Australian Government

Department of Education, Employment and Workplace Relations

MSS403034A Organise products into groups

Release: 1

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Modification History

New unit

Unit Descriptor

This unit of competency covers the skills and knowledge required to organise products and processes into groups using techniques such as the Glenday Sieve, Pareto analysis or similar. This may be done to assist in moving to flow-based operations or to identify other strategies for improving customer benefits/features and the elimination of waste.

Application of the Unit

This unit applies to personnel who, as part of their work role, need to analyse an organisation's products or processes (physical or otherwise) so as to identify the most significant groups. There are several ways in which this may be done and this unit covers all of these ways. Typically the sorting into groups is not an end in itself but simply a way of identifying groups of products to which other competitive systems and practices may be applied. It may be appropriate to co-assess this unit with other relevant units, e.g. *MSS403023A Monitor a levelled pull system of operations*, or, for an office environment, *MSS405033A Optimise office systems to deliver to customer demand.*
The person will typically be a team leader, manager, senior operator or other person who has a role in implementing competitive systems and practices. They will work with others in the organising of products into groups either as part of a formal team or otherwise. They will liaise and communicate with these others as required.

Licensing/Regulatory Information

Not applicable.

Pre-Requisites

Not applicable.

Employability Skills Information

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

1	Determine the basis of current product organisation	1.1	Identify stock keeping units (SKUs) for analysis
		1.2	Determine relevant metric as the basis of organisation
		1.3	Determine time basis for analysis
		1.4	Collect selected metric over the time period for each SKU
2	Apply analysis tool	2.1	Select appropriate analysis tool
		2.2	Apply the tool
		2.3	Test for sensitivity, as appropriate
		2.4	Confirm ranking of product groupings
		2.5	Tabulate and communicate the results
3	Develop a strategic response to the results	3.1	Analyse product groupings for opportunities for increased flow based on customer pull and elimination of waste
		3.2	Select relevant competitive systems and practices tools
		3.3	Develop a strategy deployment plan
		3.4	Obtain required approvals

Required Skills and Knowledge

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

Required skills

Required skills include:

- analysing and manipulating data on current operations
- communicating with relevant people and asking leading questions
- analysing operations to identify current batching and non-flow related activities
- identifying opportunities for increased customer pull and flow-based operations
- selecting appropriate competitive systems and practices for organising products or service events into groups (e.g. Pareto analysis and Glenday Sieve)
- developing strategic plans for implementation of particular competitive systems and practices to product groups
- preparing reports and recommendations

Required knowledge

Required knowledge includes:

- methodologies for sorting of products and service events and their advantages and disadvantages (e.g. Pareto analysis and the Glenday Sieve)
- advantages of customer pull-based operations
- concept of waste (muda)
- basic data manipulation, including ratios

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.

Critical aspects for assessment and evidence required to demonstrate competency in this unit	A person who demonstrates competency in this unit must be able to provide evidence of the ability to: • select an appropriate analysis tool and metrics • apply that tool to group SKUs • develop and recommend an appropriate response.

Context of and specific resources for assessment	Assessment of performance must be undertaken in a workplace using or implementing one or more competitive systems and practices. Access may be required to: • workplace procedures and plans relevant to work area • specifications and documentation relating to planned, currently being implemented, or implemented changes to work processes and procedures relevant to the assessee • documentation and information in relation to production, waste, overheads and hazard control/management • reports from supervisors/managers • case studies and scenarios to assess responses to contingencies.
Method of assessment	A holistic approach should be taken to the assessment. Competence in this unit may be assessed by using some combination of the following to generate evidence: • demonstration in the workplace • workplace projects • suitable simulation • case studies/scenarios (particularly for assessment of contingencies, improvement scenarios, and so on) • targeted questioning • reports from supervisors, peers and colleagues (third-party reports) • portfolio of evidence. In all cases it is expected that practical assessment will be combined with targeted questioning to assess underpinning knowledge. Where applicable, reasonable adjustment must be made to work environments and training situations to accommodate ethnicity, age, gender, demographics and disability.
Guidance information for assessment	Assessment processes and techniques must be culturally appropriate and appropriate to the oracy, language and literacy capacity of the candidate and the work being performed.

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.

Competitive systems and practices	Competitive systems and practices may include, but are not limited to: • lean operations • agile operations • preventative and predictive maintenance approaches • monitoring and data gathering systems, such as Systems Control and Data Acquisition (SCADA) software, Enterprise Resource Planning (ERP) systems, Materials Resource Planning (MRP) and proprietary systems • 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 Competitive systems and practices should be interpreted so as to take into account: • the stage of implementation of competitive systems and practices • the size of the enterprise • the work organisation, culture, regulatory environment and the industry sector
Stock keeping unit (SKU)	SKUs are products or services that have a unique identifier in an organisation's inventory system. They

	may relate to items that are either purchased, offered for sale, or manufactured/conducted internally and which needs to be tracked. An SKU will usually be a physical product but may include: • countable services/events (e.g. time slots available for service calls charged by the hour, insurance claims)
Relevant metric	Relevant metric is the metric on which the analysis will be based. For a Glenday Sieve this will be sales volume. However, other appropriate metrics may include: • profit • profitability • sales/profit growth
Time basis	The time basis is the period of time over which the metric is considered. For a Glenday Sieve this will be one year. However, other periods may be appropriate, particularly in a cyclical/seasonal business and longer/shorter periods may yield better results
Analysis tool	Analysis tool is the methodology used for grouping the SKUs and may include, but is not limited to: • Glenday Sieve • Pareto analysis • 80:20 rule
Sensitivity	Sensitivity testing is: • repeating the analysis using either a different tool or a different metric/time basis and examining the change this makes to the groupings
Strategic response	The strategic response is the application to which this grouping is to be put. This may include: • the levelling of production • the creation of different virtual production processes • the application of kaizen blitz to some groups • other relevant tool or strategy

Unit Sector(s)

Unit sector Competitive systems and practices

Custom Content Section

Not applicable.