

What is a Pareto Chart?

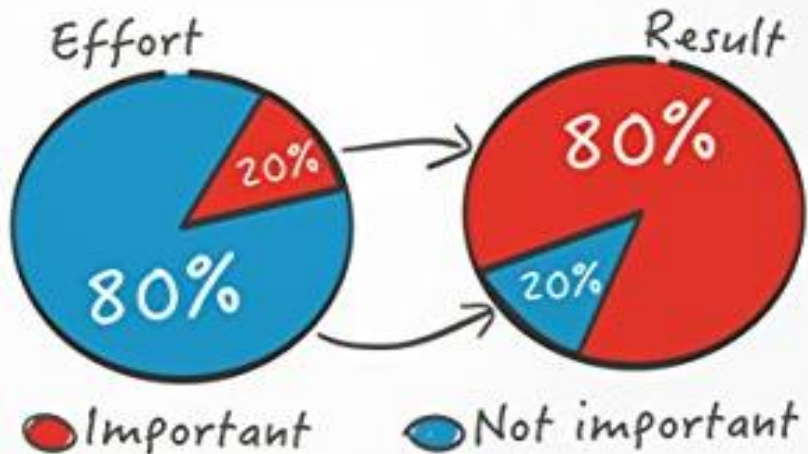


Do you know which products provide the majority of your sales?

Contemporary Examples

PARETO'S PRINCIPLE

Expand your business
with the 80/20 rule



- 20% of all the websites get 80% of the total traffic

- 20% of the drivers cause 80% of the accidents

The Origin of Pareto Chart

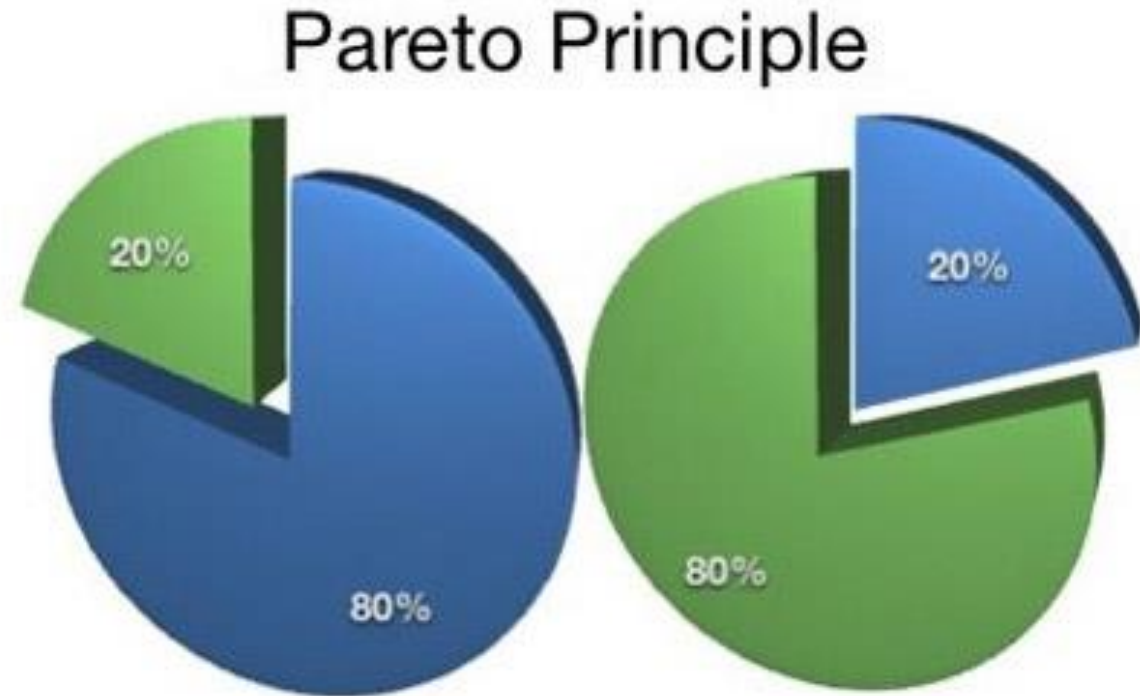


“For many events,
roughly 80% of the
effects come from
20% of the causes”

Vilfredo Pareto

Pareto Chart was originally designed by the Italian economist Pareto. It was originally used to represent the distribution of national income. Later, it was used as a quality control tool to analyze problems and sum up the impact of factors. This cause analysis tool is considered one of the seven basic quality tools.

