

The Improvement of Competitiveness of Activity Based Costing System (Case Study: Samfar Co.)

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Abstract

Activity based costing system (ABC) is, indeed, among the powerful and useful tools to achieve companies' goals in maintaining competitiveness. The main aim of the present study is "The Improvement of Competitiveness of Samfar Company Using Activity Based Costing System." Due to such items as high proportion of overhead, complexity of production, diversity of production, variation in production volume, and complexity of the primary materials in Samfar Company, the results of this research can be taken into consideration and used by the senior management of this organization, leading to strengthening and enhancement of the company's competitiveness. The statistical population of the current research includes 26 products of Samfar Co. The researcher has concluded that in technological, technical knowledge, and/or customer standards matters, some of Samfar's products are more complex, taking engineering and R&D department a great deal of time. Moreover, due to the resting of great proportion of organization's overhead upon engineering and R&D department, a greater amount of overhead goes to this group of products in that the findings of the present study have made a significant difference in computational cost of Samfar's products, especially RD02, RD107, and RD120. In conclusion, the results of the present study are analyzed, using AHP method, and consistency of the judgments are proven.

Keywords: ABC,AHP,ABM,EAD,APD