



## 7 Steps to a More Profitable Business and a Life You Enjoy

Perry Marshall, known for his 80/20 principle, has done business for over two decades. He's taught business for 20 years and had thousands of clients.

In his latest book, he aims to boil that experience down into seven steps that will streamline, simplify and optimize your business. The result? Increased profit and enjoyment that will flow over into other areas of your life.

He puts it this way: Firstly, if there's only seven things that you could know about business, and they have to be true whether you make \$10,000 a year or whether you make \$10 million a year, what are the seven things? Secondly, the seven things have to be just as true in 2050 as they are in 2020. In other words, from cradle to grave, in your entrepreneurial career, what are the seven things?

The steps are as follows:

### **1. Use Renaissance Time to gain discernment and clarity.**

Renaissance time is Perry's word for what people should do at the start of the day. This could include a shower and a cup of coffee. Time to sit down without distractions, without social media, no one pulling your strings. Open space wherein which you'd think through your day, pray, meditate, write.

This time is yours exclusively. It's where you sort things out, put on your spiritual armor, if you will, before you begin your day. Then you hit the ground running.

Many people in contrast begin the day on their devices. They scroll through email and Facebook, turn on the news and watch the world burn. It's a recipe for failure and ruins a day that's barely started.

### **2. Make your business two times more profitable with the 80/20 focus.**

This is an appealing one.

A 21-20 Rule, Perry says, states that 20 percent of what you sell or do makes 120 percent of your profit. That's the top. The bottom sucks 20 percent of your profit and pulls what would have been 120 percent down to the hundred percent of what you actually make.

This means that there's a bottom 20 percent of your activity that actually loses money. And if you just stop making the product, offering the service, or serving the client, you will make more money, and do less.

A good example is the accountant whose client sends a huge box of receipts every tax return. It takes weeks to sort out, and they only make \$300.

So the first 80/20 is, what are you going to stop doing? And often, it's just giving yourself permission to stop.



### **3. Earn \$1,000 an hour, at least one hour a day, with 80/20 time.**

Helen is a \$15-an-hour receptionist at a dentist's office. Someone phones in needing \$10,000 of dental reconstruction. Helen puts them on hold for two minutes. When she picks up, they're gone, because being on hold isn't fun. Helen just lost \$10,000 in two minutes. That's \$300,000 of revenue per hour, lost in two minutes.

Whatever time it takes to make sure that never happens – whatever meetings, systems, planning, implementation, processes are needed – that is easily worth \$1,000 an hour.

There's a version of this for everyone. Perry has a big chart in his book that shows \$10, \$100-an-hour, \$1,000-an-hour, \$10,000-an-hour tasks. And even if you're only making \$1,000 an hour for four minutes, he says, it's a very, very big deal, because you recognize it, and then you're smart.

### **4. Create an irresistible product that's a joy to use by simplifying.**

Apple are very good at this. Consider the single button on the iPhone.

This can also apply to processes. A roofing company, Roofsimple, went from \$600,000 a year to over \$10 million a year in about four and a half years. The owner, Mark McShurley, simply decided to iron out and polish every step in the buying and installation process, and make it an absolute pleasure to buy a roof from them. They now have 4.8 stars and 300 glowing reviews on Google.

### **5. Use the Star Principle.**

Perry recommends taking a page out of Star Principle by Richard Koch. In the book, Koch states that top growing companies grow faster than other companies. He also says that if you're number one in a growing market, you'll make more money than everybody else in the market put together.

This can apply to your entire business, but it also applies to individual product lines, to clients and to sub niches that you're in. It applies to things like Google and Facebook ads. It's one of the most powerful concepts.

It basically asks you to identify, who are the four percent of players that are going to make 64 percent of the profits?

### **6. Build an impenetrable moat around your business.**

You may have heard of the network effect, whereby Uber gets more riders, which gets more drivers, which lowers the wait time, which gets more riders, which gets more drivers, and so on.

If you're a roofing company, you can build network effect moats around your business. Like 300 Google reviews, if your competitor has three. And then you have a definitive advantage. Then you can dig another moat and another moat, and be seriously immune from competition.



## **7. Enjoy freedom to create and reinvent every single day.**

There's two kinds of Renaissance Time, says Perry. There's the reflective Renaissance Time, which is how you start your day. And then there's another kind, that's exploration. Put simply, you need to have recreation.

And your recreation needs to be just as stimulating as your work. So if you're a hard-driving, type-A personality, Scrabble or a book won't cut it. Consider James and his surfing.

When your recreation feeds your creativity, which gives you enjoyment, which then feeds your business, which enables you to have more recreation, says Perry, life can be so much more enjoyable.

Read more about the seven steps in Perry's book, [Detox, Declutter, Dominate: How to Excel by Elimination](#), by Perry Marshall and Robert Skrob.

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