

# Integration of Social Entrepreneurship and Supply Chain Management

Maksimova Svetlana Mikhailovna<sup>1</sup>, Kuzminykh Svetlana Sergeevna<sup>2</sup>

<sup>1</sup>*Department of Entrepreneurship and Logistics, FSBEI HE Plekhanov Russian University of Economics*

<sup>2</sup>*Department of Logistics, FSBEI HE State University of Management*

<sup>1</sup>*SMaksimova2015@yandex.ru*

<sup>2</sup>*ss\_kuzminykh@guu.ru*

**Abstract**— The purpose of this paper is to present a framework for pursuing global entrepreneurship where supply chain management can often serve as a platform for resource acquisition, market development, and risk mitigation. In this research the organizational and economic features of the development and implementation of integrated supply chain and social entrepreneurship projects studied. Then the specifics of the requests and needs of the target audience in entrepreneurship projects determined by taken it to develop a value chain for festival participants, an organizational structure for project management. The practical result of the study showed that supply chain management had moderating role effected positively by corporate entrepreneurship to business performance.

**Keywords**— *social entrepreneurship, project, Supply chain management, socio-economic efficiency, project management.*

## 1. Introduction

Supply chain management is working its way onto the strategic agendas of CEOs in an expanding list of industries, from autos to personal computers to fashion retailing. Entrepreneurship as a socio-economic and organizational phenomenon in recent years has increasingly attracted the attention of scientists, business, government, and society. Both the practice of social entrepreneurship and supply chain management are developing [1, 2]. This is due, on the one hand, to an aggravation of a whole set of social problems, and on the other, the inability of the state and society to effectively solve these problems in traditional ways. In this regard, the study and dissemination of the practice of developing and implementing social entrepreneurship projects is becoming an urgent, important and relevant task [3].

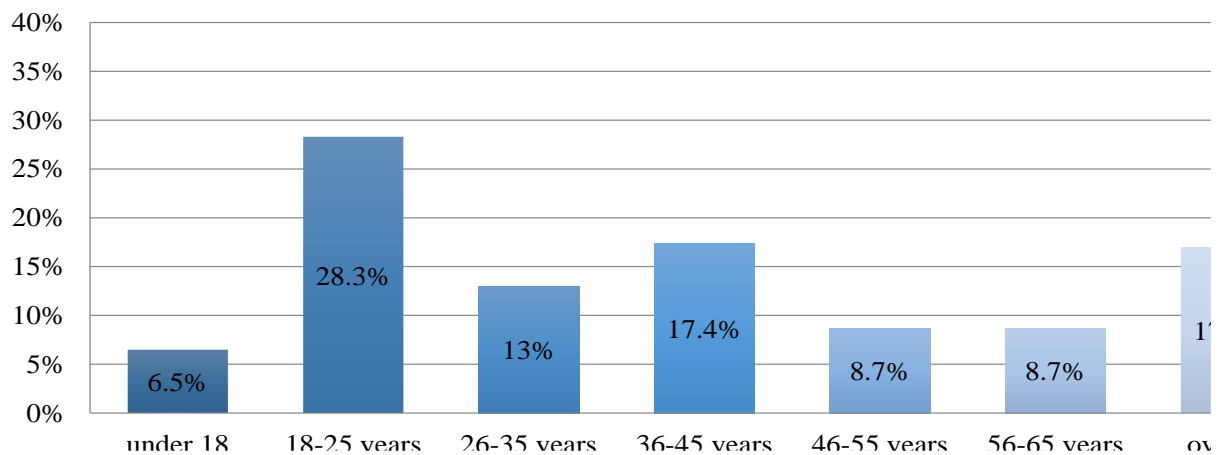
The objective of this research is to study the organizational and economic features of the development and implementation of social entrepreneurship projects, as well as to develop a

value chain for festival participants and the organizational structure of project management.

