

The **LAW** of the
Vital
FEW

How to do more by doing less

Anthony Sanni

The Law of The Vital Few

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For Sophia and Sterling

TABLE OF CONTENTS

Introduction	vii
Book I: The Law of The Vital Few, and You	1
Chapter 1: The Vital Few: An Old and New Concept	3
Chapter 2: Manifestations of The Vital Few	17
Chapter 3: Finding Your Vital Few	26
Chapter 4: The Trivial Many	44
Chapter 5: Value, Effort and the TVF Matrix	51
Chapter 6: Effecting Change and the Two Yous	61
Chapter 7: Goals are <i>Still</i> Good	66
Book II: TVF Disciplines	83
Chapter 8: Can Making Your Bed Change Your Life?	85
Chapter 9: The World of Decisions	99
Chapter 10: The Mindfulness Advantage	112
Chapter 11: The Planning Animal	126
Chapter 12: Learning the TVF Way	144
Chapter 13: Purposeful Practice: The Path to Mastery	156
Book III: TVF Relationships	169
Chapter 14: Relationship Matters	171
Chapter 15: Nurture Loose Connections, a Little	188
Final Words	197
About the Author	201
Acknowledgements	203
Notes	205
Index	219

INTRODUCTION

The wheel is ranked by many as the most important invention of all time. And by important, they mean it was the invention that made the most impact on civilization. It's hard to argue with that—there's a reason why the cliché “don't reinvent the wheel” persists even today, some thirty-five hundred years after the wheel was invented.

The invention of the wheel was a major advance for human culture for many reasons. First, it's a truly original human creation because it arose without an analog in nature that was copied. That is, there were no wheels on earth until man invented them. But beyond its humble form of a simple, spherical disc, it's what the wheel allowed us to do that is truly amazing—the *possibilities* it opened up. The wheel changed everything.

Waterwheels drove irrigation, wagon wheels drove immigration. The wheel gave birth to the pulley and the gear in all their variations—they were used to build machines and machines built our civilization.

The wheel was the disruptive technology of the ancient times that allowed us to do something that sounded counterintuitive—move more weight with less effort. In other words, the wheel allowed us to multiply the output of our work without increasing the effort we applied to that work. In fact, it often resulted in using *less* effort than before. It's easier to roll a crate on wheels than it is to heave the same crate.

Indeed, it's hard to imagine there was ever a world without wheels, gears, or pulleys.

But it's not hard to see that many of us still act as though we can only get more value and enjoyment out of life through the *volume* of our work. That is, how *much* work we do.

The idea we explore in this book—the Law of the Vital Few—turns that on its head. It contends that *where* we give is more important than how *much* we give. It shows us we can get, have, be and give so much more by directing our energy away from the many trivial pursuits that drain us and focusing squarely on the Vital Few that move us in the direction of our goals and aspirations.

We can do more, not by doing more as conventional wisdom might suggest, but by doing *less*.

In this book, we will focus on what this means for us and how we can make adjustments to use this law to our advantage. We will see how a vital few factors—activities, qualities, and relationships—exert a disproportionately large effect on the output and outcomes of our lives. And how relatively few factors are responsible for most of our troubles.

We will explore the core principle of the Law of the Vital Few, which I distill simply as the statement: Only a few things really matter, but the few that matter, matter a lot.

The Vital Few (TVF) influences so many aspects of our lives; from the deeply meaningful—like how most of our results can be traced to a small number of activities; to the rather trivial and bizarre—like how most of the exclamation marks in current US president Donald Trump’s posts on Twitter can be traced to relatively few tweets.

At its core, TVF is an old idea with renewed relevance in this modern age where there are simultaneously more distractions and opportunities than there have ever been in human history. Now more than ever we need to look again at what our Vital Few are, otherwise, we will get swept away by tides of triviality. We need to look at where and how we are investing our time, energy, and resources—in a word, our lives.

As you’ll see, I did not come up with the core idea of the Vital Few. Perhaps as a testament to its widespread influence, the idea has been called many names by different thinkers in different

fields of study over time. But here, I take the concept beyond the realm of a “cool idea” to impress people over cocktails in bars or charts in boardrooms, and into the realm of reach for direct applicability in the day to day life of the individual—you and I.

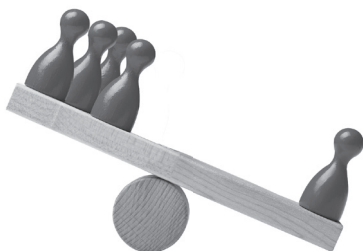
This book provides a clear way to look at our lives in the light of TVF. It also provides tools for finding and engaging with the Vital Few that make the difference in our lives. I have applied its principles in my work as a coach and consultant helping individuals and organizations direct their efforts to the vital few factors and activities that make the biggest impact on their goals. And now, I am happy to share those principles with you.

