



# Power of 16X

How to Multiply Your Personal Effectiveness and Revenues  
by 16 Times in the Next 12 Months - By John Assaraf

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**Abstract:** Want to grow your business revenues 16 times faster than you are now? Then stop doing the things you shouldn't be doing and instead spend the majority of your time on high-impact, revenue-generating activities that are most essential to your business. What are those activities? OneCoach CEO John Assaraf outlines a simple three-step process for tracking how you spend your time, identifying the activities that are most critical to your business, and learning to work more effectively to increase revenues faster than you thought possible.

## OVERVIEW

### Using the Pareto Principle to Increase Revenues

In 1906, an Italian economist named Vilfredo Pareto became fascinated with the distribution of wealth in his country. As he studied where wealth came from, who accumulated it and why, he concluded that the wealthiest people were not necessarily the smartest people, but they did do things differently. He also came up with an economic principle that said 20 percent of the people typically own 80 percent of the wealth.

Two decades later, management guru Joseph Juran introduced this "80/20 Rule" to the business world, calling it Pareto's Principle, or Pareto's Law. Over the years, Pareto's Principle has been applied to many areas of business, and has yielded some very interesting findings. For example:

Studies of leading North American banks show that:

- » 15 to 20 percent of a bank's customers generate up to 95 percent of the bank's profits.
- » 5 percent of all Internet sites generate more than 85 percent of all Web traffic.
- » 8 percent of the e-mails you send out typically go to only 20 percent of the people on your e-mail list.

### What does this mean for the entrepreneur and business owner?

It means that to increase revenues and profits and grow your business, you cannot allocate the same amount of time to all of your business management activities.

In fact, the secret to running a successful business—whether you have \$1 million or \$1 billion in annual sales—is to find out what you *should* be doing and hire, barter or outsource people to do everything else.

## Here's how the Pareto Principle can help multiply your business revenues and personal effectiveness by at least 16 times.

Suppose your business has 50 different activities, such as sales, marketing, operations, finance, research, customer service and so on. According to the Pareto Principle, 20 percent of those activities will generate 80 percent of your revenues. Conversely, 80 percent of those activities will generate only 20 percent of your revenues. Doing the math shows that 10 out of the 50 activities will produce four-fifths of all the income your business generates.

Now, assume that your business takes in \$100,000 a month. According to the Pareto Principle, 10 of your 50 activities would account for \$80,000 of your monthly revenue, which works out to \$8,000 per activity. Conversely, 40 of the activities would produce only \$20,000 each month, which pencils out to a paltry \$500 per activity. Sixteen times 500 equals 8,000, so your top 10 revenue-producing activities are 16 times more effective than the bottom 40.

Suppose you took it even further and moved the 80/20 ratio to 90/10, so that only 10 percent of your activities produced 90 percent of your revenues. That would make you *81 times more effective* than you currently are. Merely by focusing your time and attention on the five or ten activities that have the highest impact on your business, you can increase your revenues and income by 16 to 81 times!

### Working More Effectively

If focusing on your five or 10 most impactful activities can increase your revenues 16 to 81 times, here's the million-dollar question: *what specific activities should you be focusing on?*

At OneCoach, we've come up with a three-step process for answering this question, so that you learn to work more efficiently and effectively, grow your business, and increase your revenues faster than you ever thought possible.

#### | Step 1. Identify your Passion and Purpose

Passion is one of the most potent forms of energy in the universe. It emanates from your heart and soul, and sends out a powerful electromagnetic frequency into the universe that attracts people and resources to help you pursue that passion.

Passion is contagious. When you express passion, people are automatically attracted to it. When you're passionate about what you do, your product or service speaks for itself. If you're not passionate about your business, you might want to reconsider why you went into business in the first place.

So the first big question is: **what are you passionate about?**

Next, look at your purpose. Are you in business merely to accumulate wealth or do you have a strong desire to help others? Most very wealthy people have a higher social and moral purpose that goes beyond the simple quest to make money. Yes, they went into business to enjoy a great lifestyle, but they also did it to make a difference in the lives of others.

When you can match up your purpose and your passion, magic happens. It puts you in front of all the others who have lukewarm enthusiasm for what they do. What is your purpose in business, how does it match up with your passion, and how do you combine the two to make the world a better place?

## **Step 2. Identify Your Strengths**

Everyone has strengths and weaknesses. In order to succeed in business, you must get very clear about your unique abilities and then focus on them almost to the exclusion of everything else.

The biggest mistake entrepreneurs make is thinking they have to do everything themselves. Nothing could be further from the truth!