To determine the specifics of the requests and needs of the target audience in social entrepreneurship projects of the cultural and educational sphere, we conducted a study in the form of questionnaires and surveys.

The geography of the study included the Yaroslavl region, namely, Yaroslavl, Tutaev, Rybinsk, village of Vaulovo, village of Stolbishchi. For the study, a questionnaire was specially developed, consisting of closed and open questions [4]. The questionnaire was conducted at a personal meeting with the target audience of the project, as well as through the e-mail distribution of the questionnaire, a survey through the “Festival of Spiritual Songs” group on social networks on Facebook and Vkontakte. The results were processed using a professional specialized SPSS data processing program. 300 people were interviewed.

As a result of the study, we formed a portrait of the target audience of the project. A large proportion of potential project participants is women - 75%, a smaller one is men - 25%. This may be due to the fact that women in general are always more active and more willing to participate in such events. As for the age categories of participants, here the portrait is quite diverse (*Figure 1*). The target group includes representatives of all ages, from children to pensioners. The main target audience of the festival is young people aged 18-25 (28.3%); people of mature age 36-45 years (17.4%) and pensioners over 65 (17.4%). Youth also include working youth from 26 to 35 years old (13%). Thus, the share of youth among all participants in the festival is (41.3%).

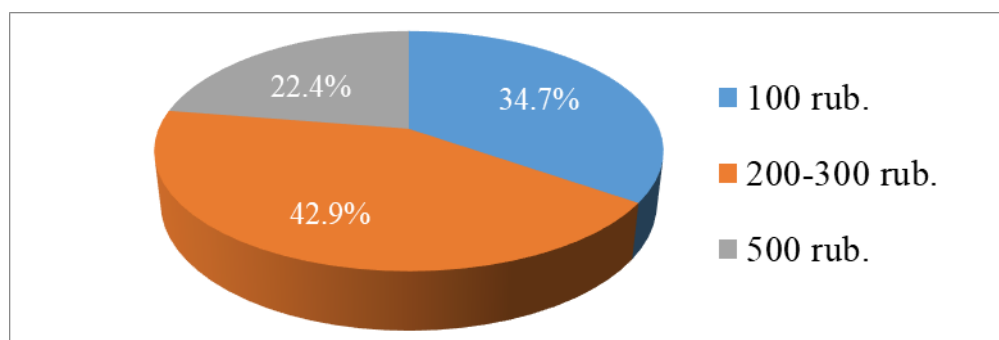


**Figure 1.** Age categories of festival participants

Source: compiled by the authors based on the results of a questionnaire survey and poll

The notion that the elements of supply chains—from suppliers' suppliers to customers' customers—can be used in an entrepreneurial manner is a powerful one. We call this emerging concept entrepreneurial supply chains, and we believe that companies should aggressively implement and practice it. But because it is a new concept, perhaps we need to set the stage to explain just what we mean. The analysis of age categories shows that representatives of different ages are present in the target audience, with a significant

advantage for young people, while there are no age restrictions for participating in this festival. The festival program is designed in such a way that each participant, regardless of age, will be able to find an occupation and interest hobby. Based on the results of the survey, the acceptable cost of the admission ticket for the festival participant was determined (Figure 2). To calculate the economic efficiency and payback of the festival project, we took the cost of 300 rubles for an adult ticket, and 150 rubles for a children's ticket.

