Why you need to focus on few things

Effective leadership is not about making speeches or being liked; leadership is defined by results not attributes. Peter Drucker

The companies that are successful are the ones that are able to distinguish the businesses and people that give exceptional results from the businesses and people that give mediocre results.

The companies that don't perform are the ones where "all are equal" and where incentives are distributed like rainfall.

Remember, resources are not infinite! Remember, your time is not infinite!

It's necessary to focus on the people and resources that give a greater return and reduce all the others! Always remember Pareto's rule...This rule, known as the "Pareto principle", establishes that:

20% of inputs generate 80% of outputs

20% of causes generate 80% of consequences

but above all....

that 20% of efforts generate 80% of results.

This rule can be applied to innumerable fields: from business, where one is used to finding that 80% of profits are generated by 20% of the customers, to wealth (as we know a small part of the population owns most wealth), and on to personal organisation. It is here that the rule can generate the most extraordinary results. What I would like is that you begin to think with the 80/20 mindset. This mindset means that, each time that you have to decide how to use your time, every time that you have to redefine the actions to reach your goals, every time that you have to redefine the difference that makes the difference for you, abandon the common way of thinking, that asks you to do more, to work more, to get agitated, and pass to the non-linear, almost hedonistic, thinking of the 80/20 rule (read all the books of Richard Koch to have more info on this concept).

Therefore, always think about what the actions will be, and only those, that if applied will let you obtain great changes in your life. Always think about what is NOT necessary to do (80% of actions that lead to 20% of results) and concentrate instead on the 20% that make the difference. (......) Let's go back for a moment to the discourse related to personnel and resources. Here Pareto's law is also applied for which, and of this you can be sure, 20% of your best resources create 80% of your results. On average, 70% of the people in an

organisation have a good performance, 20% top performance, and 10% have an unacceptable performance, then probably have to leave.

Remember that in the end the under performers will "drag" your organisation downward, and this will lead to much greater harm (and sacrifices) than that of dismissing just under performers!

The meritocratic principle must de facto become the basis of your organisation!

Recapitulating you must:

- 1 give clear objectives;
- 2 measure them in a systematic way;
- 3 reward those who perform, basing yourself on results;
- 4 make those who do not perform leave.

Remember that a middle manager that doesn't work can cost you MILLIONS every year, and these are not estimates but calculations made by experts!

Keeping C performers in the company lowers the crossbar for everybody!

Simone Gibertoni

From <u>"The Path to Personal Excellence"</u> by Simone Gibertoni