Pareto Chart in Tableau

Aim: Our aim is to visualize the data from the dataset into the form of a Pareto chart and analyze the data by using the Pareto principle.

Dataset Used: Sample – Superstore.

Sheet Used: Orders.

Tool Used: Tableau.

What is Pareto principle?

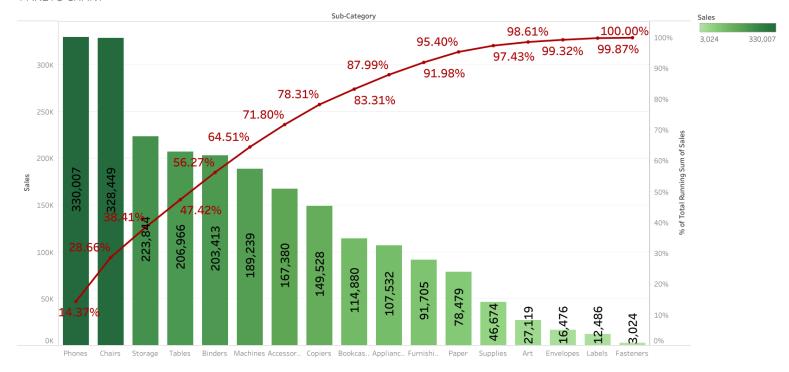
➤ The Pareto principle states that for many outcomes roughly 80% of consequences come from 20% of the causes. Other names for this principle are the 80/20 rule, the law of the vital few, or the principle of factor sparsity.

What is Pareto Chart?

- ➤ A Pareto chart is a type of chart that contains both bars and a line graph, where individual values are represented in descending order by bars, and the cumulative total is represented by the line.
- ➤ 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.

How it looks like:-





- ➤ As you can see bar shows the individual values of the sales column for every sub-category entry.
- ➤ The line shows the percentage of the total running sum of sales.
- ➤ The quick table calculation feature of the tableau is used to do the calculation for the plotting of the line.
- ➤ The add secondary calculation feature is also used in the quick table calculation feature to calculate the percentage of the total running sum of sales.
- Separate labeling is done to make our visualization more helpful and interactive.

Analysis:

➤ As the Pareto principle states that for many outcomes roughly 80% of consequences come from 20% of the causes. Other

- names for this principle are the 80/20 rule, the law of the vital few, or the principle of factor sparsity.
- ➤ We can say that Phones, Chairs, Storage, Tables, Blinders, Machines, Accessories, and Copiers together make the 78.31% of the total sales (not 80% but approx 80%).
- ➤ Rest of the items are also increasing the sales but Phones, Chairs, Storage, Tables, Blinders, Machines, Accessories, and Copiers together make 78.31%, which means a larger part is obtained from these items only.
- ➤ So we can say that Phones, Chairs, Storage, Tables, Blinders, Machines, Accessories, and Copiers items should be available as per high priority every time in the store.

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