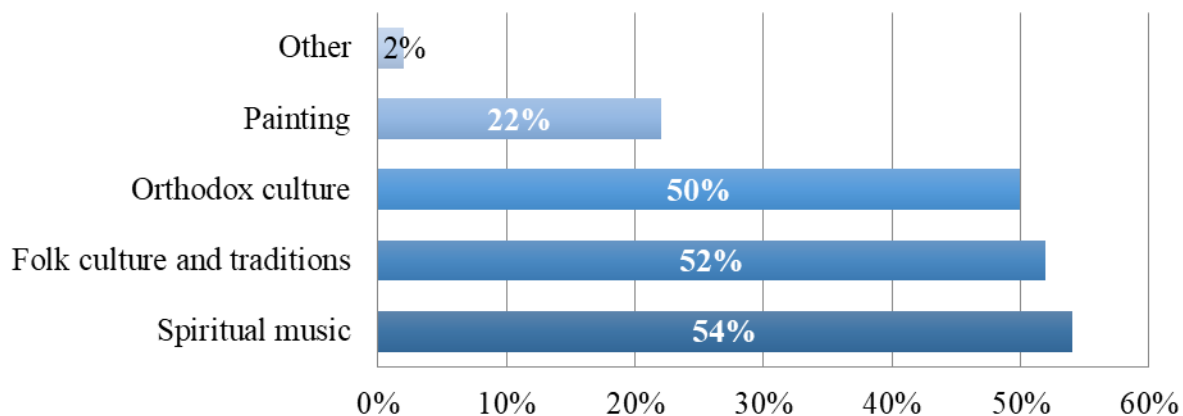


**Figure 2.** Affordable cost for a festival participant

Source: compiled by the authors based on the results of a questionnaire survey and poll

Having studied the preferences of the target audience, the theme of the festival was determined, combining three areas: spiritual music, folk culture and traditions, and Orthodox culture. Theme of

events of greatest interest to the target audience are: 54% - spiritual music, 52% - folk culture and traditions, 50% - Orthodox culture, 22% - painting (Figure 3).



**Figure 3.** Preferences on the theme of events

Source: compiled by the authors based on the results of a questionnaire survey and poll

Based on the preferences and expectations of the target audience, a festival program was developed. Especially for the festival, souvenirs were made considering its demand by the participants of the festival.

Based on the questionnaire, we identified three key competing events: the festival of the estate of the warrior Fyodor Ushakov, a concert in honor of the holy princes Boris and Gleb, a concert in honor of the Holy Prince Roman Uglichsky [5, 6]. We have studied and analyzed their experience. Despite the fact that our project is similar to the festivals we analyze for its spiritual and musical orientation, it has its own unique features, such as name, concert program, creative master classes, performers, which are not present at competing events.

Based on the results, a value chain was built for the festival participant. The chain consists of 3 stages. The first stage involves elaboration of the demand. At this stage, it is important to interest the participants, to form their need for the festival. The second stage is the satisfaction of needs. Direct holding of the festival. The third stage involves fixing the need, turning it into a key customer value. Each of the stages has its own organizational and performing resources.

We shall consider the key features of building a value chain for a festival participant at each stage:

## 2. Entrepreneurial SCM Competence and SCM Strategies

There is positive effect of SCM competence on SCM strategies as it is verified relationship competency of firm's quality and efficiency orientation. To deliver the products to its customers effectively and efficiently is the concern

of SMEs. Due to global competition buyer has more knowledge and alternatives to switch to another company where his needs and wants fulfill. The need for communication is the desire to stay in society with people who share similar values (values of the Orthodox culture, traditions, family). Cultural enrichment - an introduction to culture, the study of Russian traditions, the opportunity to know them more deeply, to understand, to see in action, and not just in theory, to see how traditions come to life. Take part in workshops on traditional folk culture, learning to play the flute.

Immersion in nature - the festival will be held outdoors, in the fresh air. It is relevant for a modern person who seeks to escape from the hustle and bustle in silence, outside the city. Since for many, summer is a vacation time, there is an opportunity to satisfy this need through participation in the festival.

The formation of needs is possible in the process of interaction with the target audience at the stage of preparation for the festival. Let us consider possible ways of forming the need for the festival, including ways to motivate festival participants.

