

VISUAL MANAGEMENT

PARETO CHART

What it is:

A Pareto chart is used to display data in order to see the relative frequency or size of the problems.

The benefits:

- Simple, easy to use and interpret.
- Highly visible.
- Helps to focus efforts on problems that will have the greatest impact.

The steps:

- 1) Choose the performance objective or problem you want to learn more about.
- 2) Choose the symptoms or causes that will be monitored.
- 3) Choose a meaningful unit of measure.
- 4) Determine the time period to study.
- 5) Gather the necessary data.
- 6) Chart the data in descending order and in a format similar to the example shown.
- 7) Interpret the results.