

The 80/20 Principle: Detonating a Time Revolution

By Richard Koch

If you're like most people these days, you don't need another time management system; what you need is a time revolution. If you're interested in detonating a time revolution, how do you do it? I've got seven steps here to help you do just that.

The first of these, and the most fundamental, is to make the difficult mental leap of dissociating effort from reward. They're two entirely different things. And yet it's very, very difficult to do this sometimes.

You know, the protestant work ethic is so deeply engrained in everyone, people of all religions and no religions, that we need to make a conscious effort to extirpate it. The trouble is that often we do enjoy hard work or at least have the feeling of virtue that comes from having done it. What we must do is to plant firmly in our minds that hard work, especially doing it for somebody else, is not an efficient way of achieving what we, ourselves, want. Hard work leads nearly always to low returns. Insight and doing what we ourselves want lead to higher returns.

It's useful to conjure up your own patron saints of productive laziness. Mine include Ronald Reagan and [Warren Buffett](#). Reagan, after all, made an effortless progression from B film actor to darling of the Republican right, governor of California, and eventually an extremely successful president. Now, what did Reagan have going for him? Yes, good looks, a wonderfully mellifluous voice, which he deployed instinctively on all occasions, some very astute campaign managers, old-fashioned grace, and a Disneyesque view of America and the world. Reagan's ability to apply himself was limited at best, his grasp at conventional reality perhaps tenuous. But his ability to inspire America and destroy Communism was ever more awesome. To maul Churchill's dictum, "Never has so much been achieved by so few with so little effort."

The key to Reagan was that he had three things that he was really interested in, and he wasn't interested in anything else. He was interested in cutting taxes, he was interested in cutting inflation, and he was interested in countering what he called the evil empire. Everything else unconnected with those, Reagan just didn't care about. And, therefore, by focusing on these three goals, he was actually able to achieve great things.

Warren Buffett became for a time the richest man in America, not by working hard, but by investing smart. Starting with very little capital, he has compounded it over many years at

rates far above stock market averages. He's done this with a limited degree of analysis but basically with a few insights that he's consistently applied. He started his riches rollercoaster with one big idea, that U.S. local newspapers had a local monopoly that constituted the most perfect business franchise. This simple idea made him his first fortune, and much of his subsequent money has been made in shares in the media, an industry which he understands.

Buffett is very economical with his energy. Whereas most fund managers buy lots of stocks and churn them frequently, Buffett buys few and holds them for ages. This means there's very little work to do. He pours scorn on the conventional view of investment portfolio diversification, which he's dubbed "the Noah's Ark method." He says, "One buys two of everything and ends up with a zoo." His own investment philosophy borders on lethargy. When I'm tempted to do too much, I recall Ronald Reagan and Warren Buffett. You should think of your own examples, the people you know personally or those in the public eye who exemplify productive inertia. Think about them often.

The second way to detonate a time revolution is to give up guilt. Now, giving up guilt is clearly related to the dangers of excessively hard work. But it's also related to doing the things you enjoy. There's nothing wrong with that. There's no value, actually, in doing things that you don't enjoy. So make a list of the things you like doing, and try to make them your job, make your job them. Nearly everyone who's become rich has had the added bonus of doing things that they enjoy. This might be taken as yet another indication of the universe's 80/20 perversity. Because 20% of people not only enjoy 80% of wealth, but also monopolize 80% of the enjoyment to be had from work. And they are very often exactly the same 20% of people.

That old puritan, John Kenneth Galbraith, has drawn attention to a fundamental unfairness in the world of work. The upper classes not only get paid more for their work, they have more interesting work and they enjoy it more. They have secretaries, assistants, first-class travel, luxurious hotels, and actually much more interesting working lives, too. In fact, you'd need a large private fortune to afford all the prerequisites that senior industrialists now routinely award themselves.

