The Pareto Principle – 80/20 rule

Introduction

The Pareto principle, also known as the 80/20 rule, is one of the most popular statements used in business. Named after the economist Vilfredo Pareto, who published a famous paper, in the 19th century, that demonstrated how nearly 80% of Italy's land was owned by 20% of the population. When testing this principle, he also found that 80% of the wealth and land in almost all countries was controlled by 20% of the people. He also found this to be true when he observed his garden, finding that 20% of the pea pods yielded 80% of the peas.

The Pareto Principle, is a concept that many have adopted for their life and time management. It is the idea that 20% of the effort, or input, leads to 80% of the results or output. The point of this principle is to recognize that most things in life are not distributed evenly. The key to the principle is to identify that around 20% of one's actions on the most productive tasks lead to the most success.
This principle requires and enables us to spot the few important things that are happening and ignore the mass of unimportant things. Essentially, if we spend a short amount of time on what is really important, this will yield greater results than focusing on as many things as possible. The Pareto Principle is a concept that has shown to be powerful when applied to many areas of life, including in business, relationships, learning, and marketing, to name a few.

Vitamin Definition

The Pareto Principle states that 80% of the results is out of 20% of the efforts for any given event.

Take this vitamin

When you want to be more effective rather than being efficient.

Vitamin Details

The principle is all about being more effective.

By definition:
Efficiency is about getting more things done.
and
Effectiveness is about getting the right things done.

The Pareto principle is commonly used in business and for any industry.
This is because the 80/20 rule is helpful in determining where you can focus your efforts to maximize your output.

It can mean all of the following things:
20% of the input creates 80% of the result
20% of the workers produce 80% of the result
20% of the customers create 80% of the revenue
20% of the bugs cause 80% of the crashes
20% of the features cause 80% of the usage

People may not realize that the 80-20 rule is a precept, not a hard-and-fast mathematical law. Furthermore, it is isn't necessary that the percentages equal 100%. Inputs and outputs simply represent different units. The percentages of these units DO NOT have to add up to 100%. It's the concept behind the rule that matters.

For example
20% of the workers could create 10% of the result, Or 50%, Or 80%, Or 99%, or even 100%.
Think about it: in a group of 100 workers, 20 could do all the work while the other 80 not active.
In that case, 20% of the workers did 100% of the work. Remember that the 80/20 rule is a rough guide about typical distributions.

EXAMPLES:

- **Productivity**

You can use the 80/20 rule to prioritize the tasks that you need to get done during the day.
The idea is that out of your entire task list, completing 20% of those tasks will result in 80% of the impact you can create for that day.
So, in order to get the most impact done, identify which tasks have the most impact for your team and focus on those for the day.
To do this, list out all of the things that you need to get done that day. Then identify which of those tasks have the highest impact.
Do any of your tasks involve collaborating with other teammates? Are there any tasks on your plate that are blocking projects from moving forward? These tasks may be simple in execution, but they can make a large impact to the rest of the team by allowing the process to keep flowing.

- **Marketing**

20% of posts generate 80% of traffic
Those who work with content marketing can use the Pareto 80/20 rule to analyze the most effective posts. Discover their common characteristics, and try to use them in upcoming content creations.
In addition, with the remaining 80%, try to optimize them by adapting them to the 20% that work well.

- **Projects**

20% of software development efforts account for 80% of the program's functionality
Programming hours are expensive and learning from the Pareto 80/20 rule can be a determining factor for the development of new software, allowing the creation of a manual of good practices and a database of successful projects to consult.