

Pareto Chart

What Pareto Charts help us focus attention and efforts on truly important problems. It displays data, collected with other tools, to show the relative importance of all problems with respect to each other.

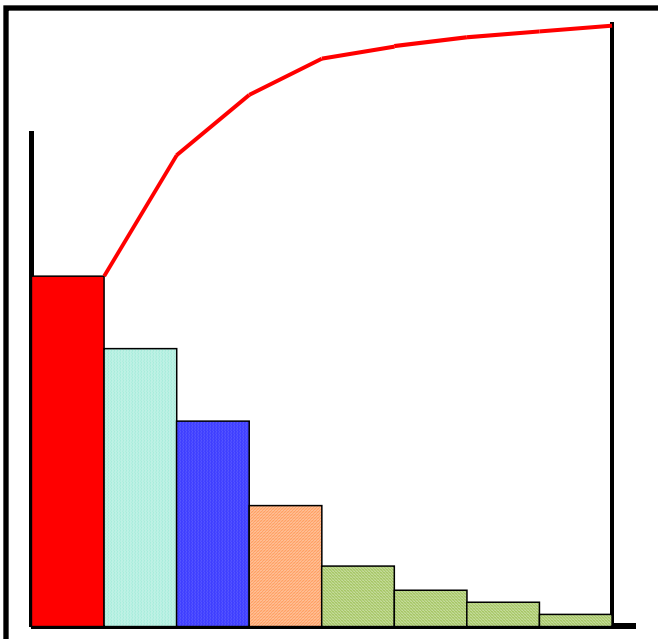
When It is used when you need to display data to determine the most likely point to start a process improvement effort, to monitor your success in process improvement, or to identify the most probable cause of variation.

How 1. **Select the problems to be compared:** Selection can be based on brainstorming or by using existing data categories. Select the standard for comparison (the unit of measurement, cost, size, frequency etc...). Also select the period to be studied. If data already exists, simply identifying it for chart construction is all that need be done.

2. **Gather necessary data:** Using the check sheet, or some other method collect the data to be presented. Compare each category and order the data according to category and the selected standard of comparison.

3. **Draw the chart:** Draw a line down the left side of the page listing the total data points collected (0 on the bottom up to the maximum). Across the bottom, list the categories, from left to right, based on the highest frequency of occurrence. On the right, draw a line of equal length, parallel to the frequency line. Mark it the Percentage Scale. Starting with the left category, draw a rectangle, representing the number of occurrences in that category, above the category name. Do the same with the remaining categories linking them together

on the left side. Add the cumulative frequency bar on the top right corner of the first rectangle adding the percent of the remaining categories until the line ends at 100 percent on the frequency scale.



CAUTION!

The Pareto Chart illustrates that a majority of the problems are contained in a few categories.

Don't depend on a single Pareto Chart to identify the problem. You must look at a problem from all angles when you use a pareto to help you decide what will give you the biggest bang for the buck.