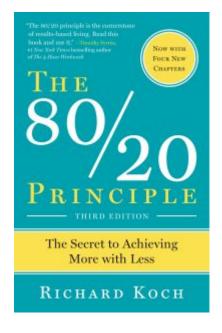
The 80/20 Principle by Richard Koch — Book Summary

Ready to learn the most important takeaways from The 80/20 Principle in less than two minutes? Keep reading!



Why This Book Matters:

The 80/20 principle says that 80% of your results come from 20% of your efforts.

Richard Koch shows you how to identify the 20% that is disproportionately more impactful than all your other efforts so you can exponentially increase your personal and professional success.

Key Takeaways:

- 1. Don't buy into the myth that there is a linear relationship between input and output
 - 1. The biggest rewards are often generated by a disproportionately small amount of effort, whether it be in business or our personal lives.
 - 2. Example: 20% of motorists cause 80% of accidents. 20% of sales generate 80% of profits.
- 2. The 80/20 rule says that 80% of your positive results

(happiness, sales, etc.) come from 20% of your time (effort, work, etc.)

- 1. Take a close look at how you spend your time and remove the activities that have the smallest impact on success or happiness.
- Example: Companies with a large product range can increase profits by focusing only on topperforming products.

3. Every aspect of your business can benefit from the 80/20 rule

- Whether it's marketing, logistics, or HR, examining existing processes and eliminating the least productive tasks can increase output greatly.
- 2. Example: Famous broker Nicholas Barsan earns \$1 million annually in commissions because he focuses on pleasing his top repeat clients.

4. Use 80/20 thinking to make key changes in your personal life

- 1. Unlike in business, there's no need for solid statistical data to inform the analysis of your personal life. Just cut out the things that have the least value.
- 2. Example: Someone with many casual friends can increase their personal fulfillment by focusing on fostering relationships with only their closest friends.

5. Practice time revolution instead of time management

- 1. Time management strategies fill your day with more things to do, while "time revolution" optimizes time by focusing on the 20% of tasks that are the most important in your day.
- 2. Example: At his consulting firm, the author's colleagues responded to an inundation of client needs by focusing on the most important 20% of issues, which led to improved performance compared to the competition.

- 6. Use the 80/20 rule broadly to increase your quality of life
 - 1. Use the 80/20 rule to pinpoint where to deepen your focus and where to reduce your focus to exponentially increase the positive outcomes in your life.
 - 2. Example: Think about the 20% of your life that brings you the most joy and be creative about ways you can increase the amount of time in that space.

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