



Australian Government

Assessment Requirements for MSS402032

Interpret cost and waste in terms of customer value

Release: 1

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Modification History

Release 1. Unit code changed. Unit title changed. Application changed. Elements changed. Performance Criteria changed. Foundation Skills populated. Range of Conditions removed. Assessment Conditions changed. Supersedes and is equivalent to MSS402031 Interpret product costs in terms of customer requirements.

Performance Evidence

There must be evidence the candidate has completed the tasks outlined in the elements and performance criteria of this unit, and demonstrated the ability to:

- identify customer benefits (or customer perceived value) and cost factors for at least one process or part of a process
- reduce muda for at least one process or part of a process and identify the effect on cost factors and customer benefits.
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Knowledge Evidence

There must be evidence the candidate has knowledge of:

- how to identify what contributes to customer benefit (expected customer perceived value) or customer perceived value
- difference between features and benefits
- concepts of expense, income and capital
- fixed and variable cost components relevant to own work:
 - power and other sources of energy
 - materials, plant, equipment
 - production or process time, including impact of salary and wages
 - administration and other support expenses
 - government taxes and charges
- financial and non-financial impacts of cost reductions
- the difference between internally and externally controlled costs
- difference between overhead, labour and consumables
- targets for the process, product or service and related performance indicators
- takt time and output rates
- types of muda relevant to the process, products or services including 'required' muda
- methods of minimising muda.
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Assessment Conditions

Skills must have been demonstrated in the workplace or in a simulated environment that reflects workplace conditions and contingencies. The following conditions must be met for this unit:

- use of suitable facilities, equipment and resources, including:
 - financial and cost information for the process, product or service
 - targets and performance indicators
- modelling of industry operating conditions.

Assessors must satisfy the NVR/AQTF mandatory competency requirements for assessors.

Links

Companion Volume Implementation Guides are available from VETNet - -

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