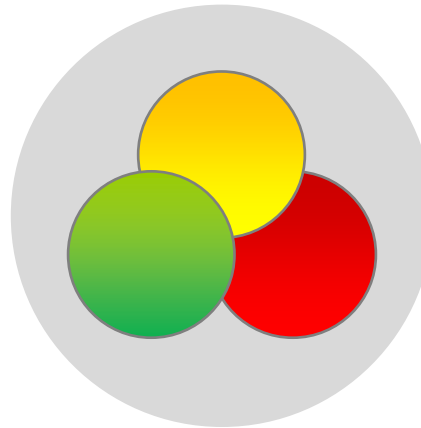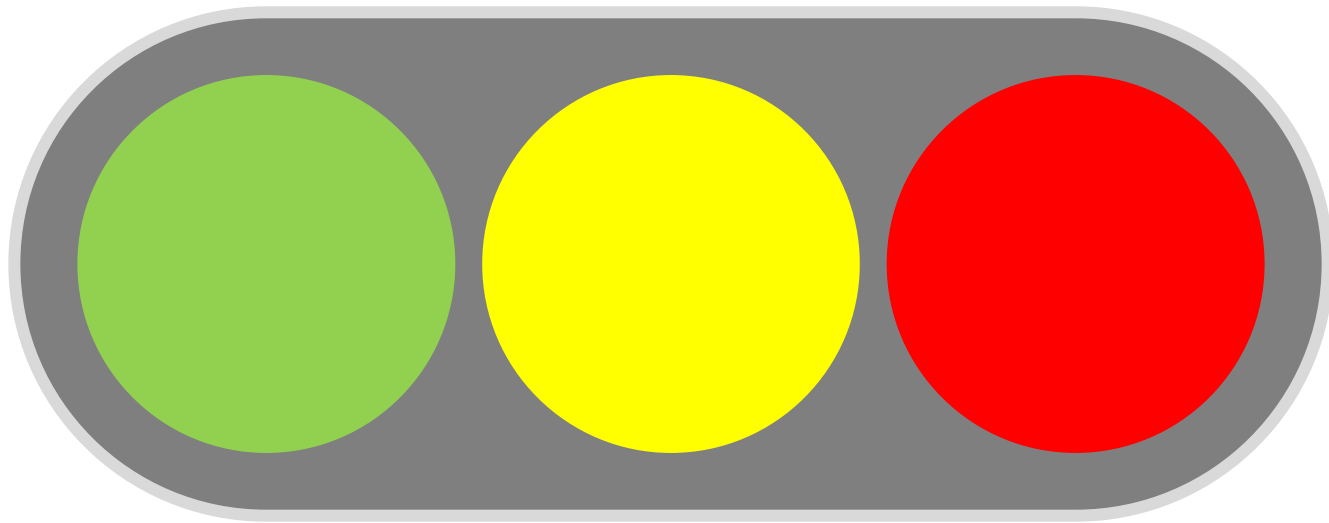Continuous Improvement Toolkit

TRAFFIC LIGHT ASSESSMENT

TRAFFIC LIGHT ASSESSMENT

A **rating system** for evaluating the performance in relation to predefined goals

Performance results are indicated using the real traffic light colors (**RED**, **YELLOW** and **GREEN**).

TRAFFIC LIGHT ASSESSMENT

Allows to **communicate** performance information clearly

Has the advantage of being **understood universally**
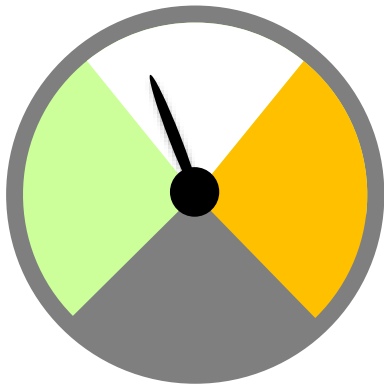
TRAFFIC LIGHT ASSESSMENT

