



80/20 Business Improvement Process

REVENUE

EARNINGS

PRODUCT
DEVELOPMENT

STRATEGY

TALENT

Struggling with executing key initiatives?
Revenue and earnings not meeting industry averages?
Looking for opportunities for talent development?
Any plans for business transition in the future?

WHAT IS THE 80/20 RULE?

The majority of results come from a “critical few” inputs.

- 20% of customers contribute 80% of revenue: Focus on satisfying these customers.
- 20% of workers contribute 80% of results: Focus on rewarding these employees.
- You can focus your effort on the 20% that are most relevant, instead of the 80% that can be a distraction.

HOW DOES IT WORK IN MANUFACTURING?

Used as a discovery tool at the leadership level it can begin to build high level, relevant relationships that result in **Revenues** and **Impacts** while identifying and focusing on high payoff opportunities.

THE PROCESS

- Identify & simplify the core – Revenues, margins, transactions, warranty, procurement, labor, bid hit rates and talent (the 80's).
- The strategic process begins – What, When, Who and Why
- Separate that which is different and create smaller, focused universes. Begin to differentiate between the 80's and the 20's while identifying critical leadership skill sets - key to each segments success.
- Align minimal resources to each segment – Identify only what is needed. Eliminate shared costs to get what is needed, where it is needed and establish the “Plan to Win” for each segment. Assign authority, responsibility and accountability.
- Execution, continuous focus, and improvement – Identify critical KPI's by segment and implement visual systems to monitor progress constantly and demand exceptional results.

HOW TO BEGIN

Meet with an IMEC 80/20 expert to begin the exploration of the intricacies of the 80/20 rule and how it helps manufacturers succeed. This meeting is geared towards business leaders in a group or round table setting and encourages group participation, yet requires minimal commitment.



WORKING WITH IMEC

All manufacturers require assessment and plans that are specific to their needs. IMEC provides the experience, resources and structure companies need to develop a practical plan to suit your organization.

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