Continuous Improvement Toolkit

Traffic Light Assessment
Traffic Light Assessment

A rating system

Evaluates the **performance** in relation to a goal

Results are expressed using the **three colors** of the real traffic lights
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A good way to communicate information

Have the advantage of being universally recognized
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Good and poor performance can easily be identified

The results help in decision making
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Traffic lights systems concepts are widely used in . . .

Performance Management

Visual Management

Project Management
Traffic Light Assessment

Performance Management

Helps *presenting* performance information for decision making purposes

Often used in management review meetings
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Performance Management

Results are expressed in terms of colors . . .

- A performance that is **far below** from target
- A performance that is a bit below from target
- An expected performance (or better than expected)
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Performance Management

Traffic light colors can be applied to . . .

- Performance indicators
- Graphical charts
- Trend indicators
- Variance indicators
- Dashboards

4.4% 3.1% 2.8%
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Performance Management

Applications . . .

- Performance and trend reports
- Financial reports
- Marketing reports
- Customer satisfaction reports
- Quality control reports
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Performance Management

Applications . . .

- Risk management and safety audits
- Compliance audits
- Staff training and development
- Staff performance management
- Retention analysis and planning
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Visual Management

Traffic light assessment is frequently used in factories.

The Andon display uses traffic light signals to communicate production information.

It helps bringing immediate attention to problems as they occur.
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Visual Management

Information is expressed in terms of colors . . .

- A production that has stopped or a line that is down
- Production has slowed down / attention is needed to fix something
- Normal production levels and a line that is running smoothly
- Operation needs something (material, tooling, ...)

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Visual Management

A map for the areas which have the **most safety incidents** that resulted in lost time.

- **Zero lost cases**
- **1-2 lost cases**
- **More than 2 lost cases**
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Project Management

How well activities and milestones are being achieved?

How on track the overall project is?
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Project Management

Activity management

Risk management

Project tracking

Project KPIs

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Project Management

Project information is expressed in terms of colors . . .

- An activity that is **incomplete**
- An activity that is **partially completed**, or was completed after due date
- An activity that was **completed** on time, or ahead of time.
Additional colors can be used to convey specific information.

- Scheduled activities
- On hold activities
- New added or changed activities
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Project Management - Example

Activity 1
Activity 2
Activity 3
Activity 4
Milestone 1
Activity 5
Activity 6
Activity 7
Activity 8
Milestone 2

Today line
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Other Uses

- **Marking** inventory levels and reorder triggers
- **Communicating the status** of a material or product
- Knowing what a team think of a particular idea
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Other Uses

Team members may use them to assess an idea . . .

- An idea that is poor or inappropriate
- A good idea, or an idea that needs to be reviewed
- An excellent idea
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Other Uses

In the **food industry**, traffic light labels can be used to show how much fat, sugar and salt exist in the food products.

- **High**
- **Medium**
- **Low**
### Traffic Light Assessment

#### Other Uses – Skills Matrix

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<th>Product Defects</th>
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**Training Requirement Score:**

- **4** Trainer level
- **3** Practical experience
- **2** Little practical experience
- **1** Basic awareness
- **0** Training needed
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Further Information

Use charts rather than detailed data where relevant

Sometimes, the letters R, Y and G (or R, A and G) are used in addition to the colors