

Specification of Competency Standards
for the Fashion Industry
Unit of Competency

Functional Area - Quality System & Sustainability

Title	Apply cost-benefit analysis in work practices
Code	108238L5
Description	Apply cost-benefit analysis in work practices to explore opportunities for improving cost-efficiency in a fashion business. This applies to individuals who are required to apply cost-benefit analysis to systematically evaluate cost components of a work area and devise cost-efficient work practices in a fashion business.
Level	5
Credit	3
Competency	<p>Performance Requirements</p> <p>1. Knowledge in the subject area</p> <p style="padding-left: 40px;">Be able to:</p> <ul style="list-style-type: none"> • examine the common approaches to achieve cost-efficiency in the fashion industry • understand the principles, categories, and measurement of quality costs • critically evaluate the basic cost components (e.g. fixed and variable costs, quality costs) and causes of variability in costs in a fashion business (e.g. time-based variation, differences in regulatory requirements) • assess the relative costs of alternative methods or practices in a work area <p>2. Application and process</p> <p style="padding-left: 40px;">Be able to:</p> <ul style="list-style-type: none"> • identify the cost components of current practices in a work area • apply the logic of quality cost to assess the costs of current practices • evaluate causes of variability in costs and assess the impact of alternative practices on costs • identify constraints to cost-efficiency (e.g. regulatory requirements) • identify methods of improving productivity or reducing costs • determine cost-benefit ratio of alternative methods of improving productivity or reducing costs • select the most cost-efficient work practices and recommend changes • monitor changes to ensure cost-efficient practices are maintained <p>3. Exhibit professionalism</p> <p style="padding-left: 40px;">Be able to:</p> <ul style="list-style-type: none"> • consider overall cost and assess both negative and positive cost implications of possible changes
Assessment Criteria	<p>The integrated outcome requirements of this UoC are the abilities to accomplish:</p> <ul style="list-style-type: none"> • Systematic application of cost-benefit analysis to evaluate cost components of a work area and devise cost-efficient work practices in a fashion business, which take into consideration the benefits against the expenses of improvement.
Remark	