Galbraith's advance of this revolutionary view is that those who have less interesting jobs should be paid more than those who have jobs that are more fun. But I say, "What a spoilsport." Such views are thought-provoking, but no good will come of them. As with so many 80/20 phenomena, if you look beneath the surface, you can detect a deeper logic behind the apparent unfairness. In this case, the logic is very simple. Those who achieve the

most have to enjoy what they do. It's only by fulfilling one's self that anything of extraordinary value is created.

Think, for example, of any great artist in any sphere. The quality and quantity of their output are stunning. Van Gogh never stopped; Picasso ran an art factory long before Andy Warhol because he loved what he did. Or revel in Michelangelo's *David*, the dying slave, the Laurentian Library, the New Sacristy, the Sistine Chapel ceiling, the *Pieta* in St. Peter's. They're all miraculous for one individual. He did it all not because it was his job or because he feared the pope or even to make money, but because he loved his creations. Now, you may not have quite the same drives, but you will not create anything of enduring value unless you love creating it. This applies as much to merely personal as to business matters.

Now I'm not advocating perpetual laziness. I think we should recognize that work is a natural activity that satisfies an intrinsic need, as indeed the unemployed, the retired, and those who make overnight fortunes rapidly discover. Everything has its own natural internal balance, the rhythm of the optimal work-play mix. And most people can sense innately when they're either being too lazy or too industrious. 80/20 thinking is most valuable in encouraging people to pursue high-value, high-satisfaction activities in both work and play periods, rather than simply exchanging work for play.

But I suspect that most people try too hard at the wrong things. The modern world would greatly benefit if a lower quantity of work led to a greater profusion of creativity and intelligence. If much greater work would benefit the most idle 20% of our people, much less work would benefit the hardest-working 20%. And such arbitrage would benefit society both ways. The quantity of work is much less important than its quality. And its quality depends on self-direction.

The third point is that we should free ourselves from obligations imposed by others. In fact, it's a fair bet that when 80% of time yields 20% of results, that 80% is being undertaken at the behest of other people. It's increasingly apparent that the whole idea of working directly for someone else, of having a job with security but limited discretion, has just been a transient phase lasting two centuries in the history of work. Even if you're working for a big corporation, you should think of yourself as an independent business, working for yourself, despite being on Monolithic Inc.'s payroll. The 80/20 Principle shows time and time again that the 20% who achieve the most either work for themselves or behave as if they did.

The same idea applies outside work. It's very difficult to make good use of your time if you don't control it. It's impossible and even undesirable to take my advice too far. You'll always

have some obligations to others, and these can be extremely useful from your perspective. Even the entrepreneur is not a lone wolf answerable to no one. He or she has partners, employees, alliances, and a network of contacts from whom nothing can be expected if nothing is given. The point, though, is to choose your partners and obligations extremely selectively and with great care.

The fourth of the seven clues to detonating a time revolution is to be unconventional and even eccentric in your use of time. You're unlikely to spend the most valuable 20% of your time in being a good soldier, in doing what's expected of you, in attending meetings that everyone assumes you will, in doing what most of your peers do, or in other words observing the social conventions of your role. In fact, you should question whether any of these things are necessary. To avoid the likelihood that 80% of your time will be spent on low-priority activities, adopt unconventional behavior or solutions. So a good exercise is to work out the most unconventional or eccentric ways in which you can spend your time. How far could you deviate from the norm without being thrown out of your world?

Now, not all eccentric ways of spending time will multiply your effectiveness, but some or at least one of them could. Draw up several scenarios and adopt the one that allows you the most time on high-value activities that you enjoy. Who amongst your acquaintances is both effective and eccentric? Find out how they spend their time and how it deviates from the norm. You may want to copy some of the things that they do and some of the things that they don't do.

Fifth, actually try to identify the 20% of time that gives you 80%. About a fifth of your time is likely to give you four-fifths of your achievement or results and four-fifths of your happiness. Since this may not be the same four-fifths, where there's usually considerable overlap, the first thing to do is to be clear about whether your objective is achievement or happiness. You can go through the exercise doing it for achievement first and then for happiness.

