel have announced a joint development laboratory for Linux.**

## Proprietary complements.

**By offering *Proprietary Complements*, a firm gains a competitive edge.**

**Help customers to get existing complements at the right time and at a good price:**

- **Ikea and kids’ play areas**
- **Bookshops and coffee bars**
- **Holden’s and GMAC credit**
- **Credit cards and airlines (FlyBuys)**
- **Bundles and suites of software**
  **(may reduce total price too)**

## The flip side of complements.

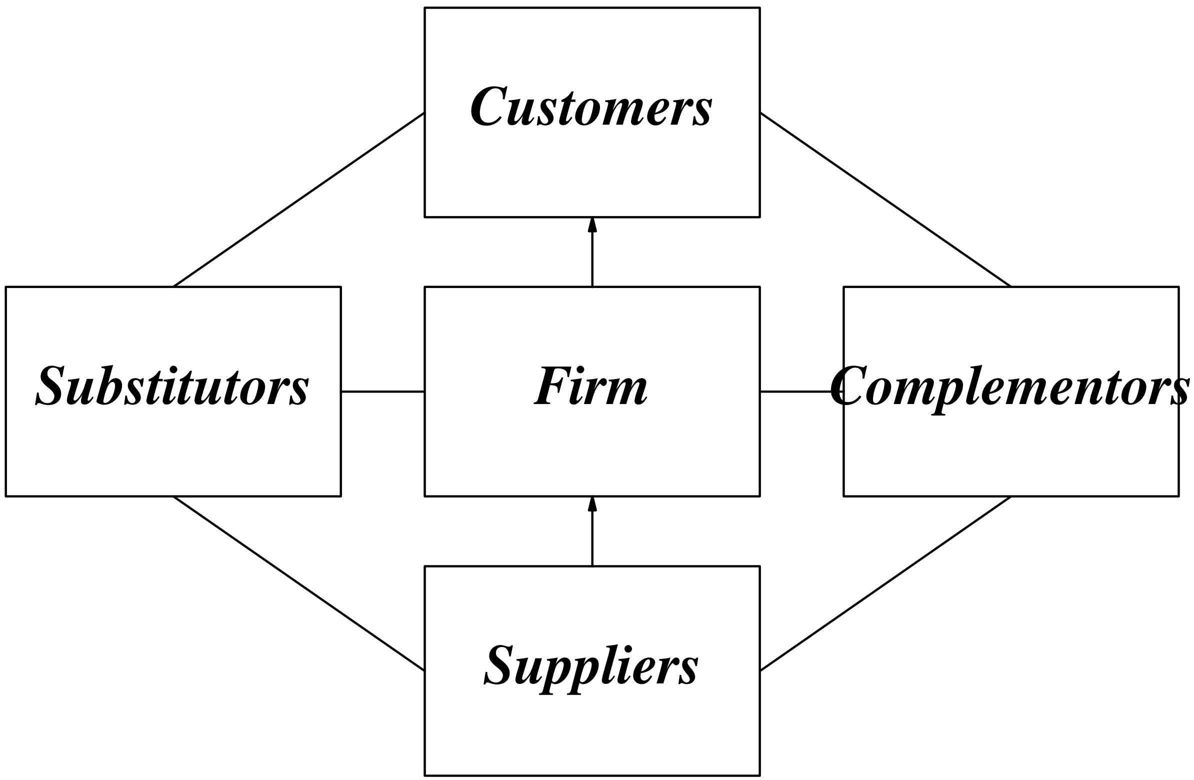
**But: the flip side of complements:**

**your product makes someone else’s much more valuable:**

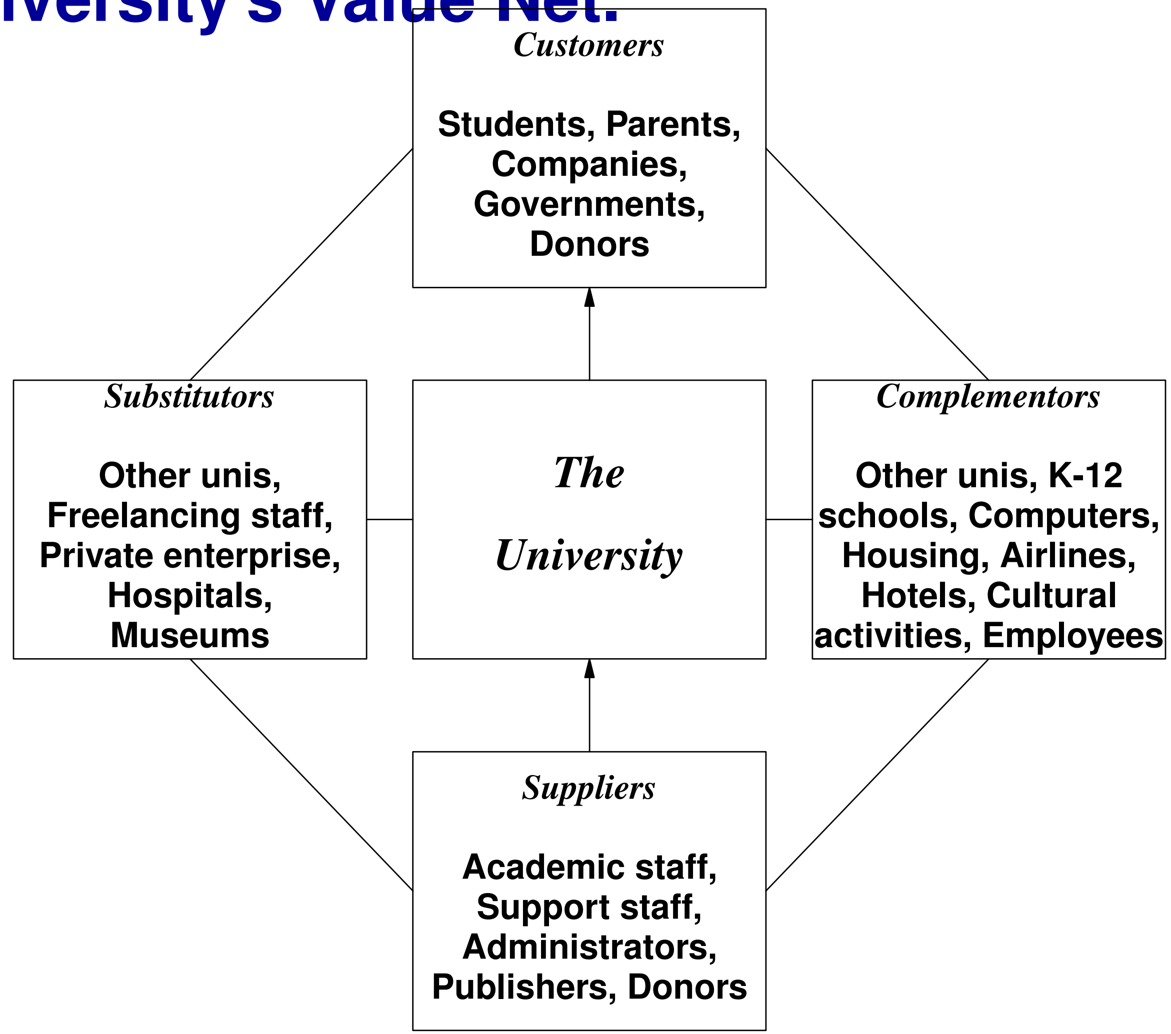
- **railways and land**
- **IBM and Microsoft/Intel**
- **transport improvements and real estate**

# 1.3 The Value Net

**Brandenburger and Nalebuff extend the Value chain to include the firm’s complementors and competitors:**



# The University's Value Net.



## The Value Net is useful.

**The Value Net is:**

- **a complete map of a firm's relationships**
- **a counter to limited thinking (e.g. "outsmart the competition")**
- **a prompt to understand a firm "outside-in"**
- **a shared template for discussions of strategy.**

# Competition or Cooperation?

**Kodak and Fuji create the Advanced Photo System (APS or Advantrix):**

➢ **Cooperation:**
- **— Creating a new market for an easy-to-use, flexible camera system**
- **— Joint product development**
- **— Joint development of processing systems**

➢ **Competition:**
- **— Competing for sales *within* the market**
- **— Continuing competition in traditional markets**
  **♥ but create potential for cooperation**