Pareto's Principle

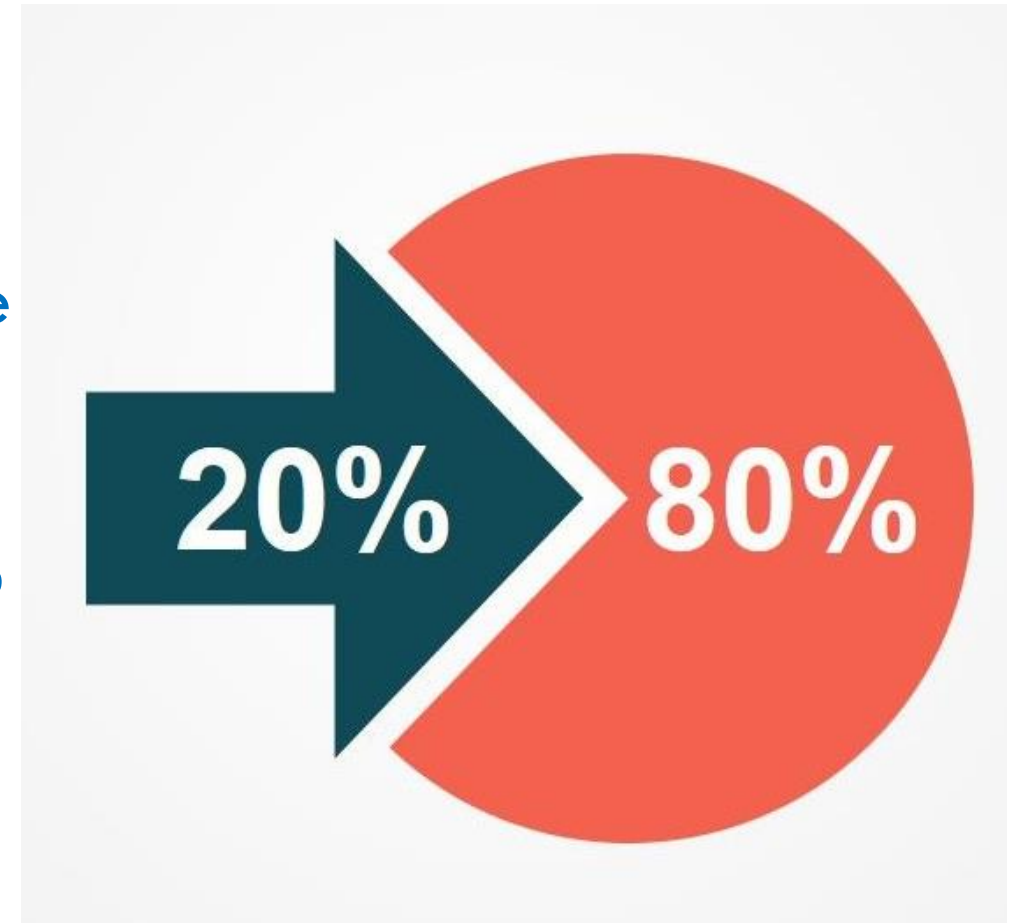


20% of the input (time, resources, effort)
accounts for 80% of the output (results, rewards)

What is the Pareto Principle?

The Pareto Principle states that 80% of the results are determined by 20% of the causes.

