



Australian Government

Department of Education, Employment and Workplace Relations

MSACMT631A Undertake value analysis of product costs in terms of customer requirements

Release: 1

MSACMT631A Undertake value analysis of product costs in terms of customer requirements

Modification History

Not applicable.

Unit Descriptor

Unit descriptor	This unit covers the knowledge and skills required by an employee who is required to analyse products and processes to determine the factors that most impact on meeting customer requirements. The analysis is in terms of cost factors and include options for improving cost efficiency. The unit also includes implementing identified changes that increase cost efficiency. The unit may be applied individually or in a team environment. In this unit an employee uses an analysis of the benefits/features which a customer perceives to be in a product/products as a basis for determining waste and so reducing waste.
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Application of the Unit

Application of the unit	In a typical scenario, an employee will choose a product, analyse the features/benefits obtained by customers from this product and the cost components relating to those benefits. From this waste will be determined and actions taken to reduce waste. This unit primarily requires the application of skills associated with communication in gathering, analysing and applying information. Problem solving, initiative and enterprise, and planning and organising are required to determine cost efficiencies. This unit also requires aspects of self management and learning to ensure feedback and new learning is integrated into costing methods.
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Licensing/Regulatory Information

Not applicable.

Pre-Requisites

Prerequisite units	<i>MSACMT230A</i>	<i>Apply cost factors to work practices</i>
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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. Analyse customer benefits and determine waste	1.1. Determine features/benefits perceived by customer in product 1.2. Analyse cost components and determine those which deliver customer features/benefits and those which don't 1.3. Analyse waste cost components 1.4. Determine alternative ways of reducing waste costs 1.5. Select actions which maximise customer benefits and minimise costs
2. Analyse production performance variance	2.1. Analyse required performance to meet customer <i>pull</i> 2.2. Determine actual <i>cycle time</i>/s and variability of cycle time 2.3. Analyse cause of waste in throughput 2.4. Analyse costs and determine methods of reducing costs/waste 2.5. Take actions required to achieve cost/waste reduction/s

Required Skills and Knowledge

REQUIRED SKILLS AND KNOWLEDGE

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

Required skills

- calculation
- communication
- problem solving
- analysis
- numeracy
- literacy
- planning and organising

Required knowledge

- customer benefits from products
- performance and cycle times for products made
- major costs which are controllable (and how to control them)
- types of waste (muda)
- methods of reducing waste (muda)
- methods of reducing cycle time
- desirability of improving performance and methods of reducing cycle time

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, the range statement and the assessment guidelines for this training package.

Overview of assessment requirements	The employee will select a product/range of products to analyse and determine waste in terms of any cost which does not contribute directly to an identified customer benefit/feature and then proceed to determine and implement methods of reducing this waste.
What are the specific resource requirements for this unit?	Access to a workplace implementing competitive manufacturing strategies. No other specific resources are required.
In what context should assessment occur?	Assessment will need to occur in a workplace.
Are there any other units which could or should be assessed with this unit or which relate directly to this unit?	This unit may be assessed concurrently with appropriate units on continuous improvement/kaizen.
What method of assessment should apply?	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. 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. The assessee will have access to all techniques, procedures, information, resources and aids which would normally be available in the workplace. The method of assessment should be discussed and agreed with the assessee prior to the commencement of the assessment.
What evidence is required for demonstration of consistent performance?	Evidence should be available from a number of minor changes or from a single large change which had multiple facets and which was implemented over a period of months.

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.

Waste	Waste (also known as muda in the Toyota Production System and its derivatives) is any activity which does not contribute to customer benefit/features in the product. Within manufacturing, categories of waste include: • excess production and early production • delays • movement and transport • poor process design • inventory • inefficient performance of a process • making defective items. Waste for this unit may include activities which do not yield any benefit to the organisation or any benefit to the organisations customers.
Performance	Performance may be thought of as the rate of output of the plant compared to the rate required to meet demand.
Cycle time	Cycle time is the normal time to complete an operation on a product.
Pull	Pull is the concept of producing to demand, rather than for stock or some forecast.

Unit Sector(s)

Unit Sector	CM Tools
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Co-requisite units

Co-requisite units	
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Functional area

Functional Area	
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