



## 80/20 business wins

Support tools and resources

# Your time is too precious. So how do you avoid wasting up to 80% of your working week?

Why would any right-minded business owner waste 80% of their working week generating just 20% of their profits?

Look at it differently. Who'd choose to work 4 days a week to produce only 1 day's worth of results?

Strangely, so few of us consciously, deliberately and persistently put this universally recognised 80/20 principle to work for us.

**STOP:** spending precious time on low-level tasks, low-level admin, low-level customers and low-level marketing activities.

**START:** looking for '80/20 wins' so you can unlock greater results in your business.

### CONTENTS:

#### 80/20 business wins – your time

Here's how you apply 80/20 thinking to your use of time (and how you apply 80/20 thinking to other aspects of your business):

1. Colour-code each activity in your diary or Outlook calendar for 80/20
2. Decide which low-value 'red-time' activity is easy to stop and which is harder to stop
3. Work out how to stop this low-value 'easy-to-stop' 'red-time' activity
4. Decide which high-value 'green-time' activity you should do more of
5. Build your new high-value 'green-time' into your diary and make it happen, regularly

#### Other 80/20 business wins:

6. 80/20 customer lists
7. 80/20 marketing investment

## Here's how you, in detail, achieve '80/20 business wins' from your use of time...

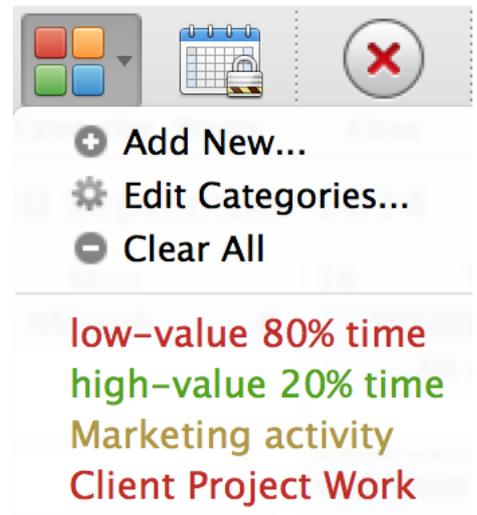
### 1. Colour-code each activity in your diary or Outlook calendar for 80/20

Look at last week's diary or last month's diary and mark each activity red or green.

The 'categorize' option built into the appointment section of Outlook will help you to do this.

Red for low-value 80% time – time with lower level customers, time with insignificant suppliers, time on low-level admin, or similar.

Green for high-value 20% time – time with high-level customers, time with influential contacts, time training your best people.



**There's two well-proven ways to help you analyse your time:**

- a. Use the '80/20 Time Recording Sheet' (Appendix 1) to record what you do during a working week. It's really good to do at least two weeks so you can see repeating activities. The sheet provided uses 10-minute intervals – you can make this 15 minutes if you wish or 6 minutes if it suits your business better.
- b. Use the 'Important/Urgent Matrix' to rank your use of time (Appendix 2) to help you determine what's high-value 20% 'green time' and what is low-value 80% 'red time'.

### 2. Decide which low-value 'red-time' activity is easy to stop and which is harder to stop

Step 1 means you can quickly and easily identify the low-value 'red-time' jobs.

Your next job is to work out which 'red-time' jobs can be delegated **quickly and easily** to others or simply not done at all. To begin with look for the quick easy wins. Later you can be more strategic and tackle the tougher but possibly more worthwhile changes.

NB The '80/20 Time Recording Sheet' in Appendix 1 can be used to help indicate whether they are easy or hard to stop.

