Pareto Chart

A Pareto chart is a bar graph that displays data in categories from that of the greatest magnitude to that of the least magnitude. It is based on the Pareto principle: 20% of the sources cause 80% of the problem.

Use a Pareto chart to...

Focus on the problem or category that has the greatest number of occurrences.

Display the relative importance of problems by comparing them to each other in an easy and visually clear format.

How to build a Pareto chart...

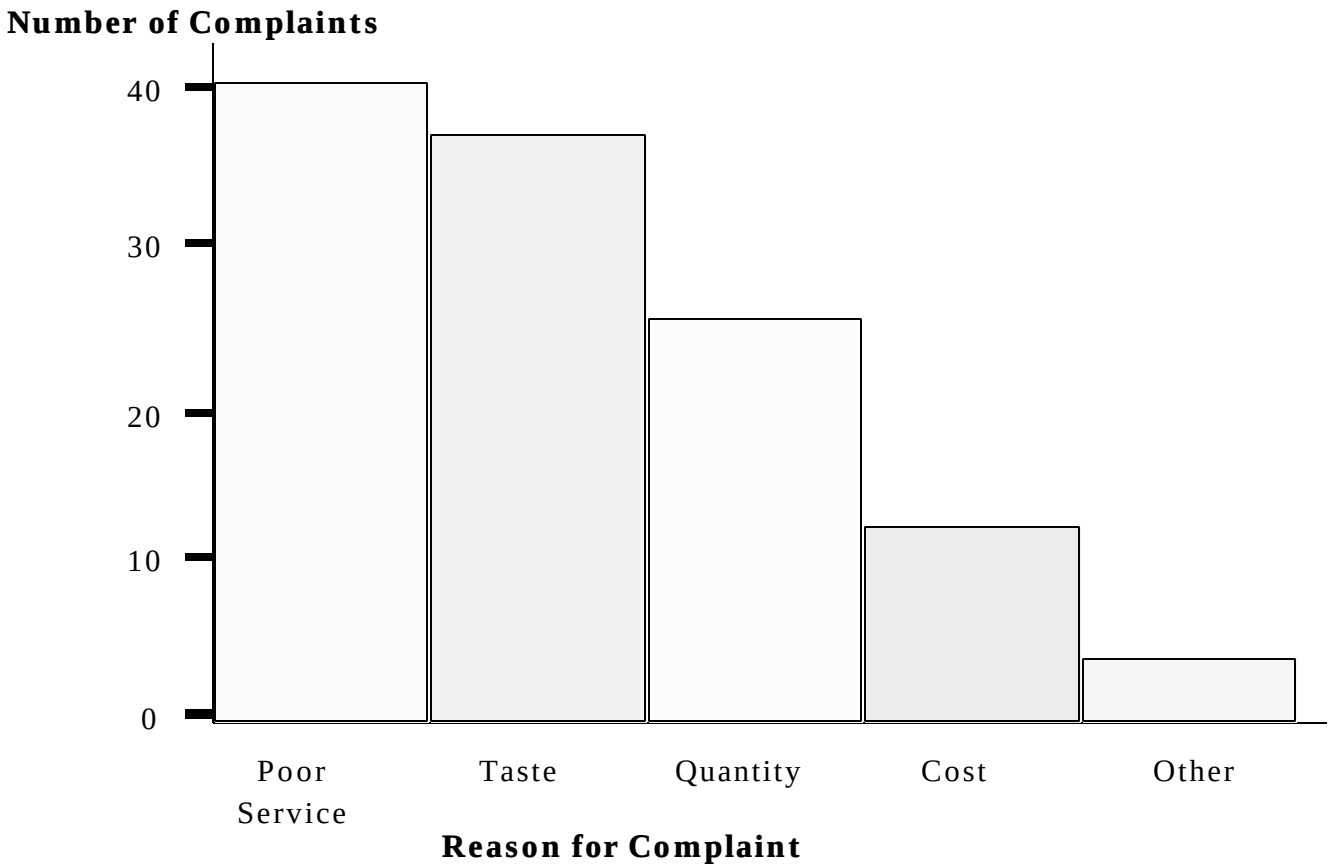
1. Determine the problem.

2. Collect the data on the problem, choosing a meaningful unit of measure such as frequency of occurrence or cost, and decide on a period of time in which the data will be collected. A check sheet is one method of collecting data.

3. List the problem categories on the horizontal (x) axis and the number of occurrences on the vertical (y) axis. All axes should be labeled clearly. Draw the bar for each category up to the frequency point on the vertical axis. The bars should be clearly distinct from each other. As with all graphs, you should be careful not to crowd the graph with too much print, or leave too much white space.

4. Interpret the results, which generally shows the biggest contributors to the problem are the categories that have the most number of occurrences. This is not always the case, though, since the most frequently occurring cause may not be the most important or the most costly. You must know what the impact of each of the categories is on the overall goal of the issue.

An Example of a Pareto chart. Customer Complaints on Food Service



Your Example: Are you able to design a Pareto chart using the data from the check sheet you would create from the previous tool?