For happiness, identify what I call your happiness islands. A happiness island is a small amount of time that contributes to the amount of your happiness. So, take a clean sheet of paper, write "happiness islands" at the top, and list as many of them as you can remember. And then try to deduce what is common between all or some of these happiness islands. Then repeat the procedure for your unhappiness islands. These will not generally comprise the other 80% of your time, since there's often a large no man's land of moderate happiness between the happiness and the unhappiness islands. Yet it's important to identify the most

significant causes of unhappiness and ask if there are any common denominators between them.

You can then repeat this whole procedure for achievement. Identify your achievement islands. Those are the short periods of time when you've achieved a much higher ratio of value at a time than during the rest of your week, month, year, or life. So, have a clean sheet of paper with achievement on it and list as many of them as you can, if possible, taken over the whole of your life. Try to identify the common characteristics of these achievement islands. List separately your achievement desert islands. These are the periods of greatest sterility and lowest productivity. Try to work out what they have in common, and now act accordingly.

The sixth approach is to multiply the 20% of your time that gives you 80%: When you've identified your happiness and achievement islands, you're likely to want to spend more time on these and similar activities. When I explain this idea, some people say to me that there's a flaw in my logic because spending more time in the top 20% may lead not to another 80% of output, but perhaps only to 40%, 50%, 60%, or 70%.

When people raise this objection with me, I've got two replies. First, since it's impossible to measure our effectiveness with anything approaching precision, the critics may well be right in some cases. But who cares. There will still be a marked increase in supply of what is best. But my second answer is that I don't think this point that the critics make is generally correct. My recommendation is not that you duplicate exactly what it is that you're doing today that is the 20% yielding 80%. The point of examining the common characteristics of your happiness and achievement islands is to isolate something far more basic than what has happened. It is to isolate really what you are uniquely programmed to do best.

It may well be that there are some things that you should be doing to realize your full potential or happiness that you've only just started to do imperfectly to some degree, or even that you haven't started to do at all. For example, Dick Francis was a superb steeplechase jockey but he didn't publish his first racing mystery until he was 40. Now his success, money earned, and possibly personal satisfaction far exceed those from the former career. Richard Adams was an unfulfilled middle-aged middle civil servant before he wrote the *Watership Down* bestseller, which has now sold more than 7 million copies. It's not at all uncommon for analysis of happiness or achievement islands to allow individuals insight into what they're best at—what is best perhaps for you, what enables you to spend time on totally new activities that have a higher ratio of reward to time than anything you were doing before. There can therefore be increasing returns as well as the possibility of diminishing

returns. In fact, one thing that you should specifically consider is a change of career and/or lifestyle.

Our basic objective when we've identified both the specific activity and the general type of activity that takes only 20% of time but yields 80% of happiness or achievement should be to increase this 20% spent on those or similar activities by as much as possible.

A short-term objective usually feasible is to decide to take the 20% of time on the high-value activities up to 40% within a year. This will tend to raise your productivity by between 60% and 80%. The ideal position of course is to move the time spent on high-value activities from 20% to 100%. This may be possible only by changing career and lifestyle. If so, make a plan with deadlines for how you're going to make these changes.

The last of the seven routes to time revolution is to eliminate or reduce the low-value activities. For the 80% of activities that give you only 20% of results, the ideal is to eliminate them. You may need to do this anyway before you can allocate more time to the high-value activities.

Now, first reactions from people are often that there's little scope for escaping from low-value activities. They're said to be inevitable parts of family, social, or work obligations. If you find yourself thinking this, then think again. We normally have great scope to do things differently within our existing circumstances. Remember what we said before: Be unconventional and be eccentric in how you use your time. Don't follow the herd. Try your new policy and see what happens. Since there is little value in the activities you want to displace, people may not actually notice if you stop doing them. Even if they do notice, they may not care enough to force you to do them if they can see this would take a major effort on their part.

But even if dropping the low-value activities does require a radical change in circumstances, such as a new job, a new career, new friends, or even a new lifestyle or partner, form a plan to make the desired changes. The alternative is that your potential for achievement and happiness will never be attained.

