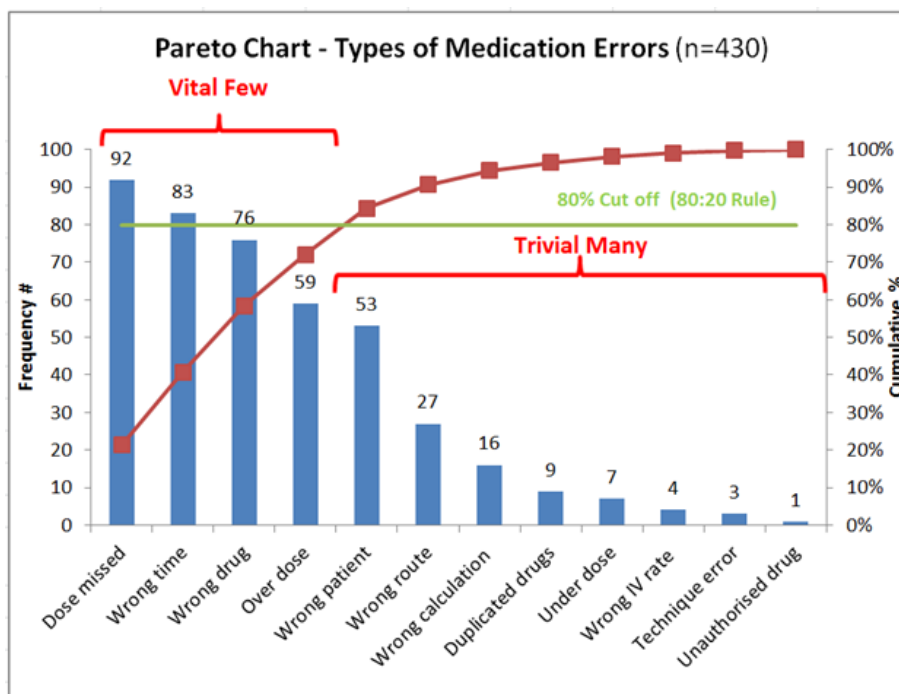


PARETO CHART



The Pareto principle is also known as the 80/20 rule. Simply put, it means 80% of problems or defects will be caused by only 20% of the possible 'causes' of these problems. The Pareto chart allows for analysis of the data collected to identify those causes which have the most significant impact on a particular problem.



Creating a Pareto Chart

- Once all the data is collected, group the data into categories of reasons
- If using a computer-based program, it will do the work for you to create a chart. Ensure the chart has an appropriate title and all the axes are labelled
- A simple hand-drawn Pareto chart can be completed on graph paper and is just as effective as a computer program chart
- Present the data to the team to help make decisions on where to focus the process improvement work

The data for a Pareto chart must be a count type of data (i.e. frequency, quantity, cost or time). This data would then be collected and put into rank order largest to smallest from left to right. We want to focus our efforts on things that happen the most, not solving the “one off’s”.