



**Australian Government**

**Department of Education, Employment and Workplace Relations**

# **MSACMG704A Facilitate improvements in the internal value chain**

**Revision Number: 1**

## MSACMG704A Facilitate improvements in the internal value chain

### Modification History

Not applicable.

### Unit Descriptor

<b>Unit descriptor</b>	This unit covers dealing with internal value chain members to improve the overall effectiveness of the value chain, so delivering greater value to the customer. This unit is about applying improvement practices which the team leader might have used within their own team to other teams within the value chain and covers areas where value stream issues impact on the overall ability of the organisation to continue to improve and offer better value to the customers.
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## Application of the Unit

<b>Application of the unit</b>	<p>This unit applies to team leaders or people in equivalent positions who have contact with internal value chain members outside their own team and who are already familiar with competitive manufacturing, formal problem solving and root cause analysis, leading change, and reducing costs. Where this is not the case the following units can be completed to supply the necessary skills:</p> <ul style="list-style-type: none"> <li>• MSACMS400A Implement a competitive manufacturing system</li> <li>• MSACMC411A Lead a competitive manufacturing team</li> <li>• MCMT430A Improve cost factors in work practices</li> <li>• MSACMT280A Undertake root cause analysis.</li> </ul> <p>The unit applies to 'gate-to-gate' value chains. For skills associated with a source to destination value chains refer to MSACMG709A Facilitate improvements in the external value chain.</p> <p>This unit does not apply to mapping or managing value chains (refer to MSACMS601A Analyse and map a value chain and MSACMS602A Manage a value chain). Where previous improvements need to be evaluated refer to MSACMG705A Undertake a qualitative review of a process change and MSACMG703A Analyse process changes.</p> <p>This unit may also be applied to service organisations applying competitive manufacturing principles.</p>
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## Licensing/Regulatory Information

Not applicable.

## Pre-Requisites

<b>Prerequisite units</b>	

<b>Prerequisite units</b>		

## Employability Skills Information

<b>Employability skills</b>	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 performance needed to demonstrate achievement of the element. Where bold italicised text is used, further information is detailed in the required skills and knowledge section and 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. Identify opportunities for continued improvement	1.1. Identify past improvements which have been implemented but have not delivered intended benefits 1.2. Identify suggested improvements which have not yet been implemented 1.3. Discuss and identify with team members new improvement opportunities 1.4. Determine which of these improvements have been or may be restricted by other value chain members 1.5. Suggest possible factors causing this restriction 1.6. Select possible improvements for further study
2. Study restrictions to further improvement with value stream member	2.1. Arrange meeting with suitable representatives of the value stream member 2.2. Outline the opportunities for improvement and any current or anticipated restrictions 2.3. Work with value stream representatives to determine root cause of restrictions 2.4. Work with value stream member to identify possible solutions to problem 2.5. Define outcomes from any proposed changes
3. Develop a consensus approach to implementing improvements	3.1. Determine benefits/costs to value stream member from the proposed changes 3.2. Determine benefits/costs to own process from the proposed changes 3.3. Decide whether the proposed improvements will result in a valuable improvement to the end customer 3.4. Determine health, safety and environment (HSE) impacts as a result of the change 3.5. Agree on proposed change/program of changes with all key stakeholders
4. Obtain required approvals	4.1. Draft a formal proposal for the proposed changes 4.2. Submit proposal for all required approvals from stakeholders 4.3. Modify proposal as required in liaison with all key stakeholders 4.4. Obtain sign off from process/system owner
5. Measure and communicate gains	5.1. Agree indicators/metrics of success of proposed changes

ELEMENT	PERFORMANCE CRITERIA
	<ul style="list-style-type: none"><li>5.2. Make arrangements to collect the necessary data</li><li>5.3. Make arrangements for the data to be analysed and presented in an agreed format to the agreed stakeholders</li><li>5.4. Agree the communication plan</li><li>5.5. Liaise with stakeholders to implement changes as agreed and approved</li></ul>
6. Review change	<ul style="list-style-type: none"><li>6.1. Analyse results of change</li><li>6.2. Identify areas which have not met predicted outcome (positive or negative)</li><li>6.3. Determine cause of target not being met</li><li>6.4. Take appropriate action to improve the value chain</li><li>6.5. Take action to sustain improvement by standardising</li></ul>

## Required Skills and Knowledge

### REQUIRED SKILLS AND KNOWLEDGE

This section describes the skills and knowledge required for this unit.

