

# The Pareto Principle (80-20 Rule)

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# Introduction

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- The Pareto Principle
  - Presented by Italian economist Pareto in 1906

**80% of the consequences originate from 20% of the causes**

# Some sample 80/20 rule

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- ❑ Applications 80% of process defects arise from 20% of the process issues.
- ❑ 20% of your sales force produces 80% of your company revenues.
- ❑ 80% of delays in schedule arise from 20% of the possible causes of the delays.
- ❑ 80% of customer complaints arise from 20% of your products or services.

# Implementation of Pareto Principle

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- ❑ Can be implemented in various areas of life
  - ❑ Example : 80% of the world's wealth is controlled by 20% of the people.
- ❑ Can also be applied in Project management.
  - ❑ Stakeholder management
  - ❑ Project timelines
  - ❑ Resource management
  - ❑ Team meetings
  - ❑ Project data
  - ❑ Risk management.
- ❑ It implies that 20% of the actual work down in project shall produce 80% desired results or achieve 80% objectives.

# What needs to be done ?

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- ❑ As a Project Manger
- ❑ Identify and focus on that 20% work

# Stakeholder management

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- ❑ The more the stakeholders
  - ❑ More chances of project failure
- ❑ Round about 20% stakeholders are actually the most relevant
  - ❑ May ensure the success of the project
- ❑ 80% of your effort should focus on those 20%.
- ❑ How 20% should be selected
  - ❑ Project Managers responsibility
  - ❑ Break down their role
  - ❑ Asses their importance in terms of their required support

# Project timeline management

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- ❑ Among overall project tasks, round about 20% of the tasks produce 80% results.
- ❑ Identify most critical task.
- ❑ Avoid wasting time on less important tasks.
- ❑ Deploy maximum resources for critical tasks.
- ❑ Ensure time deadlines are met for these tasks.
- ❑ Use different project management tools.

# Resource management

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- ❑ The most important resource is the human resource.
- ❑ Having too many people working in a task is never good.
- ❑ There are round about 20% people in a project who have great skills and great ideas.
- ❑ Identify them and focus on them.
  - ❑ Manage them
  - ❑ Value them
  - ❑ Appreciate them
  - ❑ Reward them
- ❑ However , ensure not to overload.



# Risk management

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- ❑ Risk, problems, issues, conflicts and ambiguities are part of project.
- ❑ It is believed that there are round about 20% of key issues that cause 80% of the problem.
- ❑ As a Project Manager
  - ❑ Identify those issues
  - ❑ Identify their source
  - ❑ Prioritize them
  - ❑ Plan for them

# Productivity period

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- ❑ There is a certain period of a working day where the productivity is maximum.
- ❑ Actual development work is at its peak.
- ❑ Rest of the day
  - ❑ Meetings
  - ❑ Lunch
  - ❑ Breaks
  - ❑ Prayers
  - ❑ Off site
- ❑ As a project manager
  - ❑ Identify that peak time
  - ❑ Ensure maximum productivity

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**By accounting for the 80/20 rule in all areas of project management, projects can be organized, planned, streamlined and completed most efficiently within time and budget.**

**And that what we really care about.. Agree ????? 😊**