



Australian Government

MSS403030 Improve cost factors in work practices

Release: 1

MSS403030 Improve cost factors in work practices

Modification History

Release 1. Supersedes and is equivalent to MSS403030A Improve cost factors in work practices

Application

This unit of competency covers the skills and knowledge required by an individual to evaluate the product or process outcomes of a team or work group in terms of their cost components and to be able to determine, in general terms, the cost impacts of alternative actions.

Typical decisions include the efficient organisation of own work and that of others in a work area or within a team/group and the improvement of throughput and cycle times.

Decisions are made within the scope of the authority of the individual and other employees in the area or team/group and according to procedures.

This unit primarily requires the application of skills associated with communication and information gathering, teamwork and problem solving to analyse the cost components of work processes. Initiative and enterprise, and planning and organising are also required to identify opportunities for improved cost-efficiency. This unit also requires a degree of self-management and learning to effectively operate and maintain skills and performance.

No licensing, legislative or certification requirements apply to this unit at the time of publication.

Pre-requisite Unit

Nil

Competency Field

Competitive systems and practices

Unit Sector

Not applicable

Elements and Performance Criteria

Elements describe the essential outcomes.

Performance criteria describe the performance needed to demonstrate achievement of the element.

- | | | | |
|---|--|-----|---|
| 1 | Analyse cost components of work area or | 1.1 | Identify cost components in the product or process. |
| | | 1.2 | Identify costs factors under control of area or employees |

	team function		in the team.
		1.3	Identify causes of variability in costs.
		1.4	Analyse impact of costs on production or process activities undertaken.
2	Improve cost-efficiency of processes and procedures	2.1	Identify methods of improving productivity and/or reducing costs within area or team's responsibility.
		2.2	Determine cost/benefit ratio of alternative methods of improving productivity and/or reducing costs.
		2.3	Consult with all relevant stakeholders regarding possible changes.
		2.4	Recommend changes which will increase productivity and reduce cost and variability.
		2.5	Implement recommended changes in consultation with relevant stakeholders.

Foundation Skills

This section describes those required skills (language, literacy and numeracy) that are essential to performance.

Foundation skills essential to performance are explicit in the performance criteria of this unit of competency.

Range of Conditions

This field allows for different work environments and conditions that may affect performance. Essential operating conditions that may be present (depending on the work situation, needs of the candidate, accessibility of the item, and local industry and regional contexts) are included.

Competitive systems and practices include one or more of:

- lean operations
- agile operations
- preventative and predictive maintenance approaches
- 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.
Cost components include consideration of all of:	• fixed and variable costs, such as power/energy, materials and other inputs, plant and equipment, salary and wages, and office expenses (e.g. telephone) • government taxes and charges.
Causes of variability in costs include one or more of:	• time-based variation • fluctuations in variable costs related to different volumes of sales, production or operations • fluctuations in fixed/overhead costs related to changes in the economy, financial markets and similar • abnormal cost fluctuations due to poor design of product or process, poor scheduling, faults, breakdowns and other muda (waste).
Process includes consideration of all of:	• all functions that go to meet customer requirements • all other required functions (e.g. regulatory related functions) • design • production • maintenance • logistics • office processes.
Procedures (written, verbal, visual, computer based, etc.) include one or any combination of:	• work instructions • standard operating procedures (SOPs) • safe work method statements • formulas/recipes • batch sheets • temporary instructions

- any similar instructions provided for the smooth running of the plant.

Benefits include all of:

- positive benefits
- negative benefits
- quality
- safety
- reliability
- similar issues which may be impacted by a cost saving.

Unit Mapping Information

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Links

Companion Volume implementation guides are found in VETNet -

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

Assessment Requirements for MSS403030 Improve cost factors in work practices

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Performance Evidence

Evidence required to demonstrate competence in this unit must be relevant to and satisfy the requirements of the elements and performance criteria and include the ability to improve cost factors on one (1) or more occasion and to:

- analyse cost components
- improve cost efficiency in an area related to own work
- express cost factors in specific terms, such as cost per item, per unit of time or other measures of output.

Knowledge Evidence

Must provide evidence that demonstrates knowledge relevant to their job role sufficient to fulfil their job role independently, including:

- cost components of products made
- costs concepts, such as expense/capital, income and benefit/cost ratios
- major cost contributors to product (e.g. energy, materials/other inputs, labour and distribution, and so on depending on the product and process)
- distinguish between internally and externally controlled costs
- distinguish between overhead/capital, expense, labour and other consumables.

Assessment Conditions

- The unit should be assessed holistically and the judgement of competence shall be based on a holistic assessment of the evidence.
- The collection of performance evidence is best done from a report and/or folio of evidence drawn from:
 - a single project which provides sufficient evidence of the requirements of all the elements and performance criteria
 - multiple smaller projects which together provide sufficient evidence of the requirements of all the elements and performance criteria.
- A third-party report, or similar, may be needed to testify to the work done by the individual, particularly when the project has been done as part of a project team.
- Assessment should use a real cost improvement activity in an operational workplace.

- Knowledge evidence may be collected concurrently with performance evidence or through an independent process such as workbooks, written assessments or interviews (provided a record is kept).
- Assessment processes and techniques must be appropriate to the language, literacy and numeracy requirements of the work being performed and the needs of the candidate.
- Conditions for assessment must include access to all tools, equipment, materials and documentation required, including relevant workplace procedures, product and manufacturing specifications associated with this unit.
- Foundation skills are integral to competent performance of the unit and should not be assessed separately.
- Assessors must satisfy the assessor competency requirements that are in place at the time of the assessment as set by the VET regulator.
- The assessor must demonstrate both technical competency and currency.
- Technical competence can be demonstrated through:
 - relevant VET or other qualification/Statement of Attainment AND/OR
 - relevant workplace experience
- Currency can be demonstrated through:
 - performing the competency being assessed as part of current employment OR
 - having consulted with an organisation providing relevant environmental monitoring, management or technology services about performing the competency being assessed within the last twelve months.

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