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 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).
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, ...).
A Kamishibai board is another visual management example that uses traffic light colors to indicate the progress of activities.
In Visual Management

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

![Traffic Light Assessment Diagram]

- **1, 2, 3, 4**: Zero incidents
- **5, 6**: 1-2 incidents
- **7**: More than 2 incidents

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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.
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

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

Today line
TRAFFIC LIGHT ASSESSMENT

Other Applications

- Marking inventory levels and reorder triggers
- Communicating the status of a material or product

STORAGE BIN 101
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

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<th>Defect Intro.</th>
<th>SPC</th>
<th>5S</th>
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**Training Requirement Score:**

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