I invite you to explore this revolutionary idea and its profound implications for transforming your life. Hopefully, it gets the wheels turning to bring about a positive revolution for good in your life and empowers you to do more by doing less, just like the wheel did for humanity.

BOOK I

**THE LAW OF THE VITAL
FEW, AND YOU**

*Our greatest gains are traceable to a small number
of sources. So are our greatest losses.*



The Law of the Vital Few is simple but profound. It's also counterintuitive. The notion that a lot of what consumes our efforts produces little to no returns can be difficult to grasp and accept. But once realized, it can be a powerful force for positive change. Here we expound on the idea of the Law of the Vital Few—its origins and different manifestations. More importantly, we discuss what it means for you and how it can utterly transform your life for the better.

CHAPTER 1

The Vital Few: An Old and New Concept

Before we can begin to apply The Law of The Vital Few to our lives and work, it helps to understand the concept itself. That's what this chapter is about. This foundation is useful and interesting, but it is not vital to your use of the law. If you'd rather skip this chapter, go right ahead. I promise I won't get mad. But if you'd like to learn some of the background of this law, as well as feast your eyes on a few lovely charts, then read on.

The Law of the Vital Few first made its appearance as the Pareto Principle in the 1800s. It would go on to reappear under different monikers and with slight variations and applications from the Principle of Least Effort to the 80-20 Principle popularized in recent times in Richard Koch's aptly titled book, *The 80/20 Principle*.

My personal favourite is the one I have chosen for this book—the Law of the Vital Few. I first encountered it in the work of Moses Juran, who was greatly influential in the Quality Movement that transformed the Japanese automobile industry into the global force it is today. He demonstrated through his work that the greatest improvements to the efficiency and effectiveness of a system can be obtained by making changes to relatively few parameters. Conversely, most inefficiencies in a system can be traced to relatively few factors. He is quoted as saying, “80% of problems are the result of only 20% of activities.”

This insight was a big part of his approach to quality management and is still a large part of the practice today.

The core idea that all these terms—the Pareto Principle, the Law of Least Effort, the 80/20 Principle, or the Law of the Vital Few—have in common is this:

There is an inherent imbalance in a system between the ratio of inputs to outputs with a tendency for relatively few inputs to account for a disproportionately large ratio of outputs.

NORMAL, PARETO AND POWER LAW

The normal way of looking at life takes a fairly average view and is a big part of our social conversations. We speak of average students, and people with average means or abilities—the Joes and Janes of the world. Appropriately, in statistics, data distributions where the average values dominate are called “normal” distributions—such as height or weight for example. Since most of us tend to think this way, it may be a good starting point to compare “normal” to “power” distributions. Or, what I like to call comparing bells to tails.

Without geeking out on the math and stats, in a normal distribution, the mass of values build up from the left (lesser values) to a peak in the middle and then drops off again to the right (larger values) like a wave. Values close to the middle (the mean, or average) are more common and so most of the “mass” of values are in the middle, resulting in the familiar “bell” curve—a common pattern in statistics.

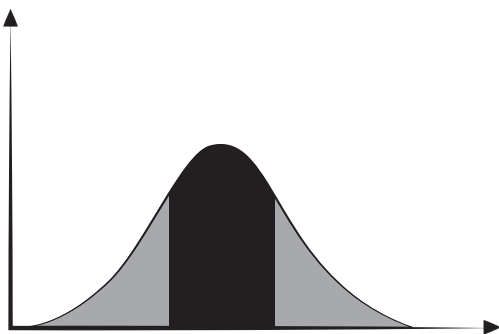


Figure: Bell curve distribution

Population height typically follows a normal distribution. If you plot height, say, in inches along the horizontal axis and the number of people of that height in the population along the vertical axis, you will end up with most people being in the “average height” region—the middle of the curve around the middle of the horizontal height axis.

There are a few really tall people to the right and a few really short people to the left, but most are in the middle—people of average height. But not everything follows a normal distribution. In fact, some really important aspects of life deviate drastically from this normal pattern. Introducing a central character in the evolution of the Law of the Vital Few...

The curious 19th century engineer

In 1896, an Italian engineer turned economist developed an interesting curiosity. He wondered if he could apply his great skill with data and statistics to study the distribution of wealth among the population; could the numbers reveal anything interesting?

At the time, economics was largely a social science almost completely innocent of any mathematical sophistication. It definitely wasn't the graph-and-chart-speckled discipline we know it as today. So, applying his stellar analytical skills, he gathered the data and ran the numbers.