*Ways of elaborating the demand:*

1. Activities aimed at attracting festival participants, spectators, leaders of master classes.
2. Informing of potential participants about the program and the timing of the festival, about the possibility of participating in the festival.
3. Constant updating of information on preparations for the festival on the official website and in the festival group on social networks.
4. Attracting participants to the preparation for the festival through:

- improvement of the territory of the Vaulovsky Skete;
- participation in the collection of linden flowers and herbs for tea, packaging;
- participation in the manufacture of souvenirs;
- preparation of local history material on the manor house in the village of Vaulovo, Vaulovsky monastery and about the holy righteous John of Kronstadt, preparation of stands, photo albums;
- participation in the drawing contest;
- participation in the shooting and production of photo cards for the festival (inviting people who want to take photos, attracting professional photographers);
- participation in the formation and layout of the collection of songs;
- organization of pilgrimage trips to holy places associated with the name of St. John of Kronstadt (a trip to St. Petersburg, Kronstadt, visiting the museum-apartment of St. John of Kronstadt).

The questionnaire also helped to determine the channels of communication with the audience. The most convenient communication channels are social networks, telephone communications, a personal meeting or SMS distribution. To interact with the target audience, you can also use the following communication methods: disseminating information about the festival through a warm circle of contacts, through cold contacts.

1. Especially for posting information about the festival, the association of participants, a group was created in VKontakte, which includes teenagers, students, youth under 35; Facebook - adults, and more active business youth.
2. The official website of the Rybinsk Diocese, the Resurrection Cathedral.
3. Posters in churches, in educational and upbringing institutions, centers of additional education, centers of culture and leisure.
4. E-mail mailout.
5. Telephone calls.
6. Personal information sharing.
7. Crowdfunding. Launching a video on the Internet [7].

Using social networks for communication and customer acquisition provides additional options. For example, a festival group on Vkontakte allows tracking how the number of potential participants in the festival changes, identifying participants,

finding out how often they enter a group in contact and view news and other information about the festival, the ability to communicate directly with participants, receiving feedback, giving additional information, establishing new contacts.

Supply chain management means that management of chains of supplies and the purpose of SCM is value addition. Almost all the firms try to make supply chains as a core competence to get competitive edge. SCM exist in different forms in organization which depends on its level of integration. Representatives of the Tutaev administration, the Department of Culture and Tourism of the city of Tutaev, representatives of the clergy of the Rybinsk Diocese represented by Bishop of Rybinsk and Uglich Veniamin, representatives of the Romanov-Borisoglebsk deanery were invited to participate in the festival [8].

### 3. Results

Turning needs into core value and ongoing customer needs. The goal of the 3rd stage is to fix the clients as regular, so that they expect the festival next year.

The festival of spiritual songs acquires the status of an annual event. This is possible by creating the following value components of the festival:

*Impressions.* The received impressions from the performers of the song, which touch the soul, joyful emotions.

*Friendly atmosphere.* Friendly atmosphere. The purpose of the festival is to create a comfortable environment so that a person likes this comfortable atmosphere and wants to return. The atmosphere should facilitate the perception of songs and music, so that a person can immerse themselves in the performance of a song, imbue with song and music, and influence on the emotional and spiritual spheres of a person.

*Comfort.* Create comfortable conditions: places for participants, enough space, audibility (sound, voice, equipment settings, if you like it, you will come to listen again). Scene, toilets, seats, transportation, food points, drinking water. So that a person has the opportunity to relax fully and with benefit for body and soul.

*Culture:* the behavior of the participants of the festival. Taking their places in time, turning off the phones, not talking, not walking during the performance, as this distracts and interferes with the perception of music, the whole action.

Repertoire: the more touching and penetrating, the greater the desire to listen to it, the tastes are different, but the unifying principle is spirituality.

*The opportunity to prove oneself.* For example, in master classes, an exhibition of drawings, participation in the collection of lime flowers, herbs for making souvenirs, participation in the preparation of photo and video reports of the festival.