Good and poor performance can easily be identified
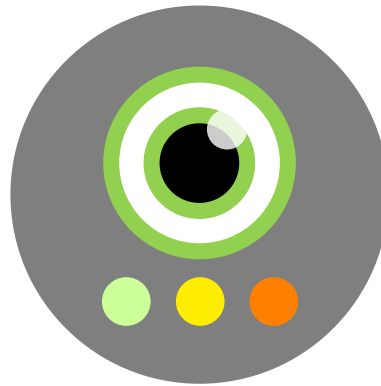
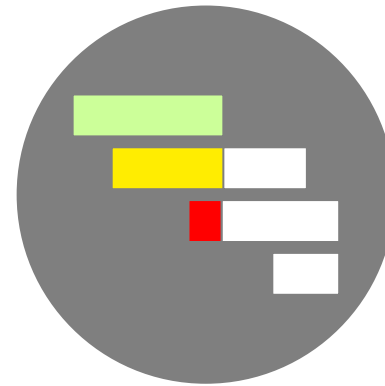Supports **decision making**

TRAFFIC LIGHT ASSESSMENT

Traffic lights systems concepts are **widely used in** . . .

Performance
Management

Visual
Management

Project
Management
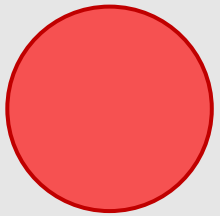
TRAFFIC LIGHT ASSESSMENT

In Performance Management

- Helps **presenting** performance information for decision making purposes.
- Often used in management **review meetings**.

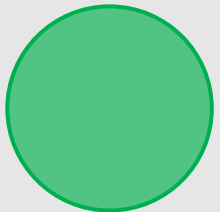# TRAFFIC LIGHT ASSESSMENT

In 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).

TRAFFIC LIGHT ASSESSMENT
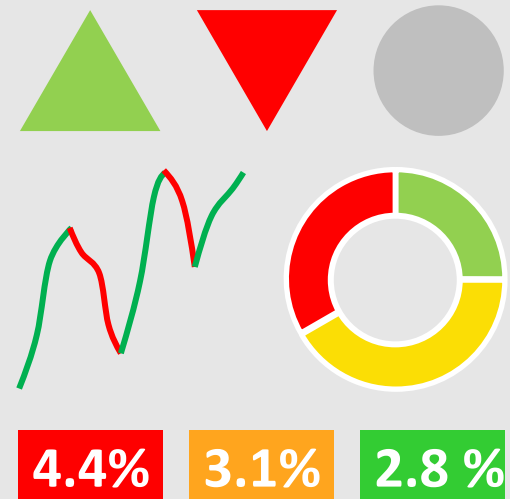
In Performance Management

Traffic light colors can be applied to . . .

Performance indicators

Trend and variance indicators

Graphical charts

Dashboards

4.4%   3.1%   2.8 %

TRAFFIC LIGHT ASSESSMENT

In Performance Management

Can be applied to . . .

Performance and trend reports

Financial reports

Marketing reports

Customer satisfaction reports

Quality control reports

TRAFFIC LIGHT ASSESSMENT

In Performance Management

Can be applied to . . .

Risk management and safety audits

Compliance audits

Staff training and development

Staff performance management
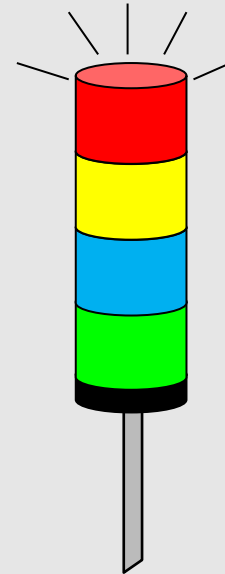
Retention analysis and planning

TRAFFIC LIGHT ASSESSMENT

In Visual Management

Traffic light assessment is widely used in **factories warehouses** and **workshops**.

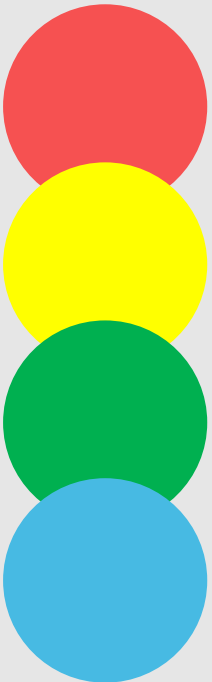An **Andon light system** uses the traffic light colors to communicate production information on the shop floor

It helps bringing immediate **attention** to problems as they occur

TRAFFIC LIGHT ASSESSMENT

In Visual Management

Information is expressed in terms of colors . . .