## 1.4 From Lose–Lose to Win–Win

**Business has elements of competition and cooperation:**

- **cooperation to generate the pie**

- **competition over dividing the pie.**

## Example.

**e.g. Intel's strategy on the Value Net:**
***Only the paranoid survive* — Andy Grove, CEO**

- **Competitor strategy:**

  **continuous innovation.**

- **Customer strategy:**

  ***Intel Inside* campaign.**

- **Complementor strategy:**

  **partnership with MCI, H-P, etc.; internal development of the PCI bus, ProShare, ...**

  **the Merced chip with Hewlett Packard**

  **Linux development with H-P and IBM**

  **a new chip with Palm**

## Multiple roles: Jekyll & Hyde.

**Your complementors often help your competitors too. Why?**

| |
|---|
| **Competitive threat or** |
| **Complementary opportunity?** |

- **Cinemas and video rentals.**
- **Traditional and Internet booksellers.**
- **computers and paper**
- **ATM machines**
- **computers and the Internet**
- **Napster etc. and the CD music companies**

## What business is the NRMA in?

- **Roadside assistance?**
- **Insurance?**
- **Travel?**
- **Buying club?**
- **Financial services?**
- **Discounts?**
- **Used car quality inspection?**
- **Touring information?**
- **Smash repair advice?**

**The *complements* business.**

## Multiple roles: Making markets.

- Antique shops in Queen Street, Woollahra.
- Theatre, music, and dance on and off Broadway, N.Y.
- Universal City, restaurants, hotels, and Disney World in Orlando, Florida

**Complementors in making the market,**

**Competitors in dividing the market**

# Friend or foe?

***Friends***

**Customers, Suppliers, Complementors**

***Foes***

**Competitors**

**?**

**No**

## The competitive mindset.

➢ **The bias:**

— **Customers and suppliers have to *choose* between opportunities with us and with others.**

— **We're taught to think in terms of constraints, trade-offs, substitution.**

➢ **To correct the bias:**

> **Think *complementor***
> **as well as *competitor.***

## Cooperate in order to ...

- Cooperate to compete better
  - — buying conditions
  - — selling conditions
- Cooperate to create value
  - — create new markets
  - — share risk, knowledge
  - — build complements
  - — establish standards

## Competing and cooperating.

➢ **Air versus land**

— **hotels need airports**
**airports need hotels**

— **allied or conflicting interests**

— **consumer cares about**

$P_a + P_b$

— **each wants the other's price to be lower**

➢ **Solutions.**

**Want competition among your complementors — keeps their prices low and so maintains demand for your product.**

***but***

**Want high prices among your competitors — for the same reason.**

## 2. Your Added Value

**Two sorts of interactions:**

- **— structured: "Look forward and reason back"**
- **— unstructured (free-form) such as business: "You can't take away more than you add." — often.**

**Your *added value*: what difference does your participation make? Your added value, which disappears when you do.**

***Exercise*: The Card Game 2. (later)**

**Put yourself in the others' shoes in order to design a game that is right for you.**

**Your strategy: actively shape the game you play, not just playing the game you find.**

## 2.1 Value-Added Games

***The Card Game 2***

**Following on from the Card Game 1 in Theme D:**

- **I have 30 black cards**
- **30 participants each have 1 red card**
- **A red card and a black card together are worth \$100**
- **But now it’s a free-form negotiation between me and each participant, (not take-it-or-leave-it, as in CG 1).**
- **Who will get what?**

# The Card Game 3

**Same as Card Game 2 (each participant has 1 red card), but:**

- **Now I tear up 3 black cards**
- **The pie is smaller by $300**
- **Are we all worse off?**

**Example?**

# Added value.

**Your added value =**

**the size of the pie with you in the game**

***minus***

**the size of the pie without you in the game.**

**It's what you bring to others.**

**What you can get is based on your added value.**

**Can you get more than your added value?**

**Zero added value $\Rightarrow$ get zero, but see Tactics later.**

## A-V analysis of Card Game 2

- **My added value is \$3000**

- **Each participant with a red card has added value of \$100**

  $\therefore$ **their total added value is \$3000**

- **The game is symmetric**

# A-V analysis of Card Game 3

- My added value is now $2,700
- But each participant's red card has zero added value
- So I do much better

  A bigger piece of a smaller pie.