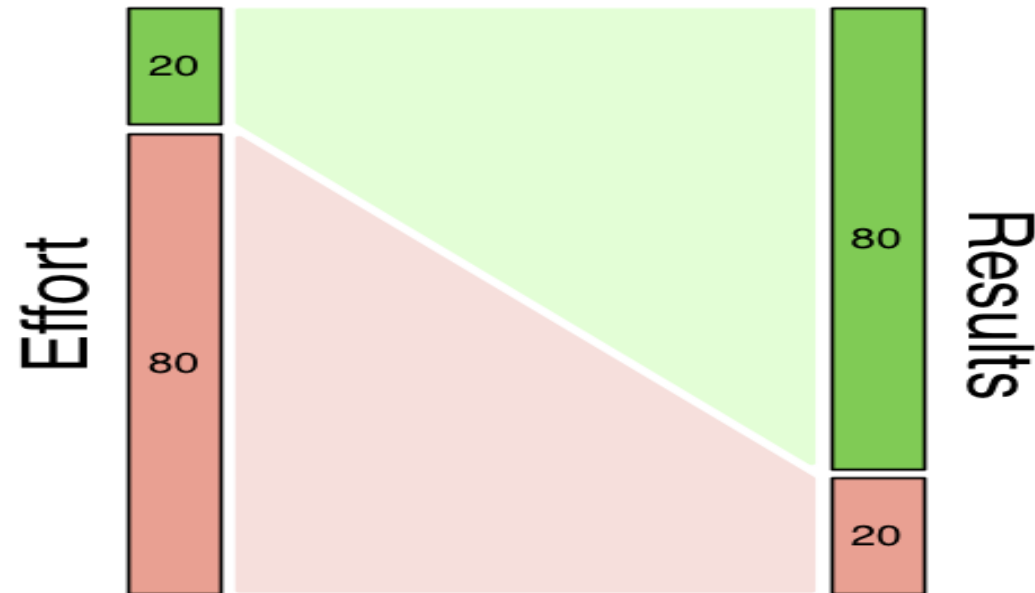
Therefore, you should try to find the 20% of defect types that are causing 80% of all defects.



Pareto's Principle

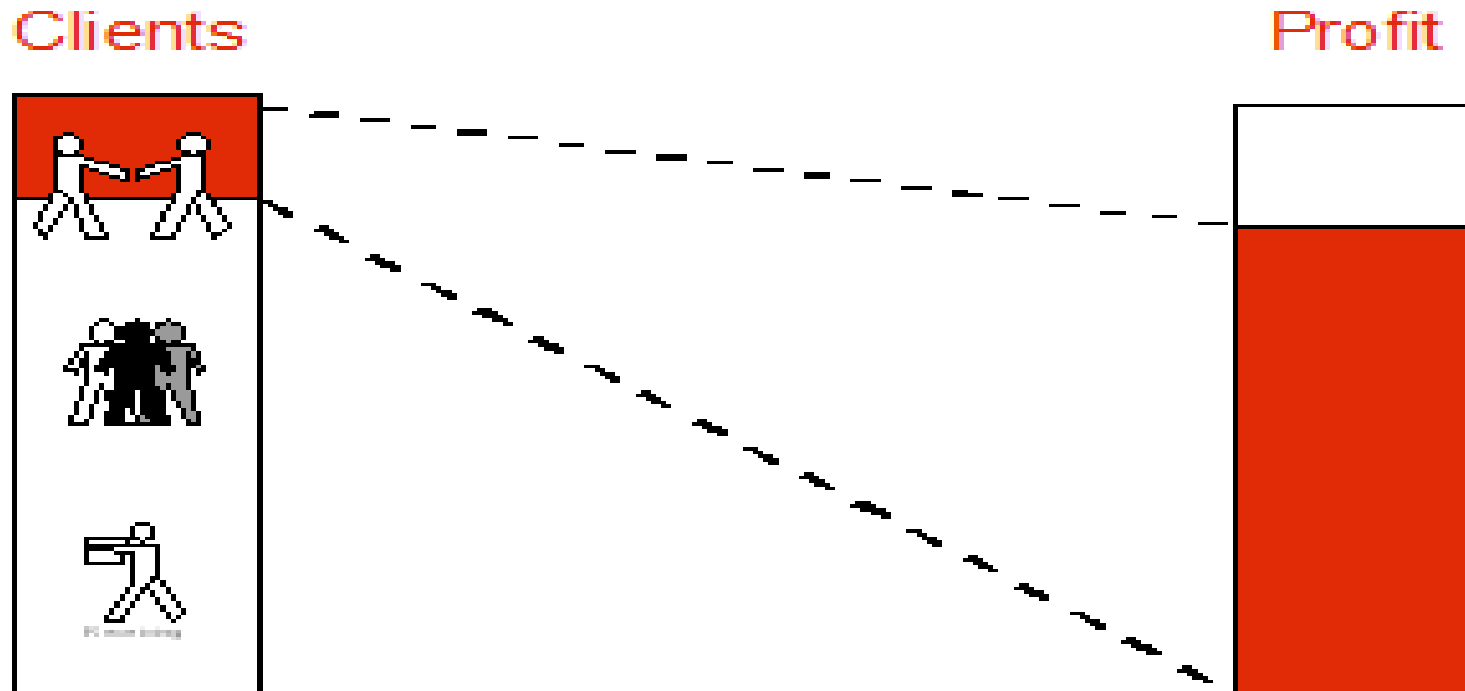
The 80-20 Rule

"For many events, roughly 80% of the effects come from 20% of the causes." - Pareto



Therefore 20% of the effort produces 80% of the results but the last 20% of the results consumes 80% of the effort.

