



Australian Government

MSS405038 Optimise process costs

Release: 1

MSS405038 Optimise process costs

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 Requirements changed. Supersedes and is equivalent to MSS405030 Optimise cost of a product or service.

Application

This unit describes the skills and knowledge required to examine and optimise the costs of a process, product or service.

This unit applies to supervisors, managers, technical experts and those in similar roles with the responsibility to analyse overall costs, including major cost categories and overheads, determine how to optimise costs and implement optimisation/s.

This unit applies to any organisation that is implementing continuous improvement or more formal competitive systems and practices.

No licensing or certification requirements exist at the time of publication. Relevant legislation, industry standards and codes of practice within Australia must be applied.

Pre-requisite Unit

Nil

Competency Field

Competitive systems and practices

Elements and Performance Criteria

Elements	Performance Criteria
Elements describe the essential outcomes.	Performance criteria describe the performance needed to demonstrate achievement of the element.
1. Analyse total cost components of a process, product or service	1.1 Identify all cost components of process, product or service 1.2 Allocate cost components to major categories 1.3 Distinguish between costs which directly deliver customer features and benefits and muda (waste)
2. Optimise costs	2.1 Analyse causes of costs which lead to customer features and benefits 2.2 Determine methods of increasing the customer benefit/cost ratio

Elements	Performance Criteria
Elements describe the essential outcomes.	Performance criteria describe the performance needed to demonstrate achievement of the element.
	2.2 Analyse causes of muda costs 2.3 Determine methods of reducing or eliminating muda costs 2.4 Analyse interactions between cost components 2.5 Check that one method of reducing costs does not cause an increase in another cost or reduction in customer benefit 2.6 Check that cost reduction plans do not reduce required levels of regulatory compliance or work health and safety (WHS)
3. Implement cost optimisation	3.1 Develop cost optimisation plan that is based on analysis 3.2 Negotiate with relevant people to agree on plan implementation 3.3 Take actions to implement cost optimisation plan in accordance with workplace processes 3.4 Monitor implementation of cost optimisation plan 3.5 Make adjustments to improve plan in accordance with workplace processes

Foundation Skills

This section describes those language, literacy, numeracy and employment skills that are essential to performance but not explicit in the performance criteria.

- Reading skills to interpret workplace documentation
- Writing skills to communicate with a range of audiences
- Oral communication skills to facilitate engagement and participation
- Numeracy skills to determine and analyse costs.

Other foundation skills essential to performance are explicit in the performance criteria of this unit.

Unit Mapping Information

Release 1. Supersedes and is equivalent to MSS405030 Optimise cost of a product or service.

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 MSS405038 Optimise process costs

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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:

- analyse and optimise costs for at least one process or product or service.

Knowledge Evidence

There must be evidence the candidate has knowledge of:

- cost components and categories
- methods of allocating indirect costs and their implications
- expressing customer perceived benefit in cost or dollar value terms
- major controllable costs for the organisation, and how to control them
- types of muda and how to reduce it
- how to determine, increase and apply benefit/cost ratios
- regulatory requirements relevant to process and organisation.

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
- modelling of industry operating conditions.

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

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