## 2.2 A Quiz: Added Value

**Which company had the largest market value (in 1990–91) on the Tokyo Stock Market?**

**A. Sony**

**B. Nissan**

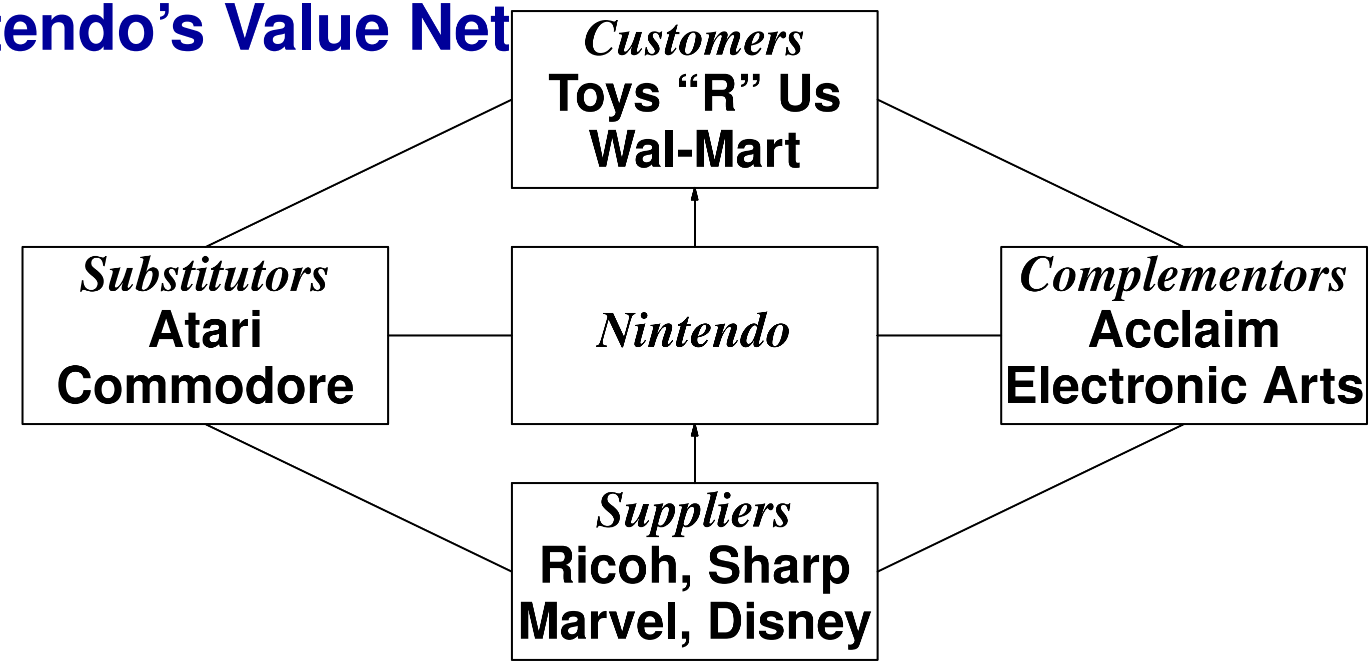
**C. Nintendo**

## A quiz.

**Which company had the largest market value (in 1990–91) on the Tokyo Stock Market?**

| | |
|---|---|
| **A. Sony** | **2.2 trillion ¥** |
| **B. Nissan** | **2.0 trillion ¥** |
| **C. Nintendo** | **2.4 trillion ¥** |

## Nintendo's Value Net




| | |
|---|---|
| **Customers** | **under-supply → destroy their added value** |
| **Complementors** | **internal development → lower their added value** |
| **Suppliers** | **old chips → commodities;<br>new characters – Mario – lower the added value** |
| **Substitutors** | **positive feedback loop** |

| | |
|---|---|
| **Nintendo:** | **¥ 2,400,000,000,000** |
| **Sony:** | **¥ 2,200,000,000,000** |
| **Nissan:** | **¥ 2,000,000,000,000** |