The 80-20 Rule



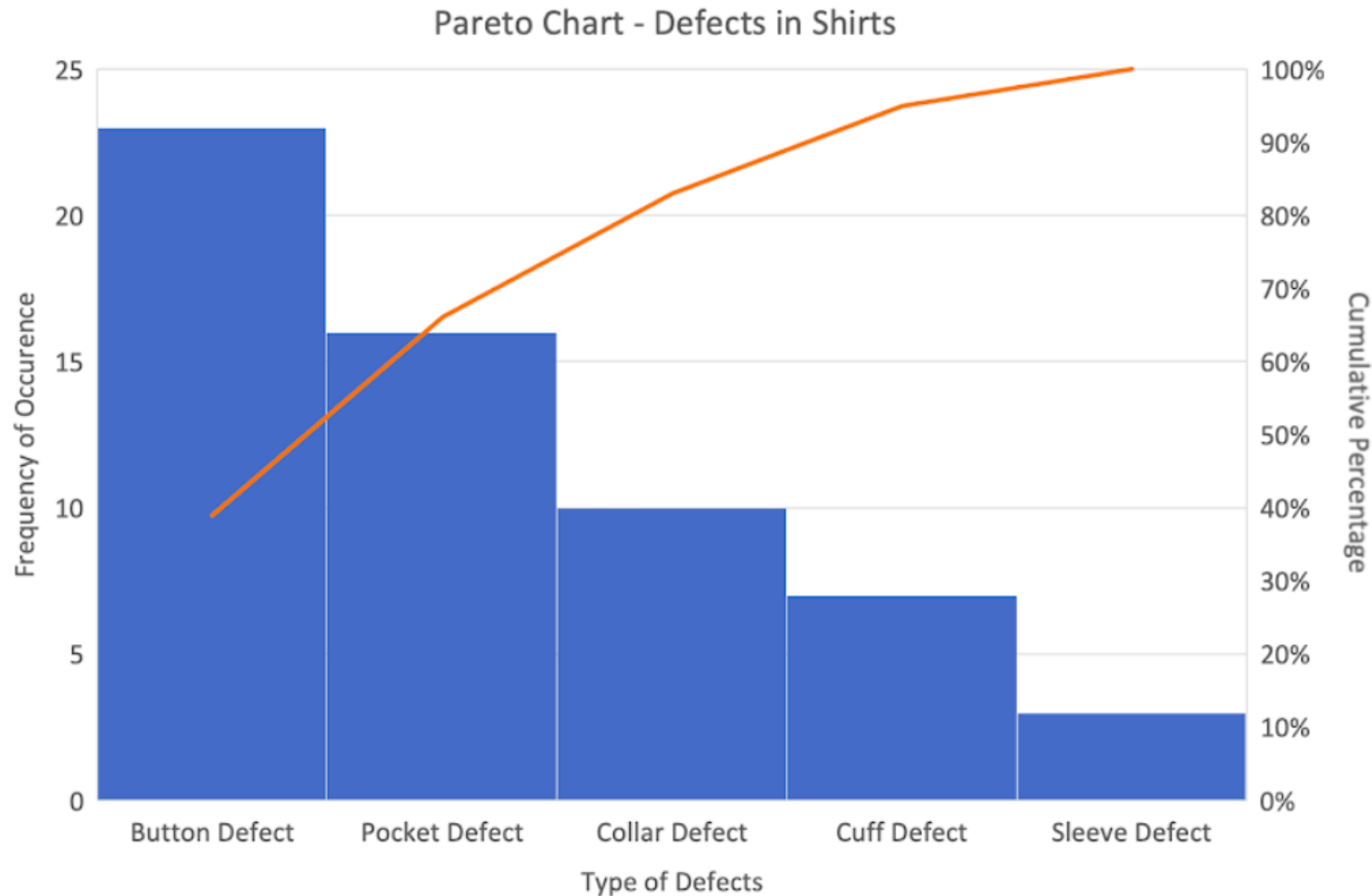
The top 20% of your clients
Generate 80% of your profit

Why Pareto Chart?

