

Mauboussin, Michael J. The success equation: untangling skill and luck in business, sports, and investing. Harvard Business Review Press, 2012. 293p bibl index afp ISBN 9781422184233, \$27.00

Three well-written, wide-ranging, delightful new books with similar themes have hit the market. Nate Silver's *The Signal and the Noise* (CH, Apr'13, 50-4405) applies statistics to a host of contemporary topics, from gambling, sports, climate, and bubbles, to predicting elections. In *Naked Statistics* (2013), Charles Wheelan explains basic statistical concepts and weaves them into everyday life. Now financial guru Mauboussin, in this engaging book with rich notes and bibliographical aids, uses statistics to analyze a number of contemporary issues, including sports, though his focus is clearly on the business world and investing. His particular, explicit contribution is to distinguish and untangle skill from luck or chance in accounting for successes and failures. (Silver would term this latter factor "noise"; Wheelan, the "error term.") The dozen chapters split into sections that define, analyze, and then make suggestions for coping with this skill-luck continuum in decision making. Repetition detracts somewhat, and the last four chapters, focusing on the business world, are the weakest. Summing Up: Highly recommended. General readers; students at all levels; faculty; professionals.