

Weighted Pareto Analysis

1. List the potential projects in the table.
2. Start at the top of the list and review one project at a time estimating the annual savings(S) and total Cost (C).
3. Start at the top of the list and estimate the probability of Success (P) (.1 to 1.0) and the estimated time (t) to complete in total years.
4. Use the equation below to calculate the PPI
5. Review the list starting with the highest PPI to start work.

$$\text{Project Priority Index (PPI)} = (S \times P) / (C \times t)$$

Projects	Savings \$	Probability of Success	Total Cost \$	Time yrs	PPI
Standardize Lubrication	25,000	.9	12,000	.25	7.5
Eliminate seal failures in Bucket Elevator	28,000	.7	10,000	.75	2.61
Line 1 yield improvement	300,000	.7	75,000	1.0	2.8
Implement PM Optimization on System 2	150,000	.8	20,000	.5	12.0