A Pareto Diagram has several key benefits...

- Pareto chart is easy to draw
- Pareto chart help your team focus on the inputs that will have the greatest impact
- The Pareto chart helps visualize problems quickly, so this is an excellent visual communication tool as well.
- Pareto chart also provides an easy way to compare before and after representation to verify that any process changes had the desired result

A Pareto Chart is a Quality tool



A Pareto Chart is a graph that indicates the frequency of defects, as well as their cumulative impact. Pareto Charts are useful to find the defects to prioritize in order to observe the greatest overall improvement.

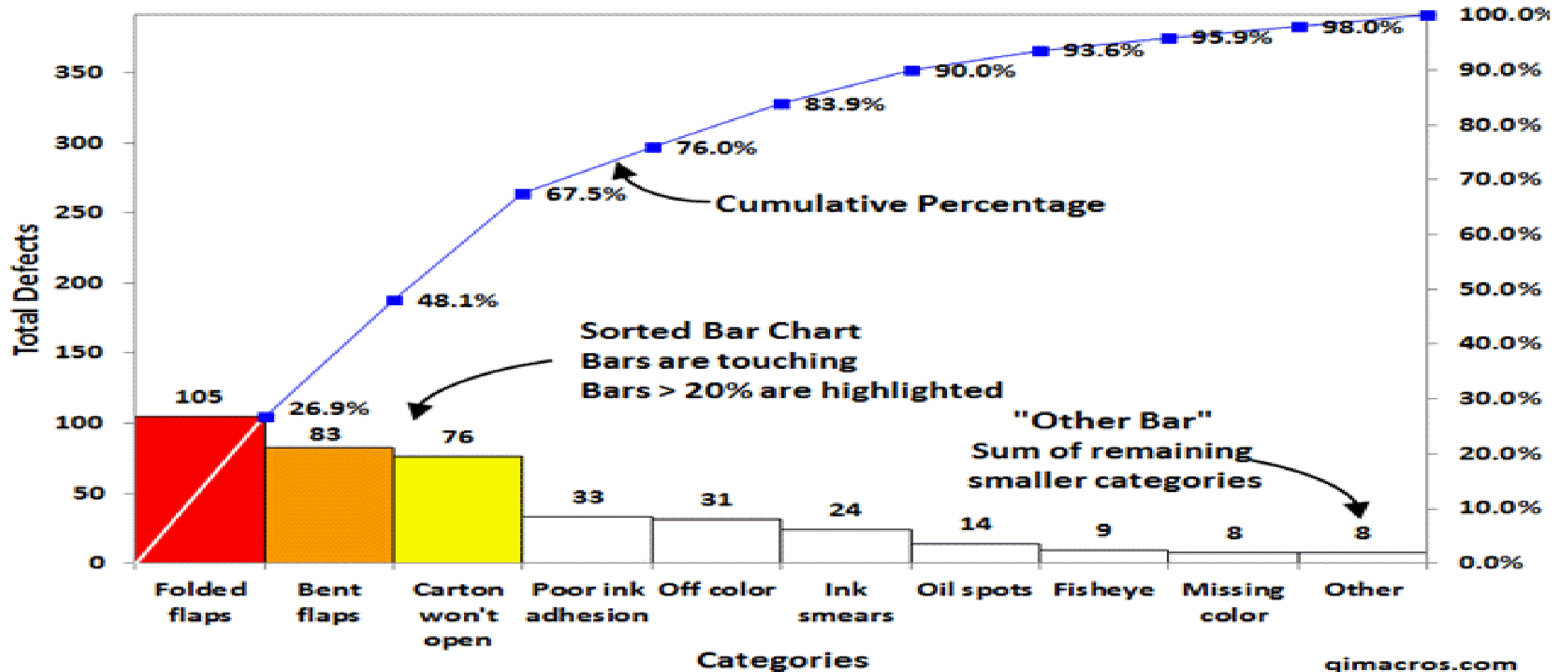
It helps analyse and prioritize issue resolution

Pareto Chart in Quality Improvement Process

- Pareto charts can be used at the start of a new round of quality improvement to figure out what business problems are responsible for the most complaints or losses, and dedicate improvement resources to those.
- Pareto chart can help the team select the appropriate areas to focus on.

