



**Australian Government**

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

# **MSS408004A Develop the value stream**

**Release: 1**

## **MSS408004A Develop the value stream**

### **Modification History**

New unit, superseding MSACMG804A Develop the value chain - Equivalent

### **Unit Descriptor**

This unit of competency covers the skills and knowledge required to develop or further develop a positive relationship with all value stream members so that they can work cooperatively to their mutual benefit and so deliver better value for the customer.

### **Application of the Unit**

The unit applies to managers and people with a similar sphere of influence and scope of authority and responsibility who are responsible for the further development of the value stream. Individuals completing this unit should be familiar with competitive systems and practices, value stream mapping and have an ability to relate to personnel in external organisations. Where this is not the case the following units may be completed to supply the necessary skills:

- *MSS405002A Analyse and map a value stream*
- *MSS405010A Manage relationships with non-customer external organisations.*

This unit applies where the value stream has been analysed and mapped and is already being managed. This unit is more about the relationships along the value stream than the direct flow of value, materials or goods. All value stream members are potentially covered.

This unit may also be applied to service organisations applying competitive systems and practices principles.

The equivalent team leader level unit to this unit is *MSS407004A Facilitate improvements in the internal value stream.*

### **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	Review relationship with value stream members	1.1	Identify areas which could be improved
		1.2	Develop position of own organisation with regard to these areas
		1.3	Discuss areas of interest (within relevant regulatory framework) with relevant value stream personnel and develop position of own organisation with regard to any issues raised
		1.4	Develop an agreed list of areas for action
		1.5	Validate list with own management
		1.6	Agree on a framework for progressing agreed list
2	Manage changes	2.1	Take required actions within own organisation to implement changes
		2.2	Monitor progress of changes within own organisation
		2.3	Take required actions to ensure changes achieve their objective
		2.4	Monitor changes across value stream and their impacts
		2.5	Provide appropriate assistance to value stream members implementing agreed changes

- 3    Manage ongoing relationship with value stream members
  - 3.1    Undertake regular review of value stream relationships
  - 3.2    Review benefits obtained and costs incurred by value stream members
  - 3.3    Review benefits obtained by customer/value stream as a whole
  - 3.4    Optimise benefit/cost distributions and ratios across the value stream
  - 3.5    Explore areas of mutual benefit
  - 3.6    Analyse value stream synergies and conflicts
  - 3.7    Develop approaches to maximise customer benefit flowing from the value stream

## Required Skills and Knowledge

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

### Required skills

Required skills include:

- analysing proposed and past changes to operations, products and processes within the value stream to determine if change adds or has added value to the customer
- making significant, high level, independent judgements on required improvements in the value stream
- demonstrating responsibility and broad-ranging accountability for decisions
- communicating and explaining quantitative and qualitative concepts and data with representatives of the value stream across a range of numeracy and literacy levels
- analysing views and reasons put forward by others on past performance of the value stream and relating to metrics and other evidence
- prioritising value stream improvement proposals and related actions and justifying priorities to others
- negotiating with others using analysis of information, including past and proposed metrics and concepts, to achieve a consensus position
- analysing restrictions and non-conformances to root cause
- standardising processes along the value stream

### Required knowledge

Required knowledge includes:

- competitive systems and practices principles, processes and techniques
- organisational goals, operations, products and processes
- operations, products and processes of value stream members
- continuous improvement and workplace improvement processes and procedures
- approval processes within own organisation and value stream members
- cost/benefit analysis methods
- methods of determining the impact of a change
- communication methods across a variety of media and formats, including preparation of formal proposals and negotiations
- customer perception of value

