

Pareto analysis-simplified

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What is it ?

- tool to specify priorities
- which job have to be done earlier than the others
- which rejects must be solved firstly
- which product gives us the biggest revenues
- 80|20 rule →

The Pareto Principle



How to construct Lorenz Curve and Pareto chart

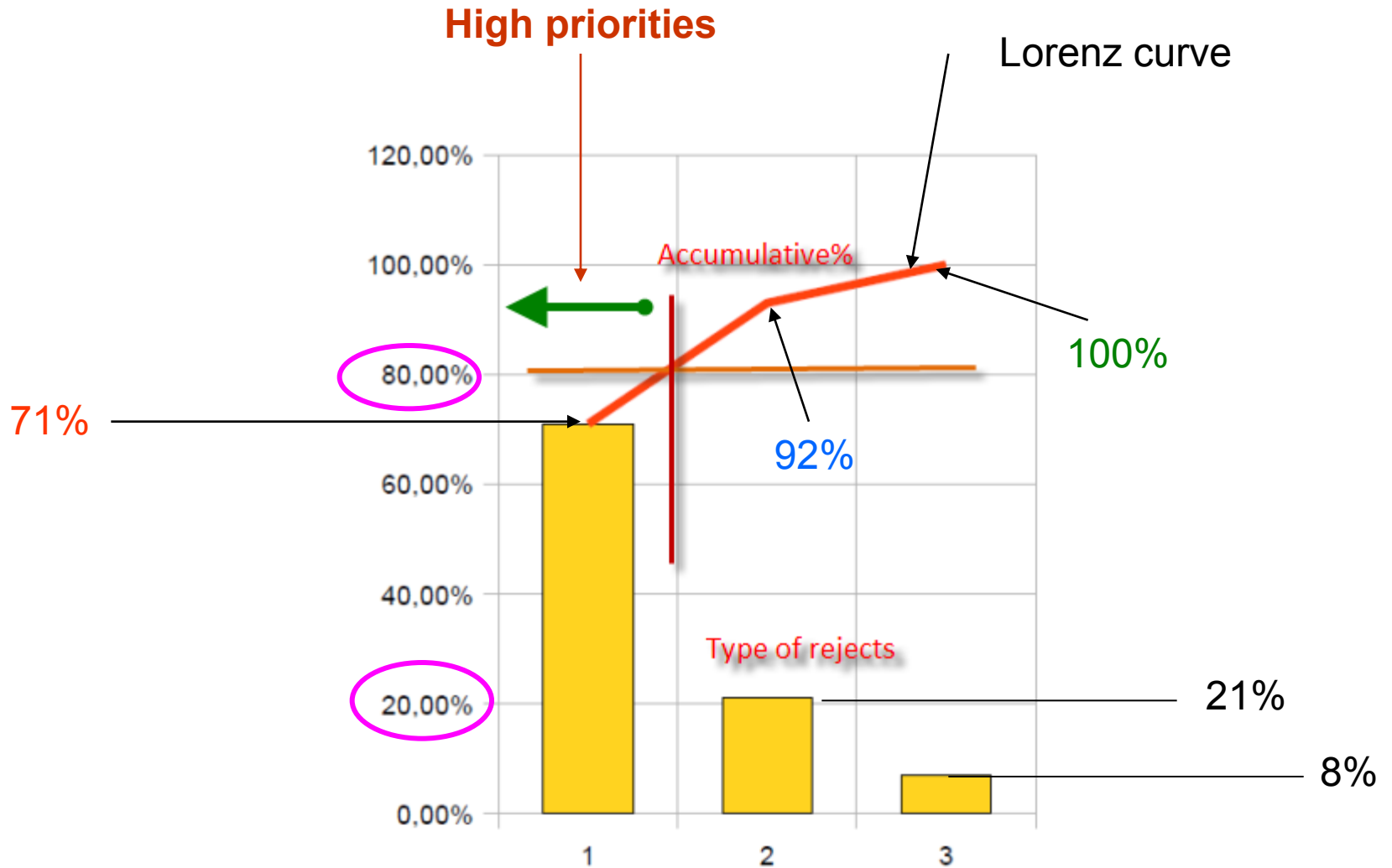
- list of causes (type of rejects) in %
- table where the most frequent cause is always on the left side of the graph

Reject	Type	Importance	Importance (%)	Accumulative (%)
1	Bad size	10	71%	71 %=71%
2	Bad material	3	21 %	92%=71%+21%
3	Rust	1	8%	100 %=92%+8%

Comment 1 : $10+3+1=14$

Comment 2 : $71 \% = 10/14$; $21\%=3/14$

Pareto chart



Thanks for your attention

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