Construct the Fur Input Mixed Model with Activity-Based Benefit Assessment Approach of Leather Industry

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Abstract : Leather industry is the most important traditional industry to provide the leather products in the world for thousand years. The fierce global competitive environment and common awareness of global carbon reduction make livestock supply quantities falling, salt and wet blue leather material reduces and the price skyrockets significantly. Exchange rate fluctuation led sales revenue decreasing which due to the differences of export exchanges and compresses the overall profitability of leather industry. This paper applies activity-based benefit assessment approach to build up fitness fur input mixed model, fur is Wet Blue, which concerned with four key factors: the output rate of wet blue, unit cost of wet blue, yield rate and grade level of Wet Blue to achieve the low cost strategy under given unit price of leather product condition of the company. The research findings indicate that applying this model may improve the input cost structure, decrease numbers of leather product inventories and to raise the competitive advantages of the enterprise in the future.

Keywords : activity-based benefit assessment approach, input mixed, output rate, wet blue
Conference Title : ICMDM 2014 : International Conference on Management and Decision Making
Conference Location : Tokyo, Japan
Conference Dates : May 29-30, 2014