You are looking for four types of work:



## 80/20 business wins

Support tools and resources

- Work that doesn't need doing, ever
- Work you can leave till later
- Work you can delegate internally
- Work you can delegate externally

### What types of low-value jobs do you really want to stop?

- a. Simple, low-value jobs, that repeat every day or every week should be stopped or delegated to others. **For example:** If you find yourself deleting lots of spam-like emails or unsubscribing every day you could be using 30 minutes a day on this low-value 'red-time'. 2.5 hours a week in which you could be doing high-value activity like talking to a valuable team member or customer or writing a new marketing piece.
- b. Jobs you always do because you've always done them! Because we are habitual animals we do a lot of things, a lot of the time, unconsciously. This time analysis exercise can open your eyes to those things you're doing that just don't need to be done or could be done better by someone else. It's not uncommon to find a business owner opening the post because they have always opened the post!
- c. Stop anything you can help someone else do if you trained them to do it.

### 3. Work out how to stop doing this 'easy-to-stop', 'red-time' activity yourself. You have a number of options:

- Work that doesn't need doing, ever
- Work you can leave till later
- Work you can delegate internally
- Work you can delegate externally

Sometimes low-value 'red-time' jobs just have to be done – just not by you.

To successfully get someone else to do these low-value but necessary jobs follow this well-proven 'mentoring' process to train them:

- a. **You do it, whilst they watch.** And if you can give them a running commentary on what you're doing, how you do it, and why you're doing it, you'll help them understand and hard-wire the task better. You may need to do this a few times before they and you are ready to go to stage b)
- b. **They do it while you watch.** Get them to give you a running commentary on what, how and why they are doing it. Again you might want to see them do it a few times till you are happy to go to stage c)
- c. **They do it and report the instant they have done it.** This means you and they can quickly rectify any hiccups they might make. And when there are no hiccups

you'll encourage them to go to stage d)

- d. **They do it and report routinely it's done.** By reporting weekly or monthly you can be kept informed that all is going well. You might even choose to manage by exception only.

#### 4. **Decide which high-value 'green-time' activity you should do more of...**

Work out which of your high-value 'green-time' activities deliver the biggest results for you and your business. Rank them (using the time recording log in the appendices)

This is another opportunity to seek out some quick wins. Steps 1-3 free up low-value time. Now it's time to rank your 'green-time' jobs and decide what you must do more of to get a quick return.

- a. As accountants we know that if we speak to more clients more often, or meet more clients more often, we will better secure the loyalty of those clients, and possibly spot an opportunity to help those clients more.

This can be both quick and easy AND high-ranking use of time. What's your equivalent?

- b. Fire-fighting jobs (urgent and important jobs) will look like high-value 'green-time'. An important customer who has an urgent order for you might look like high-ranking, high-value 'green-time'.

However, preventing such fires ever occurring could be viewed as even more valuable 'green-time'.

More time with clients on a regular basis might reduce urgent orders. More time with your team training may prevent future fires. Prevention is better than cure they say – if you are responding urgently to anything there's probably a way to reduce or stop the urgency through high-value planning, training or customer care.

#### 5. **Build your new high-value 'green-time' into your diary and make it happen, regularly**

So much of our diary time happens by accident rather than being deliberately planned. By looking for '80/20 wins' you bring greater planning to your most precious resource, your time.

Make better use of your diary time a habit and you'll hard-wire greater success into your business. As a business owner, if you can see next month's diary mostly planned out, you are using your diary well. If on the other hand, you've got a few things planned but



## 80/20 business wins

Support tools and resources

know all your time will get used (and more), you can put the exercises in this Business Bitesize to massive use for greater success and profits.

### Other 80/20 business wins:

#### 6. 80/20 customer lists – your path to greater sales success

This section is definitely high-value 20% 'green-time' activity. Follow these guidelines and you might just see several ways to grow your sales and profits.

There are many ways you can categorise your clients in order to identify your top 20% (and the other 80%).

- **Revenues**
- **Expected lifetime value**
- **Customer Profitability**
- **Easy to work with**
- **Order frequency**
- **Number of recommendations**

- a. When analysing your customer list using the 80/20 principle **decide on your selection criteria**. You could use more than one criterion if you feel this gives you a more balanced view.

But in the interests of achieving quick easy wins start with revenue received per customer in the last 12 months – or a variation of this to suit your business.

