Australian Government
Department of Education, Employment and Workplace Relations

MSACMG709A Facilitate improvements in the external value chain

Revision Number: 1

INDUSTRY SKILLS COUNCILS
Creating Australia's Future

MSACMG709A Facilitate improvements in the external value chain

Modification History

Not applicable.

Unit Descriptor

Unit descriptor	This unit covers the skills in working with value chain members to improve the overall effectiveness of the value chain, so delivering greater value to the customer. It includes other organisations within the value chain/supply chain.

Application of the Unit

Application of the unit	This unit applies to managers and team leaders with appropriate authority and people with a similar sphere of influence and scope of authority and responsibility for working with value chain members outside their own organisation referred to as 'source-to-destination' value chains. For skills associated with a 'gate-to-gate' (internal) value chains refer to MSACMG704A Facilitate improvements in the internal value chain.
	The unit includes the use of skills to resolve issues from one or more value stream member which impact on the overall ability of the value stream to continue to improve and offer better value to the customers. The improvement practices may (or may not) have used previously within their own organization, other teams and organisations within the value chain. The unit does not cover mapping or managing value chains (refer to MSACMS601A Analyse and map a value chain and MCMS602A Manage a value chain).
	The unit applies to individuals who are 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: • MSACMS400A Implement a competitive manufacturing system • MSACMC411A Lead a competitive manufacturing team • MSACMT430A Improve cost factors in work practices • MSACMT280A Undertake root cause analysis.
	Where previous improvements need to be evaluated refer to MSACMG705A Undertake a qualitative review of a process change and MSACMG703A Analyse process changes.
	This unit may also be applied to service organisations applying competitive manufacturing principles.

Licensing/Regulatory Information

Not applicable.

Pre-Requisites

Prerequisite units		

Employability Skills Information

Employability skills	This unit contains employability skills.

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.

Elements and Performance Criteria

ELEMENT	PERFORMANCE CRITERIA
1. Establish scope of value chain activity	1.1. Identify key individuals within value chain organisations 1.2. Jointly identify possible areas of study 1.3. Agree a protocol for undertaking value chain improvement activities 1.4. Confirm confidentiality and other 'no-go' areas
2. Study possible value stream improvements	2.1. Arrange meeting with suitable representatives of the value stream members 2.2. Agree 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 each value stream member from the proposed changes 3.2. Decide whether the proposed improvements will result in a perceived improvement to the end customer 3.3. Determine health, safety and environment (HSE) impacts as a result of the change 3.4. 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 all process/system owners
5. Measure and communicate gains	5.1. Agree indicators/metrics of success of proposed changes 5.2. Make arrangements to collect necessary data 5.3. Make arrangements for the data to be analysed and presented in an agreed format to the agreed stakeholders 5.4. Agree on the communication plan 5.5. Liaise with stakeholders to implement changes as agreed and approved

ELEMENT	PERFORMANCE CRITERIA
6. Review change	6.1. Analyse results of change
	6.2. Identify areas where planned improvements have occurred
	6.3. Take action to sustain improvement by standardising
	6.4. Identify areas which have not met predicted outcome (positive or negative)
	6.5. Determine cause of target not being met
	6.6. Take appropriate action to improve the value chain

Required Skills and Knowledge

Required skills
• decision making
• prioritisation
• communication at all levels
• negotiation
• situation analysis
• root cause analysis

Required knowledge
• competitive manufacturing principles
• organisational goals and processes
• confidentiality and other sensitivities of value chain members
• regulatory, anticompetitive issues which may be relevant
• continuous improvement and the workplace improvement processes and procedures
• value chain members' processes
• value chain mapping and analysis
• approval processes within each 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

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EVIDENCE GUIDE

	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 where required.
Guidance information for assessment	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

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, 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.	
Opportunities for continuous improvement	Opportunities for continuous improvement may be beyond those arising just from within the organisation
Codes of practice/**standards**	Where reference is made to industry codes of practice, and/or Australian/international standards, the latest version must be used
Health, **safety and environment** (**HSE**)	All changes implemented are expected to be at least neutral, or preferably beneficial, in their impact on health, safety and environment
Change	Changes may: • be to plant, procedures or practice • be to logistics, communication systems (e.g. ordering, supplying, quality certification) • include kanban/systems control and data acquisition (SCADA) supply/resupply systems across the chain • arise from continuous improvement or an improvement event/project • have been intended to make an improvement or to implement new products, technology or systems • include the implementation of a change Changes do not include an engineering review of a major capital expenditure or similar review
Presentation of information	Information may be: • presented in terms of graphs or other appropriate visual forms
Stakeholders	Stakeholders include: • work team members, value chain members as well as other stakeholders

RANGE STATEMENT	
Results of change	Results of change may include: • an initial improvement followed by a return to previous performance • a change which has resulted in continued improvement • continued detriment or other variations over time
Improvements	Improvements may: • be to process, plant, procedures or practice • include changes to ensure positive benefits are maintained
Changes which have not met target	Changes which have not met target may include: • those that fall short and those that exceed expectations Appropriate action is to remove restrictions on those items which fell short, and make standard/further implement those which exceeded expectation
Sustaining improvement	Improvement may be sustained by including it in: • standard procedures and work instructions • standard practice • other relevant documents and practices
Team leader	Team leader may include: • any person who may have either a permanent or an ad hoc role in facilitating the function of a team in a workplace

Unit Sector(s)

Unit sector	CM Graduate

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Competency field

Competency field	

Co-requisite units

Co-requisite units		