

# 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

# 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 (%)
<b>1</b>	Bad size	<b>10</b>	<b>71%</b>	<b>71 %=71%</b>
<b>2</b>	Bad material	<b>3</b>	<b>21 %</b>	<b>93%=71%+21%</b>
<b>3</b>	Rust	<b>1</b>	<b>7%</b>	<b>100 %=93%+7%</b>

# Pareto chart

