



Australian Government

Department of Education, Employment and Workplace Relations

LMFFDT6001A Assess economic impact of a design

Revision Number: 1

LMFFDT6001A Assess economic impact of a design

Modification History

Not applicable.

Unit Descriptor

Unit descriptor	This unit specifies the outcomes required to assess the economic impact of a design, recording its marketability, volume potential and competition.
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Application of the Unit

Application of the unit	<p>This unit supports the attainment of skills and knowledge required for competent workplace performance in furnishing operations of all sizes. Assessing the economic impact of a design applies to an industry workplace or design studio environment and involves application of skills and knowledge at a managerial level. These skills and knowledge are to be used within the scope of the individual's job and authority.</p> <p>This unit includes employability skills in planning and organising and problem solving to determine economic factors and impacts of a design. Communication skills are used to assess information, complete documentation and undertake calculations.</p>
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Licensing/Regulatory Information

Not applicable.

Pre-Requisites

Prerequisite units		

Employability Skills Information

Employability skills	This unit contains employability skills.
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Elements and Performance Criteria Pre-Content

Elements describe the essential outcomes of a unit of competency.	Performance Criteria describe the required performance needed to demonstrate achievement of the Element. Where bold italicised text is used, further information is detailed in the required skills and knowledge and/or the Range Statement. Assessment of performance is to be consistent with the Evidence Guide.
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Elements and Performance Criteria

ELEMENT	PERFORMANCE CRITERIA
1. Research economic factors	<p>1.1. Applicable <i>OHS, legislative</i> and <i>organisational requirements</i> relevant to assessing the economic impact of a design are verified and complied with</p> <p>1.2. <i>Design brief</i> is reviewed, confirmed and clarified with <i>appropriate personnel</i></p> <p>1.3. <i>Communication</i> with others is established and maintained in accordance with OHS requirements</p> <p>1.4. <i>Market research fundamentals</i> are considered and analysed</p> <p>1.5. Potential <i>sales volume</i> of designed products are analysed and evaluated</p> <p>1.6. <i>Niche markets</i> are discovered and analysed for <i>cost benefit analysis</i></p>
2. Assess the economic impact of the design	<p>2.1. Production costs of a design are assessed and evaluated</p> <p>2.2. <i>Longitudinal studies</i> of a design are undertaken to explore potential success factors</p> <p>2.3. Scale of production is estimated taking into account market analysis</p> <p>2.4. <i>Profit margins</i> are analysed based on expected turnover, full costing of product, <i>price point</i> in the market and demand for the product</p> <p>2.5. Competition in the market place with similar design solutions or products in that market segment are analysed and strategies reviewed</p> <p>2.6. Availability of <i>resources</i> is assessed to ascertain what impact this will have on economic viability</p> <p>2.7. <i>Product lifecycle</i> analysis is evaluated for economic significance</p> <p>2.8. Long term <i>economic impact</i> on the business, staff and associated suppliers is analysed and strategised</p> <p>2.9. Intended <i>manufacturing processes</i> including <i>assembly</i> and <i>finishing</i> are assessed for their economic impact</p> <p>2.10. Final documentation outlining the full analysis of the designs economic impact is compiled and produced as a report</p>

Required Skills and Knowledge

REQUIRED SKILLS AND KNOWLEDGE

This describes the essential skills and knowledge and their level, required for this unit.

Required skills

- interpret costing and financial documentation
- access industry standards
- analyse business information
- read, interpret and follow information on work specifications, standard operating procedures and work instructions, and other reference material
- maintain accurate records
- communicate within the workplace
- sequence operations
- meet specifications
- clarify and check task-related information
- carry out work according to OHS practices.

Required knowledge

- State or Territory OHS legislation, regulations, standards and codes of practice relevant to assessing the economic impact of a design
- organisational and site standards, requirements, policies and procedures for assessing the economic impact of a design
- economic conditions and markets nationally and internationally
- established communication channels and protocols
- problem identification and resolution
- elements and principles of design
- types of tools and equipment and procedures for their safe use, operation and maintenance
- characteristics of materials, products, sources and defects
- computer programs
- product assembly techniques and equipment capabilities
- procedures for the recording, reporting and maintenance of workplace records and information
- appropriate mathematical procedures for estimation and measurement.

Evidence Guide

EVIDENCE GUIDE

The Evidence Guide provides advice on assessment and must be read in conjunction with the Performance Criteria, Required Skills and Knowledge, the Range Statement and the Assessment Guidelines for the relevant Training Package.

