

## Episode 212: Research-Wisdom-Action #22 - The Pareto Principle of 80/20

The 80/20 rule. You've heard of it, right? A lot of folks have offhandedly said something related to the 80/20 rule with a certain air of wisdom without having any idea of its origins. But every time I've personally heard that idea called out, there's never been even one objection from the people listening—in fact, there are knowing nods, even when listeners have never heard it before. Yeah, when something is said like...

"20% of the people do 80% of the work." Or: "80% of our church's success is due to 20% of our members." Or this: "Our company would fall apart if it weren't for a few key people!" You know the drill—you've likely heard it yourself...or even said it!

Funny thing is, everyone familiar with this "knows" that the percentages in this 80/20 adage are really just an approximation. But they still seem to receive such an assertion as if it's definitely true as a very useful, very practical guide! Yeah, it turns out, *many* folks apparently think the idea's valuable for thinking and acting on challenges and opportunities—yeah, even Jesus...and we'll take a look at that in a minute.

Yes, this guide is often known at the street level as the "80/20 rule." But its roots and development are pretty interesting. It all started a bit over a century ago with Italian mathematician-turned-economist Vilfredo Pareto. In fact, you often hear the 80/20 rule called the Pareto Principle or the Pareto Rule.

It all started when Pareto concluded at the time that 20% of the people in Italy owned 80% of the land. Yeah, that's right, 20% of Italians owned about 80% of the land. Did your sharp political antenna pick up on that? Thought so. If you're a free-markets person, you might say: "That sounds about right. The astute use of talented folks' gifting plus hard work focused on buying land yields fruit!" But if you're a socialist, you might say, "Unfair inequality!" And that is true...when a king or a government simply takes it away!

Look, the truth is, everywhere on the planet where generally-free markets reign, larger resources flow to a smaller group of people for two key reasons: human nature and good stewardship. Human nature? Yeah, some folks are industrious, acquisitive hoarders, while other folks are rather lethargic squanderers. And about stewardship? Some folks take great care to become long-term, trusted stewards...many don't.

Old Testament Bible verses point in these directions. Proverbs 21:5 says, "The plans of the diligent lead surely to abundance, but everyone who is hasty comes only to poverty." Proverbs 21:20 says, "Precious treasure and oil are in a wise man's dwelling, but a foolish man devours it." How about Proverbs 13:22? "A good man leaves an inheritance to his children's children, but the sinner's wealth is laid up for the righteous." Notice each of these proverbs *speaks to key contrasts*: the diligent, the wise, the bequeathers are compared to the hasty, the foolish, the sinners! After hearing these verses, 80/20 sounds about right!

And how about the Parable of the Talents taught by Jesus Himself in Matthew 25. That's when a wealthy person invests varying amounts with three stewards. The first two stewards both double the invested amounts—but the third fearfully hid the treasure, not increasing the amount invested at all! And that third person's portion to steward was taken away and given to the best steward in the story! This story points to the resources allocated to bad stewards being shepherded away to great stewards. *But look:* Jesus spun a New Covenant narrative of *pure stewardship for others*, neutering assumptions of greed!

Nowadays, the 80/20 rule that we hear referenced is often more about a company culture or a church setting...yeah, that would be how certain, very focused people produce *much better comparative results* with more effort...with more savvy...with higher productivity—all manifesting a superior stewardship mindset that produces observably better results. Yeah, results that are clearly, measurably, resoundingly better than the results of others in the organization...as well as results of those in competing enterprises!

The 80/20 rule is popular in some modern tech specializations—the truth is, the savvy needed to devote scarce company resources begs for the best 80/20 thinking! But it's mostly rare. Does your company's list of software "fixes" indiscriminately focus on whatever the squeakiest wheels say—instead of the most impactful 20%? Is the company spending the lion's share of budget on priorities that will only solve a relatively small part of the problems? How about the company's investment of humongous resources on



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payroll and the sadly futile training of those 80% of workers who harbor little motivation to perform at high levels? If you're a seasoned warrior in a large enterprise, you often see lack of laser-focus. That's the point: it's very unusual when enterprises truly focus on the 20% that can solve 80% of problems!

