

**40080****Apply knowledge of cost management and competitive advantage in an automotive parts and accessories environment**

<b>Kaupae   Level</b>	4
<b>Whiwhinga   Credit</b>	10
<b>Whāinga   Purpose</b>	<p>This skill standard is intended for people who are already working in the automotive parts and accessories industry. They will be able to apply knowledge of cost management, profitability and competitive advantage in an automotive parts and accessories environment, and recommend cost management solutions.</p> <p>This skill standard aligns with New Zealand Automotive qualifications at Level 4 and above.</p>

**Hua o te ako me Paearu aromatawai | Learning outcomes and assessment criteria**

<b>Hua o te ako   Learning outcomes</b>	<b>Paearu aromatawai   Assessment criteria</b>
1. Describe factors which impact cost management and profitability in an automotive parts and accessories environment.	a. Describe factors which contribute to business profitability including turnover, costs, gross profit and net profit.
	b. Describe the concept of cost control in an automotive parts and accessories environment.
	c. Identify pricing strategies used in an automotive parts and accessories environment.
	d. Describe the impact of stock volumes on business cashflow.
	e. Explain the impact of pricing, discounting and cost management on profit margins and business reputation.
	f. Explain the implications of actions in your role and their potential impacts on the reputation and profitability of an automotive parts and accessories business.
2. Recommend cost management solutions in an automotive parts and accessories environment.	a. Review the cost structure in an automotive parts and accessories environment.
	b. Recommend cost reduction measures in an automotive parts and accessories environment.

3. Analyse the value of competitive advantage in an automotive parts and accessories environment.	a. Explain how a customer's understanding of value can be influenced and how to add value to a customer in an automotive parts and accessories environment.
	b. Identify opportunities for gaining a competitive advantage through communicating the strengths, expertise and brand of an automotive parts and accessories business.
	c. Evaluate the competitive advantage of cost leadership and analyse the competitive position of a business within the automotive parts and accessories industry.
	d. Analyse the impacts of applying competitive advantage in terms of creating value for the customer, employee and business.

### Pārongo aromatawai me te taumata paearu | Assessment information and grade criteria

#### Assessment specifications:

Evidence for learning outcome 2 may be demonstrated through a simulated scenario that reflects workplace conditions if akōnga/learners are unable to access workplace information.

Evidence presented for assessment against this skill standard must be consistent with safe working practices and be in accordance with applicable service information, workplace procedures and legislative requirements.

It is recommended that learners hold credit for skill standard 40076, *Apply parts interpretation skills in an automotive parts and accessories environment* before being assessed against this skill standard.

#### Definitions:

*Competitive advantage* refers to the characteristics and conditions that enable a business to outperform its competitors and generates greater value for its stakeholders.

*Workplace procedures* refer to organisation policies and procedures that are documented in memo, electronic, or manual format and available in the workplace. They may include but are not limited to – standard operating procedures, site specific procedures, site safety procedures, equipment operating procedures, quality assurance procedures, product quality specifications, manufacturer's requirements, references, approved codes of practice, housekeeping standards, environmental considerations, on-site briefings, supervisor's instructions, and procedures to comply with legislative and local body requirements relevant to the automotive industry.

### Ngā momo whiwhinga | Grades available

Achieved.

### Ihirangi waitohu | Indicative content

#### Cost management

- Cost controls including variable costs, fixed costs, costs within the control of the business, costs outside the control of the business.
- Business operational costs including recruitment, staff wages/salary, training, compliance, rent,

insurance, staff turnover, administration.

- Consideration of factors which impact loss of revenue.
- Role of good record keeping in cost management.

### Competitive advantage

- Advanced sales techniques to provide positive customer experience through understanding customer needs and offering product options to add value to the customer and business.

### Rauemi | Resources

None.

### Pārongo Whakaū Kounga | Quality assurance information

<b>Ngā rōpū whakatau-paerewa  </b> Standard Setting Body	Hanga-Aro-Rau Manufacturing, Engineering and Logistics Workforce Development Council
<b>Whakaritenga Rārangi Paetae Aromatawai  </b> DASS classification	Engineering and Technology > Motor Industry > Automotive Administration
<b>Ko te tohutoro ki ngā Whakaritenga i te Whakamanatanga me te Whakaōritenga  </b> CMR	0014

<b>Hātepe  </b> Process	<b>Putanga  </b> Version	<b>Rā whakaputa  </b> Review Date	<b>Rā whakamutunga mō te aromatawai  </b> Last date for assessment
<b>Rēhitatanga  </b> Registration	1	25 July 2024	N/A
<b>Kōrero whakakapinga  </b> Replacement information	N/A		
<b>Rā arotake  </b> Planned review date	31 December 2029		

Please contact Hanga-Aro-Rau Manufacturing, Engineering and Logistics Workforce Development Council at [qualifications@hangaarorau.nz](mailto:qualifications@hangaarorau.nz) to suggest changes to the content of this skill standard.