

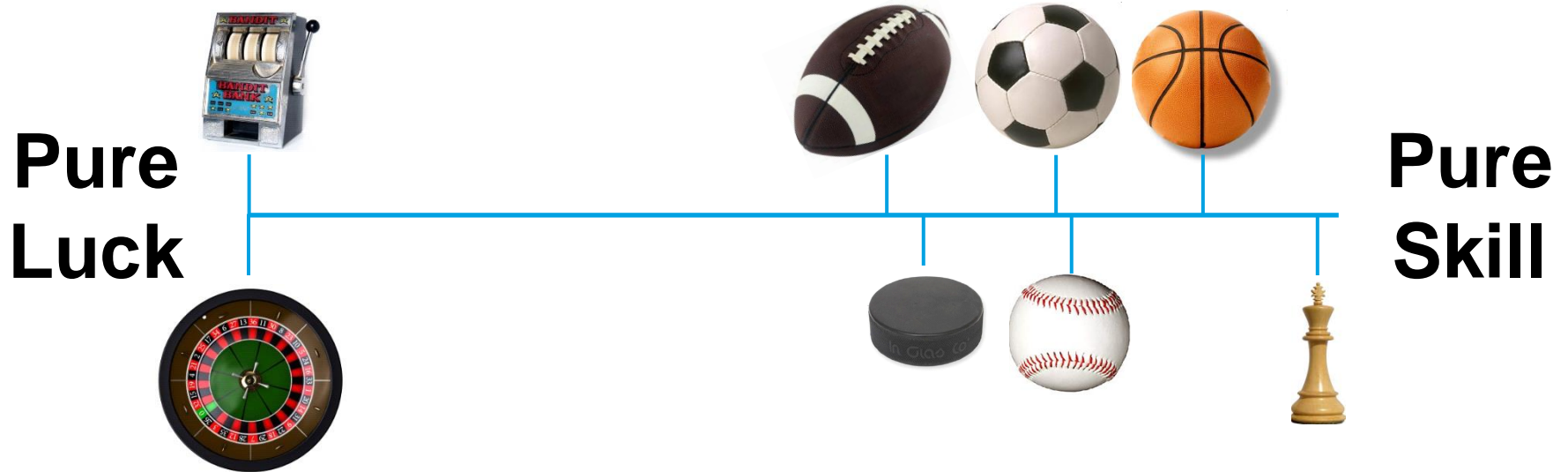
# **Is Luck Better Than Skill in Cultivating Corporate Innovation?**

**Michael J. Mauboussin**

**October 2021**

# Luck-Skill Continuum

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Source: Michael J. Mauboussin, *The Success Equation: Untangling Skill and Luck in Business, Sports, and Investing* (Boston, MA: Harvard Business Press, 2012).  
Note: Average of last five completed seasons.

# Indication of Skill

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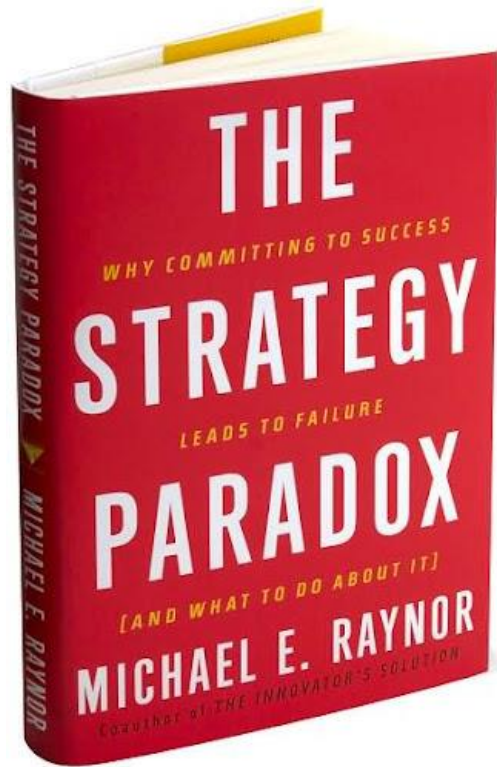
“One defining characteristic of games of skill is this: a player or team can intentionally lose.”  
-Annie Duke



Source: Bob Pajich, “Interview: Annie Duke—Part Two,” *Cardplayer.com*, November 14, 2007.

# The Strategy Paradox

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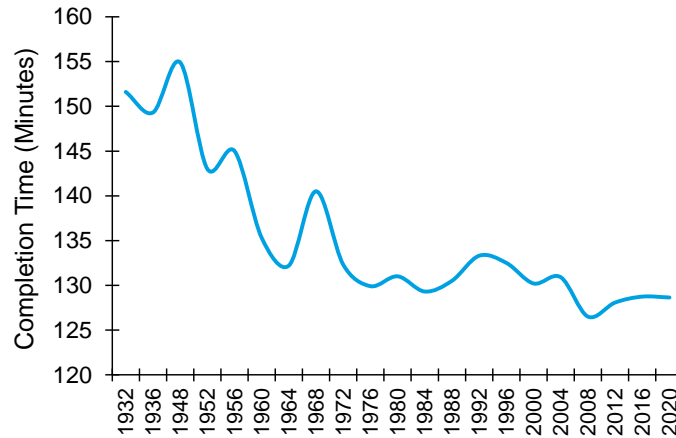
- Customers
- Technology
- Competitors

Source: Michael E. Raynor, *The Strategy Paradox: Why Committing to Success leads to Failure (and What to Do About It)* (New York: Crown Business, 2007).

# The Paradox of Skill

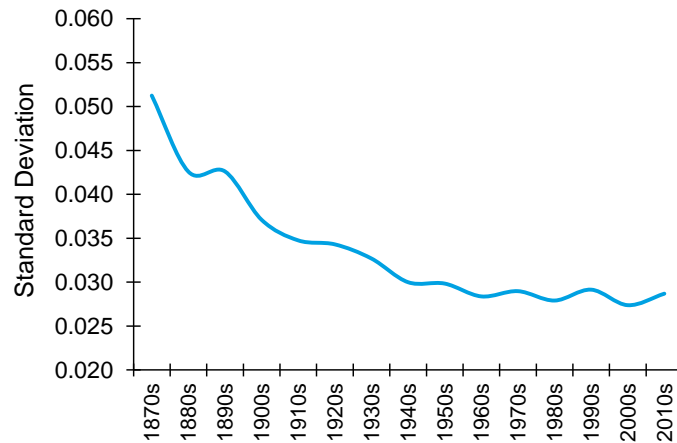
**Absolute**

Olympic Men's Marathon Winning Time



**Relative**

Major League Baseball Batting Average



Source: [www.olympicgamesmarathon.com](http://www.olympicgamesmarathon.com); Michael J. Mauboussin, *The Success Equation: Untangling Skill and Luck in Business, Sports, and Investing* (Boston, MA: Harvard Business Press, 2012); iStockphoto; [http://en.wikipedia.org/wiki/File:Ted\\_Williams\\_BBall\\_Digest\\_May\\_1949\\_raw.jpg](http://en.wikipedia.org/wiki/File:Ted_Williams_BBall_Digest_May_1949_raw.jpg).

# Research Question

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Can we measure the process of innovation rather than focusing solely on the visible outcomes?

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