His results revealed something unexpected. He found that roughly 80% of the land belonged to about 20% of the population. There was a marked imbalance in distribution with most resources belonging to a relatively small number of people. And even though his discovery was made in the 19th century, the phenomenon persists today with regular references both in academic literature and everyday discourse to the affluent “one percent” who hold or earn most of the wealth and income.

The engineer's name? Vilfredo Pareto, founder of the eponymous Pareto Principle mentioned earlier. The principle says

that 80 percent of results come from 20 percent of efforts. More precisely, it suggests an inherent imbalance in a system between the ratio of inputs to outputs with a tendency for relatively few inputs to account for a disproportionately large ratio of outputs. And even though Pareto might not have used the term at the time, his observation hinted at the existence of a Power Law.

Raised to the power

The Power Law is a term used to describe an occurrence where a small number of factors account for a disproportionately large effect—negative or positive.

Let us recall our normal distribution where the peak was in the middle of the bell. Well, the characteristic feature of the Power Law distribution is that the peak is *not* in the middle. Instead, it's at the edge and then falls off in dramatic fashion. Most of the “mass” is at one end of the curve with a steep drop from that point. This leads to the observed long “tail” displayed by this distribution.

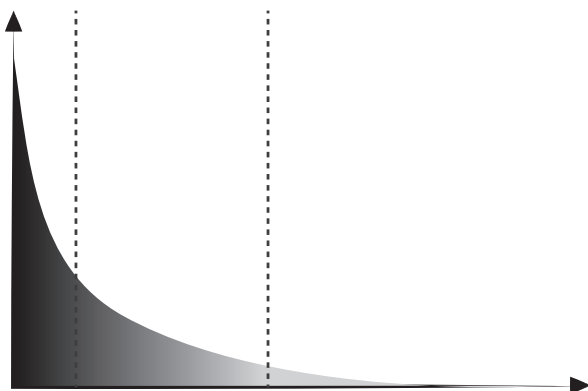


Figure: Power Law Distribution (The Long-Tail)

As Pareto observed, this is the typical distribution of wealth. Indeed, the 80/20 principle, which is a common name for Pareto's principle, is just a special kind of Power Law—one in which 80% of the entire mass of the values is concentrated in a 20% section of the distribution. The rest of it forms the long tail at the end.

To contrast the bells and tails, if we took that exact same population that had a normal bell curve distribution for height and plotted their income, we would end up with a tail-type curve. That is, most of the income and wealth would be held by a few people (the first part of the curve). That income would then dramatically taper off to those with very little (the long tail).

Unlike height, speaking of “average” income really makes no sense because there are a few people with so much more money than others that their individual “mass” would skew the results.

For example, if things were “normal” and we have three people who each made \$10k, \$15k and \$20k a year, their average income would be \$15k/year. That is, $\$10k + \$15k + \$20k = \$45k$ (the total amount of money earned) divided by the number of people. In this case three. So, we have $\$45k/3 = \$15k$. Which is ok really—it *does* approximate the reality of this highly simplified population.

But what is more likely, based on what we now know about income distribution, is that about 90% of the total \$45k made would go to only one of them. Then roughly \$3k would go to the next and only \$1k to the last—in keeping with the Power Law. You would still have an “average” of \$15K between the three, but this would be useless to work with as a representation of the reality if you were, say, planning a social project or trying to set a price for a product to sell to them.

Statisticians cleverly deal with this problem by speaking of “median” income. The median quantity—which takes the income at the exact middle of the distribution—is a better representation of the reality than a calculated average value. In our simplified income distribution, the median income would be \$3k which is

nowhere near the mathematical average of \$15k. It is, however, more reflective of reality.

For normal distributions like height, this is a non-issue because the median would closely approximate average (the peak of the bell). But with the Power Law, it's a very different story, as we have seen here. In fact, in the Power Law distribution, there is no normal. The distribution is both factually and metaphorically *abnormal*.

It is this abnormality that we are concerned with in this book and how it manifests in different aspects of life and business. The observed imbalance that results is widely expressed in 80/20 terms. Indeed, Richard Koch opted for this as the title of his book for the reason of simplicity. However, as he also noted, like all things in nature, there is no perfect symmetry in this ratio.

The numbers do not always split perfectly into 80 and 20. And as tempting as it may be to assume otherwise, they do not always add up to 100. For example, the prevalent magazine *Popular Science* recently published an article stating that about 1/5th (20%) of Americans are responsible for about half (50%) of the country's food emissions. The sum of 50 and 20 is 70, not 100. That is because each of those numbers (50 and 20) are percentages of two different things (population and emissions).

I think Koch puts it nicely when he says:

To apply the 80/20 principle, you have to have two sets of data, both adding up to 100 percent, and one measuring a variable quantity owned, exhibited, or caused by the people or things making up the other 100 percent.