But, even so, we can and should go to the next level! How about the top 20% of the top 20%—that yields the top 4% of employees, priorities, projects, time allocation, customer focus? And when the Pareto relationship generally holds true, then 4% of your very top knowledge workers can yield results at the 64% level...yeah, 80% times 80% is 64%! Hey, is your organization's wise, concentrated focus on deploying the true 4%? Yes indeed, your organization's best leverage for success is, by far, its focusing on the top 4%!

But let me be blunt here: from the targeted list I just gave, which is *most important when it comes to the* 4%? So, is it 4%—as to top projects or priorities or time allocation or customer focus or people? Of course, the answer, hands down, is *people!* And the reason why is clear: when you secure the top 4% of people, they're the folks who will most likely *then* select the top 4% of projects, priorities, time allocation, and customer focus! But is your enterprise *truly* focused on selecting, training, and rewarding the top 4%? Really now? Sadly, many companies are complacently letting the lower percentages of their workforce drag down their strategy, their policies, their operations. 'Course, that's often manifested as *bureaucracy*.

The truth is, every business or nonprofit organization—even the best—starts lagging and then is ultimately rendered irrelevant and ultimately forced "out of business" by superior competitors. Hey, enterprises don't fail because they retained and rewarded the top 4% of highly knowledgeable, effective workers!

These principles are exemplified in very illuminating ways by... Who Else... the Son of God in His Kingdom! Talk about literally being totally off the percentage charts: the sinless Jesus Himself started by proclaiming the Gospel of the Kingdom. And during His ministry, He impacted multitudes in miraculous ways—yes, He was planting seeds in many who would ultimately become His followers. But He really spent His most precious time selecting, training, and discipling a few—the Twelve. This was Jesus's approach to high-end knowledge workers, a group that calculates to be much more selective than even 4%! Legend has it that all His Apostles except John died horrible deaths because of following Jesus. But look at their living legacy!

But when Jesus's true Apostles were indeed bickering about who was the greatest or denying following or even knowing Jesus, were they really, truly functioning at the top? That's even more interesting than it sounds: when those Apostles were first discipled by Christ and then taught and directed nonstop thereafter by the Holy Spirit (John 14:26), they ultimately received a remarkable fullness of discipleship. Witness Peter changing from a Jesus-denier to his many remarkable activities documented in Acts. That's the one-two punch of Christ and Holy Spirit that endures all the way to us—Christ + Holy Spirit! Sadly, for 2,000 years, many have self-selected deficient personal theologies that proudly avoid Spirit-led activity!

And, beyond the original Apostles, what about the astonishing, exemplary Apostle Paul? Beyond the three Persons of the Trinity, no other person has impacted as many millions for completeness as Paul. Fearless missionary, gospel-proclaimer, church planter, accurate receiver of God's revelation, submitter to God, epistle writer, explainer of the Holy Spirit, expositor of Christ-fulfilled meanings of Old Testament Scripture. Truly, God has leveraged Paul into extraordinary impact each century...for countless centuries!

So how's your church doing today? Is it pretty much an 80/20 story? That would be no surprise at all: Jesus Himself said the laborers are few for the harvest. And how's your workplace doing today...more than a bit discouraging? Well, that spells opportunity for your positive impact helping your organization: Jesus calls us all to our highest percentages wherever our full-time ministries...from family to church to workplace!

So, are you at 4%? 1%? Here's the beautiful thing. It's not about you doing 80% of the work—it's about outsized, Spirit-led impact! Jesus said that some disciples will bear thirtyfold, sixtyfold, and hundredfold fruit. Ask God to give you the wisdom to steward with "hundredfold fruitfulness." In all our roles, let's be those who have a Paul-like and Pareto-like DNA! Yes, with God's help, let's be in the top percentage!



## A&A: Application & Action

| 1. | What's your personal experience regarding seeing 80/20 in company workplace priorities and output? In other words, does your company allocate its spending resources to the best 20% to solve the most problems? Discuss.        |
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| 2. | How about your church? Do you observe a relative few have a much greater impact than the rest of the church's members, be it fruitfulness in building up fellow believers or in living missionally among non-believers? Discuss. |
| 3. | Are you striving to be in the top 20% of productivity-contributors to your enterprise involvement, whether workplace or church or both? Top 4%? Why or why not?  |