To sum up here, I am now going to list my top 10 low-value uses of time. You can only spend time on high-value activities, whether for achievement or enjoyment, if you've abandoned low-value activities. So I invite you to identify your own low-value uses of time. To check that you've not missed some, I'm now going to list the 10 that I think are most common.

First of all, things other people want you to do. Second, things that have always been done this way. Third, things that you are not unusually good at doing. Fourth, things you don't enjoy doing. Number five, things that are always interrupted.

Sixth, things that few other people are interested in. Seventh, the things that have already taken twice as long as you originally expected. Eighth, things for which your collaborators are unreliable or low quality. Ninth, things that have a predictable cycle. And my number ten low-value use of time is answering the telephone.

Be ruthless in cutting out these activities. Under no circumstances give everyone a fair share of your time. After all, don't do something just because people ask or because you receive a phone call or a fax or an email. Follow Nancy Reagan's advice in another context and "just say no," or treat the matter with what Britain's George Brown called "a complete ignoral."

Now what about the other side of the coin? What are the top 10 highest-value uses of time? Here is my top 10. First of all, things that advance your overall purpose in life. Number two, things you've always wanted to do. Number three, things already in the 20/80 relationship of time to results, 20% of time, 80% of results. Things that are already producing super-productive results. Fourth, innovative ways of doing things that promise to slash the time required and/or multiply the quality of results.

Number five of the best ways of using time, things other people tell you can't be done. Number six, things that other people have done successfully but in a different arena. Number seven, things that use your own creativity. At number eight, the things that you can get other people to do for you with relatively little effort on your part. Number nine, anything with high-quality collaborators who've already transcended the 80/20 rule of time, who use their time eccentrically and effectively. And number ten, things for which it is now or never. When thinking about any potential use of time, I suggest we ask ourselves just two questions. Number one, is it unconventional? And number two, does it promise to multiply effectiveness? I believe it's unlikely to be a really good use of time unless the answer to both questions is yes.

What time revolution implies above all, I think, is that we live in the present. The present moment actually is vital. Enjoy living in the present moment—don't live in the past or the future. Time does not run out; it doesn't run from left to right. As the round clock tells us, time keeps coming 'round. Time enjoyed in the past is still there. Our achievements and our good deeds still stand. The present is real and precious, regardless of how long or short our

future will be. We can be proud of our past and we can hope for our future, but actually we can only really live in the present.

This 80/20 view of time makes us more relaxed and more connected. Relaxed because time gone is not time used up. We're more connected to what is going on now and to other people. We have the precious gift of life today being enjoyed and experienced how we like. Each moment of life has the quality of eternity because it has the stamp of our own individuality, because we experience it in our own way. When we say that time stands still, what we mean is that we are totally absorbed in the present. We are everything, and we are nothing. Time is both fleeting and eternal. We're happy, and life has meaning. We're part of time; we're also outside of it. We don't notice time going.

Time revolution can bring us more joy in less time. When the present moment has meaning, time is one seamless whole; it's valuable and yet it's inconspicuous. The rush is over. Anxieties recede, and bliss can balloon. We can be intensely happy in no time at all. When we're one with life and the universe, we step outside time, and we basically reach the highest form of more with less.

About the Author:

Richard Koch is a highly successful entrepreneur, whose ventures have included consulting (LEK), personal organizers (Filofax), book publishing (Capstone), hotels (Zoffany), restaurants (Belgo), and premium gin (Plymouth). He was formerly a consultant with The Boston Consulting Group and a partner of Bain & Company. Richard is currently an investor-director of Betfair, the world's largest betting exchange, which is by far the largest European Internet business and is growing at more than 10 percent each month. He also advises private equity groups in Europe and South Africa. He is the author of 13 books, including The 80/20 Principle, which has sold over half a million copies and has been translated into 23 languages. His latest book is The 80/20 Individual: The Nine Essentials of 80/20 Success at Work.