



Australian Government

Department of Education, Employment and Workplace Relations

MSACMG804A Develop the value chain

Revision Number: 1

MSACMG804A Develop the value chain

Modification History

Not applicable.

Unit Descriptor

Unit descriptor	This unit covers the development or further development of a positive relationship with all value chain members so that they can work cooperatively to their mutual benefit and so deliver better value for the customer.
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Application of the Unit

Application of the unit	This unit covers the further development of the value chain. It applies where the value chain has been analysed and mapped and is being managed. This unit is more about the relationships along the value chain than the direct flow of value, materials or goods. All value stream members are potentially covered. The unit applies to managers and people with a similar sphere of influence and scope of authority and responsibility who are familiar with competitive manufacturing, value stream mapping and 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: • MSACMS601A Analyse and map a value chain • MSACMC610A Manage relationships with non-customer external organisations. The equivalent team leader level unit to this unit is MSACMG704A Facilitate improvements in the internal value chain. This unit may also be applied to service organisations applying competitive manufacturing principles.
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Licensing/Regulatory Information

Not applicable.

Pre-Requisites

Prerequisite units		

Employability Skills Information

Employability skills	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. Review relationship with value chain 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 chain 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 chain and their impacts 2.5. Provide appropriate assistance to value chain members implementing agreed changes
3. Manage ongoing relationship with value chain members	3.1. Undertake regular review of value chain relationships 3.2. Review benefits obtained and costs incurred by value chain members 3.3. Review benefits obtained by customer/value chain as a whole 3.4. Optimise benefit/cost distributions and ratios across the value chain 3.5. Explore areas of mutual benefit 3.6. Analyse value chain synergies and conflicts 3.7. Develop approaches to maximise customer benefit flowing from the value chain

Required Skills and Knowledge

REQUIRED SKILLS AND KNOWLEDGE

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

Required skills

- decision making
- prioritisation
- communication at all levels
- negotiation
- situation analysis

Required knowledge

- competitive manufacturing principles
- organisational goals and processes
- continuous improvement and the workplace improvement processes and procedures
- value chain members' processes
- approval processes within organisation
- cost/benefit 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:

- critically review value chain relationships and maximise the benefit flowing from them.

In particular look for evidence of:

- consensual improvements across the value chain
- critical evaluation of the strengths and weaknesses of the value chain and its members.

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

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.	
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
Areas of interest	Areas of interest include: commercial and contractual relationships with value chain members and include common regulatory and commercial frameworks
Change	Changes may: - be to plant, procedures or practice - 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
Results of change	Results of change may include: an initial improvement followed by a return to previous performance

RANGE STATEMENT	
	• a change which has resulted in continued improvement • continued detriment or other variations over time
Improvements	Improvements may: • be to process, plant, products, procedures or practice • include changes to ensure positive benefits are maintained
Manager	Manager may include: • 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

Unit Sector(s)

Unit sector	CM Graduate
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Competency field

Competency field	
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Co-requisite units

Co-requisite units		