#### Required skills

- decision making
- prioritisation
- communication at all levels
- negotiation
- situation analysis
- root cause analysis

#### Required knowledge

- competitive manufacturing principles
- organisational goals and processes
- continuous improvement and the workplace improvement processes and procedures
- value chain members' processes
- value chain mapping and analysis
- approval processes within organisation
- benefit/cost analysis methods
- methods of determining the impact of a change
- communication methods
- customer perception of benefits

## 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, range statement and the Assessment Guidelines for the Training Package.

#### Overview of assessment

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

Demonstrates skills and knowledge required to:

- facilitate improvements in the value chain.

In particular look for evidence of:

- identifying value chain restrictions to further improvement
- developing consensus solutions
- jointly implementing and monitoring solutions.

#### Context of and specific resources for assessment

Assessment may occur on the job or in an appropriately simulated environment. Access is required to real or appropriately simulated situations, including work areas, materials and equipment, and to information on workplace practices and OHS practices.

Where applicable, reasonable adjustment must be made to work environments and training situations to accommodate ethnicity, age, gender, demographics and disability.

Access must be provided to appropriate learning and/or assessment support when required. Where applicable, physical resources should include equipment modified for people with disabilities.

#### Method of assessment

- Assessment must satisfy the endorsed assessment guidelines of the Manufacturing 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.
- Assessment may be applied under project related conditions (real or simulated) and require evidence of process.
- Assessment must confirm a reasonable inference that



<b>EVIDENCE GUIDE</b>	
	<p>competency is able not only to be satisfied under the particular circumstance, but is able to be transferred to other circumstances.</p> <ul style="list-style-type: none"><li>• Assessment may be in conjunction with assessment of other units of competency where required.</li></ul>
<b>Guidance information for assessment</b>	Assessment processes and techniques must be culturally appropriate and appropriate to the language and literacy capacity of the candidate and the work being performed.

## Range Statement

<b>RANGE STATEMENT</b>	
<p>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, if used in the performance criteria, is detailed below. 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) may also be included.</p>	
<b>Opportunities for continuous improvement</b>	<p>Opportunities for continuous improvement may be:</p> <ul style="list-style-type: none"> <li>beyond those arising just from within the team and will usually be within the site (gate-to-gate) or at least the organisation</li> </ul>
<b>Codes of practice/standards</b>	<p>Where reference is made to industry codes of practice, and/or Australian/international standards, the latest version must be used</p>
<b>Health, safety and environment (HSE)</b>	<p>All changes implemented are expected to be at least neutral, or preferably beneficial, in their impact on health, safety and environment</p>
<b>Change</b>	<p>Changes may:</p> <ul style="list-style-type: none"> <li>be to plant, procedures or practice</li> <li>arise from continuous improvement (or an improvement event/project)</li> <li>may have been intended to make an improvement or to implement new products, technology or systems</li> <li>include the implementation of a change</li> </ul> <p>Changes do not include an engineering review of a major capital expenditure or similar review</p>
<b>Presentation of information</b>	<p>Information may be presented:</p> <ul style="list-style-type: none"> <li>in terms of graphs or other appropriate visual forms</li> </ul>
<b>Stakeholders</b>	<p>Stakeholders include:</p> <ul style="list-style-type: none"> <li>work team members, value chain members as well as other stakeholders</li> </ul>
<b>Results of change</b>	<p>The change may have results in:</p> <ul style="list-style-type: none"> <li>an initial improvement followed by a return to</li> </ul>

<b>RANGE STATEMENT</b>	
	<p>previous performance</p> <ul style="list-style-type: none"> <li>• a change which has resulted in continued improvement</li> <li>• continued detriment or other variations over time</li> </ul>
<b>Improvements</b>	<p>Improvements may:</p> <ul style="list-style-type: none"> <li>• be to process, plant, procedures or practice</li> <li>• include changes to ensure positive benefits are maintained</li> </ul>
<b>Changes which have not met target</b>	<p>Changes which have not met target may include:</p> <ul style="list-style-type: none"> <li>• those that fall short and those that exceed expectations</li> </ul> <p>Appropriate action is to remove restrictions on those items which fell short, and make standard/further implement those which exceeded expectation</p>
<b>Sustaining improvement</b>	<p>Improvement may be sustained by including it in:</p> <ul style="list-style-type: none"> <li>• standard procedures and work instructions</li> <li>• standard practice</li> <li>• other relevant documents and practices</li> </ul>
<b>Team leader</b>	<p>Team leader may include:</p> <ul style="list-style-type: none"> <li>• any person who may have either a permanent or an ad hoc role in facilitating the function of a team in a workplace</li> </ul>

## Unit Sector(s)

<b>Unit sector</b>	CM Graduate
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## Competency field

<b>Competency field</b>	
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## Co-requisite units

Co-requisite units		