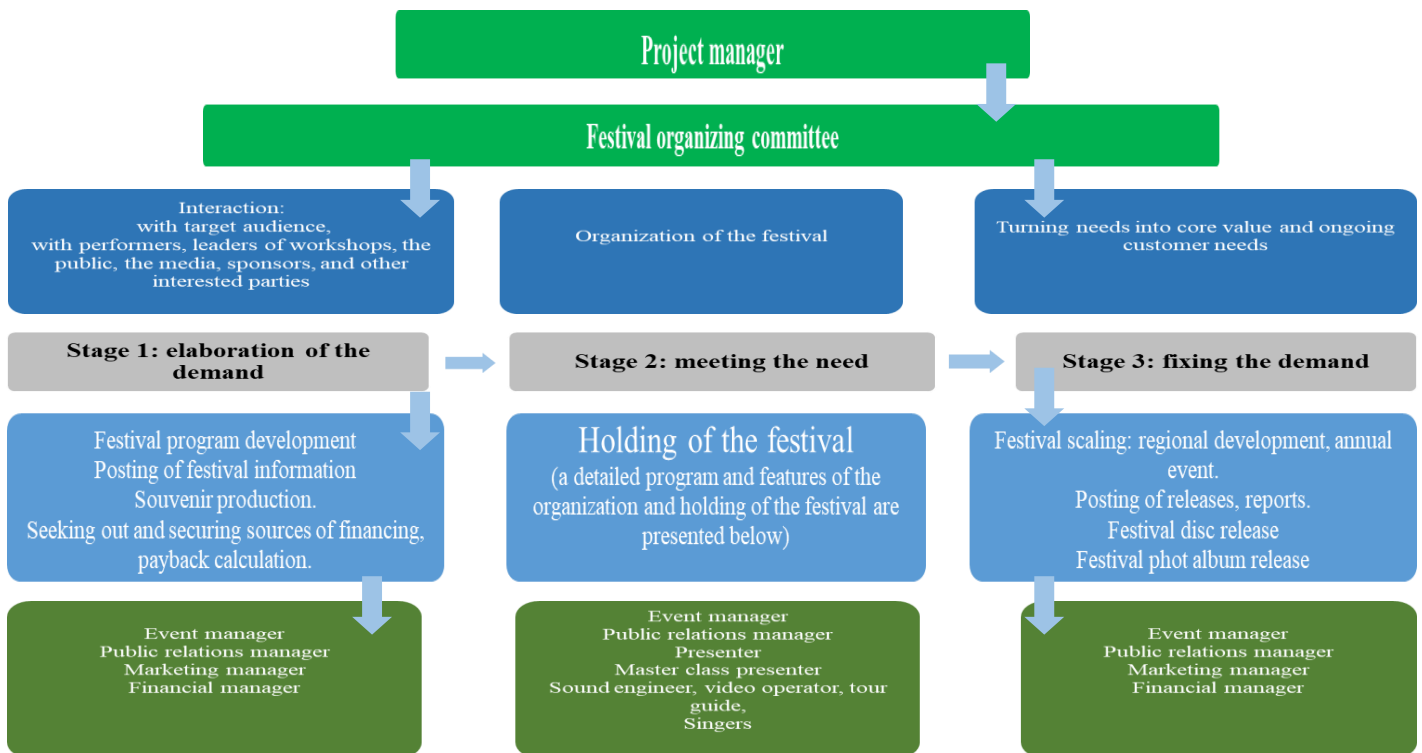
*Personal contribution of each participant.*

*Recognition.* We can revive Russian traditions if we participate together and invite our friends and relatives to this business. The value of man is that he/she is here and now. But it is even more valuable if next time he/she comes not alone, but with his/her friends and relatives, thereby we will bring more people to the folk culture from festival

to festival, and together we can revive, strengthen and develop Russian traditions.

*Remuneration.* Gifts of the participant as a memory and evaluation of their contribution to the introduction to the culture and revival of Russian traditions. Souvenirs and memorable prizes to the participants of the festival. “Drink linden tea and remember the festival”.

