

Applying the 80-20 Rule to Your Operation

By Tom Batchelder

We are delighted to be offer this guest post from Tom Batchelder, the founder of Perficiency (www.perficiency.com), a national sales coaching organization based in San Francisco. Tom coaches progressive business leaders in the areas of sales excellence and life success and is the author of "Barking Up a Dead Horse: Avoiding Wasted Time & Effort in Business to Business Sales. tom@perficiency.com

How much time and energy do your top clients require? Pick from your top five clients and think about the time and energy they require on a scale of 10 to 100 percent. When you measure the time they require against the financial



impact they have for you and your organization, the numbers may surprise you.

I recently spoke to a client who runs a growing technology firm who analyzed his 100 clients and he determined that the top 15 clients resulted in 87 percent of his total business. And when he thought about it further, he realized those 15 clients were a more reliable source of quality referrals. At the same time, he realized those clients really only took up about 20 percent of his time and attention.

Those are powerful numbers. What are yours? Ask yourself if you're focusing your energy and attention on the activities that are most effective in building your business? Get really clear about the kinds of people you want to spend your time with and the kinds of business you want to work on. Ask yourself what you are tolerating, dealing with, really not enjoying in your client relationships.

As humans we are very uncomfortable not giving people what they want when they want it, even if doesn't make sense. We are often terrified to tell even the most unreasonable prospects and clients no, not to mention fire them. As good people who pride ourselves on high levels of responsive client service and a customer is always right attitude. Sometimes we can take that too far, and it's just bad business.

Look at your book of business and consider where you're spending your time, energy and attention. Challenge yourself to make some more hard and smart decisions about whom and how you work with your clients. Be more specific about what kinds of new prospects you're looking for *more of* and how you can leverage your best client relationships to find more business opportunities.

You attract what you more specifically define. You get *more of* what you tolerate.

The same 80/20 rule applies for the more mundane parts of your business as well. If you find you are spending too much time managing staff, dealing with routine bookkeeping, or cleaning the office, then it's time to rethink your priorities. Focus on what matters, and get someone else to deal with the routine stuff that doesn't directly help you build your business.