

The Secret to Success by Achieving More with Less

by Ronald K. Wills

“Seek and you will find where a little bit of effort yields great Rewards.”

Pareto's Principal in 2 minutes: The Pareto Principle, or '80-20 Rule' (among other names) is surely one of the simplest and most powerful management tools on the planet. It's a remarkably quick easy way to assess, understand, and optimize virtually any situation involving distribution or usage of some kind.

The Pareto Principle (at a simple level) suggests that where two related data sets or groups exist (typically cause and effect, or input and output), for example:

- “80 percent of output is produced by 20 percent of input”
- “80 percent of outcomes are from 20 percent of causes”
- “80 percent of contribution comes from 20 percent of the potential contribution available”

One thing to note: It doesn't have to be 80-20 nor does it have to add to 100%. What we are looking at is a principal that says there is a distortion in output in that the majority of the output will be created by a small share of the input. It could be 90% of the output is created by 30% of the input, eg. 90% of the sales for a particular company was found to be generated by 30% of the sales team.

At GlobalCEO Solutions, we call these inequalities of input and output, “**Leverage Points.**” What are **Leverage Points**? They are actions that provide disproportional returns for the amount of effort expended. Every company has them, you just

have to become aware. Even the best run companies have Leverage Points. Take EagleBank, for example. It is one of the best run banks in the Washington Region, yet I uncovered a significant leverage point during my first week working for them. It was in their tracking of sales efforts across the three jurisdictions they operate: Maryland, Washington, DC and Virginia.

The process of collecting sales data was cumbersome. Excel spreadsheets were filled out by individual calling officers, these spreadsheets were then forwarded to the regional manager for consolidation who then sent their consolidated spreadsheets to the head of branch banking for further consolidation. We were lucky if the weekly reports would be issued in time for the weekly sales meetings.

By simply tapping the software they had in-house, in fact every company that has a Windows Server has this software, we designed a system at literally NO COST that tracked all sales activities across the company in two weekends. Sales reporting took a big leap forward and with only one 30 minute training session with staff, we had the sales force at a 95% accuracy level within the first 30 days.

Be open to leverage points! I have practiced my observational skills over the past 20 years to be better able to uncover leverage points in any company of any size. Once trained, you too will become aware of these leverage points in your organization.