PARETO ANALYSIS

PRIORITIZE THE VITAL FEW CAUSES

Pareto Analysis is a technique used to identify and prioritize the most significant factors contributing to a problem. Based on the Pareto Principle, it emphasizes focusing on the "vital few" rather than the "trivial many."

THE 80/20 RULE

20% of the causes result in **80%** of the problems.

1 COLLECT DATA
Gather data on problem occurrences or defect types.

2 CATEGORIZE
Group the collected data into relevant categories.

3 RANK
Arrange the categories from highest to lowest frequency or impact.

4 PLOT
Create a Pareto Chart showing categories as bars and cumulative line.

5 ANALYZE
Identify the "vital few" causes contributing the most to problem.

WHEN TO USE

✔ To prioritize improvement efforts.
✔ During Analyze phase of DMAIC
✔ When many issues or defect types

PARETO CHART

- Bars: Frequency or impact of each category.
- Line: Cumulative percentage

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STRENGTHS

✓ Simple and easy to use
✓ Strong visual impact
✓ Focuses effort on key issues

LIMITATIONS

⚠ Requires accurate and complete data.
⚠ Doesn't identify root causes by itself.
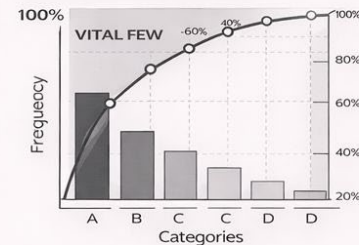⚠ Can be misleading if categories are poorly defined

ONE-LINE SUMMARY

Pareto Analysis helps focus improvement efforts on the 'vital few' causes that have the greatest impact on the problem.

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