



Australian Government

MSS403030 Improve cost factors in work practices

Release: 1

MSS403030 Improve cost factors in work practices

Modification History

Release 1. Supersedes and is equivalent to MSS403030A Improve cost factors in work practices

Application

This unit of competency covers the skills and knowledge required by an individual to evaluate the product or process outcomes of a team or work group in terms of their cost components and to be able to determine, in general terms, the cost impacts of alternative actions.

Typical decisions include the efficient organisation of own work and that of others in a work area or within a team/group and the improvement of throughput and cycle times.

Decisions are made within the scope of the authority of the individual and other employees in the area or team/group and according to procedures.

This unit primarily requires the application of skills associated with communication and information gathering, teamwork and problem solving to analyse the cost components of work processes. Initiative and enterprise, and planning and organising are also required to identify opportunities for improved cost-efficiency. This unit also requires a degree of self-management and learning to effectively operate and maintain skills and performance.

No licensing, legislative or certification requirements apply to this unit at the time of publication.

Pre-requisite Unit

Nil

Competency Field

Competitive systems and practices

Unit Sector

Not applicable

Elements and Performance Criteria

Elements describe the essential outcomes.

Performance criteria describe the performance needed to demonstrate achievement of the element.

- | | | | |
|---|--|-----|---|
| 1 | Analyse cost components of work area or | 1.1 | Identify cost components in the product or process. |
| | | 1.2 | Identify costs factors under control of area or employees |

team function	in the team.
	1.3 Identify causes of variability in costs.
	1.4 Analyse impact of costs on production or process activities undertaken.
2 Improve cost-efficiency of processes and procedures	2.1 Identify methods of improving productivity and/or reducing costs within area or team's responsibility.
	2.2 Determine cost/benefit ratio of alternative methods of improving productivity and/or reducing costs.
	2.3 Consult with all relevant stakeholders regarding possible changes.
	2.4 Recommend changes which will increase productivity and reduce cost and variability.
	2.5 Implement recommended changes in consultation with relevant stakeholders.

Foundation Skills

This section describes those required skills (language, literacy and numeracy) that are essential to performance.

Foundation skills essential to performance are explicit in the performance criteria of this unit of competency.

Range of Conditions

This field allows for different work environments and conditions that may affect performance. Essential operating conditions that may be present (depending on the work situation, needs of the candidate, accessibility of the item, and local industry and regional contexts) are included.

Competitive systems and practices include one or more of:

- lean operations
- agile operations
- preventative and predictive maintenance approaches
- statistical process control systems, including six sigma and three sigma
- Just in Time (JIT), kanban and other pull-related operations control systems
- supply, value, and demand chain monitoring and analysis

- 5S
 - continuous improvement (kaizen)
 - breakthrough improvement (kaizen blitz)
 - cause/effect diagrams
 - overall equipment effectiveness (OEE)
 - takt time
 - process mapping
 - problem solving
 - run charts
 - standard procedures
 - current reality tree.
- Cost components include consideration of all of:**
- fixed and variable costs, such as power/energy, materials and other inputs, plant and equipment, salary and wages, and office expenses (e.g. telephone)
 - government taxes and charges.
- Causes of variability in costs include one or more of:**
- time-based variation
 - fluctuations in variable costs related to different volumes of sales, production or operations
 - fluctuations in fixed/overhead costs related to changes in the economy, financial markets and similar
 - abnormal cost fluctuations due to poor design of product or process, poor scheduling, faults, breakdowns and other muda (waste).
- Process includes consideration of all of:**
- all functions that go to meet customer requirements
 - all other required functions (e.g. regulatory related functions)
 - design
 - production
 - maintenance
 - logistics
 - office processes.
- Procedures (written, verbal, visual, computer based, etc.) include one or any combination of:**
- work instructions
 - standard operating procedures (SOPs)
 - safe work method statements
 - formulas/recipes
 - batch sheets
 - temporary instructions

- any similar instructions provided for the smooth running of the plant.

Benefits include all of:

- positive benefits
- negative benefits
- quality
- safety
- reliability
- similar issues which may be impacted by a cost saving.

Unit Mapping Information

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Links

Companion Volume implementation guides are found in VETNet -

<https://vetnet.gov.au/Pages/TrainingDocs.aspx?q=5b04f318-804f-4dc0-9463-c3fb9a3fe998>