For our example of food emissions, this would translate as 20% (out of 100%) of Americans are responsible for 50% (out of 100%) of food emissions. Thus, yielding a 50/20 relationship; 50% of emissions come from 20% of the American population.

The takeaway here is that we should not think about expressions of 80/20 or the Vital Few in percentage terms. These are *not* percentages, they are *relationships*. They express how much influence one part of a system has on the overall (or another) system. The total of all inputs will still add up to 100 (that is what a total is after all), but the *relationship* between the vital few inputs and their corresponding outputs need not add up to 100 at all. Yet even when the relationship is not as tidy as adding up to a hundred percent, it still provides insights that can guide efforts and drive gains.

Imagine a company producing ten products—A, B, C, D, E, F, G, H, I & J. In the simplest case of even distribution of output, one would expect these products to return 10% each and add up nicely to 100%. People with more experience in business would expect something different, but maybe not too different—perhaps one product doing very well, then a close second, and so on to the least performing product.

Keeping things simple, let's assign this in alphabetical order so that product A is the top seller.

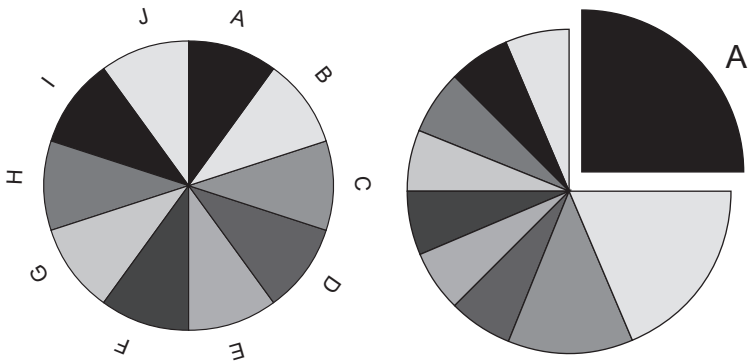


Figure: Profit from products based on even distribution and top-seller product A

However, after a business analysis, the company may find that 59% of profits come from a single product, say, product A, which makes up only 10% of its offerings.¹

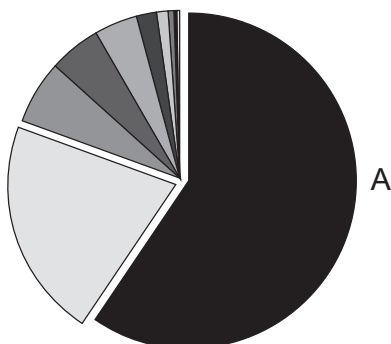


Figure: Profit from product A accounting for 59% of profits

The mathematically inclined will notice that those numbers add up to 69, not 100. Adding up all the company's profits from products A through J still gets us to 100% of course. But this relationship between what percentage of the products (inputs) are vital and how much they contribute to the total profit (output) do not need to, and rarely actually do add up to 100.

But this doesn't affect the usefulness of the information at all. As much as we might find it satisfying to always have the relationships add up to a nice, round figure, that would be missing the point. The point is that the relationship gives us insight into the factors that hold the most sway on outcomes.

Not only does this needn't add up to 100 but sometimes it can, in fact, exceed it. For example, 20% of inputs may account for 90% of outputs, adding up to 110. And other times, it may not even come close but still provide immense insight.

¹ Note that product A may not be a single product but may be an entire segment or suite of products. An educational institution may find, for example, that 59% of its profits come from small, tailored on-site seminars vs mass-market online offerings or generic in-class courses.

To make things more interesting, the relationship can also be so extremely skewed to the point of being mind-boggling. For example, in the English language, with its approximate vocabulary of 250,000 words, a measly 100 words make up about 50% of spoken language. In case you are wondering, “measly” isn’t one of them. As a percentage, this means that 0.04% of words in the English language make up about 50% (or half) of all speech.

That is an extremely small portion exerting a ludicrously large pull on the whole. This trend is observed by linguists in other languages too.

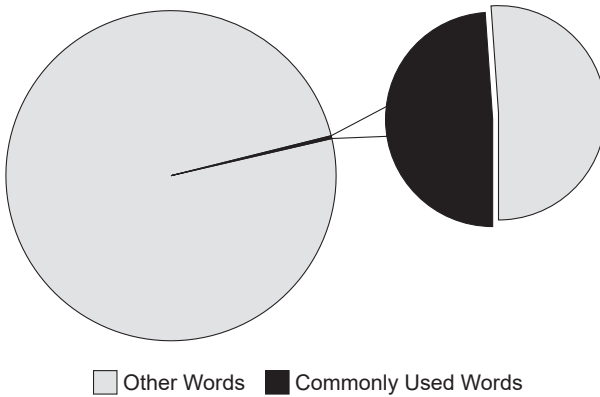


Figure: Relationship between percentage of words to most commonly used words in language²

Clearly, only a few words matter, but they matter a lot. Again, the sum of 0.04 and 50 tells us nearly nothing. But the *relationship* between 0.04 and 50 tells us a whole lot! If we were learning a new language, that singular insight would save us a lot of time and effort. Chapter 12 provides recommendations on learning using this principle.