A production that has stopped or a line that is down.

Production has slowed down and immediate attention is required.

Normal production levels and a line that is running smoothly.

A potential quality problem that has been detected or an operational requirement that is needed (material, tooling, …).
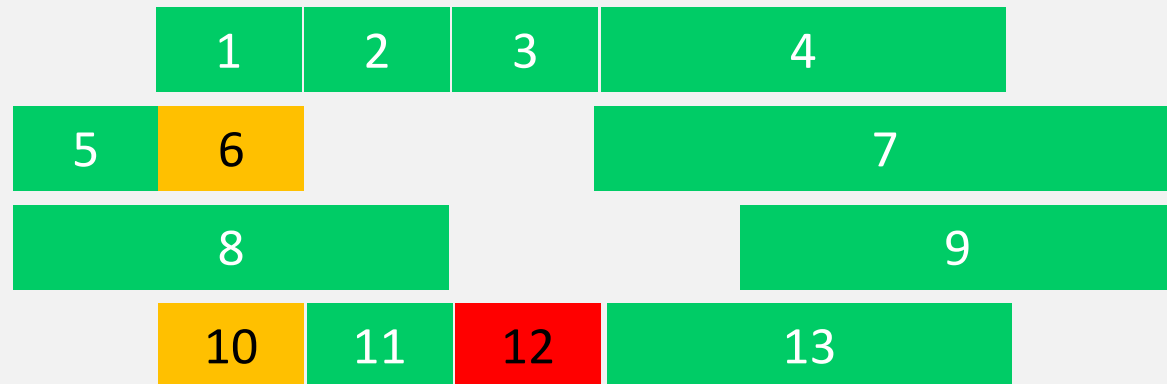
TRAFFIC LIGHT ASSESSMENT

In Visual Management

A **Kamishibai board** is another visual management example that uses traffic light colors to indicate the progress of activities

TRAFFIC LIGHT ASSESSMENT

In Visual Management

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

1	2	3	4

5	6
	7

8	9

10	11	12	13

Legend:
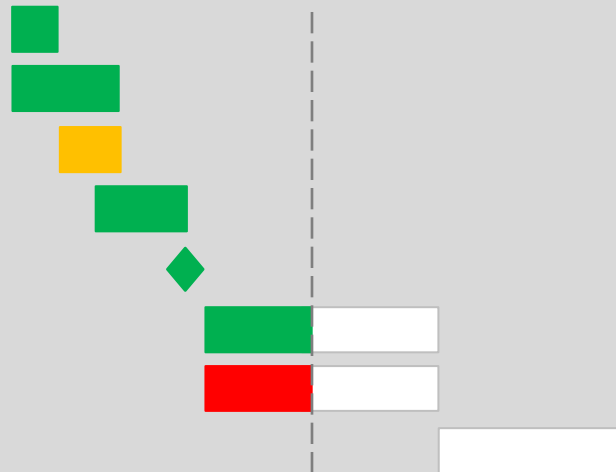- More than 2 incidents
- 1-2 incidents
- Zero incidents

TRAFFIC LIGHT ASSESSMENT

In Project Management

How well **activities** and **milestones** are being achieved?

How on track the overall project is progressing?

TRAFFIC LIGHT ASSESSMENT

In 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 has been **completed** on time or ahead of time.

TRAFFIC LIGHT ASSESSMENT

In Project Management

Additional colors can be used to convey specific information.

Scheduled activities.
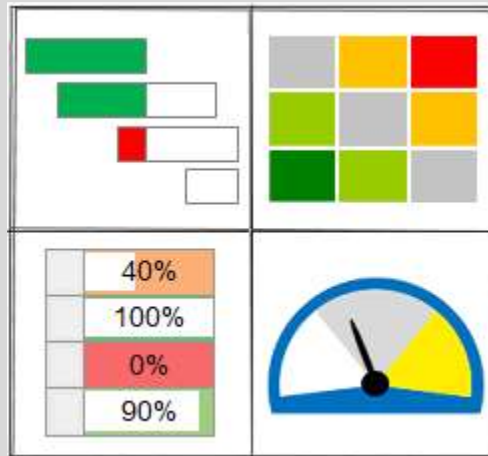
On hold activities.

New added or changed activities.

