
The 80/20 principle.

Most of what we achieve comes from a small part of what we do.
How to find that part, and do more of it.

Using the 80/20 principle to become more productive.

The 80/20 principle says that the majority of outcomes in life are the result of just a few causes. If you think about your own life, you will recall situations where a relatively small amount of focused effort led to significant outcomes.

This universal law was first made famous by Vilfredo Pareto, who in 1906 observed that 80% of Italy's wealth was held by just 20% of the population. As a result, it is often called the Pareto principle.

This document will help you understand the significance of the 80/20 principle and how to use it to your advantage, at work and in your personal life.

Inspired by Richard Koch's book *The 80/20 Principle: The Secret to Achieving More with Less*.

**Lost time is never
found again.**

Benjamin Franklin, 1743

Why is it that...

1

Some people seem to take all your time for little return?

2

We often do a lot of work for limited results?

3

Some people who start with nothing achieve unbelievable results, while others seem to go around in circles?

4

When you look back, you can pinpoint a few critical decisions and people that changed your life?

**The universe
is wonky.**

1

The 80/20 rule tells us that, in any population, some things are likely to be much more important than others.

2

A good benchmark is that 80% of outcomes are the result of only 20% of inputs, and often of a much smaller share of powerful forces.

3

For example, Isaac Pitman found that 700 common words make up two-thirds of everyday language, and these account for 80% of common speech. So fewer than 1% of words are used 80% of the time.

4

Used well, the 80/20 principle will help individuals and groups achieve more with less effort.

Where do you see it in everyday life?

80%

of accidents are caused by 20% of drivers. That is why no-claim policies were introduced.

20%

of your clothes will be worn 80% of the time.

20%

of a carpet is likely to get 80% of the wear. That led to the invention of carpet tiles.

80%

of personal phone calls are to 20% of the people in your contacts.

80% of wealth is held by 20% of the population.

Interestingly, if all wealth were distributed evenly, it would take less than ten years for the 80/20 principle to work its magic and for the wealth to be redistributed again.

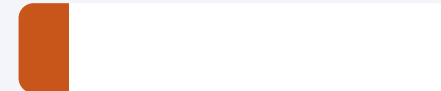
Income distribution

Richest 20%



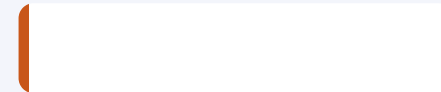
82.7%

Second 20%



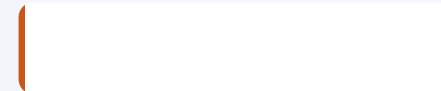
11.7%

Third 20%



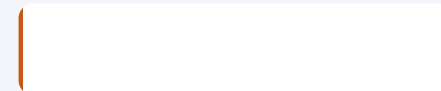
2.3%

Fourth 20%



1.4%

Poorest 20%



1.2%

Share of world income. Source: Wikipedia.

The 80/20 rule is counter-intuitive.

We tend to assume that 50% of causes or inputs will account for 50% of results or outputs. This is plainly not the case.

We also tend to assume that:

- 1 All customers are equally valuable.
- 2 All phone calls are equally important.
- 3 Every opportunity is of equal value to us.
- 4 All friends should be treated the same.

Time.

Most of the significant achievements and value that a person adds come in a minority of their time. There is a profound imbalance between what is created and the time taken to create it.

The chances are that only a few specific days, weekends or events stand out in your life when you look back.



It is because we have so much time that we squander it.

80% of what we achieve comes from 20% of our time

And often less than this. If we only used 20% of our time properly, there could be no shortage of it. Think of everything you do every day: making coffee, surfing the internet, talking to colleagues about the weekend, wondering what to do next.

The last 20% is the most productive

The most productive time on a project is usually the last 20%, simply because the work has to be finished before a deadline. Productivity on most projects could be doubled by halving the time allowed to complete them.

If we can do anything about this, we should do something radical.

1

There is no point tinkering around the edges or making our use of time a little more efficient.

2

Time management courses assume we know what is and isn't a good use of our time. The secret is to prioritise the most important things we do and spend 80% of our time doing them.

3

Don't allow things that are important to be at the mercy of things that are urgent but not important.

4

Realise that you can't do everything, and that your most productive time is spent thinking, planning and directing.

5

Eliminate things from your life that take time, effort and resources for little or no reward.

Face time.

1

In most businesses, the most critical and important time is in face-to-face meetings with the customer.

2

These meetings have an overwhelming influence on the whole business, both good and bad.

3

In these meetings, it usually comes down to a few minutes where we discuss key directions and strategy. During this time we set expectations, sell our ideas and gain (or lose) respect.

4

So it makes sense to focus on what we can achieve during these meetings, and spend a lot of time working out how to do it.

Do we plan and direct, or do we let things happen?

Some people are critical to us. Others have little influence, even though we may see them a lot.
Understand the difference and do something about it.

What have we learned so far?

Whether you like it or not, this rule exists. So you would be wise to learn about it and use it. Here are the main tenets of the 80/20 principle.

1

The doctrine of the vital few and the trivial many: only a few things ever produce important results.

2

Simple is beautiful.
Complex is ugly.

3

What you see is generally not what you get. There are subterranean forces at work.

4

Most good events happen because of a small minority of highly productive forces. Most bad things happen because of a small minority of highly destructive forces.

5

Most activity, en masse and individually, is wasteful and does not contribute to the results we want. That doesn't mean leisure is wasteful, but it should be considered and used well.

Seven steps to revolution.

1. Take the difficult step of separating effort and reward.
2. Give up guilt.
3. Free yourself from obligations imposed by others.
4. Be unconventional and eccentric in your use of time.
5. Identify the 20% that gives you the 80%.
6. Multiply the 20% of your time that gives you the 80%.
7. Eliminate or reduce the low-value activities.

Some 80/20 things you can do now.

1. Take time to think about how to get the best results with the least effort.
2. Nurture key relationships.
3. Lean your ladder against the right wall.
4. Make a list of three things to do at the start of each day, then do them.
5. Spend a lot of time at the start of a new project planning, collaborating and organising the strategy.
6. Make sure you understand the outcome before you start the project.

Remember.

Use your time wisely.
You only live once.

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Seek to be a person of Value.

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