## *Co-opetition*:

**Looking not just for win–lose (zero-sum) opportunities, but also for win–win (positive-sum) opportunities.**

**Win–lose opportunities often backfire:**

**e.g. lowering price to gain market share**
**$\therefore$ temporary benefit,**
**but gains evaporate if others match**
**$\rightarrow$ new status quo at lower prices (lose–lose)**

| |
|---|
| **Competitive threat<br>or<br>Complementary opportunity?** |

- **Cinemas & video rentals**
- **Computers & paper**

# 3. The Game of Business

***The stakes are too high to be left to chance.***

***The Value Net:*** **a map representing all players in the game and their interdependencies.**

**Interaction in two dimensions:**

***Vertical*****: the firm’s customers and suppliers**

**Resources: suppliers → company**

**Products and services: firm → customers**

**Money: customers → firm → suppliers**

***Horizontal*****: other players, but no transactions;**

**the firm’s *substitutors* and *complementors*.**

# Horizontal players.

***Substitutors:*** **alternative players:**

- **from whom customers may purchase products**
- **to whom suppliers may sell their resources**

  **e.g. Coke and Pepsi: rival sellers**

***Complementors:*** **players:**

- **from whom customers buy complementary products**
- **to whom suppliers sell complementary resources**

  **e.g. hardware & software**

**Many interdependencies.**

## Several hats are possible.

**The Value Net: various roles of players possible (Qantas & SAL) to be in more than one role.**

**Two fundamental symmetries:**

1. **vertically, between customers and suppliers, and**
2. **horizontally, between substitutors and complementors**

## Substitutes and complements.

**Intuitively, only vertical dimension a mix of cooperation (getting together) and competition (dividing the pie).**

**Along the horizontal dimension?**

- **substitutors seen as enemies**
- **complementors seen (if at all) only as friends**

**But there can be:**

***cooperative* element to interactions with substitutors, as in the GM credit card case, and**

***competitive* elements with complementors**

## Irrationality?

- **Profits may not be the only objective**
  **— pride, jealousy, fairness may matter**
- **Ignore this, and all players may lose**
  **e.g. WWI “impossible”: too much to lose**
- **Even if you think others are misguided,**
  **don’t project your rationality on them:**

## Imagine ...

**Imagine yourself in the shoes of the other players, in order to:**

- **— assess your added value**
- **— anticipate their reactions to your moves**
- **— see how they see you (James Stewart in *It's a Wonderful Life*).**

**Rationality doesn't require:**

- **➢ our preferences are the same**
- **➢ our information is the same**
- **➢ our perceptions are the same**

# 4. Changing the Game

**Value Net prompts for all dependencies.**

1. **Drawing the Value Net is the first step towards changing the game**
2. **Identifying all elements of the game:**

   ***p*layers, *a*dded values, *r*ules, *t*actics, and *s*cope (P.A.R.T.S.)**

   **PARTS will describe all the interactions.**

   **To change the game, you must first change one or more of these elements.**

**Write down who the fundamental players are for your organisation.**

**Write down who the peripheral players are for your organisation.**

# PARTS

***Players*: customers, suppliers, rivals (substitutors), allies (complementors);**
**Change any, including yourself.**

***Added Values*: what each player adds to the game (taking the player out would subtract their added value).**
**Ways to raise yours, or lower theirs.**

***Rules*: give structure to the game; in business — no universal set of rules**
**from law, custom, practicality, or contracts**
**Can revise exiting rules, or devise new ones**

## More PARTS ...

***Tactics*: moves to shape the way:**

**— players perceive the game, and hence**
**— how they play**

**Tactics to reduce misperception, or to create or maintain misperception.**

***Scope*: the bounds of the game: expand or shrink.**

**PARTS does more than give a framework, it also provides a complete set of levers.**

**PARTS provides a method to promote non-routine thinking.**

# 5. Changing the Players

**Becoming a player changes the game for the others.**

***The NutraSweet Case:***

***Players*: Coke, Pepsi, Monsanto, Holland Sweetener Co. (HSC)**

**Monsanto's patent on NutraSweet (aspartame) used in Diet Coke and Pepsi was due to expire (earlier in Europe than the USA)**

**Coke encouraged HSC to build an aspartame plant in Europe, which led to a price war between HSC and Monsanto there**

## Gotcha!

**But just before the U.S. patents were due to expire, both Coke and Pepsi signed long-term contracts with Monsanto**

**Was Coke serious about HSC?**
**What did Coke and Pepsi accomplish?**

**So: Sometimes the most valuable service:**
**to create competition**
**so don’t do it for free**
**Get paid to play — takeover business.**

