BUSINESS STRATEGY

Every Success Has A Half-Life: Why You Should Never Believe Your Own Success Story

By Hans-Paul Bürkner, Mai-Britt Poulsen, Vaishali Rastogi, and Saurabh Tripathi

ARTICLE JULY 25, 2025 12 MIN READ

“Sooner or later, something fundamental in your business world will change.” This simple but powerful piece of advice is the first lesson in *Only The Paranoid Survive*, the late Andy Grove’s best-selling business book.[1]

Writing in the mid-1990s, Grove, who was then CEO of Intel, defined an era of cutthroat competition. Other leaders who rose to prominence during those years articulated similar views. Jeff Bezos, who founded Amazon two years before Grove's book was published, talked about an "always Day 1" mentality. Asked to describe Day 2, he responded by saying: "Day 2 is stasis. Followed by irrelevance. Followed by excruciating, painful decline. Followed by death. And *that* is why it is *always* Day 1."[2]

In a different domain, Alex Ferguson, manager of Manchester United, talked about the approach that saw him emerge as one of the world's greatest football coaches in the late 1990s. Interviewed by Anita Elberse, a Harvard Business School professor, for one of the university's renowned management case studies, Ferguson said, "Most people with my track record don't look to change. But I always felt I couldn't afford not to change… I treated every success as my first."[3]

It seems, however, that 30 years after Andy Grove spoke for a generation of business leaders, the latest generation have all but forgotten his core message. Shai Weiss, CEO of Virgin Atlantic, is a rare exception. Interviewed earlier this year by the *Financial Times*, he talked about the company's long-term rivalry with British Airways since the 1980s. Echoing Grove's teachings, Weiss said, "In aviation, you need to be paranoid. Paranoia—contained and helpful paranoia—is a necessary trade for success in aviation. This is an ultra-competitive market. We make [our rivals] better, and they absolutely make us better. Competition is something we thrive on."[4] Such was the rarity of this comment that the *FT* used it for the article's headline: "Virgin Atlantic's Shai Weiss: 'In aviation, you need to be paranoid'."

But Intel's current predicament speaks volumes. When Grove took the reins, the company was strong—at least, outwardly. He could have left things as they were. Instead, he applied his "paranoid" approach, and when he did this, he noticed how Intel had reached a "strategic inflection point." Its primary memory chip business was facing rising competition from new Japanese rivals ready to do anything to undercut it on price. Taking a calculated risk, he switched the company's focus to microprocessors (a niche operation at the time) and started marketing directly to consumers with the "Intel Inside" slogan. In doing so, he built the foundations for a new period of growth. But today, after being the world's leading semiconductor producer for a quarter century, the US giant has fallen years behind in the technology race, and it needs—and is planning—a major restructuring.

Of course, there are many factors that can lead to corporate downfalls: changing markets, unfair competition, more stringent government regulations, or unforeseen technology changes, to name a few. Certainly, companies today are finding it more challenging to stay ahead of their rivals. In a study of the performance of 22,000 companies over the past four decades, BCG reported that only 17% of companies that significantly outperformed their sector average were able to maintain that performance advantage over the next five years.[5]

Nevertheless, in our experience, the tendency for business leaders to be complacent—to think that their corporate success is the result of their company's (and their own) superior capabilities—

is a significant factor. They should remember Grove's first lesson about inevitable fundamental change.

Every Success Has a Half-Life—It Fades Exponentially

Success is hard to come by—and it's even harder to hold on to. Indeed, success has a natural tendency to fade or, using the language of nuclear physics, to decay over time. In the early 1900s, physicist Ernest Rutherford coined the term "half-life" to describe the time it takes for half of the atoms in a radioactive substance to decay. This idea can be applied to success, too.

Gordon Moore, Grove's predecessor and mentor at Intel, predicted that technology would grow exponentially, formulating the now-familiar "Moore's Law" which states that the number of transistors in a dense integrated circuit doubles every two years. Grove's underlying message is that corporate success moves in the opposite direction: it fades exponentially, with the impact of a successful initiative halving over time. To counter this natural process, you need to remain paranoid. There are ways to do this and grow your company exponentially.