² In the figure above, the portion for 0.04 was so thin that it would not have appeared in print. What you see is actually a 10X multiplication to 0.4%

But going back to our business example, even though the relationship of numbers for product A does not neatly add up to 100, that company had better take a closer look at product A. It definitely is a part of that company's Vital Few by the sheer disproportionality between its relative size and the impact it has on profits.

For a single product making up only 10% of offerings to account for 59% of profits is a big deal, awkward sums aside.

This example is more than hypothetical. Thinking in terms of the Vital Few has shaped multi-billion-dollar corporate strategies. Consider Procter and Gamble (P&G), the world's largest household products maker. In 2014, then CEO Alan George Lafley made a bold strategic move to cut back on growing the company's brand portfolio and instead focus on the 80 brands that generated 95% of the company's profits and 90% of its sales.

At the time, the company was carrying 180 brands. In 80/20 relationship terms, 44% of its brands accounted for 95% of its profits—a 95/44 relationship. These brands were P&G's Vital Few, and their leader decided to leverage them instead of spreading their efforts thin across a broader brand base.

The company initiated a process of paring down to focus and the strategy has helped P&G weather the tumultuous economic environment of recent years while staying profitable and consistently increasing dividend payouts to shareholders year after year, according to its annual reports.

THE LAW OF THE VITAL FEW: BEYOND NUMBERS AND STATISTICS TO ACTION

In general, I try *not* to think in sums and statistics too much when it comes to the Vital Few. I find it distracting. Instead, I focus on the relationships and how much impact a factor (or related group of factors) exerts on the whole, so I can gauge just how influential

it is and how the insight can help me or my clients do more by doing less.

This is one of the reasons why I won't spend a lot of time on numerical analysis but on practical and actionable ideas. It's also why I have opted for the term the Vital Few. It takes us away from a strictly numerical mindset—fussing over numbers and ratios—to a reflective and action-oriented mindset. It has an imminence to it, a call to action embedded in it. It asks us to find *our* Vital Few. Sure, empirical data helps, but it's what the data tells us that matters the most.

While all the possible combinations of numbers and ratios may cause frantic head-scratching, and the idea of least effort may conjure up (albeit erroneously) thoughts of laziness, the Vital Few idea is easy to grasp. It captures the essence of this powerful and transformative principle plainly and effectively.

As I have coined it in this book, the Law of the Vital Few says simply, *a few things matter, but the few that matter, matter a lot*. It's a call to find what those few things are and then to give ourselves more to them. And by doing that, we get more out of life and work—to enjoy and give back.

VITAL ACTIVITIES

The word “activity” is used so often that we don't really think about what it means. But once its meaning settles in for you, as it did for me, you may find that your view and choices about your activities shift. The “act” part is easy enough to understand. It's related to action and simply means “doing”. No surprises there. It's the “vit” part that might interest you.

Vit is an old Latin word meaning “life” or “living”. It shows up in words like revitalize (to give life again), vitality (being alive), and, you guessed it, vital. In fact, the word *activus*, from which we get “active” has philosophical origins recorded as far back as the 16th century and means “liveliness”. We should look at activity very

differently. It's more than something we simply do, it's something we create.

Every activity we take part in creates a dynamic between action and life energy. This dynamic can be positive; that is, the actions enhance our life force. Or the dynamic can be negative; that is, the activity depletes our life force either in quantity or quality. Like credit cards or cheques give direction to money, activity gives direction to life energy. Sometimes we spend, sometimes we squander. But what we really want to do is *invest*.

So, the question becomes: Which activities create a positive dynamic and which do not? In other words, what are good activity investments?

The particulars will differ from person to person. A professional soccer player will invest heavily in the activity of vigorous physical training for hours a day while a writer may require only a few hours a week. The writer though, should spend many hours writing—likely more than the soccer player may care for. In other words, a day in the life of a successful writer and star soccer player will look very different on the surface. The same goes for successful doctors, software developers, stay-at-home parents, entrepreneurs, teachers, musicians, and so on. But though appearing diverse on the surface, a closer look at each of these cases often reveals intriguing patterns that show a mastery of how energy is invested wisely in the right activities to produce the observed success.

