

# Is luck better than strategy?

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**It depends!**



# 1) Distinguish between blind and smart luck

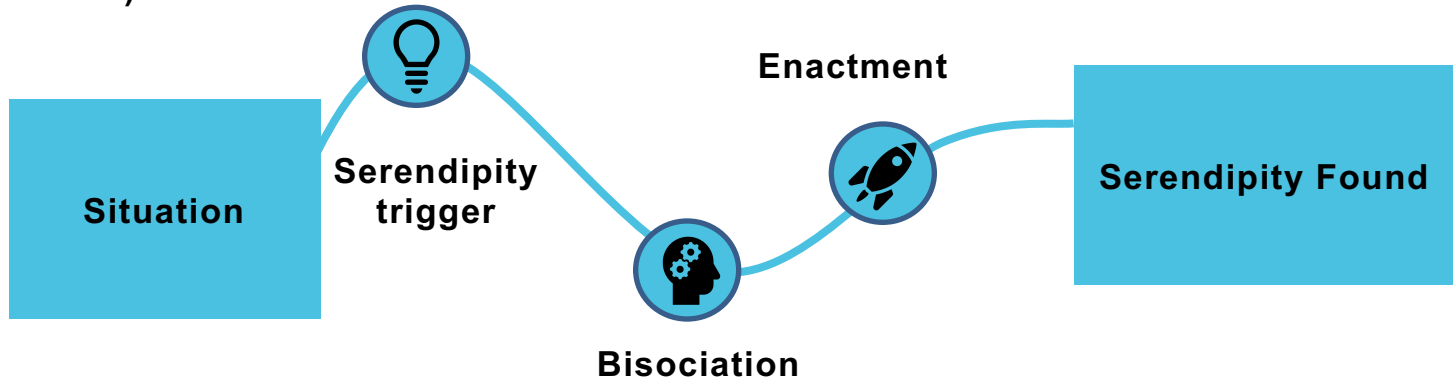
- Often, performance differences considered as “lucky” or “unexplained variance” (Barney, 1997; Brown, 2005; Feld, 1981; Shipilov et al., 2014)
- Skill (individual) / capability (organization) vs luck (Barney, 1997; Brown, 2005; Denrell et al., 2003; Casciaro et al., 2014; Feld, 1981; Shipilov et al., 2014)
- Based on recent research (incl. multinational companies, social enterprises, incubators; Busch et al., 2018; Busch, 2020; Busch & Barkema, 2021a; Busch & Barkema, 2021b; Busch & Grimes, 2022): **Not *luck* vs *strategy*, but “cultivating smart luck” is (part of good) strategy**
- Blind luck (event) vs smart luck (process)
- Smart luck (*serendipity*) as “unexpected good luck resulting from unplanned moments, in which proactive decisions lead to positive outcomes.” (Busch, 2020)
- Particularly relevant in fast-changing world (often no well-defined problems, stable objectives, pre-defined resource needs; Engel et al., 2017; Hallen & Eisenhardt, 2012)> emerge unexpectedly
- Recent research (+ practice): serendipity as potentially influenceable and thus managerially relevant (e.g., Busch & Barkema, 2021; Denrell et al., 2015; Dew, 2009; Garud et al., 2018. Lane et al., 2020; Rauch & Ansari, 2021; von Hippel & von Krogh, 2016)

# Serendipity in action



**Serendipity: “Unexpected good luck resulting from unplanned moments, in which proactive decisions lead to positive outcomes“> *process* rather than event (“blind luck”)**

*Individual level*



*Organizational level*



***“Cultivating serendipity is an active approach to leadership  
in times of uncertainty.”***  
**(Tom Linebarger, CEO, Cummins)**

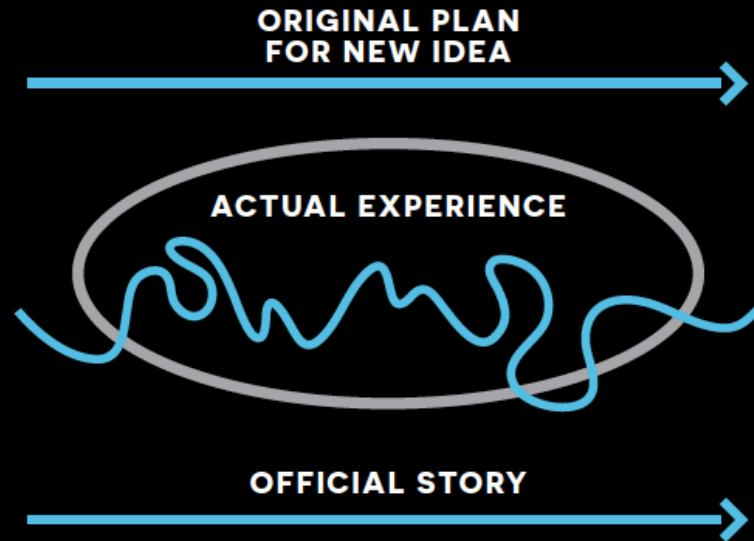


## 2) “Cultivating serendipity” as (part of) good strategy

- Argument: By developing the skill (individual) or capability (organizational) to cultivate *serendipity* (especially in contexts of high uncertainty), superior performance is possible > alternative theory of competitive advantage
- Reframed question: How, why, and when can serendipity be influenced (i.e., what are the conditions for serendipity to emerge)?

