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THE 80/20 INDIVIDUAL

How To Accomplish More by Doing Less – the Nine Essentials of 80/20 Success at Work

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RICHARD KOCH is a successful entrepreneur. His business interests have included investments in hotels, restaurants, personal organizers and the distilling industry. Mr. Koch is the author of *The 80/20 Principle* and *The 80/20 Revolution*.

The Web site for this book is available at www.the8020principle.com

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MAIN IDEA

The “80/20 Principle” states 80-percent of the results you achieve will be derived from just 20-percent of your actions. With this in mind, 80/20 individuals maximize the amount of time they spend every day in that 20-percent zone of high productivity. To achieve this on a regular basis, 80/20 individuals employ nine essential practices.

In essence, 80/20 individuals discover what they can do better than other people and then organize themselves to ride these talents for all they’re worth. The key is to form a team of people around you who are better than you in the areas where you lack experience. That formation of a team then frees you to spend the majority of your time and energy in those areas of your life or career where you actually add the most value.

“The 80/20 principle enables people to create more from less: to express their individuality, enrich the world, and lead rewarding lives, ones where they control and cultivate all that is important to them as individuals. It allows them to become 80/20 individuals. This can always be done. The constraint is not demand, technology, capital or organization. The only constraint is a failure to capitalize on individual imagination and initiative – and repeated experimentation based on varying already successful formulas.”

– Richard Koch

- The
Nine
Essentials
of
80/20
Success**
- 1 Nurture your most creative 20-percent
 - 2 Incubate your best new ideas
 - 3 Focus on your key sources of profit
 - 4 Use your time advantageously
 - 5 Recruit and retain great individuals
 - 6 Use your employment to full advantage
 - 7 Find other firms to do joint ventures with
 - 8 Secure the capital you need to move forward
 - 9 Always keep building on your successes

1. Nurture your most creative 20-percent Page 2

Everyone has something they can do well. 80/20 individuals figure out where their 20-percent talent lies, and then organize their entire work schedule around being in that 20-percent zone for as much time as possible. They also do things to nurture and enhance their 20-percent talents and competencies.

2. Incubate your best new ideas Pages 2 - 3

Successful business ideas always have successful ancestors. Therefore, to come up with a new business idea, tweak and adapt the most successful 20-percent of the business ideas which have already succeeded in your area of interest. Take these composite ideas and then bring them to life.

3. Focus on your key sources of profit Pages 3 - 4

To increase your profits, remodel your business model using the 80/20 principle. This means identifying the most profitable parts of your current business and then using those parts as building blocks to grow your business and to exploit new commercial opportunities which are close-by.

4. Use your time advantageously Page 4

80/20 individuals know and understand 20-percent of their time generates 80-percent of their added value. Therefore, they focus on doing all those activities which make the best use of their time in order to make it unique, and ignore all the other distractions which can dilute their effectiveness.

5. Recruit and retain great individuals Page 5

Again, the 80/20 principle suggests 20-percent of the people in an organization will produce 80-percent of the results. 80/20 individuals hire and then retain other highly productive people because they create an environment in which these great individuals can flourish.

6. Use your employment to full advantage Page 6

80/20 individuals create the conditions whereby they can benefit from the wealth they are creating. This may involve starting up a new company, but more frequently it will involve partnering with present employers to share ownership of a new business venture.

7. Find other firms to do joint ventures with Page 7

Whenever you find the most valuable 20-percent of any business transaction, subcontract out the remaining 80-percent to other firms. Let them do all your “heavy lifting”, so you can focus on those parts of the business where the greatest wealth is created. Even consider using your direct competitors in this way.

8. Secure the capital you need to move forward Page 7

What generates wealth today is not so much applied capital but a small amount of capital coated with a large outer ring of powerful new ideas and initiative. In other words, a little bit of capital plus the creative input of 80/20 individuals are the wealth creators in today’s society.

9. Always keep building on your successes Page 8

The 80/20 individual’s greatest challenge is not in launching a new business. Instead, it’s when the business starts being successful. That is not the moment to rest on your laurels, but to keep pushing growth until the business becomes impressively successful.

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