

THE 80/20 PRINCIPLE

The Secret to Achieving
More with Less

Richard Koch



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THE
80/20
PRINCIPLE

**THE SECRET OF ACHIEVING
MORE WITH LESS**

The New, Updated Edition of the Business Classic

RICHARD KOCH

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To Lee

“For a very long time, the Pareto law [the 80/20 Principle] has lumbered the economic scene like an erratic block on the landscape: an empirical law which nobody can explain.”

—JOSEF STEINDL

“God plays dice with the Universe. But they’re loaded dice. And the main objective is to find out by what rules they were loaded and how we can use them for our own ends.”

—JOSEPH FORD

“We cannot be certain to what height the human species may aspire ... We may therefore safely acquiesce in the pleasing conclusion that every age of the world has increased, and still increases, the real wealth, the happiness, the knowledge, and perhaps the virtue, of the human race.”

—EDWARD GIBBON

CONTENTS

Cover
Title Page
Copyright
Dedication

Preface to the Second Edition
Acknowledgments

PART ONE: OVERTURE

1 Welcome to the 80/20 Principle
2 How to Think 80/20

PART TWO: CORPORATE SUCCESS NEEDN'T BE A MYSTERY

3 The Underground Cult
4 Why Your Strategy Is Wrong
5 Simple Is Beautiful
6 Hooking the Right Customers
7 The Top 10 Business Uses of the 80/20 Principle
8 The Vital Few Give Success to You

PART THREE: WORK LESS, EARN AND ENJOY MORE

9 Being Free
10 Time Revolution
11 You Can Always Get What You Want
12 With a Little Help from Our Friends

- 13 Intelligent and Lazy
- 14 Money, Money, Money
- 15 The Seven Habits of Happiness

PART FOUR: FRESH INSIGHTS—THE PRINCIPLE REVISITED

- 16 The Two Dimensions of the Principle

Notes and References
About the Author

PREFACE TO THE SECOND EDITION

I wrote this book in South Africa in 1996, and came to London in the so-called summer of 1997 to launch it. I remember traipsing from radio station to television station, usually to find that my slot had been pulled at the last minute. When I did get on the air, nobody seemed very interested in the findings of an obscure Italian economist in the dying years of the nineteenth century. “Oooh,” one celebrity of the minute crooned on a talk show, “what are you doing here if you didn’t come up with this idea yourself?” I would like to say that, without missing a beat, I mentioned the influence of Saint Paul and the gospel writers in doing the heavy lifting for the ideas of one Jesus of Nazareth, who would otherwise have been unknown. I would like to say that, but in fact I was lost for words.

I returned to Cape Town, thoroughly dejected. And then, a minor miracle. The British publisher who had commissioned the work, a man well known for looking on the gloomy side, faxed me (remember faxes?) to say that despite the PR fiasco, the book was “selling *very* well.” In fact, the book has sold more than 700,000 copies worldwide and been translated into twenty-four languages.

More than a century since Vilfredo Pareto noted the consistently lopsided relationship between inputs and outputs, and a decade since this book reinterpreted Pareto’s principle, I think we can now say that the principle has stood the test of time. There has been massive feedback, mainly positive, from readers and reviewers. Throughout the world, a large number of individuals, perhaps hundreds of thousands, have found the principle useful, at work and in their careers, and increasingly in the whole of their lives.

The 80/20 Principle has two almost opposite appeals. On the one hand, it is a statistical observation, a proven pattern—solid, quantitative, reliable, hard. It pleases those who want to get more out of life, to get ahead of the crowd, to increase profits or decrease