Overview of assessment

Critical aspects for assessment and evidence required to demonstrate competency in this unit

- Effectively assess the economic impact of a design from inception through manufacture including marketing, sales volume and competition impact and recording of the impact study outcomes
- Effectively research, contrast and compare a range of economic factors upon a design
- Effectively produce a report on the economic impact study outcomes of a product
- Comply with legislation, regulations, standards, codes of practice and established safe practices and procedures for assessing the economic impact of a design
- Communicate effectively and work safely with others in the work area

Context of, and specific resources for assessment

- The application of competency is to be assessed in the workplace or simulated workplace
- Assessment is to occur under standard and authorised work practices, safety requirements and environmental constraints
- Assessment of essential underpinning knowledge, other than confirmatory questions, will usually be conducted in an off-site context
- Assessment is to comply with relevant regulatory or Australian Standards requirements
- The following resources should be made available:
 - workplace location or simulated workplace
 - materials and equipment relevant to assessing the economic impact of a design
 - specifications and work instructions

Method of assessment

- Assessment must satisfy the endorsed assessment guidelines of the Furnishing Industry Training Package
- Assessment methods must confirm consistency and accuracy of performance (over time and in a range of workplace relevant contexts) together with application of underpinning knowledge
- Assessment methods must be by direct observation of tasks and include questioning on underpinning knowledge to ensure its correct interpretation and application

EVIDENCE GUIDE	
	<ul style="list-style-type: none">• Assessment may be applied under project related conditions (real or simulated) and require evidence of process• Assessment must confirm a reasonable inference that competency is able not only to be satisfied under the particular circumstance, but is able to be transferred to other circumstances• Assessment may be in conjunction with assessment of other units of competency
Guidance information for assessment	

Range Statement

RANGE STATEMENT

The Range Statement relates to the unit of competency as a whole. It allows for different work environments and situations that may affect performance. Bold italicised wording in the Performance Criteria is detailed below. Add any essential operating conditions that may be present with training and assessment depending on the work situation, needs of the candidate, accessibility of the item, and local industry and regional contexts.

OHS requirements	<ul style="list-style-type: none"> are to be in accordance with Commonwealth, State or Territory legislation and regulations, organisational safety policies and procedures requirements may include but not be limited to the use of personal protective equipment and clothing, fire fighting equipment, first aid equipment, hazard and risk control and elimination of hazardous materials and substances, manual handling, including lifting and carrying
Legislative requirements	<ul style="list-style-type: none"> are to be in accordance with applicable legislation from all levels of government that affect organisational operation requirements may include but not be limited to award and enterprise agreements, industrial relations, Australian Standards, confidentiality and privacy, OHS, the environment, equal opportunity, anti-discrimination, relevant industry codes of practice, duty of care and heritage
Organisational requirements	<ul style="list-style-type: none"> may include but not be limited to legal, organisational and site guidelines, policies and procedures relating to own role and responsibility, quality assurance, procedural manuals, quality and continuous improvement processes and standards, OHS, emergency and evacuation, ethical standards, recording and reporting, access and equity principles and practices, equipment use, maintenance and storage, environmental management (waste disposal, recycling and re-use guidelines)
Design brief	<ul style="list-style-type: none"> may include but not be limited to the aims, objectives, milestones for the design project, the point of reference for everyone, elements and principles of design and may include organisational or personal profiles, aims, target audience, budget, timeline, consultation requirements, colour requirements, image requirements and function

RANGE STATEMENT	
Appropriate personnel	<ul style="list-style-type: none"> may include but not be limited to trainers, supervisors, suppliers, clients, colleagues and managers
Communication	<ul style="list-style-type: none"> may include verbal and non-verbal language, constructive feedback, active listening, questioning to clarify and confirm understanding, use of positive, confident and cooperative language, use of language and concepts appropriate to individual social and cultural differences, control of tone of voice and body language
Market research fundamentals	<ul style="list-style-type: none"> is to include research undertaken to assess the size and nature of a market
Sales volume	<ul style="list-style-type: none"> is to include the amount sold within a specified time period, it is often expressed in monetary terms but can also be expressed in terms of the total amount of stock or products sold
Niche markets	<ul style="list-style-type: none"> is to include a very specific market segment within a broader segment of the market. It involves the provision of specialist products where relatively few or no competitors exist
Cost benefit analysis	<ul style="list-style-type: none"> is to include the assignment of monetary value to the costs and benefits (social, environmental and monetary) associated with a project for the purpose of selecting and evaluating project investment opportunities
Longitudinal studies	<ul style="list-style-type: none"> is to include a statistical study that produces data gathered over a period of time
Profit margins	<ul style="list-style-type: none"> is to include the amount by which income exceeds expenditure, it includes the sale price minus the cost of production, distribution and marketing
Price point	<ul style="list-style-type: none"> is to include the cost for sale placed on a product which caters to a market segment based on production costs, overheads and profit margins in relation to demand, supply and volume of sales
Resources	<ul style="list-style-type: none"> may include but not be limited to materials, personnel, equipment and systems
Product lifecycle	<ul style="list-style-type: none"> is the evolution of a product from its raw source, through its inception, development, manufacture, completion and time as a completed product until potential renewal
Economic impact	<ul style="list-style-type: none"> is to include the study of consumption, distribution

RANGE STATEMENT	
	and production on society in relation to a product
Manufacturing process	<ul style="list-style-type: none"> may include but not be limited to the methods by which the product will be produced, these steps usually entail working from working drawings and specifications, producing components utilising machine operations, assembly of the components and finishing techniques
Assembly methods	<ul style="list-style-type: none"> may include but not be limited to nailing, gluing, screwing, welding, pressing, sewing, bonding, jointing or connecting various materials
Finishing	<ul style="list-style-type: none"> may include but not be limited to paints, waxes, lacquers, stains, pigments, oils and plastic coatings

Unit Sector(s)

Unit sector	Furniture design and technology.
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Competency field

Competency field	
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Co-requisite units

Co-requisite units		