Terrapin Restaurant Pareto Analysis

Tashara Cooper

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| problem area | Occurrences | cumulative occurrence | cumulative percentage(%) |
| environmental cleanliness | 51 | 51 | 86 |
| customer service length | 5 | 56 | 95 |
| customer satisfaction | 3 | 59 | 100 |
| environmental noise | 0 | 59 | 100 |
| Teamwork | 0 | 59 | 100 |
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According to Goetsch & Davis (2014), Pareto tool is used to determine the areas to be worked on in an organization and is also referred to as 80/20 rule. The rule means that 20% of the components will lead to 80% of the total effects. It is essential to note that in the Pareto chart, the numbers do not necessarily need to be 20% and 80% (Goetsch & Davis, 2014). The chart focuses mainly on determining causes of a problem. For instance, 20% of the problems in the diagram when solved could not improve the performance by 80% which means that there are other key areas in the business that are translating to its failures. Environmental cleanliness is an important concern that should be given priority and addressed to improve Terrapin growth although it will contribute a little if other factors which are not presented in the chart are not addressed.

The stratification of this data is not sufficient to solve the problems in the Terrapin restaurant because it does not meet the 80/20 rule. For example, if a straight line is drawn from the 80% mark in the cumulative percentage running parallel to the x-axis, it will not intersect with the curved line. The Pareto diagram therefore clearly indicates that environmental cleanliness, customer service length, teamwork, environmental noise and customer satisfaction are less important causes of the problems experienced in the restaurant.

Further observations need to be carried out within the hotel to determine the major causes affecting the restaurant performance. The services together with the quality of food products offered to the customers should be observed to decide whether or not they create a sustainable competitive advantage to the customers.

Reference

Goetsch, D. L., & Davis, S. B. (2014). *Quality management for organizational excellence*. Upper Saddle River, NJ: pearson.