TRAFFIC LIGHT ASSESSMENT
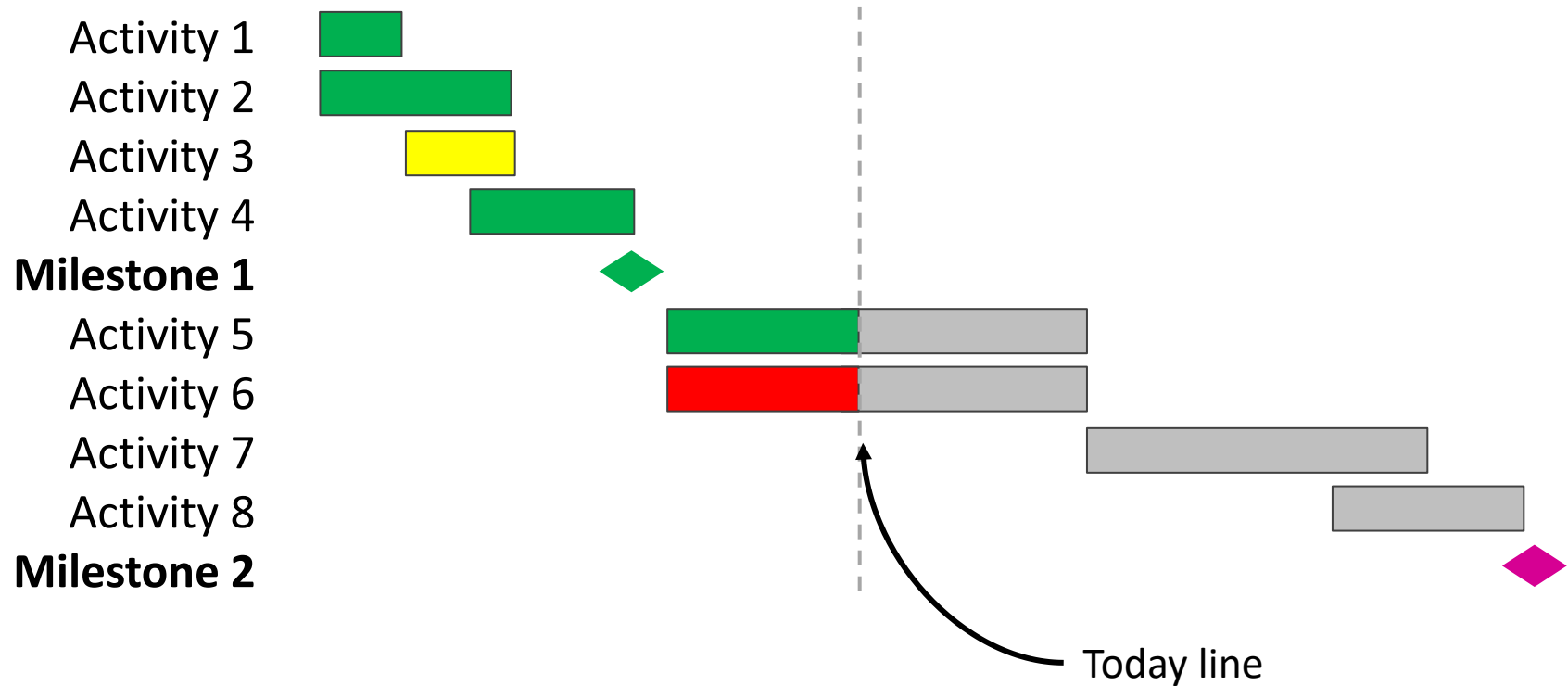
In Project Management