Successful entrepreneurs know what needs to get done and then they figure out how to get it done, not how to do it themselves. If an important task or activity matches their personal strengths or unique ability, they do it themselves. If not, they delegate or outsource it to someone else.

Don't buy into the notion that you will become a better business owner by shoring up your weaknesses. That's a sure recipe for mediocrity. Instead, identify your strengths and spend most of your time using them to perform the highest-impact activities in your business.

## **Step 3. Manage Your Time**

This step is actually a misnomer, because when you get down to it, it's impossible to manage time. What you *can* do is manage your activities by tracking where you spend your time on a daily basis and using that information to help you focus on high-impact activities.

As CEO/owner of your business, one of your most important tasks is identifying the highest income-generating activities in your business and devoting a minimum of 80 percent of your time to those activities. This principle works whether you're a "solo-preneur" with one product or a giant conglomerate with multiple lines of products.

For example, many years ago Corning was suffering a major slump in growth and profits. Management conducted an extensive study of all their product lines and (surprise!) came

to the conclusion that about 20 percent of their products generated a significantly higher return on investment than 80 percent of their other products. Based on these findings, they eliminated all the unprofitable product lines and focused the entire organization on the profitable ones.

## The results?

Corning actually made more money by selling fewer products to fewer customers. They identified their best clients, found out which products made the most money, focused only on those, and their revenues and profits went through the roof!

The only problem was that it took Corning a long time to make the adjustments. We're going to show you how to do it in a couple of weeks.

## Spend Your Time Wisely!

One Coach has devised a special form to help you track how you spend your time. This form lays a foundation for identifying what you are currently doing and what you *should* be doing, based on your highest income-producing activities.

The form is simple to use. Start by identifying the activities that need to occur in your business in the following areas:

- » Sales and marketing
- » Financing and accounting
- » Administrative and human resources
- » Research and development
- » Manufacturing and operations
- » Other

For the next two weeks write down every activity you do in these areas and how much time you spend doing it.

Using a "9-3-1" scoring system, assign a rating to each activity in the three different categories: highest income-producing activity, highest-impact activity and unique ability. For example, if an activity is a highest income-producing activity, score it a nine. If it is a moderate income-producing activity, score it a three. If it is a low income-producing activity, score it a one. Assign a rating for each of the three categories and then add up the total in the "Overall" column.

The "Overall" column indicates the relative importance of each activity to your business. The higher the number, the more essential the activity is to the success of your business.

## How do you determine the score for each activity?

A high income-producing activity would be making a sale or something that leads directly to a sale. A high-impact activity would be something like producing a great website or making sure that your ad copy is properly written to make sales for you. These activities don't directly make a sale, but they play an important role in generating revenue.

To determine whether an activity represents one of your unique abilities, ask yourself two questions: What do I play at that other people consider work? What drives me crazy when other people don't do it as well as me?

For example, you may excel at pulling together all the details needed to see a project through. Or, conversely, you may be good at seeing the big picture that needs to be considered before getting to the detail stage. Regardless of the skill involved, the key is to identify what you do well because you love to do it.

Once you have answered these questions, track all your activities over a two-week period, noting how much time you spend on each activity each day. Before the two weeks is up, you will probably begin to see that you need to be spending more time on some activities and less on others. You will also begin to see that there are lots of activities that you should not be doing. This doesn't mean they don't need to be done, only that you should not be doing them.

## What activities should you be doing?

For the entrepreneur and small business owner, the highest income-producing activity, bar none, is generating revenue. Every day, *your primary focus should be on how your company will generate more revenue*. If you're not spending a minimum of 80 percent of your time on income-generating activities, your business will struggle to grow and increase revenues.

But what about financing, HR, operations and all those other activities you just identified as crucial to your business? Here's the challenge: for a small business, generating revenue must come first and management second. Otherwise your business will never grow to the point where management becomes as important as sales.

If your personal strengths lie in sales and marketing, then you need to spend a minimum of 80 percent of your time performing these activities. However, if your personal strengths lie elsewhere, hire an expert to do the sales and marketing for you and focus your time and energy on those high-impact activities that match your personal strengths. The secret to growing revenues and building a successful business is to focus only on what you do best and hire or outsource everything else.

Will that cost a lot? Sure. But if you're focusing on your highest-impact activities and they are generating 16 times more revenue for you, then you can hire all the people you need and still make a lot more money.

Stop thinking, "I can't afford that" and start thinking, "How do I do that?"  
Work *On* the Business, Not *In* It

Big businesses get built when the owner leverages his or her personal strengths through the use of other people's unique talents and abilities. In other words, successful business owners focus on their highest income-generating activities and then build great teams around them to do all the other important activities they don't do well.