You too can create or enhance your success by paying attention to your activities (more on this later). By redirecting your energy from less effective activities to the Vital Few, you will be doing less, but achieving more, and enhancing your vitality in the process.

Is TVF unfair?

A question might have surfaced in your mind at this point: Is this fair?

We somehow expect effort to be democratic—the majority rule—essentially, normal. Output should be a result of sheer number. This seems equitable; majority carries the vote, just like it does in democratic governance. Of course, even in politics, it's never this simple.

The reality is there are a small number of people in virtually any group who hold most of the power. From families to countries, this holds true. In a nuclear family, it's the parents. And in countries, it's a relatively small group of leaders.

You might say those leaders were voted in by a majority, ergo, democratic. But the truth is, there are often unseen power groups, kingmakers, and even puppet-masters behind the scenes. At its extreme, this results in a full-fledged oligarchy where a handful of people unilaterally decide the fate of the state. Otherwise, as with the democratic states, elected officials and lawmakers bear the responsibility of governance with more accountability, but still with power that is far from the representation of an “average”.

So, the question remains—and it is one that I have also pondered—is it fair that a few factors should influence so many? Is it fair that a few people should, like Pareto discovered, control most of the resources or hold most of the power?

After some introspection, I have found that the answer is: It doesn't matter. The question is a distraction.

TVF simply *is*.

To think in TVF terms means accepting with open eyes, the inherent imbalance of influence. Whether that be the influence of certain activities over others in achieving our goals or the influence of certain people over the experience and outcomes of our lives—the most important of whom is ourselves.

Once you have accepted this, you can proceed to move forward *with* the principle to where the real work lies—identifying those pivotal practices and people. Without it, we find ourselves spending precious time and energy on pursuits that yield little

returns, the whole time sacrificing those efforts that could move us in the direction of our goals and dreams faster and easier.

Once we have made our peace with TVF, we can get to work using it for our good and the good of those around us.

Manifestations of The Vital Few

The popular sister process-efficiency methodologies of Lean and Six Sigma were at one time engaged in a serious case of sibling rivalry. The Lean methodology—based on the Japanese principles of Kaizen (continuous improvement)—was a big part of the quality movement that had helped Japanese companies, over many decades, make huge strides in both process efficiency and quality of output.

As early as 1870, manufacturing businesses in the US were already seeing encroachment by Japanese competitors—Japanese companies were producing better products more efficiently than their American counterparts. Six Sigma was created by Motorola in the US around 1987 to respond to its loss of ground in the market to the compelling high-quality, low-price offerings of the Japanese entrants.

And so, the rivalry was born with the younger, impetuous sibling ceaselessly struggling to catch up to her older, more experienced sister.

Both methodologies would finally reconcile into what is known today as Lean Six Sigma. The principles of this combined method draw on the key strengths of each—the first, Lean, emphasizing reduction of waste; and the second, Six Sigma, emphasizing the elimination of defects (also waste).

It probably won't surprise you to discover that the fundamental idea behind the Law of The Vital Few is at play in key aspects of the individual methods as well as the juxtaposed Lean Six Sigma approach to organizational efficiency. If your company were ever to hire a consultant in this field, one of the documents they would

deliver in their final report package is a Pareto Chart. The chart is an embodiment of The Vital Few thinking illustrated visually.

I was once involved in a Six Sigma analysis for an educational institution that was looking to streamline its curriculum management process. The institution had identified a problem—their curriculum administration was consuming a huge amount of human and, consequently, financial resources.

The current process was painfully slow and produced many interpersonal and inter-departmental conflicts. Of course, all this resulted in the institution spending more than it needed or was willing to on this aspect of the business.

So, they enlisted the help of a Six Sigma Blackbelt. This doesn't mean this person could kick really high or take you on in a street fight—it meant that he was experienced enough in the principles of Six Sigma to lead a large project. I have always wondered why these folks are called Blackbelts. I guess Jedi Master was taken.

I was brought in for my knowledge of Lean and my previous experience with the institution—no sexy titles for me. I would have appreciated Lean Machine, but I don't make the rules.

We got to work and one of the results of the exercise was, as you might have you guessed, a Pareto Chart detailing the processes that accounted for the largest drain on people's time. It also probably won't surprise you that there were relatively few—the Vital Few—processes that were causing most of the waste and heartache.

With a few tweaks to the workflows and software, the process was drastically improved with all metrics showing an average of 40% improvement. What's interesting here is not the result per se, but the fact that these results were achieved by only a few minor tweaks. The improvements were neither particularly difficult nor expensive to execute once the Vital Few culprits were identified.

Though I quite enjoy black belts myself (more for holding my pants up), you do not need to become, wear, or even own a black belt to apply this powerful concept to your life. It is really about first

accepting the truth that large and complex problems do not always need large and complex solutions—they may just need changes in a relatively small number of areas.

