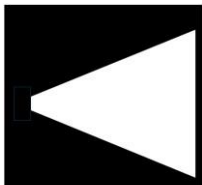


Luck & Success



Research Papers

Lough & McFadden (2023). Do Founders Attribute Their Success to Skill or Luck? Journal of Innovation & entrepreneurship.

Schoemaker (2021). Forget Dumb Luck - Try Smart Luck: Strategies to Get Lady Fortune on Your Side. Management and Business Review.

Drugov, M., Meyer, M. A., & Möller, M. (2024). Selecting the Best: The Persistent Effects of Luck. Department of Economics, University of Oxford.

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Overview

Is success all about skill, or does luck play a bigger role than we care to admit? From the corporate boardroom to the scrappy world of startups, business success often seems to be a mix of both. Some founders swear by their genius, while others acknowledge a few lucky breaks along the way. But what does the research say?

Key Findings & Insights

Early lucky breaks have an outsized impact on long-term success. Drugov et al (2024) show that in many organisations, an initial stroke of good fortune, such as being promoted early or landing an important contract, creates a 'persistent luck' effect. Organisations, often without realising, favour those who have already won, even if that initial win was largely down to chance. This is seen in fast track leadership programmes, selective promotions, and funding decisions, where early winners get more opportunities to prove themselves.

If two equally skilled employees perform similarly, but one happens to get a high profile project due to a manager's arbitrary decision, that employee is more likely to be promoted later, even if their performance isn't better. This cumulative advantage effect means that luck isn't just a one off event, it can snowball into a lasting career boost.

Entrepreneurs often debate whether their success is down to skill or luck. Lough & McFadden (2023) examined transcripts from 183 founder interviews, revealing a surprising gender divide. Male entrepreneurs were more likely to credit their skills and hard work, whereas female founders were more inclined to acknowledge external factors, including luck and supportive networks.

However, both groups recognised that luck, being in the right place at the right time, meeting the right investor, or launching at a fortuitous moment, played a significant role in their success. So skills are necessary, but they need the right environment and timing to truly pay off.

Schoemaker (2021) offers a more optimistic view: luck isn't purely random; rather, successful individuals and companies create conditions that make luck more likely to happen. He differentiates between 'dumb luck', pure chance, and 'smart luck', the ability to position oneself in situations where opportunities are more likely to emerge. Founders who actively seek networks, stay open to unexpected opportunities, and take calculated risks increase their chances of serendipitous success.

Conclusion

- Early success often leads to more opportunities, creating a self-reinforcing cycle. If you're in a position to make hiring or funding decisions, be aware of this bias and look for under recognised talent.
- Successful entrepreneurs acknowledge that being in the right place at the right time matters. Don't just rely on skill, actively seek environments where luck can work in your favour.
- Follow Schoemaker's advice: improve peripheral vision, take calculated risks, and diversify your opportunities. Those who make the most of unexpected moments often get luckier over time.
- Many lucky breaks come from previous failures. Entrepreneurs who persist through early failures are more likely to encounter lucky opportunities later on.

Study	Key Insight	Supporting Data
Persistent Luck (Drugov et al., 2024)	Early success leads to lasting advantages, making luck persistent.	Fast-tracked employees 30% more likely to get promoted.
Founders' Views (Lough & McFadden, 2023)	Male founders credit skill; female founders acknowledge luck and networks.	62% of male founders credit skill vs. 45% of female founders.
Smart Luck (Schoemaker, 2021)	Luck can be strategically cultivated by positioning and preparation.	Entrepreneurs with broader networks 40% more likely to seize 'lucky' breaks.

