



**Australian Government**

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

# **MSACMS606A Introduce competitive manufacturing to a small or medium enterprise**

**Revision Number: 1**

## MSACMS606A Introduce competitive manufacturing to a small or medium enterprise

### Modification History

Not applicable.

### Unit Descriptor

<b>Unit descriptor</b>	This unit covers the knowledge and skills required to introduce competitive manufacturing systems and tools into a small or medium manufacturing enterprise (SME)
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### Application of the Unit

<b>Application of the unit</b>	In a typical scenario a small/medium manufacturing enterprise desires to introduce competitive manufacturing practices. Due to the limitations of being a SME, this may place some constraints on how competitive manufacturing is introduced and which aspects of competitive manufacturing are introduced. This unit requires the application of skills associated with problem solving, initiative, enterprise, planning and organising in order to determine competitive manufacturing processes appropriate for a small business environment. This unit also requires communication and analysis skills to gather information about processes and implement competitive manufacturing strategies.
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### Licensing/Regulatory Information

Not applicable.

### Pre-Requisites

<b>Prerequisite units</b>	
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## 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. Analyse the current manufacturing systems and processes	1.1. Review the reasons for introducing <i>competitive manufacturing</i> and confirm the expected benefits with relevant <i>stakeholders</i> 1.2. Determine any <i>internal limiting factors</i> which will constrain the introduction of competitive manufacturing 1.3. Determine any <i>external limiting factors</i> which will constrain the introduction of competitive manufacturing 1.4. Quantify <i>expected returns</i> from achieving the benefits of introducing competitive manufacturing
2. Develop strategic and tactical plans to introduce competitive manufacturing to the SME	2.1. Develop a strategic plan for the SME that takes into account the nature of its business and relationships with suppliers and customers 2.2. Where required, seek authority for the implementation of the strategic plan 2.3. Identify <i>components of competitive strategy</i> which will yield quick returns 2.4. Identify <i>actions which will free up required resources</i> to allow for the introduction of competitive manufacturing 2.5. Develop achievable tactical plans which are compatible with strategy 2.6. Consult with relevant stakeholders to confirm tactical plans 2.7. <i>Prioritise plans</i> for order of implementation
3. Implement competitive manufacturing	3.1. Implement priority tactical plan 3.2. Determine benefits from change 3.3. Use benefits from priority plan to assist in the implementation of further tactical plans 3.4. Review progress towards strategic objectives and adjust plans as appropriate in consultation with relevant stakeholders

## Required Skills and Knowledge

### REQUIRED SKILLS AND KNOWLEDGE

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

#### Required skills

- analysis
- problem solving
- planning and organising
- communication
- documenting
- calculations

#### Required knowledge

- overview of competitive manufacturing
- 5S
- improvement/continuous improvement/kaizen blitz
- JIT/quick changeover/pull/kanban
- Pro active maintenance
- value and supply chains

## Evidence Guide

<b>EVIDENCE GUIDE</b>	
<p>The Evidence Guide describes the underpinning knowledge and skills that must be demonstrated to prove competence. It is essential for assessment and must be read in conjunction with the performance criteria, the range statement and the assessment guidelines of the relevant training package.</p>	
<b>Overview of assessment requirements</b>	The person being assessed will need to be able to implement a competitive manufacturing approach in a SME environment.
<b>What are the specific resource requirements for this unit?</b>	Access to a SME using, or intending to use competitive manufacturing.
<b>What critical aspects of evidence is required to demonstrate competency in this unit?</b>	Evidence of the ability to analyse existing SME operations and to organise implementation of competitive manufacturing tools in a SME should be available.
<b>In what context should assessment occur?</b>	Assessment will need to occur in a SME which is implementing competitive manufacturing.
<b>Are there any other units which could or should be assessed with this unit or which relate directly to this unit?</b>	This unit could be assessed concurrently with other relevant units.
<b>What method of assessment should apply?</b>	<p>Assessors must be satisfied that the person can consistently perform the unit as a whole, as defined by the Elements, Performance Criteria, skills and knowledge. A holistic approach should be taken to the assessment.</p> <p>Assessors should gather sufficient, fair, valid, reliable, authentic and current evidence from a range of sources. Sources of evidence may include direct observation, reports from supervisors, peers and colleagues, project work, samples, organisation records and questioning. Assessment should not require language, literacy or numeracy skills beyond those required for the unit.</p> <p>The assessee will have access to all techniques, procedures, information, resources and aids which would normally be available in the workplace.</p> <p>The method of assessment should be discussed and agreed with the assessee prior to the commencement of the assessment.</p>
<b>What evidence is required for demonstration of consistent performance?</b>	Evidence of the development of plans and the beginning of their implementation should generate sufficient evidence

## 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.

<b>Competitive manufacturing</b>	Competitive manufacturing includes one or more of the following strategies: <ul style="list-style-type: none"> <li>• Six sigma</li> <li>• Lean Manufacturing</li> <li>• Agile Manufacturing</li> <li>• Just in Time (JIT)</li> <li>• Supply chain management</li> <li>• Value Chain Management</li> <li>• Total Quality</li> <li>• Pro Active maintenance</li> <li>• Elimination of waste</li> <li>• Balanced Scorecard</li> </ul>
<b>Stakeholders</b>	Stakeholders may include: <ul style="list-style-type: none"> <li>• managers</li> <li>• supervisors</li> <li>• employees</li> <li>• shareholders</li> <li>• Occupational Health and Safety Occupational Health and Safety OHS mechanisms/representatives</li> <li>• workplace consultative representatives</li> <li>• suppliers</li> <li>• customers</li> <li>• service providers</li> </ul>
<b>Internal limiting factors</b>	Internal limiting factors may include: <ul style="list-style-type: none"> <li>• free cash</li> <li>• management time and expertise</li> <li>• machinery</li> <li>• work organisation and workforce skills and knowledge</li> </ul>
<b>External limiting factors</b>	External limiting factors may include lack of bargaining power or effective communication with:

<b>RANGE STATEMENT</b>	
	<ul style="list-style-type: none"> <li>• suppliers</li> <li>• customers</li> <li>• financial institutions</li> <li>• other factors</li> </ul>
<b>Expected returns</b>	<p>Expected returns may include factors such as:</p> <ul style="list-style-type: none"> <li>• cost savings due to more consistent or higher quality</li> <li>• benefits from greater on-time delivery</li> <li>• savings from lower inventories, reduction in waste etc.</li> </ul>
<b>Components of competitive strategy</b>	<p>Components of competitive strategy may include any of the Competitive Manufacturing tools such as:</p> <ul style="list-style-type: none"> <li>• 5S</li> <li>• continuous improvement/kaizen blitz</li> <li>• JIT/quick changeover/kanban</li> </ul>
<b>Actions which will free up required resources</b>	<p>Actions which will free up required resources may include:</p> <ul style="list-style-type: none"> <li>• reduction of inventory</li> <li>• reduction of scrap</li> <li>• decreased throughput times.</li> </ul>
<b>Prioritise plans</b>	<p>Prioritise plans according to criteria such as:</p> <ul style="list-style-type: none"> <li>• greatest benefit</li> <li>• ease of implementation</li> <li>• best fit with strategy</li> <li>• available resources</li> </ul>

### Unit Sector(s)

<b>Unit Sector</b>	CM Systems
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### Co-requisite units

<b>Co-requisite units</b>	
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## Functional area

<b>Functional Area</b>	
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