## 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.

<p><b>Critical aspects for assessment and evidence required to demonstrate competency in this unit</b></p>	<p>A person who demonstrates competency in this unit must be able to provide evidence of the ability to:</p> <ul style="list-style-type: none"> <li>• critically review value stream relationships and maximise the benefit flowing from them</li> <li>• present and facilitate consensual improvements across the value stream</li> <li>• critically evaluate the strengths and weaknesses of the value stream and its members</li> <li>• facilitate and monitor changes along the value stream</li> <li>• monitor changes and improvements against qualitative and quantitative indicators.</li> </ul>
<p><b>Context of and specific resources for assessment</b></p>	<p>Assessment of performance must be undertaken in a workplace using or implementing one or more competitive systems and practices.</p> <p>Access may be required to:</p> <ul style="list-style-type: none"> <li>• workplace procedures and plans relevant to work area</li> <li>• specifications and documentation relating to planned, currently being implemented, or implemented changes to work processes and procedures relevant to the assessee</li> <li>• documentation and information in relation to production, waste, overheads and hazard control/management</li> <li>• reports from supervisors/managers</li> <li>• case studies and scenarios to assess responses to contingencies.</li> </ul>
<p><b>Method of assessment</b></p>	<p>A holistic approach should be taken to the assessment.</p> <p>Competence in this unit may be assessed by using a combination of the following to generate evidence:</p> <ul style="list-style-type: none"> <li>• demonstration in the workplace</li> <li>• workplace projects</li> <li>• suitable simulation</li> <li>• case studies/scenarios (particularly for assessment of contingencies, improvement scenarios, and so on)</li> <li>• targeted questioning</li> <li>• reports from supervisors, peers and colleagues (third-party reports)</li> </ul>

	<ul style="list-style-type: none"> <li>• portfolio of evidence.</li> </ul> <p>In all cases it is expected that practical assessment will be combined with targeted questioning to assess underpinning knowledge.</p> <p>Where applicable, reasonable adjustment must be made to work environments and training situations to accommodate ethnicity, age, gender, demographics and disability.</p>
<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

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 systems and practices</b>	<p>Competitive systems and practices may include, but are not limited to:</p> <ul style="list-style-type: none"> <li>• lean operations</li> <li>• agile operations</li> <li>• preventative and predictive maintenance approaches</li> <li>• 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</li> <li>• statistical process control systems, including six sigma and three sigma</li> <li>• Just in Time (JIT), kanban and other pull-related operations control systems</li> <li>• supply, value, and demand chain monitoring and analysis</li> <li>• 5S</li> <li>• continuous improvement (kaizen)</li> <li>• breakthrough improvement (kaizen blitz)</li> <li>• cause/effect diagrams</li> <li>• overall equipment effectiveness (OEE)</li> </ul>
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	<ul style="list-style-type: none"> <li>• takt time</li> <li>• process mapping</li> <li>• problem solving</li> <li>• run charts</li> <li>• standard procedures</li> <li>• current reality tree</li> </ul> <p>Competitive systems and practices should be interpreted so as to take into account:</p> <ul style="list-style-type: none"> <li>• the stage of implementation of competitive systems and practices</li> <li>• the size of the enterprise</li> <li>• the work organisation, culture, regulatory environment and the industry sector</li> </ul>
<b>Value stream</b>	<p>The value stream begins with the customer and includes all actions (both value-adding and non-value added) by both internal sections/departments and external organisations to meet a customer requirement.</p> <p>Depending on the operations and the customer requirement stages where value stream actions may occur include:</p> <ul style="list-style-type: none"> <li>• sales outlet/representative</li> <li>• information gathering, data analysis and research</li> <li>• product design</li> <li>• raw material sourcing</li> <li>• intermediate processing</li> <li>• final assembler/collation/preparation</li> <li>• support services (e.g. accounting, finance and legal)</li> <li>• storage and delivery to customer</li> <li>• after market support</li> </ul>
<b>Codes of practice/standards</b>	Where reference is made to industry codes of practice, and/or Australian/international standards, the latest version must be used
<b>Health, safety and environment (HSE)</b>	All changes implemented are expected to be at least neutral, or preferably beneficial, in their impact on HSE
<b>Areas of interest</b>	<p>Areas of interest include:</p> <ul style="list-style-type: none"> <li>• commercial and contractual relationships with value stream members and include common regulatory and commercial frameworks</li> </ul>
<b>Change</b>	<p>Changes may:</p> <ul style="list-style-type: none"> <li>• be to plant, procedures or practice</li> </ul>



	<ul style="list-style-type: none"> <li>• arise from continuous improvement (or an improvement event/project)</li> <li>• 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 may include:</p> <ul style="list-style-type: none"> <li>• work team members, value stream members as well as other stakeholders</li> </ul>
<b>Results of change</b>	<p>Results of change may include:</p> <ul style="list-style-type: none"> <li>• an initial improvement followed by a return to previous performance</li> <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, products, procedures or practice</li> <li>• include changes to ensure positive benefits are maintained</li> </ul>
<b>Manager</b>	<p>Manager 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 multiple teams in a workplace, departments or entire organisations</li> </ul>

## Unit Sector(s)

Unit sector

Competitive systems and practices

## Custom Content Section

Not applicable.