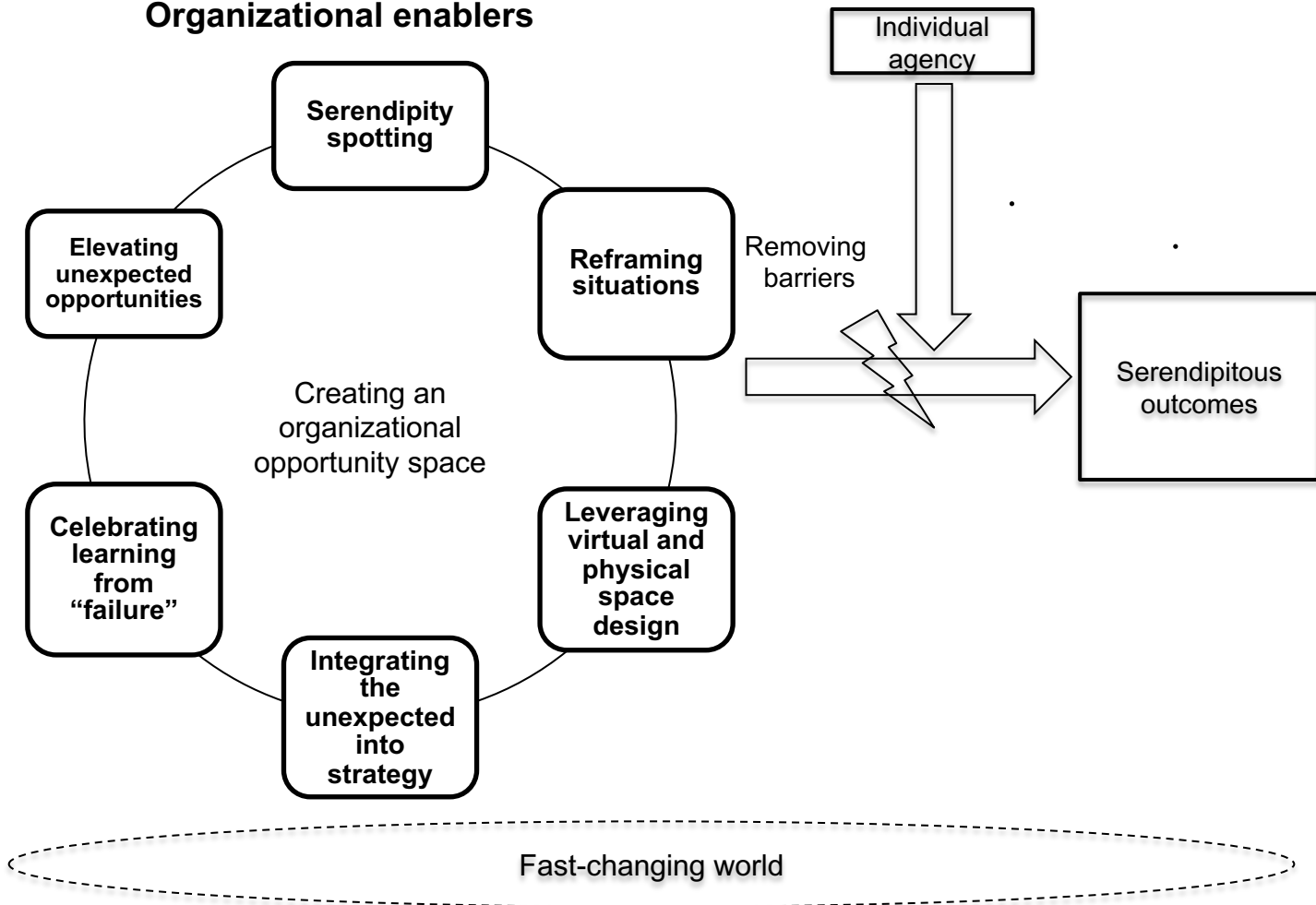
# Narrative vs reality

## THE ORIGINAL PLAN, ACTUAL EXPERIENCE AND OFFICIAL STORY OF CHANGE

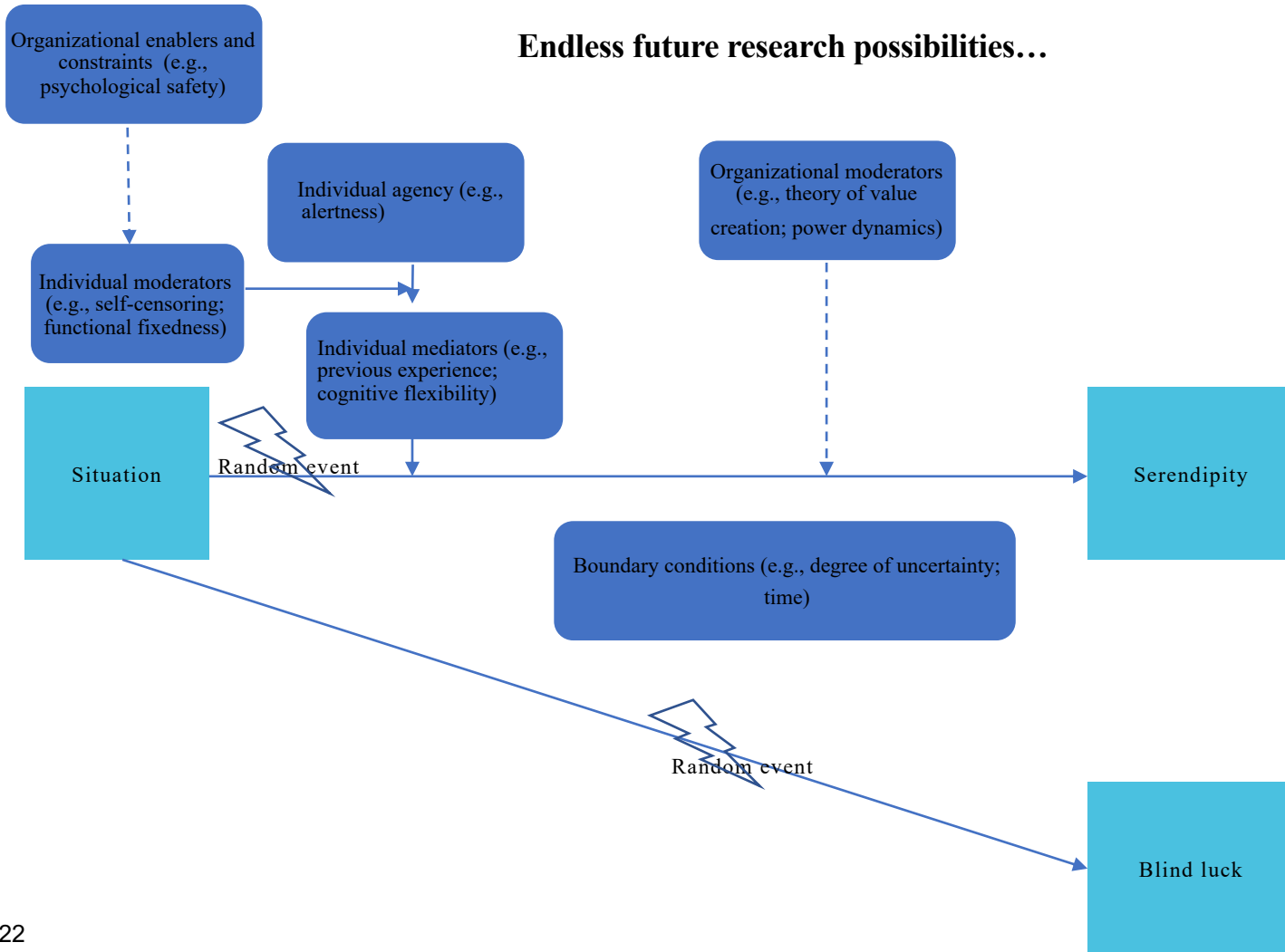




# Organizational enablers



# Endless future research possibilities...



### 3) It's early days!

- How to measure it: Busch, 2020; Fultz & Hmieleski, 2021 (e.g., “We often stumble on unexpected opportunities for new products or services”; “we often develop new products or services in unexpected ways”; etc.)
- How to study it: Counterfactuals; process studies; etc. > Frankl
- Societal inequality > different starting levels
- Serendipity as valuable area to study / vocabulary for what really happens
- Limitations: Serendipity for who?; connecting structure & agency; luck vis-à-vis serendipity; zemblanity; boundary conditions (c.f., Chengwei Liu's work; Schilling, 2018)
- Question to audience: How would you frame/position this work? Where is the most interesting contribution?

'A wise, exciting and life-changing book'  
Arianna Huffington, author of *Thrive*

# The Serendipity Mindset

The Art and  
Science of Creating  
Good Luck

Dr Christian Busch

“

*If you take someone as they are, you make them worse, but if you take them as what they could be, you make them capable of becoming what they can be.*

Goethe (& Frank!) - adjusted

”

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**Thank you!**

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