Profitability per customer would be better but can be harder to work out (if you'd like some help with this please give us a call).

- b. Once you can list all your clients with their revenues over the last 12 months it's a small step to identify your 80/20 split (or 70/30 or 90/10) for your customer list.

Using excel can make this process much quicker and easier.

You want to see which and how many customers contribute 70% or 80% of your total revenues.

This list of customers are arguably your most valuable. They are the ones you'd like most to replicate (find more that look and behave the same way).

- c. Now it's time to have a close look at these top-level customers.

Here's a few things to consider that can suggest, direct and influence your sales, marketing and customer care resources, time and money.

- **What industry sector are they in** (Does your product/service work better for certain types of customer or industry sector? And how can you better market/sell to these segments)
- **Which sales person won the customer** (What can your other sales people learn from the one or two who win you your top 20% customers?)



## 80/20 business wins

Support tools and resources

- **Where did the original lead come from** (Our number one source of high-value customers is word-of-mouth recommendation – what's yours?)

### 7. 80/20 marketing investment

A recent analysis in the accountancy profession suggested thirteen sources of leads for accountancy firms. The same report showed that 100% more converted new clients came from customer recommendations than any other lead generation source.

You could seek out similar findings in your industry and compare the results with the specifics in your business. It may suggest other ways you can grow your business.

And by carefully analysing the way your best 20% of customers find you and start working with you, you can see where you should invest more marketing time and effort and resources.

**IMPORTANT:** If you want to discuss any aspect of this 80/20 business wins concept please feel free to give us a call



# 80/20 business wins

Support tools and resources

## Appendix 1 – 80/20 TIME RECORDING LOG

### 80/20 time recording log

00:10 TIME	ACTIVITY DESCRIPTION	HIGH-VALUE 20% GREEN TIME	LOW-VALUE 80% RED TIME	Ranking	Easy to start or stop	Hard to start or stop	80/20 business wins next step
08:00:00							
08:10:00							
08:20:00							
08:30:00							
08:40:00							
08:50:00							
09:00:00							
09:10:00							
09:20:00							
09:30:00							
09:40:00							
09:50:00							
10:00:00							
10:10:00							
10:20:00							
10:30:00							
10:40:00							
10:50:00							
11:00:00							
11:10:00							
11:20:00							
11:30:00							
11:40:00							
11:50:00							
12:00:00							
12:10:00							
12:20:00							
12:30:00							

## Appendix 2 – TIME ACTIVITY RANKING MATRIX

	IMPORTANT	NOT IMPORTANT
NOT-URGENT	<p><b>Category 2</b></p> <p><b>BUSINESS</b></p> <ul style="list-style-type: none"> <li>- Training your people</li> <li>- Business planning</li> </ul> <p><b>PERSONAL</b></p> <ul style="list-style-type: none"> <li>- Exercising</li> <li>- Reading</li> </ul>	<p><b>Category 4</b></p> <p><b>BUSINESS</b></p> <ul style="list-style-type: none"> <li>- Deleting spam emails</li> <li>- Responding to low level emails and Facebook</li> </ul> <p><b>PERSONAL</b></p> <ul style="list-style-type: none"> <li>- Watching television</li> <li>- Clothes shopping (unless you're a teenager!)</li> </ul>
URGENT	<p><b>Category 1</b></p> <p><b>BUSINESS</b></p> <ul style="list-style-type: none"> <li>- Customer complaint handling</li> <li>- Pressing team issues</li> </ul> <p><b>PERSONAL</b></p> <ul style="list-style-type: none"> <li>- Feed the kids</li> <li>- Get kids to school on time</li> </ul>	<p><b>Category 3</b></p> <p><b>BUSINESS</b></p> <ul style="list-style-type: none"> <li>- Answering the phone to any caller</li> <li>- Signing for a UPS delivery</li> </ul> <p><b>PERSONAL</b></p> <ul style="list-style-type: none"> <li>- Buying tea bags or milk</li> <li>- Tidying the house up for imminent guests</li> </ul>