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The Icarus Paradox offers a critical lesson on business, investing, and life.

Here’s a simple breakdown:

The story of Icarus is a famous tale from Greek mythology.

Icarus is the son of a craftsman—Daedalus.

To help the pair escape from Crete, Daedalus uses feathers and wax to create two sets of wings.

Prior to the attempt, Daedalus warns his son to avoid complacency and hubris.

Daedalus instructs Icarus to avoid flying too low or too high—cautioning that the sea's moisture or the sun's heat could cause the wings to malfunction.

But Icarus becomes amazed by his flight and soars away.

The sun melts the wax on his wings and Icarus falls to his death.



The tale of Icarus offers a poignant lesson:

Avoid complacency and hubris at all times.

What makes you successful initially may eventually lead to your downfall.

This is often referred to as "The Icarus Paradox”—it shows up constantly in business, investing, and life:

In business, how many incumbents have we seen achieve success with one product, only to be disrupted when the market shifts under their feet?

Overconfidence and success blinds incumbents to the coming wave of disruption.

60+ companies from the 1966 Fortune 100 no longer exist!

In investing, how many successful investors have blown up spectacularly when they refused to adapt to new information?

Success with one strategy blinds the investor to market change or tail risk.

Look no further than the demise of LTCM...

Everyone is a genius in a bull market!

The Icarus Paradox is a cautionary tale for incumbents—for anyone experiencing success.

Remember: You're only as good as your last pitch...

It's also a rallying cry for the disruptors—the incumbent's tendency towards complacency and hubris is on your side in the battle.