Pareto Analysis Overview

Pareto Analysis · https://www.forecastpro.com/documentation/forecast-pro-trac/100ext-pareto-analysis/100ext-pareto-analysis-overview/

Pareto analysis is used to assign ABC classifications to your forecast items. Typically, important, high volume items are categorized as type “A,” medium volume items are categorized as type “B” and slow-moving items are categorized as type “C.” Thus, the code indicates the relative importance of an item and many organizations adopt different procedures for creating, reviewing and monitoring their forecasts based upon the codes.

Forecast Pro can automatically assign items into ABC categories based upon their volume. Alternatively, you can create a custom filter to define the classifications. In this lesson, we will explore both approaches and illustrate how sorting and filtering reports on the Pareto output can be extremely useful.