

VALUE CHAIN ANALYSES IN UPHOLSTERED CHAIR PRODUCTION: A CASE STUDY OF A SELECTED MANUFACTURER IN SERBIA

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General objectives

- Collecting data relevant for decision making in companies and beyond
- Main goal - analysis of the structure of value chain

Additional goals

- Total costs analysis
- Coefficient of valorisation

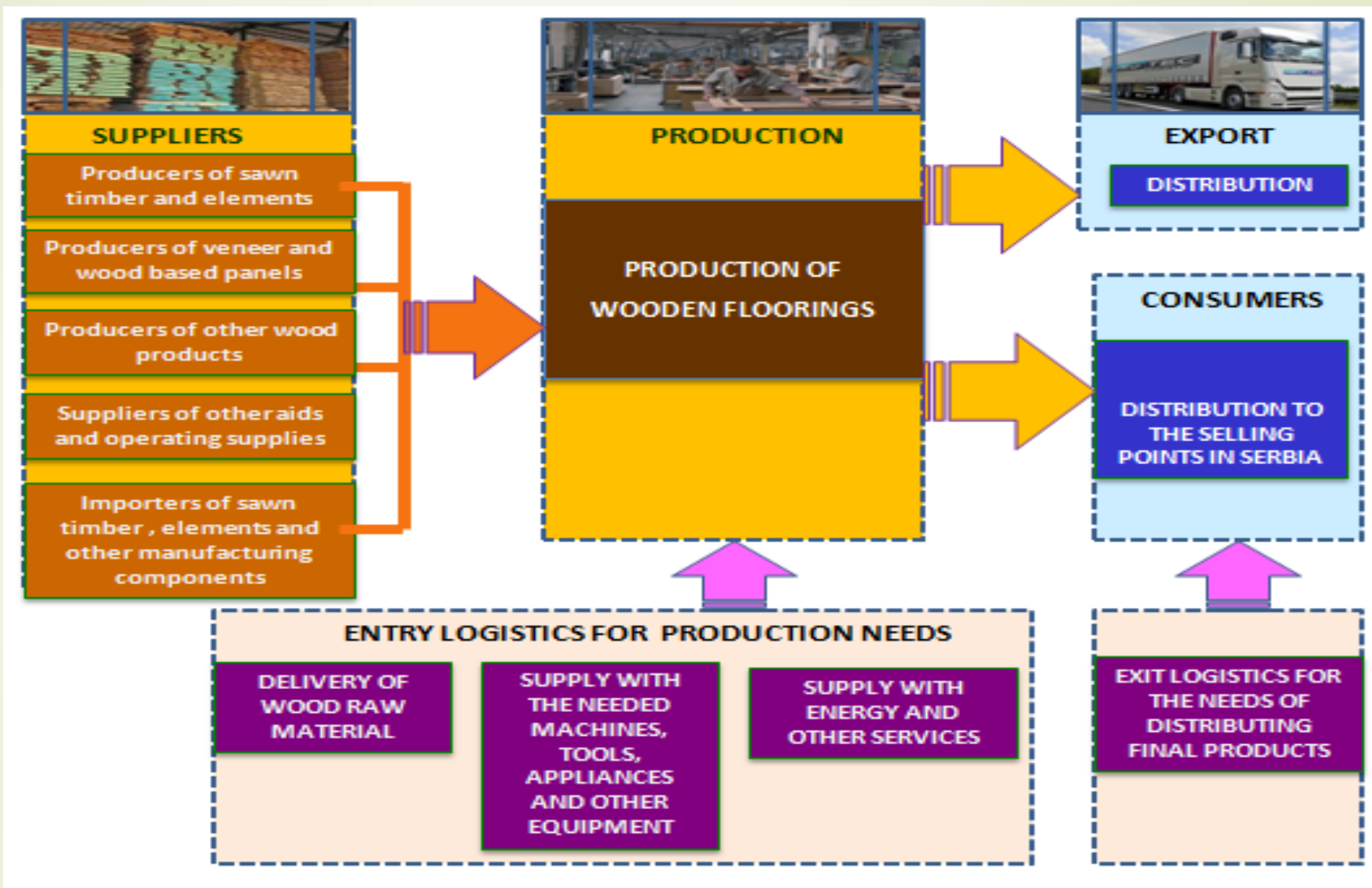
Metods

- Analysis of the value chain
- Coefficient of valorization
- ❖ Tools used for uncovering the structure, integration and functioning of the value chain

Results

- Analysis of chain value – whole production
- Coefficient of valorisation – three selected models of upholstered chairs





Three selected models of upholstered chairs



Table 1. Average price of sawn beech wood for thickness of 25, 38 and 50 mm

Types	Price (RSD/m³)	Price (€/m³)
Long edged lumber	42,500	348.4
Short edged lumber	32,000	262.3
Hyper short edged lumber	27,000	221.3

Source: Data from selected company; 1EUR=122 RSD

Table 2. The amount of single model of chairs produced from 1m³ of edged beech lumber, and its sales and retail prices

Chair model	No. of chairs produced from 1 m ³ of long edged lumber	No. of chairs produced from 1 m ³ of short edged lumber	No. of chairs produced from 1 m ³ of hyper short edged lumber	Sales prices (€/piece), EXW	Retail prices (€/piece)
Jana	34	32	30	42.4	66.1
Sara	34	32	30	42.4	66.1
Palermo	29	26	25	50.7	79.1

Source: Data from selected company; Note: Sales prices are prices without PDV and parity EXW.

Coefficient of valorisation

$$k_v = \frac{\text{sales prices for chair} \left(\frac{\text{€}}{\text{piece}} \right) \times \text{amount of chairs produced from } 1\text{m}^3 \text{ of edged timber}}{\text{purchase prices for } 1\text{m}^3 \text{ of edged lumber}}$$

Coefficients of valorization of 1m³ of edged lumber through finalization of wooden upholstered chairs

Type of edged beech lumber	Purchase price for edged beech lumber (€/m ³)	Value of produced chairs from 1m ³ of edged lumber (prices are in €, based on sales prices EXW)			Coefficient of valorization		
		Jana	Sara	Palermo	Jana	Sara	Palermo
Long edged lumber	348,4	1441,6	1441,6	1470,3	4,1	4,1	4,2
Short edged lumber	262,3	1356,8	1356,8	1318,2	5,2	5,2	5,0
Hyper short edged lumber	221,3	1272,0	1272,0	1267,5	5,7	5,7	5,7

Source: Calculations of the author; EXW-Franco fabrik

The coefficients of valorization of 1m³ of sawn timber through finalization into the wooden upholstered chairs

Type of edged beech lumber	Purchase price for edged beech lumber (€/m ³)	Value of produced chairs from 1m ³ of edged lumber (prices are in €, based on <i>retail prices</i>)			Coefficient of valorization		
		Jana	Sara	Palermo	Jana	Sara	Palermo
Long edged lumber	348,4	2247,4	2247,4	2293,9	6,5	6,5	6,6
Short edged lumber	262,3	2115,2	2115,2	2056,6	8,1	8,1	7,8
Hyper short edged lumber	221,3	1983,0	1983,0	1977,5	8,9	8,9	8,9

Source: Calculations of the author

Conclusion

- More than 50% of Serbia's export are semi-products of edged wood
- The coefficients of valorization have confirmed the economic feasibility and desirability of the finalization of sawn lumber instead of its exports as semi-product

Implementations

- Increase of income from exported material
- Increase in numbers of employees
- Increase in production capacity
- Developing new products
- Direct sales abroad

Thank you for attention!



Александра Лазаревић, маг. инж.

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