## *The BellSouth Case:*

***Players*: McCaw & BellSouth & Lin Broadcasting Co.**

**Seeing strong synergies, in 1989 McCaw bid $120/share for Lin, whose shares jumped from $103.50 to $129.50**

**Lin was hostile, and McCaw lowered its bid to $110; Lin sought other buyers**

**Lin promised BellSouth $54m anyway and $15m if BellSouth's bid lost**

**BellSouth bid between $105 and $112; McCaw bid between $112 to $118; BellSouth raised to $120/share; Lin raised BellSouth's expense cap to $25m**

**McCaw raised to $130+/share and offered BellSouth $22½m to stop bidding; Lin acceded and was taken over by McCaw**

**So: Even if you can't make money in the game the old-fashioned way, you can get paid to change it.**

# Pay me to play in your game.

**Need not be in cash —**

- **guaranteed sales contract**
- **R&D contributions**
- **bid preparation expenses**
- **last-look provision**

**Competition is valuable**
**Don’t give it away –**
**Get paid to play**

# How to get paid.

- Cash, of course
- Contribution of upfront expenses
- Guaranteed sales contract
- Last-look provision
- Access to people who know
- Access to information
- Bids on other pieces of business
- A price at which the customer would give you his business
- Contributions towards bidding expenses ...

# Hidden Tendering Costs for Businesses

**(Assume you're competing to *sell*, not to buy: *lowest* bid is most attractive).**

- ➢ **You're unlikely to succeed — there are better uses of your time.**
- ➢ **When you win the business, the price is so low you lose money.**
- ➢ **The incumbent can retaliate — you end up trading low-margin for high-margin customers.**
- ➢ **Win or lose, you establish a lower price — existing customers will want a better deal.**
- ➢ **New customers will use the low price as a benchmark.**
- ➢ **Rivals will use the low price you helped create as a benchmark.**
- ➢ **It doesn't help to give your customers' competitors a better cost position.**
- ➢ **Don't destroy rivals' glass houses.**

## Changing Players.

**e.g. Lin paid to bring in an extra player (*customer*).**

**e.g. Coke & Pepsi would have paid HSC to become a second *supplier*.**

**e.g. McCaw paid to take out a rival bidder (*substitutor*).**

## *Case*: 3DO Video Games (*cheap complements*)

**3DO planned to make money by licensing software houses to write games for 3DO hardware ($3/CD sold).**

**To get very cheap game consoles, 3DO gave away licenses to the hardware — to Panasonic, Gold Star, Sanyo, Toshiba — cheap complements to 3DO software.**

**Eventually, offered hardware manufacturers 2 shares of 3DO/console sold, and increased the royalty per game sold to $6. Now: 3DO just a software developer.**

**Paying people to compete in the complements market.**

**Complementors not only friends, also rivals.**

**Legitimate win–lose opportunities with complementors.**

# 6. Changing Added Values

**Your added value =**
**the total value with you**
**minus**
**the total value without you.**

**It’s what you bring to others.**

**What you can get is based on your added value.**

**Raise yours.**

## *TWA "Comfort Class" Case:*

**Reduced seats to increase space in economy**
**$\rightarrow$ more comfort & higher load factors (less likely to start a price war)**
**What if others copy this? Then they all win.**

**And lower your rivals' value added.**

**(See Card Games 3 & 4.)**

**e.g. Nintendo trumped every player in its Value Net.**

**e.g. Power Beer v. XXXX in Brisbane**

## Sources of added value.

- ➢ **Generic strategies**

  **→ Value Chain**

- ➢ **Scarcity**
- ➢ **Think: big picture**

  **→ step outside the Value Chain**

- ➢ **Complements**
  - **— creating new ones**
  - **— getting them more cheaply**
- ➢ **Perceptions versus reality**
- ➢ **Product differentiation**
  - **— relationships**
    **e.g. skiing**

## Added value of credit cards.

- **Protection**
  - — **mail order**
  - — **dishonest merchants**
  - — **defective products**
- **Information**
- **Record keeping**
- **Convenience**
- **Liquidity**
- **Prestige signal (of platinum)**
- **Loyalty points (FlyBuys)**
- **Issuer as agent**

# Your added value.

**Protecting your added value.**

**In freewheeling interactions (business):**

**— no player can take any more than that player adds to the game,**

**but:**

1. **no guarantee that any player will get all of its added value**
2. **even if you have no added value, that doesn’t stop you from making money — others might be willing to pay you to enter or exit the game**
3. **rules constrain interactions among players — in games with rules, some players may be able to capture *more* than their added value.**

