

Book Review for 3rdi magazine. "The 80/20 Principle" by Richard Koch

I'd like to share with you a favourite on my business/personal bookshelf – "The 80/20 Principle" by Richard Koch. A 2007 update of a 1997 publication (Nicholas Brealy Publishing, ISBN 978-1-85788-399-2, this "business classic" is well written and entertaining, and contains good information, which can be applied to both business and personal life.

As a management trainer, running my own business, I've long been preaching 80/20 in the Time Management (and other) courses I run; while practicing it in my own life as best I can. So what is Koch's 80/20? It is the "Secret of Achieving More with Less"- and which of us busy folks doesn't want a bit of that? Motherhood, apple pie anyone?

It is based on the work of a 19th century Italian economist, Vilfredo Pareto, who noted a predictable imbalance between the amount of wealth and the numbers who owned it- broadly on an 80/20 basis, i.e. 20% of the population controlled 80% of the wealth. No change there then!

Koch's 80/20 extrapolates from this. He notes that this "predictable imbalance" is replicated across life and business: 20% of causes generate 80% of effects; 20% of efforts reap 80% rewards; 20% of input generates 80% of output; and conversely, 80% effort etc yields only a 20% return. (Try it: do 20% of your customers deliver 80% of your profit? Or 20% of your products/services deliver 80% of your revenue? Or 20% of your activities deliver 80% of your happiness/fulfilment?).

So, it follows that 80% of our effort/input/time is unproductive or, at best, low value. Depressing. Except that Koch's book is a cheerful and amusing guide about how to identify (not easy) and focus on the 20% that is most productive, profitable and, often, most personally pleasurable in our life and work: and how to grow that 20%. As he says "Efficiency clears the space for life enhancement."

The 80/20 theory, or Pareto Proposition, is of course an observation, a hypothesis, rather than a proven fact, but it has a lot of statistical backup – thank you Vilfredo- and is an approach to the "soft skills" of managing activities/projects/time which chimes with many (80%?) of my mainly scientific/research/academic customer base. And Koch, a self confessed "lazy entrepreneur", is also a very successful business person- which helps plausibility.

In conclusion, while Koch's 80/20 isn't 100% of the answer, and as an author he's certainly stronger on the business than the personal writing, it's at least an 80% answer in my book. So I'd recommend it to you busy women. And do feel free to "dip in" to his well laid-out and sign-posted chapters: Koch even generously encourages us to skip bits-on the basis that we need to identify, select and read only the high value 20%+ that affects our efficiency/happiness- of course!

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