

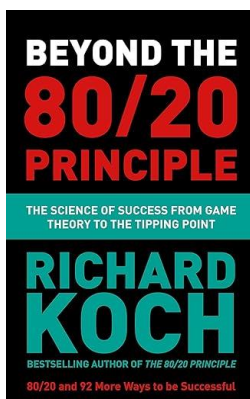


## A billionaire evangelist for the 80/20 principle. Pure inspiration

Reading fun 9 minutes

Imagine you are on holiday and looking for some inspirational reading to devour from your hammock. In preparation for this dream, I stumble across an interview by podcast guru Tim Ferriss with Richard Koch, from whom I had already read a book on the 80/20 principle. Koch is the man who achieved too much. He was a management consultant and is, among other things, a successful venture capital investor. Yet the goal of his youth was only to become a millionaire. So he clearly missed his goal.

The fact that he finds time to write non-fiction books that regularly become bestsellers is probably proof that his interpretation of 80/20 principles works. His current bestseller is called "[Beyond](#) the 80 / 20 Principle". I have already read the first chapters and am impressed by his breadth and depth of knowledge. His writing style is inspiring, his concrete recommendations complete the picture perfectly. The book is a firework of wisdom and practical tips. A must for every manager who wants to start with fresh vigour after the holidays. Inspiring Human Intelligence, a refreshing change from the hype surrounding Artificial Intelligence.



In the following I give a little insight into the topics from the [podcast](#).

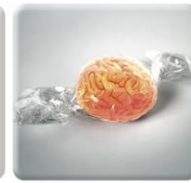
His insights are aimed at anyone who wants to achieve good results without investing extra time, anyone who wants more time to enjoy their happiness, and anyone who wants to increase their profits in business. What's not to like.

### Focus on happiness:

Koch explains the importance of the 80/20 principle for various aspects of life, including investments, business and happiness. He emphasises the need to focus on the few things that have the greatest impact on success and happiness.

"But how many married people do you know who don't actually have the same interests, or who don't have the same past in any way? They may have different values, but they are married. Well, that's a pretty stupid thing. So the most important thing is to make sure that you have a successful long-term relationship. And if you do that, you will be quite happy."

As already mentioned in some BrainCandies, it pays to invest permanently in your partnership. People in good relationships are happier than singles. Singles, of course, are often happier than people in bad relationships. So don't just let bad relationships continue. And maintaining a relationship fits perfectly with the 80/20 principle, because it is much less effort than having to throw yourself into the dating world again and again as a single person.



## Job & Happiness:

Koch: "The second thing you have to do, according to all the research, is that you have to love your job. Many people don't love their jobs, and one of the reasons they don't love their jobs is that they do them for the money. I think money is wonderful, and I think money can help make you happier. But if, in order to earn a lot of money, you have to work for a boss who is a moody person or just inconsiderate and doesn't really care about our well-being, then you will be much unhappier than if you work for a boss who is himself a relatively relaxed, cheerful, happy person. But how many people don't like their boss? That's ridiculous. By all means, quit, poison the boss or bump them off. Absolutely." Please check your local laws to see if you should follow this advice.

## Toxic beliefs: The invisible enemy

Many people carry around limiting beliefs that keep them from success and happiness. Koch brings up several examples, including himself. In his case, he had a pathological need to be successful. As a young professional at the Boston Consulting Group, he did not achieve the exorbitant success he longed for. From which he suffered far too much for years. He only realised much later that he could become a very successful consultant, even if he was not so successful with his first employer.

Koch: I know someone, Alexander, who was incredibly unhappy for a very long time, and why was he unhappy? This person was unhappy because he grew up in a very wealthy upper middle class family. He said he was born with a silver spoon in his mouth and expected life to continue to be easy.



Source: istockphoto.com / AlexeyVladimir

Alexander built up a company in six years and sold it very expensively.

Success looked easy from the outside. But Alexander surprised Koch: "Richard, you must be joking. Those six years were years of great fear. I was constantly in a firefight. It seemed so difficult. Well, actually it was because I expected things to be easy."

And so, paradoxically, this miserable-sounding philosophy that says "life is difficult" is actually a wonderful philosophy, because it means that you can be proud of overcoming difficulties. But when you are faced with difficulties, and then you say, "It's too difficult. It shouldn't be so difficult", then you will be unhappy, although objectively you have had great success.

Realising what a toxic belief is the first step to actually overcoming it. Most of the time we don't recognise what toxic beliefs we have, and that's why we suffer from them. Koch's advice on how to recognise these toxic beliefs.



Grab a friend, go out together, have something to eat, maybe have a few drinks. Then give him a list of toxic beliefs and say, "I think I suffer from a toxic belief. Which one do you think it is?" And of course a good friend will choose what is actually obvious. It's always easier to recognise someone else's toxic beliefs than your own. Once one has identified a limiting belief, one's experience shows that most can help themselves just fine.

### **Friendship cheque after 80/20:**

Koch explains the emotional effect of focus with a counselling example. He asks people, "Who are your five best friends in the world?" And people come up with a list. And then he asks, "Who are the five people you spend the most time with?" And very often the lists are completely different. And that tells us that maybe that person is happy, but certainly swimming against the tide.



Source: istockphoto.com / photobank kiev

### **100 times the yield:**

The concept of setting huge expectations for investments and aiming for a hundredfold return rather than 'just' a tenfold return is surprising. This mindset encourages thinking about how to make an investment incredibly successful and setting out the steps necessary to achieve that level of success. Koch says he tends to use the 99/1 principle when investing. The really successful investors have achieved their success not by spreading risk, but by making very few investments. In the selection process, even unique selling points of the potential companies were particularly important to him. This is of course not a BrainCandy investment advice.

### **Optimism: The Magic Potion**

Koch is notoriously optimistic. However, he cultivates this consciously. He does not believe in the principle of psychology that there is a basic level of individual happiness that cannot be changed and that everyone automatically falls back. He cites as an example many people who had an unhappy childhood and as soon as they stood on their own two feet reached a high level of happiness.

His advice: Be optimistic and imagine the positive in different situations. Write in a diary or use journaling, but only when you feel expansive and positive, not when you feel down. Accept the idea that happiness plays a role in success and increase the area where happiness can stick.

I hope the optimistic impulse stays viral with you for a long time.

I'm already on the lookout for his new books: "80/20 Beliefs" and "80/20 Daily" to be published next year.



## Book recommendation

By Ralph Ohnemus, Uwe H. Lebok, Florian Klaus:

### Context marketing

The key to consumer behaviour to [order](#).



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