

IPO-FAT Tool

○ Below is the IPO-FAT tool:

	Input	Process	Output
Flow	1 Incoming Volume <i>(What opportunities are there to reduce the incoming volume from the prior output?)</i>	2 Workflow Rhythm <i>(How can throughput (takt time) be optimized by evaluating FIFO, batch processing or schedule balancing?)</i>	Production Rate or RTY <i>(What does takt time or rolled throughput yield (RTY) reveal about what processes need improving?)</i>
Accuracy	4 Readiness <i>(How complete or accurate are the inputs before the process?)</i>	3 Quality/Value-Add <i>(What process steps don't add value, aren't required or don't meet policy/specs?)</i>	Defects (DPMO) <i>(What is the rate of defects, scraps or First-time-yield (FTY)?)</i>
Timeliness	5 Arrival/Setup Time <i>(How much delay between prior output and current input? How much setup or lead time is required before process?)</i>	6 Handle Time <i>(How much time to perform value-added steps in process?)</i>	Turnaround Time (TAT) <i>(How much time from current input to current output?)</i>

① to ⑥ = Potentially the fastest & easiest path for finding biggest opportunities

Preferred Methodology:

- = 6 Sigma (Effectiveness)
- = Lean (Efficiency)
- = Lean &/or 6 Sigma

- What does the suggested priority (1 to 6) mean?
 - The priority suggests what could be the fastest & easiest path for finding & fixing potential opportunities.
 - For example, why improve the handle time for items being processed (#6) if you can eliminate some of them from the incoming volume in the first place (#1)? Doing #1 first will save time when doing #6 later.
- How do you use the tool?
 - Review the tool with the team and brainstorm potential opportunities for each cell.
 - Validate with the team if the suggested priority (1 to 6) is recommended for their opportunities.