Activity management

Risk management

Project tracking

Project KPIs

TRAFFIC LIGHT ASSESSMENT
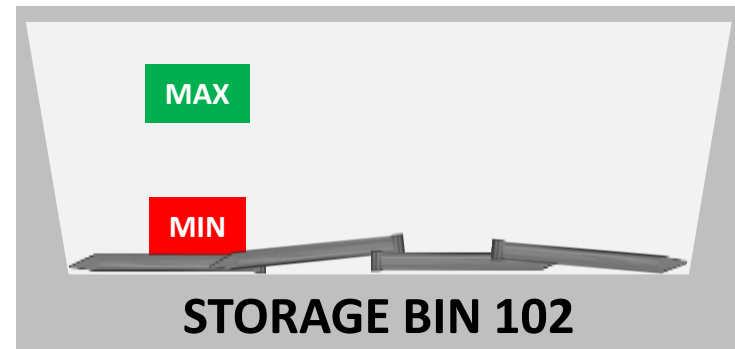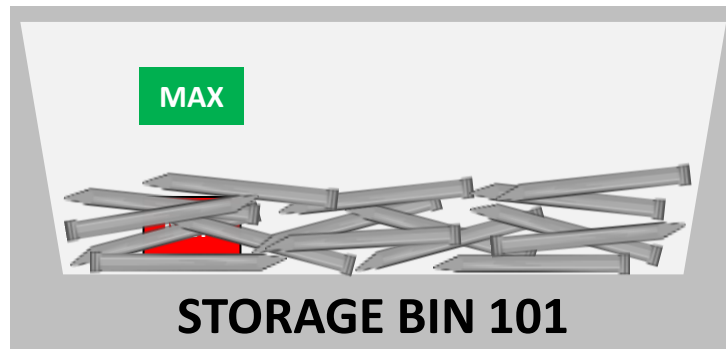
Project Management - Example

TRAFFIC LIGHT ASSESSMENT

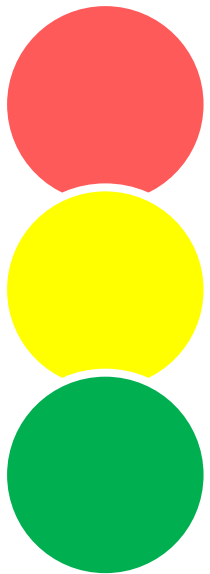## Other Applications

Marking inventory levels and reorder triggers

Communicating the status of a material or product

MAX

STORAGE BIN 101

MAX

MIN

STORAGE BIN 102

TRAFFIC LIGHT ASSESSMENT

Other Applications

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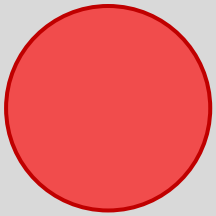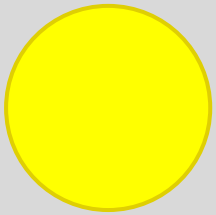
High

Medium

Low

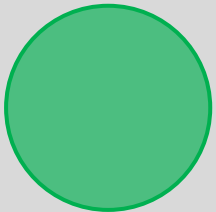# TRAFFIC LIGHT ASSESSMENT

Other Applications

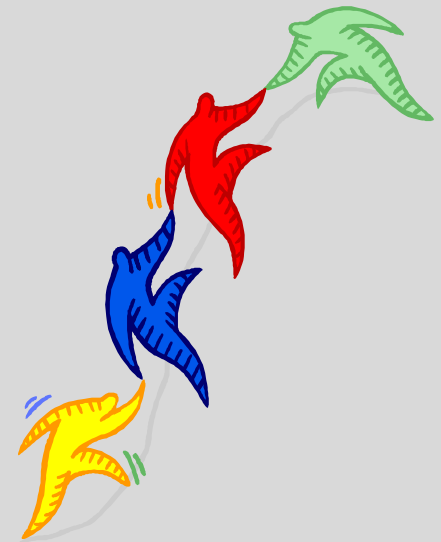Teams may also use them to assess ideas and suggestions.

🔴 An idea that is poor or inappropriate.

🟡 A good idea, or an idea that needs to be reviewed.

🟢 An excellent idea.

TRAFFIC LIGHT ASSESSMENT

Other Applications – Skill Matrix

ID	Name	Job Title	Safety Intro.	Defect Intro.	SPC	5S	SOP	DMAIC	FMEA	Score
3113	Hani	Supervisor	2	2	2	0	4	0	0	10
3120	Sami	Supervisor	2	4	3	1	3	2	0	15
3181	Emer	Maintainer	1	1	2	2	4	0	0	10
3109	Zakaria	Maintainer	0	1	1	0	3	0	0	5
3110	Shady	Inspector	0	2	0	0	2	0	0	4
3193	Peter	Inspector	1	3	1	0	2	1	0	8
3174	Kumar	Inspector	1	2	1	1	1	0	0	6
Training Requirement Score:			5	2	4	6	1	6	7	

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

TRAFFIC LIGHT ASSESSMENT

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