How to Remain Paranoid (and Successful) in a Changing World

So what can you do as a CEO to remain paranoid? How can you avoid falling into the trap of self-infatuation with your organization—and how can you maintain its success?

In our experience, there are two key steps you should take to anticipate and respond effectively to change. First, be open to fresh information, alternative perspectives, and new ideas. Second, be proactive when developing and implementing new ways of doing business.

These may sound obvious, but so often we find that CEOs are less open than they should be (and than they think they are). They're also less proactive than they should be when thinking about business model innovation. Let's unpack these steps.

Be Open to New Ideas—from Many Perspectives

We recommend five strategies for staying open to new ideas. First, take a good, long look in the mirror and ask yourself:

- Do I allow myself to be challenged (just as I challenge my team members)?
- Do I encourage open discussion in my leadership team? Do I allow critical voices to be heard and appreciated?
- Am I willing to change my mind and the direction of the company when new data and information suggest that things are not going according to plan?

On this last point, some words attributed to economist John Maynard Keynes are worth heeding. “When the facts change, I change my mind,” he once said, when answering a critic. “What do you do, sir?”

Second, in addition to taking internal critics seriously, take external critics seriously, too. Read and reflect on reports by analysts and articles by journalists in reputable business newspapers and magazines. Don’t automatically reject them as lacking an understanding of the market or your company. Of course, it’s never easy to read skeptical or even negative views on your company’s (and therefore your own) performance. But it is dangerous to dismiss negative stories outright. The experience of Wirecard, a German payments group, is a cautionary tale.

Starting in 2015, the *Financial Times* raised serious issues about Wirecard’s accounts. Fighting back, the leaders hired lawyers, commissioned crisis PR consultants, and supported a review by BaFin, the German financial regulator. But the *FT* invested heavily in a brilliant investigation, and in the end, Wirecard’s CEO was forced to resign and the company, once one of Europe’s hottest stocks, collapsed.[6]

Third, conduct regular reviews of your company’s performance. Getting answers to tough questions is critical. Good organizations and good leaders never hesitate to do this. Ask yourself:

- How well are we really doing?
- Are we doing better than the market and our key competitors?
- Are we ignoring new competitors with new business models that could pose a threat in the medium-to-long term?

- Have we increased revenues and profits disproportionally by taking on too many risks, such as growing the loan book very fast (in the case of banks) or filling the trade channels with too much inventory?
- Have we reduced costs by cutting R&D and investments and thus increased profits?

Fourth, as you conduct your own performance review, commission a top team from inside or outside your company to come up with a contrarian strategy or to take the role of a hostile hedge fund or predator. This is an adversarial approach favored by the US Army, which calls these oppositional groups “red teams.” What would they do differently to create more value? Would they push for cleaning up the sprawling business portfolio? How would they try to ignite more growth? How would they make the company leaner? How would they generate more profit? You may also get them to consider the impact of AI. How would an AI-first company attack your business? Would AI make parts of your value chains (or even entire value chains) obsolete—or, at least, would it fundamentally change them?

Finally, support your leadership discussions and performance reviews by creating a radar screen that scans the horizon for new challenges in the market. Evaluate each one—and, again, take care not to disregard them too quickly. Short-term, the challenges may seem derisory. Longer term, however, they may be devastating. Always remember that your current success story will not last forever!

Be Proactive when Forging New Ways of Doing Business

Developing and implementing new business models is never easy. In our experience, many CEOs talk about their new vision or strategy—but when we’ve taken a closer look, we find that what they have developed is just the old business model with some minor tweaks or nuances. For example, many retailers simply add a digital channel to their chain of brick-and-mortar outlets—which is not enough to succeed today. Similarly, some traditional banks try to become fintechs by adding an attractive digital customer interface such as an app—but this is not sufficient to succeed, either. What is needed is a full end-to-end process optimization.

