Exercise

# Pareto Principle

Given the two data sets below, create Pareto plots for each one. What are the conclusions that you can draw?

Define phase – potential processes for the application of a Lean Six Sigma project, error values are those errors that have occurred in the past 90 days.

* Order entry process – 84 errors
* Order scheduling process – 14 errors
* Order testing process – 7 errors
* Order consolidation process – 36 errors
* Order packing and labeling process – 21 errors
* Order shipping process – 37 errors
* Order billing process – 11 errors
* Customer follow-up process -22 errors

Analyze phase – contributing causes to the observed problem, the number of instances that the factor occurred in failed units during the past six weeks (one unit could contain more than one factor).

* Incorrect material used - 22
* Material was past shelf life - 9
* Material was out-of-spec - 4
* Product assembled incorrectly – missing parts - 18
* Product assembled incorrectly – parts installed wrong - 39
* Product assembled incorrectly – parts not secured - 39
* Product assembled incorrectly – procedures in error - 4
* Product assembled incorrectly – improper training - 65
* Product assembled incorrectly – error in shop floor traveler documentation - 28
* Product damaged during assembly - 82
* Product damaged during handling to/from stockroom - 127
* Product damaged due to improper fixture/equipment setup - 8
* Product damaged during test/inspection - 12
* Product tested incorrectly - 2
* Product damaged – unknown - 34