# 7. Changing the Rules

**Rules: limit the possible reaction to any move**

**Rules come from:**

- **custom, tradition, social norms**
- **contractual arrangements**
- **the government (laws)**

**In interactions with rules, you need to anticipate the reactions of others to your actions.**

**To analyse the effect of a rule:**

***Look forward and reason back.***

# Kinds of rules.

**Simplest rule: *one price for all*.**

- **new player — enters a market**
- **new player — limited capacity (clear, credible)**
- **incumbent — match price or lose share**
- ***judo economics*: keep small as entrant**

**e.g. Kiwi Airlines (less than 10% of capacity),**
**Virgin Blue (but not since the Ansett collapse)**

***Contract-Based Rules:***

- **Most-Favoured-Customer (MFC)**
- **take-or-pay agreements**
- **Meet-The-Competition (MTC) clauses (last bid)**

**— give structure to the negotiations**

## Most-favoured-customer (MFC) clauses.

**Under a MFC clause, a supplier undertakes to give the favoured customer (MFC) a price at least as low as the best price given to its other customers.**

**So a discount to *any* customer requires a discount to the MFC too.**

**How do MFCs change the game?**

- **makes discounting "expensive" (the *price effect*) $\therefore$ a tendency for prices to remain both rigid and higher**
- **facilitates price-fixing arrangements between customers by acting as a signalling mechanism (*collusion effect*)**
- **raises barriers to entry (*entry effect*)**

# Most Favoured Customer

***The price effect:***

- ➢ **a supplier has less incentive to negotiate prices with individual customers**
- ➢ **customers. equally, have less incentive to negotiate price reductions since their rivals would also benefit**
- ➢ **guarantee cost parity, and discourage selective price cutting by suppliers, maintaining higher prices**

∴ **a credible commitment not to compete on price**

## Most Favoured Customer

***The collusion effect:***

- **suppliers will less likely cheat on MFC clause by acceding to customer pressure to lower their prices**
- **MFC clauses facilitate competitor coordination by signalling commitment to less-aggressive conduct, so allowing industry prices to rise**

## Meeting The Competition (MTC).

***Case:*** **Carbon dioxide with MTC**

**a commodity, but very expensive to transport**

**→ value-added for proximity**

**→ value-added for reliability of supply, service, etc.**

**→ the producer can capture more than added value**

**∴ gain for incumbent**

**& gain for challenger: prices higher**

**— because no undercutting, and no price war**

# *MTC*

**MTC: coopetition**
**& customers may gain with long-term relationship**

**MTC enhanced by imitation:**
**the more the merrier (higher price)**

**Rules can be changed, but beware:**
**It’s the added value → power to write rules.**

***A Smith & Wesson beats a straight flush.***

# 8. Tactics: Changed Perceptions

**Changed players, added values, rules.**

**Now, perceptions: uncertainty pervasive → behaviour.**

- ➢ **Perceptions of the world, whether right or wrong, drive behaviour.**
- ➢ **Tactics are actions taken to shape other players' perceptions.**

**e.g. Murdoch at the *New York Post* lifting the fog about the cost to both papers of a price war. (See in Theme A above.)**

## Agreeing to disagree?

***Bank Case:*** **a fee negotiation over selling a client firm**

**The client’s optimistic ($500m), but the bank’s pessimistic ($250m)**

**$\therefore$ the bank proposes a fee of 1%, but too high for the client**

**The bank proposes a fee of 0.625% with a guaranteed minimum of $2.5m**

**The client expects $3.125m, the bank expects $2.5m — both happy!**

**e.g. The Texas Shoot-out or Savoy Clause (see handout)**
**different valuations**

## Foggy, mixed, or clear?

- **Lifting the fog.**

  **The peacock’s tail: credibly signalling.**

- **Preserving the fog.**

  **Negotiation, asymmetric information**

- **Stirring the fog.**

  **Telstra v. Optus**

# 9. Changing the Scope

- **Is PARTS the whole?**
- **Recognise links between games e.g. Epson in laser printers**
- **Links can occur through:**
  - **— players**
  - **— added value (complements)**
  - **— rules (MFC)**
  - **— perceptions (threats, precedents)**

**e.g. Nintendo's 8-bit Mario v. Sega's 16-bit Sonic**

# Links between games.

- **Added-value links.**
- **Rules can link games.**
- **Perceptions can link games.**