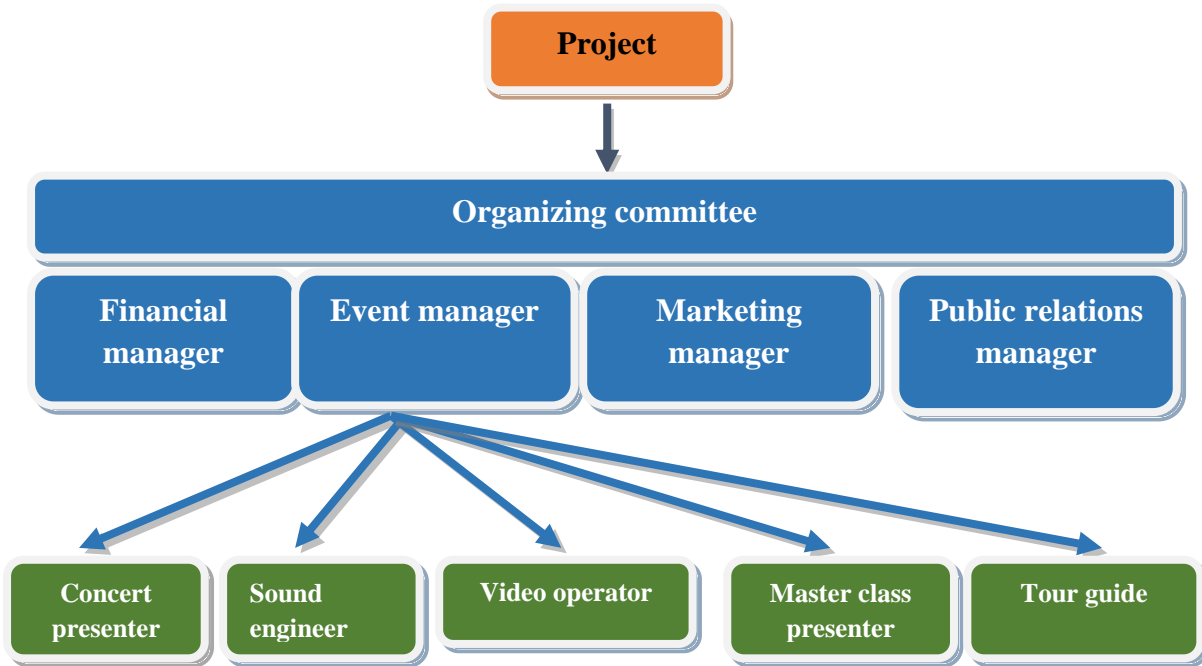
Thus, at the 3rd final stage, the client is fixed as permanent in the value chain: due to the atmosphere, impression, the opportunity to feel their worth and make a personal contribution, what contribution they can make in the future. A common goal in the customer value chain: customer satisfaction and good experience (Figure 14).



**Figure 4.** The value chain for festival participants

Source: compiled by the authors based on the results of the study

A description of all the processes in the value chain for the client allows forming an organizational structure for project management (Figure 5).



**Figure 5.** supply chain structure of the festival project management

Source: compiled by the authors based on the results of the study

Good supply-chain management strips away time and cost from product delivery cycles. The project manager is in charge, and controls the organizing committee of the festival, performing the functions of top management related to the organization of the supply chain [9]. The organizing committee consists of 4 people: an event manager, a marketing manager, a financial manager, and a public relations manager.

At each stage in the value chain, top management performs its organizational functions:

- *event manager* is responsible for holding the festival event, developing the festival program and ensuring the conditions for its holding (working with performers, master classes presenters, tour guides, a sound engineer, a video operator, ensuring safety at the festival).
- *marketing manager* - organization of work on interaction with the target audience, study of needs, communication channels, development of information and printed materials of the festival (layouts of posters, flyers, invitations, letters and diplomas for festival participants, promotion of the festival on social networks, the Internet).
- *financial manager* - organization of the search and attraction of project financing, drawing up of a project budget, an income and expense plan, calculation of the cost of making

souvenir products, setting of prices for festival products, calculation of the payback period of a project, profitability, and profit.