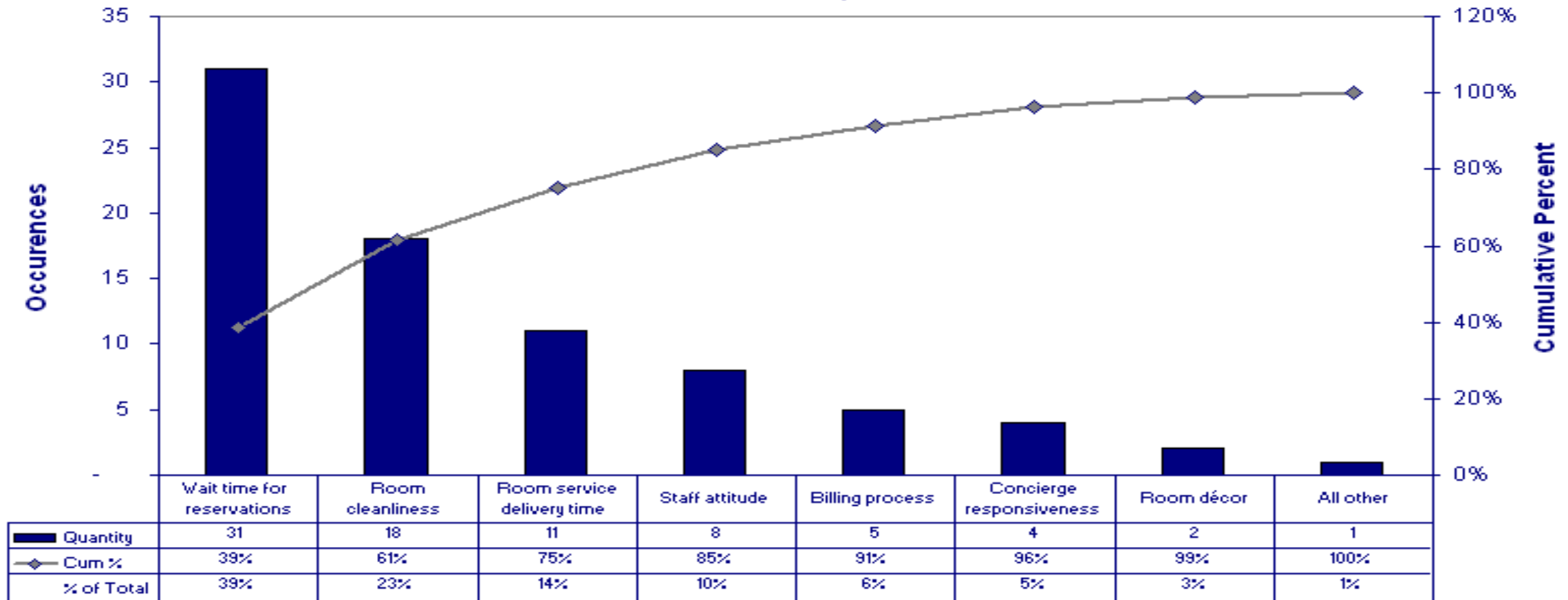
Pareto Chart Manufacturing Industry

Anatomy of a Pareto Chart



Pareto Chart Service Industry

Hotel Complaints



Time Period: January-09

MASTER QUALITY MANAGER (MQM)

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 - 2 Jam review untuk ujian Sertifikasi MQM
 - 2 Jam ujian pilihan ganda

Who Should Attend

- Quality Managers and Executives
- Quality Assurance Manager
- Operational Excellence Professional
- Quality Auditor/Consultant
- Management Representatives (MR)
- Quality Improvement Professional

Investment:
Rp.8.500.000

*Incl. Training & Certification

Contents The course covers the following topics:

1. Introduction to quality management
2. Cost of Poor Quality
3. Basic quality tools and techniques
4. Statistical process control
5. Quality management systems
6. Total quality management TQM
7. Build in quality
8. Six Sigma Quality
9. Quality 4.0

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Reference

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- <https://blog.minitab.com/blog/understanding-statistics/when-to-use-a-pareto-chart>