



Australian Government

MSS405003 Manage a value stream

Release: 1

MSS405003 Manage a value stream

Modification History

Release 1. Supersedes and is equivalent to MSS405003A Manage a value stream

Application

This unit of competency covers the skills and knowledge required to manage an overall value stream, a supply chain or a demand chain, including close liaison with suppliers and customers. It may be applied to the managing of the chain internally/externally within an organisation.

This unit applies to a person in a senior role in an organisation, such as a manager, technical specialist or similar, who needs to manage the value/supply/demand chain on an ongoing basis to achieve the best overall contribution of valued added to their product in terms of customer benefit/features. The unit can be applied to value streams of large or small organisations and to internal and external value streams or a combination value stream.

This unit assumes that the value stream has been mapped and that the mapping is available.

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	Evaluate the value stream	1.1	Identify all members in the value stream for products in area of responsibility.
		1.2	Identify value added by each member of the chain.
		1.3	Identify non-value adding steps in the value stream.

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| | | 1.4 | Identify acute and chronic issues which impact on the value stream. |
| | | 1.5 | Develop priority list of items for improvement. |
| 2 | Liaise regularly with chain members | 2.1 | Establish and maintain regular liaison with all chain members. |
| | | 2.2 | Identify current and forecast issues with each member. |
| | | 2.3 | Work with members to help them address their issues. |
| | | 2.4 | Build trust and confidence in the relationship. |
| | | 2.5 | Develop with each chain member a priority list of items for improvement. |
| | | 2.6 | Negotiate with all chain members to ensure improvements benefit chain members and improve the benefits/features perceived by the ultimate customer. |
| 3 | Monitor the value added at each step | 3.1 | Identify changes in value added by each chain member. |
| | | 3.2 | Identify areas where changes to value added are required. |
| | | 3.3 | Develop a priority list of required value-added changes. |
| | | 3.4 | Work with chain member to bring about improvements to value added. |
| 4 | Continue to reduce muda (waste) | 4.1 | Identify muda (waste) in value stream. |
| | | 4.2 | Work with chain members to continually reduce muda. |

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.

Customer requirement stages where value stream actions may occur include one or more of:

- sales outlet/representative
- information gathering, data analysis and research
- product design
- raw material sourcing
- intermediate processing
- final assembler/collation/preparation
- support services (e.g. accounting, finance and legal)
- storage and delivery to customer
- after market support.

Value-added as perceived by the customer includes one or more of:

- technical benefits/features
- location benefits/features
- aesthetic benefits/features
- information benefits/features.

Techniques for value stream mapping include one or more of:

- hard copy (e.g. paper or whiteboard)
- appropriate software tools
- expert group
- participation by gemba representatives
- participation by all impacted personnel.

Muda (waste) includes all of:

- excess production and early production
- delays
- movement and transport
- poor process design
- inventory
- inefficient performance of a process
- making defective items
- activities which do not yield any benefit to the organisation or any benefit to the organisation's customers.

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 MSS405003 Manage a value stream

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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 manage one (1) or more value streams and to:

- evaluate the performance of a value stream, its members and steps
- liaise regularly with value chain members to help them, and the value chain performance, to improve
- monitor value added and muda at each step to increase value added and reduce muda.

Knowledge Evidence

Must provide evidence that demonstrates sufficient knowledge to interact with relevant personnel and be able to manage a value stream including knowledge of:

- customer perception of value added and muda
- the process(es) covered by the value stream
- performance indicators for each value stream step
- value stream analysis and mapping
- methods of reducing muda/increasing perceived value added
- upstream and downstream components of the value stream which are beyond the individuals scope of authority to manage.

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:
 - should occur over a range of situations which include typical disruptions to normal, smooth operation of the workplace
 - will typically include a supervisor, 360 degree or other third-party report focussing on consistent performance and problem recognition and solving. A third-party report must be prepared by someone who has a direct, relevant, current relationship with the person being assessed and who is in a position to form a judgement on workplace performance relevant to the unit of competency.
 - must include managing a value stream in own workplace
 - will typically include the use of appropriate tools, equipment and safety gear requiring demonstration of preparation, operation, completion and responding to problems.
- Assessment should occur in operational workplace situations.

- Knowledge evidence may be collected concurrently with performance evidence (provided a record is kept) 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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