

THE 80/20 PRINCIPLE

The Secret of Achieving More With Less

RICHARD KOCH

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MAIN IDEA

The 80/20 principle is that 80-percent of the results in any system will flow from just 20-percent of the efforts. Therefore, the key to being more productive and better organized is to focus on expanding the productive 20-percent rather than trying to eliminate the unproductive 80-percent.

Specifically, the 80/20 principle suggest that higher productivity in any activity will be achieved by:

- Celebrating and expanding exceptional performance rather than trying to raise the overall average.
- Looking for productive short cuts that still achieve 80-percent of the intended results rather than plodding on.
- Using the least possible effort to maintain control over your life rather than making things difficult for yourself.
- Seeking and working towards excellence in a few things rather than competence in a lot of different areas.
- Outsourcing as many non-productive tasks as possible to other people so you can focus on where you are highly productive.
- Choosing a career in which you can either be self employed or employ other people to multiply your effectiveness.
- Only doing those things that you love doing and that you personally do very well.
- Becoming aware of the ironies and oddities that lie just beneath the surface that most people never even think about.
- Always working out where 20-percent of your efforts will lead to 80-percent of the results.
- Targeting a limited number of very valuable goals where you can make the 80/20 principle work for you instead of against you.
- Making the most of those all too brief cosmic alignments where everything you touch seems to turn to gold.

Part 1 - The 80/20 Principle Pages 1 - 2

The 80/20 principle states that there is an inbuilt imbalance between inputs and results in any system. Typically, the majority of the inputs have little impact on the results while a minority have a major impact. In other words, the bulk of the results are actually derived from only a small proportion of the inputs.

A mathematical benchmark which consistently shows up is that 80-percent of results directly flow from just 20-percent of the efforts. Therefore, the key to being more productive is to:

1. Determine which 20-percent of the total effort is most productive, and to focus on increasing those inputs in order to achieve even greater results.
2. Find ways to make the 80-percent that is currently unproductive become more productive.

Part 2 - Business Applications of the 80/20 Principle Pages 3 - 6

The top ten business applications of the 80/20 principle are:

1. Strategy
2. Quality
3. Cost reduction and service improvement
4. Marketing
5. Selling
6. Information technology
7. Decision making and analysis
8. Inventory management
9. Project management
10. Negotiation

Part 3 - Personal Applications of the 80/20 Principle Pages 6 - 8

The key areas in which 80/20 thinking can be applied in personal lives are:

1. Time management
2. Setting personal goals
3. Forming personal and professional friendships
4. Making career choices
5. Making more money
6. Developing the personal habits of success

The advantages of using 80/20 thinking in personal matters are:

1. 80/20 thinking is reflective, and will lead to insights that can vastly improve overall quality of life.
2. 80/20 thinking is unconventional. It will identify unproductive areas which can be eliminated.
3. 80/20 thinking seeks to maximize the time spent in pleasurable and productive activities.
4. 80/20 thinking is optimistic by nature and encourages individual progress and self-improvement.
5. 80/20 thinking is strategic - it focuses on the productive few, not the marginally productive many.
6. 80/20 thinking is creative - it looks outside the box rather than restricting itself to arbitrary limits.
7. 80/20 thinking combines personal ambition with a structured, intelligent approach.

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