So what should you do to develop a new business model? One option is to build up two strong business models and run them alongside each other. In the automobile industry, for example, traditional carmakers are building vehicles not only with internal combustion engines but also with electric batteries. Each type requires different supply chains, manufacturing facilities, and digital capabilities. At some point in the future, these carmakers may only build electric vehicles, but precisely when the final switch-over will take place is not yet clear. For the time being, they are operating two very different business models.

Another option is to take a page from the playbook of startup and “subscale” companies that are gaining share from their bigger rivals in local and regional markets. They are deploying what we call “fractal” innovation—customizing their strategies for individual local and regional markets, exploiting the fast-growing opportunities emerging at the customer-facing “edge” of their businesses, and utilizing AI technologies to draw insights from local, fragmentary, and often incomplete data.[7] This should not be a copy-and-paste exercise. Rather, study what these companies are doing, understand how they are creating competitive advantage, and adapt their methods for your own business. As you do this, it may be useful to imagine the role of AI in new business models competing with yours. What would these models do? How would they do it?

Once you have developed your new business model, you need to implement it and lead it to success. Often, the difference between successful companies and mediocre companies can be found not in vastly different strategies but in superior execution. A surprisingly large number of CEOs struggle to deliver their new vision, strategy, or business. It may look very good on paper, but not so good in practice.

Initially, change may be slow. But when more companies or banks are going for a new business model with more intense customer engagement and full-fledged digital transformation, the pace of change will accelerate. Those that hesitate or are not aggressive enough will be left behind.

So what distinguishes CEOs that craft and implement successful new business models to keep their organization on a growth path?

- They get the full commitment and active involvement of the top decision makers.
- They engage the best talent at all levels of the company.
- They show persistence when tackling the many obstacles that arise by making necessary adjustments.
- They are willing to admit mistakes (that are undoubtedly being made).

For CEOs currently enjoying—or seeking to achieve—success, the process of being open and building new business models must be constant. It must never stop. Remember: Every success has a half-life. Never rest on your laurels. Always stay paranoid. And treat every success as your first. If you don’t, it might be your last.

Authors

Hans-Paul Bürkner

Global Chair Emeritus

Mai-Britt Poulsen

Managing Director & Senior Partner; Global Leader, Consumer Practice

London

Vaishali Rastogi

Managing Director & Senior Partner; Global Leader, Technology, Media, & Telecommunications Practice

Singapore

Saurabh Tripathi

Managing Director & Senior Partner; Global Leader, Financial Institutions Practice

Mumbai

ABOUT BOSTON CONSULTING GROUP

Boston Consulting Group partners with leaders in business and society to tackle their most important challenges and capture their greatest opportunities. BCG was the pioneer in business strategy when it was founded in 1963. Today, we work closely with clients to embrace a transformational approach aimed at benefiting all stakeholders—empowering organizations to grow, build sustainable competitive advantage, and drive positive societal impact.

Our diverse, global teams bring deep industry and functional expertise and a range of perspectives that question the status quo and spark change. BCG delivers solutions through leading-edge management consulting, technology and design, and corporate and digital ventures. We work in a uniquely collaborative model across the firm and throughout all levels of the client organization, fueled by the goal of helping our clients thrive and enabling them to make the world a better place.

1 Andrew S. Grove, *Only The Paranoid Survive: How to Exploit the Crisis Points that Challenge Every Company and Career* (Profile Books, 1997).

2 "Jeff Bezos on Why It's Always Day 1 at Amazon," 2016 Letter to Shareholders, *Amazon News*.

3 Anita Elberse, "Ferguson's Formula," *Harvard Business Review*, October 2013.

4 Philip Georgiadis, "Virgin Atlantic's Shai Weiss: 'In aviation, you need to be paranoid'," *Financial Times*, April 7, 2025.

5 Martin Reeves, Kevin Whitaker and Tom Deegan, "Fighting the Gravity of Average Performance," *MIT Sloan Management Review*, January 9, 2020.

6 Dan McCrum, "Wirecard: The Timeline," *Financial Times*, June 25, 2020.

7 Arindam Bhattacharya, Hans-Paul Bürkner, and Simon Targett, *The Fractal Company: How to Build Competitive Advantage in a Fragmenting World* (2025).