To build a great team, you must overcome the typical entrepreneurial thinking that you have to do everything yourself. More important, you need to stop working in the business and start working *on* it.

The easy part is filling out the time sheet and identifying your highest revenue-generating activities. The hard part is changing your habits and routines so that you actually begin to work more effectively.

Habits and routines are the biggest killers of entrepreneurial dreams. Changing them requires rewiring your brain so that you start thinking like a high achiever. One of the best ways to do that is through positive affirmations.

Each morning, start your day with a positive affirmation that sounds something like this:

"I am a motivated, highly successful business owner. Each day I focus at least 80 percent of my time and energy on the highest income-producing and highest impact-producing activities that I need to be doing in my business. I am most effective when I work on the business rather than in it."

Visualize yourself doing the high-impact activities you need to do, and then record how you spend your time every day. By mentally seeing yourself doing the right activities and then tracking the fact that you actually do them, you begin to erase the old behavior patterns and replace them with newer, more effective ones.

## Dare to Achieve Greatness

Early in my career, I used to teach real estate agents how to sell more homes and increase their revenues. One of the first things I had them do was bring in their day timer to see how they were spending their time. Specifically, we looked at how many hours they spent in front of their ideal client (someone who could buy or sell a home) and compared that to everything else they did, such as meetings, administrative activities and so on.

Invariably, the agents making more than \$750,000 a year spent at least 85 percent of their time in front of their ideal prospect. Those making less than \$50,000 a year spent less than 20 percent of their time in front of their ideal prospect.

You see, it doesn't matter what industry you're in or what products or services you sell. It doesn't even matter how big or small your business is. If you want to make more money, focus your time and energy on those activities that generate revenue for your business.

It really is that simple. If you want to earn 16 times what you're earning now, identify your highest revenue-generating activities, focus on what you should be doing, and hire people to do the other high-impact activities that you don't do well.

The trick is to get started *now*. Because if you put it off in order to do some less-important activity, you will never get around to it.

Make a commitment to yourself to spend one hour each day (starting *today!*) to identify which activities you need to be doing and tracking how you spend your time. Over the course of 365 days, that adds up to the equivalent of nine 40-hour weeks, or two solid months of working on your business rather than in it. Just imagine what you could achieve with that kind of concentrated effort!

You *can* achieve greatness in your business, but only if you focus on the right things. Invest more of your time in your highest income-generating activities, start working on your business rather than in it, and then sit back and watch your revenues grow.

John Assaraf is founder and CEO of [OneCoach](http://OneCoach.com), a business services firm that helps entrepreneurs accelerate growth and achieve financial independence. For more information about how OneCoach can help you grow your business and increase revenues, visit [www.OneCoach.com](http://www.OneCoach.com) or call 858.792.1250.

## Play-Sheet: Your Unique Abilities.

### 16X Your Personal Performance and Multiply Your Business and Personal Revenues

#### Step 1 – Determine your Passion

- » Determine your Purpose
- » Determine your Skills / Strengths / Weaknesses / Unique Ability
- » Determine your Desires / Goal / Vision / Mission

#### Step 2 –The LIST

- » What are **ALL** the activities you are required to do Daily / Weekly / etc.

#### Step 3 – What activities generate the highest positive impact on income on your business

- » Assign a score to them 9 – highest, 5 - medium, 1- lowest
- » Multiply # of hours spent last 30 days

#### Step 4 – Which match your Unique Activities / Strengths

- » Which must you Outsource / Hire / Barter

#### Step 5 – Plan to do only highest Income / Impact Activities

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## TO DO / PREPARATION

- » Keep an hourly log for two weeks of your business and personal activities during your working hours
- » Determine which are the real high income and high impact producing activities vs. the tedious menial few

Begin to outsource, hire or barter the items that are the lowest marked items to the extent possible. If is not possible to outsource low income/impact activities, drop them altogether or identify partnerships to make sure most of the remaining 80% of activities to that give you 20% of the income and impact.

**What do you play at that others have to work at?**

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**What activities do you love to do whether you get paid for them or not?**

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**What drives you crazy when others don't do it well (as well as you could)?**

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**What are you just naturally good at?**

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Activity	Income Producing	Unique Ability	Overall
<b>Administration</b> (e.g. legal, regulatory, corporate management, completing forms, filing, etc.)			
<b>Human Resource Management</b> (e.g. hiring/de-hiring, benefits administration, etc.)			
<b>Research and Development</b> (e.g. research, product development, market research, engineering, etc.)			
<b>Manufacturing and Operations</b> (e.g. product assembly and test, quality assurance, customer service, facilities, shipping, receiving, purchasing, etc.)			
<b>Other</b>			