Sixty Second Insight #3: The PARETO Principle for Time Management

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The Pareto Principle

- 20 % of the customers account for 80 % of the sales

- 80 % of the profit is achieved with 20 % of the customers (not necessarily the same 20 % as the ones who achieve 80 % of the sales)

- 20% of the marketing yields 80% of your campaign's results

- 80% of customer complaints are about the same 20% of our services

- 20% of your time accounts for 80% of your productivity

Which 20% is it?

I encourage you after reading this short insight to take few moments Googling the phrase *Pareto Principle* and find all the different ways this principle has been applied.

Sometimes it's referred to as the "80-20 Rule" — 20% of our customers account for 80% of our sales.

Times have proven this to be true.

80% of the *profit* is achieved with 20% of the customers and not necessarily the same 20% as the ones who achieve 80% of the sales. You may have to read that a couple of times.

20% of the marketing yields 80% of your campaign's results. 80% of customer complaints are about the same 20% of your services. 20% of your time accounts for 80% of your productivity.

Let's focus on this principle's application to time management.

20% of your time accounts for 80% of your productivity. So, a key component in time management is figuring out what 20% of your time is accounting for 80% of your productivity.

Oftentimes, it's getting comfortable with only 80% of productivity on many tasks – realizing that the amount of time it would take to close the gap between 80% and 100% on any task will require 80% of my effort.

So, for me to *not* get comfortable with 80% of productivity means I'm going to be putting in a lot of time to close that last 20% to achieve that perfection.

That time might more productively be used in my family, exercise, maintaining balance in my life. Think about all the different places you could utilize **The Pareto Principle** in your own life. Again I encourage you to Google it and find out all the different ways others are applying the principle.

I believe you'll find it to be an indispensable tool/principle/concept in your own time management toolkit.