The real work of business and life is to find what those small areas are, those vital few factors that wield the quiet but potent power to change everything, for better or for worse, and then to strive to change them for the better.

If you do decide to buy or become a black belt, you might be happy you did—both are extremely versatile.

THE VITAL FEW AND THE INTERNET INFLUENCER CULTURE

The rise of the internet and connectivity has made it possible, now more than ever, to reach other people. As of mid-2019, it was estimated that over half the population of the world are internet users—some 4.3 billion people. This is up from a paltry 1.8 billion only 10 years ago. That's an increase of about 230% in internet users over the course of a decade. World population, on the other hand, only increased by 10% within the same time frame. The trend has been upward since data started being collected in 1995.

So clearly, more and more people are gaining access to the internet.

That's great for all of us, right? With a doubling of the users, there should be a doubling of the useful content, right?

I'm sure by now you are shaking your head in anticipation of the truth. This brings us to an interesting phenomenon marketers call the 90-9-1 rule. If that looks a little bit like a restatement of the Law of the Vital Few, well, keep reading.

Analysis conducted by the global user experience research firm Nielsen Norman shows that contribution to the internet follows the 90-9-1 pattern. That is, 90% of users are consumers (what Nielsen Norman calls lurkers), 9% contribute nominally, and 1% account for most of the contributions.

In the online world, the gap between consumption and contribution can be a chasm. The firm’s insightful article on “participation inequality” states that for Wikipedia—one of the most popular sites on the internet that allows users to contribute, edit, and consume content—only 68,000 (0.2%) of the 32 million users at the time of the study contributed at all.

Drilling down further, only about 1,000 people (0.003%) accounted for more than 60% of the content on the site.

The article states:

Wikipedia’s most active 1,000 people—0.003% of its users—contribute about two-thirds of the site’s edits. Wikipedia is thus even more skewed than blogs, with a 99.8-0.2-0.003 rule.

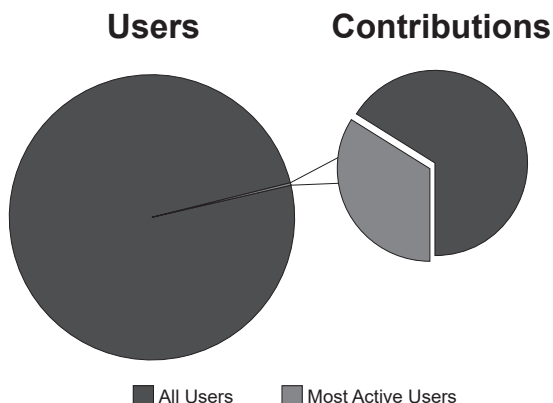


Figure: Wikipedia users and contribution³

What does this mean for the people on Wikipedia? Well, if you are one of the 1,000, you have a staggering influence over what the 32 million users see on the site. You could say you’re a Wikipedia Influencer. Or, in our terms, you are one of the Vital

³ In the figure, the portion for 0.003 was so thin that it would not have appeared in print. What you see is actually a 100X multiplication to 0.3%

Few for Wikipedia and what you say counts, a lot! This is true not just for Wikipedia, but for internet communities in general.

Even our offline communities show this phenomenon of imbalance. You will admit that some people in our communities create and contribute more than others; that some have more influence on how things go than others. What we see with online communities is a reflection of our offline communities. Lurkers and consumers as well as influencers and creators have always been and will likely always be with us.

Savvy marketers now use this 90-9-1 rule to drive profits powered by the internet. Sponsored videos and articles by charismatic personalities with large followings on social media and streaming services like YouTube are abundant. Affiliate purchase links attached to these influencers ensure the marketers can track their return on investment (ROI) on influencer marketing and on and on it goes. Influence now has an accurate dollar value. And the Vital Few influencers are driving and reaping a disproportionate share of the gains.

Now, you might argue that influence based on online content contribution via the 90-9-1 rule is novel and flawed. That the algorithms in search engines that run on metrics of how much content is produced as well as how much the content is consumed and shared enhance how much influencers are “in our faces” and thus increase their influence by a kind of snowball effect.

But these algorithms and the limelight they shine are really no different than, say, an editor’s picks or the bestsellers list on the shelves of your local bookstore. Or a newspaper’s choice to cover the 5,000-man rally over the 50-man assembly. The internet has only revealed us more measurably to ourselves. At least as far as this phenomenon of imbalance of influence, impact, and value is concerned.