- *public relations manager* - organization of work on public relations, the media, administration representatives and other interested parties. Distribution of invitations and delivery of personal invitations to VIP guests.

*Event organization. Infrastructure.*

*The duration of the event* is one day (without overnight). Most of the event took place on an open-air venue - a venue next to the Church of the Assumption of the Blessed Virgin of the village of Vaulovo. In case of bad weather, the Sunday school premises of the temple are provided. In the territory where the event was held, dry closets were organized.

*Catering* - for all guests and participants of the festival, a field kitchen was organized, as well as additional points of sale of tea and pies.

*Safety and medical assistance* were provided by the appropriate structures invited to the event in agreement with the local administration.

*Volunteer movement.* A large role in the preparation and organization of the event was played by a group of volunteers of young scouts from Yaroslavl.

Their functions included:

- organizing parking, meeting guests;
- meeting and accompaniment of the festival participants;
- assistance in organizing the exhibition "World through the eyes of children";
- help presenters of master classes in organizing people into interactive programs;
- general control during the event.

All guests and participants of the event were met by a group of volunteers who monitored the parking lot and accompanied people throughout the event.

Based on the data received and analyzed, the project of the festival of the spiritual song was developed. The mission of the festival is to introduce people to the Orthodox culture, spiritual music, art, Russian folk traditions, and contribute to the revival of the Vaulov monastery.

The festival of spiritual songs, as a project of social entrepreneurship, is designed to solve the following problems:

- dilapidated manor house and temples in the village of Vaulovo;
- low level of culture, education of the local population;
- weak activity of the local population in the cultural and spiritual life of the village;
- lack of jobs for the local population of the village of Vaulovo;
- lack of cultural, leisure, and social facilities.

Since the organization of the festival is a project of entrepreneurial activity, its implementation requires to comply with all legislative requirements, including the registration of an individual entrepreneur, the choice of economic activities in accordance with OKVED and the tax system - 15% of the difference between income and expenses.

The income from the festival project is calculated, which includes the sale of tickets, the registration fee for participation in the exhibition fair, the sale of souvenir products, the sale of tea and pastries at the festival. Project costs include the costs of providing the festival, the production of informational, advertising and souvenir products, the purchase of musical equipment, the organization of catering, wages, and taxes.

Our calculations show that the project pays off, and every year brings a big profit. For the 2nd and 3rd year, income will grow due to the following areas:

- increased sales of festival tickets due to the greater number of guests and participants (15% increase each year);
- increase in sales of souvenirs by 15%;
- attracting new sources of financing: sponsorship and advertising of organizations;
- increase in the number of craftsmen and craftsmen participating in the fair;
- selling video-CDs of previous festivals;
- selling video-CDs of performing artists;
- an organizational fee for the concert performers.

#### 4. Conclusion

Supply chain management is about buying the right things and shortening the delivery cycles. It requires "reaching into the suppliers" to ensure that certain things happen on time and at the right quality level. Fundamentally, you're not taking the suppliers as a given. This study will allow the managers to understand the relation of entrepreneurial supply chain management Competence and Performance, to work and act more efficiently that will ultimately improve their supply chain performance. Thus, the main financial indicators confirm the economic efficiency of the project. Based on the results of the study, the following conclusions were formulated:

- based on results it was proved that social entrepreneurship, by achieving a supply chain socio-economic effect, allows solving specific social problems and tasks;

Supply chain in social entrepreneurship is one of the main mechanisms for solving social problems in a modern market economy; therefore, the development and implementation of social entrepreneurship projects should be a priority for government support of entrepreneurship.

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