# Think big.

**There *is***

**always *a***

**lar*ger***

# game!

# 10. Checklists for Changing the Game.

## 10.1 Questions to Change the Players

- **What is your Value Net?**
- **What are the opportunities for cooperation and competition?**
- **Would you like to change the cast?**
  **Which new players would you like to bring into the game?**
- **Who stand to gain if you enter?**
  ***Cui bono?***
  **Who stands to lose?**

## 10.2 Questions to Change the Value Added

- **What is your added value?**
- **How can you increase your added value?**
- **Can you create loyal customers and suppliers?**
- **What are the added values of the other players?**
- **Is it in your interest to limit their added values?**

# 10.3 Questions to Change the Rules

- **Which rules are helping you and which are hurting you?**

- **Which rules would you like to have in contracts with your customers and suppliers?**

- **Do you have power to make rules?**
  **Does someone have the power to overturn them?**

# 10.4 Questions to Change the Tactics

- **How do other players perceive the game?**
- **How do these perceptions affect the play?**
- **Which perceptions would you like to preserve?**
- **Which ones would you like to change?**
- **Do you want the game to be transparent or opaque?**

## 10.5 Questions to Change the Scope

➢ **What is the current scope of the game?**

➢ **Do you want to change it?**

➢ **Do you want to link the current game to others?**

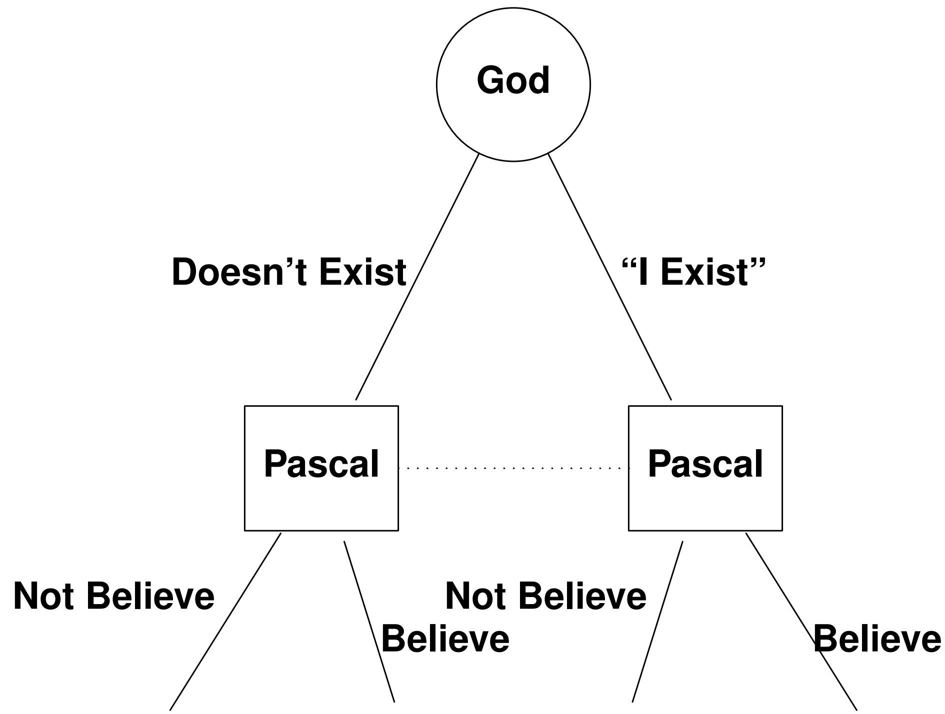
➢ **Do you want to unlink the current game from other games?**

# 11. The Traps, or Mistakes

1. **Accepting the game you find yourself in.**
2. **Believing that changing the game must come at other's expense;**
   **Co-opetition: look for win−win and win−lose**
3. **Believing that you mustn't be imitated — uniqueness is not necessary for success.**
4. **Failing to see the whole game, complementors especially — see the Value Net.**
5. **Failing to think methodically about changing the game — use PARTS, and put yourself in the others' shoes.**

**And, there's no end to the game of changing the game.**

# Pascal’s Wager




*Pascal’s Dilemma: To Believe in God or Not*

**Blaise Pascal was one of the pioneers of probability theory, who later retreated to life in a monastery.**