It has shown us starkly, numerically, that the greatest value online can be traced to a relatively small number of sources. Similarly, in our lives, the greatest value can often be traced to

a relatively small number of “Influencers”. These may very well be people just like our internet influencers but they can also be aspects of ourselves that produce disproportionately higher value than others. Finding and tapping into these can make all the difference.

The two examples given so far in this chapter—Lean-Six Sigma Methodology and Internet Influence—are meant to illustrate two vital principles that have the power to completely change and improve our lives. And because it bears repeating:

Most of our problems can be traced to a vital few sources. Most of our value and benefit originates from a vital few sources.

Stated as one: A few things matter, but the few that matter, matter a lot!

THE VITAL FEW AND BLACK DRESSES: THE STORY OF QUINCY APPAREL

In the fall of 2011, a pair of Harvard MBAs—Christina Wallace and Alex Nelson—conceived of a business born out of a frustration they both felt. Both women, rather tall and slender, struggled to find office clothes that fit well.

Shopping for flattering clothes was difficult. *Why was this so hard?* They wondered. In their research, they discovered that sizing for women’s clothes in the United States was based on grossly outdated models from the 1940s. These old models of sizing assumed an hourglass figure with dimensions and ratios that simply did not cater to the more diverse reality of women’s figures. In fact, they found that this model catered to only about 8% of US women.

They also found that the office apparel industry for women was split into two levels. On the first level tier were brands priced

reasonably but had a bad fit. On the upper-tier stood high-fashion brands that provided better fit but were priced beyond the reach of most consumers. In short, they discovered that a large portion of the population was under-served in the area of well-fitting, affordable office apparel.

They had identified a space in the women's office wear market where they could play—a reasonably-priced, better-fitting, decent quality line of office clothing for the modern woman. Christina Wallace and Alex Nelson created the brand Quincy Apparel to fill this gap. And after many rounds of market research, consultations, product testing, and raising capital, Quincy Apparel launched later that year with a production run to fulfill trunk show orders they had collected.

Over the next few months, revenues saw steady growth. Here was a great business idea filling a real need, beginning what seemed poised to be a successful run.

This is why you might not have predicted what happened next. In January of 2013, just over two years after the business plan for Quincy Apparel was written, the business shut down. For good.

Why was this? The Harvard Business Review (HBR) case study states:

Quincy's value proposition had appeal: sales growth had been strong. However, due to Quincy's sizing scheme, inventory was high and operations were complex. Operational challenges made it difficult to consistently deliver better fit, and merchandise return rates were high.

It was this last point that caught my eye—merchandise return rates were high. My TVF senses started tingling. I dove into the data and sure enough, there it was in a table in the HBR case study titled “Customer Segments: Ordering Patterns”.

Take a look at the table below and see if you can spot it:

Segment	% Customers	Avg. Order (Net of Returns)	Orders/ Year	% Merchandise Returns
Affluent Traditionalists	14%	\$650	2-4	7%
Rising Stars	32%	\$300	2-4	6%
Trend Seekers	32%	\$145	1-2	11%
Fit Skeptics	22%	\$5	1	85%

Figure: Quincy Apparel Customer Segments: Ordering Patterns (Reproduced with Permission)

Did you catch it lurking in the bottom row? 85% of merchandise returns came from just 22% of the customers. Even more interestingly, this customer segment—The Fit Skeptics—not only accounted for the highest number of goods returned, but they also accounted for the lowest value of orders. In other words, most of Quincy’s costly returns (and lowest value) were coming from a relatively small segment of customers (the Vital Few).

On the other side, the customer segment called the “Affluent Traditionalists” not only accounted for the lowest returns but they also accounted for the largest value of \$650 versus \$5 from the Fit Skeptics. In other words, most of Quincy Apparel’s revenue (and overall profit) was coming from a relatively small segment of customers (the Vital Few).

Now, there are many complex reasons why a business might fail, and Quincy Apparel was no exception. Some of the other factors were already alluded to in the earlier paragraph from the HBR case analysis. And other sources like Business Insider have suggested that an investor behaviour trend of the period—where there was an unwillingness to invest larger sums to get start-ups past the initial stages—played a role in Quincy Apparel folding up.

However, considering that the rate of merchandise purchased and then returned was a major factor, it's hard not to speculate that had Quincy's leadership recognized and addressed this manifestation of TVF, they would have improved the company's chances of survival. What difference might it have made, I wonder, if Quincy had focused on the Affluent Traditionalists—their Vital Few—and sought to expand and serve that segment more while simultaneously developing methods to reduce the participation and impact of Fit Skeptics? Would the outcome have been different?

Hindsight, as they say, is 20/20 (or 80/20 in this case), but the takeaway here is clear—ignoring the vital few sources of both good and grief in our affairs can be a recipe for failure. It may not be the *only* thing that could hamper our success, but it surely is a critical one.

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