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With 80/20, Everybody Wins

80/20 is the one tool that has proven over and over again to be the catalyst for generating higher profits, strengthening businesses, and transforming lives. 80/20 has been proven to work well in any economy.



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You've probably heard of 80/20, also known as the Pareto Principle. But before you read any further, ask yourself what you know about it. What does the "80%" represent? The "20%"?

Just about every CEO we've met has had a basic understanding of the concept — that there is a natural imbalance between inputs and outputs, efforts and results. However, these same CEOs don't see how they can use this principle to improve efficiency, enhance profits, stimulate growth, and transform their staff, their own lives, and their family life.

A little means a lot. A lot means a little.

When we ask the question, "What is 80/20?" everyone is quick to respond that 80% of the revenue comes from 20% of their customers — little do they know that these critical few customers generate about 150% of a company's profits. What's the take-home message here? You are devoting far too much of your time and resources to services, products, and customers that simply drain your profits.

You can begin to improve your business immediately by identifying the 20% of customers that generate 80% of revenues — then start over-serving your best customers at the deliberate expense of the rest. Ultimately, you'll wind up with fewer, better customers. You will probably also have fewer, better, and more motivated employees. Paradoxically, your business will have more growth opportunity. And best of all, you'll have more time to spend on the critical areas of your business and life.

So who wins? Your best customers, your best suppliers, your best employees, your family, and you. In short, everybody that really matters. We've seen it happen time and again. We have the data to prove that 80/20 works.

Don't think you need 80/20? Think again!

In these unprecedented economic times, 80/20 is the one tool that has proven over and over again to be the catalyst for generating higher profits, strengthening

businesses, and transforming lives. 80/20 has been proven to work well in any economy, but it shines brightest in turbulent times such as these.

Put simply, 80/20 allows you to achieve virtually unbeatable and sustainable cost/value positions against your competitors. 80/20 always produces profitable market share growth results — and never more rapidly than during down economic times.

With commitment comes true success

Take a hard look at your company. Are you operating the way you'd like? Attracting and retaining the type of talent you want? Acquiring the types of customers that deliver profitable growth? Keeping the profits you've earned — rather than throwing much of them out the window? Are you able to balance your work life and home life?

When you review the numbers and analyze the data from a true 80/20 view, you'll find that there are significant improvements you could, and should, be making to your business right now.

80/20 is not a quick fix. It's not about making hasty emotional decisions, coming to quick conclusions, or avoiding difficult truths about your business. We know how easy it is to get motivated, launch into making changes, and then begin backsliding once faced with difficult cultural or personnel decisions. However, with our training, coaching, and support at every step, you will simplify your business, grow the bottom line, and create time to enjoy it all. That's why we exist and why we succeed — every time.