

## **Maximize Your Small-business Efforts**

A common issue for small-business owners is having too much to do and too little time.

“The small-business owner wears many hats,” says (Insert name and title) of (Insert county). “On any one day, he or she may need to make a major decision on anything from adding a new product line to finding new customers to reviewing and even doing the financial aspects of the business.”

So how can the business owner make the best use of his or her time?

The simple answer often is to select those items that will maximize business returns. But the difficulty is in knowing which items offer the greatest reward.

“A great place to start for most owners is with the ‘low-hanging fruit,’” says Glenn Muske, the North Dakota State University Extension Service’s rural and agribusiness enterprise development specialist. “Simply put, this is the 20 percent that produces 80 percent of the results for a category of items and, in fact, may even be the 20 percent of all things the business owner has to do where 80 percent of the potential results might be found.

“Most of us have heard, and even used, this rule in conversation at some point in our lives,” he adds. “What you may not know is that it is fairly accurate and even has a name, the ‘Pareto Principle.’”

This rule can help the business owner find those items offering the greatest chance of reward whether that is increased revenues and profits, decreased expenses or feelings of success. It has been shown to work in terms of which:

- products and/or services produce the most revenue
- marketing efforts bringing in the most customers
- customers buy the most
- expenses offer the greatest net results to the bottom line
- shelf space produces the most dollars
- product defects will produce the most problems
- staff will have the greatest production

While the list goes on, spending time on the 20 percent clearly can offer a real opportunity for your small business.

“The difficult part of the principle is determining who or what makes up the 20 percent,” says (Insert last name). “Solid records can provide much of this information. But even while you are getting your records, owners probably have a good idea of the top items in each category. Good records then confirm those ideas and help complete the list.”

Understand that the 80/20 percent rule is a guideline. It may be 75/25 or 90/10. The key point is not to focus on everything but to pick out the items where increased effort can have the greatest

impact. It helps business owners get the most out of their efforts. And when you already have too much to do and too little time, using such guidelines can be of great help in business management.

So feeling stretched thin in terms of time in your business? Look for the 80/20 opportunities in your business where an allocation of time offers the greatest potential rewards.

More help can be found from a variety of sources to help you get the most out of your business. One resource is your local Extension Service office at [insert phone number and email address]. Also visit NDSU's small-business support website at [www.ag.ndsu.edu/smallbusiness](http://www.ag.ndsu.edu/smallbusiness) and sign up for the monthly newsletter. More information can be found on Facebook at [www.facebook.com/NDSUextsmallbiz](https://www.facebook.com/NDSUextsmallbiz) and Twitter at @gmuske. Another resource is [www.eXtension.org/entrepreneurship](http://www.eXtension.org/entrepreneurship).

Your local chamber of commerce also will know of other resources. Examples include the Small Business Administration and its related organizations, such as the Small Business Development Centers, the Service Corps of Retired Executives, as well as various state agencies and certain nonprofit organizations.

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