# MANAGEMENT OF INNOVATIVE PROJECTS OF SMALL AND MEDIUM BUSINESS

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Abstract: Complex application in project management in Russia and support from legislative and executive power, a business community, the public and mass media is one of the most priority directions of social and economic development of Russia in the third millennium. In this work the concepts "project management" and "project managements" are considered and specified. The main characteristic of the company is provided, the analysis of the existing control system of projects is carried out. The temporary organizational structure in the company is created. Offers on planning and arrangement of tasks for each participant of the project are formulated. Functions, both founders, and each participant are defined. The plan for "packing of a franchise" in the LLC Tatburstroy company is developed and realized. Recommendations about design activity for the enterprises of small and medium business are submitted. This project was implemented with direct participation of authors within 7 months. The project payback period is calculated. The priority "return of the spent investments" has been carried out already at a stage of test sales. Thanks to implementation of this project, the company has begun to realize the global purpose connected with scaling to regions of Russia and the CIS country.

Keywords: project, project management, small and medium business, business, LLC Tatburstroy.

#### **1** Introduction

Today one of the main factors of social and economic development is business.

Businessmen it is a social and active part of the population. The basic principle for them is self-employment and an opportunity to independently make decisions. We should find out what role small and medium business plays in market economy and why it is important to introduce modern methods of management of projects at the enterprises. Small and medium business and also activity of businessmen determines the level of democratization of the country and openness of his economy. Due to support of small and medium business the state solves general problems of increase in welfare of the population. Small and average business allows to increase the average level of social responsibility, an economic initiative and competence of citizens of the concrete state. The competition is the main operating condition of small and medium-sized enterprises in system with market economy. She allows to contain increase in prices for goods and services, induces businessmen to increase constantly quality of production and to introduce new methods of maintaining and management of work at the enterprise. One of such methods is also the method of design activity. Now project management became the professional activity recognized around the world. For the last 30 years project management was created as new culture by administrative activity and became a peculiar cultural bridge in civilized business and business cooperation of the countries of different continents with different history of development, traditions, economy and culture.

Complex application in project management in Russia and support from legislative and executive power, a business community, the public and mass media is one of the most priority directions of social and economic development of Russia in the third millennium (Etemad, 2004).

# 2 Methodology

The purpose of this project is creation and packing of a franchise for scaling of the LLC Tatburstroy company to regions of Russia and the CIS country on the basis of justification of financial and economic expediency. The project of packing of a franchise is initiated by authors on the basis of drawing up SWOT analysis. The conducted research shows existence of the potential market of services in production and installation of protections in regions of Russia and the CIS countries. Entry into the market is planned by means of carrying out advertizing campaign. The current situation of the LLC Tatburstroy company has proved that at the accurate and correct organization of business income can reach 30% of the turnkey contract sum. But it is necessary to consider also negative sides of this business. It is difficult to automate such business. Therefore, the buyer of a franchise will be completely involved in many business processes. But there is a problem of turnover of staff and establishing interrelation between links (Anglichanov et al, 2010).

This project provides existence of the plan of achievement of goals (a complex of works) and also existence of system of powers and responsibility for achievement of the goals headed by the project manager (Bessonov, 2013).

Processing of material was conducted on the basis of department of economy of production of Kazan Federal University according to standard techniques of the Russian scientists (Bodrunov & Rogova, 2014; Villalobos Antúnez, 2013).

As starting point serve the description of service, justification of the project, the general restrictions, information about already executed similar projects. Alternative ways of implementation of the project are analyzed, criteria of success are defined. This document is further a basis for all design decisions and uniform understanding of the purposes of the project all its participants (Golenchuk, 2008; Sulkarnaeva et al, 2018).

### 3 Results and discussion

The innovation of the project is that the LLC Tatburstroy company first in the market will sell a franchise which will include the full management on fast opening of business in any city of Russia and the CIS. Thanks to a franchise the company had had a number of competitive advantages concerning competitors:

- fast and simple scaling;
- additional income;
- increase in loyalty of clients and suppliers

Strategic objectives of the project were: development of the concept of the project, development of a brendbuk, development of a franchayzingbuk, development of the financial plan, development of the website, advertizing start.

Also the analysis strong and weaknesses of the project has been presented in this project.

Strengths:

- stable turns and profit on payment of a franchise;
- fast scaling;
- using scaling by means of sale of a franchise, it is possible to test the market of various regions without risk for the head company

## Weaknesses:

- the main part of profit is received by the franchisee;
- weak motivation of the franchisee as he subconsciously thinks that the franchise will make for him profit without special work;
- franchisees who have won the market can want to separate from the franchiser

At a stage of initiation of the project market researches on this project are conducted. Hundred franchises from different spheres of businesses have been analyzed.

Having analyzed data it is possible to draw a conclusion that franchises of firms from construction spheres don't enjoy popularity. It is connected with the fact that the most part of owners of these firms, businessmen of the eightieth - are the ninetieth years, and at that time the concept "franchising" didn't exist, and firms developed by opening of branches. Thus, we have found out that the franchise of the LLC Tatburstroy company will be one of the first in the sphere of construction (Clifford & Larson, 2003). Each project has the strategy of his realization. Project of creation of a franchise not an exception. Primary purpose which is strategically important: return of investments and receiving percent by founders of the company (Zabolotskaya, 2015).

The strategic objective is achieved due to accurate debugged technology of packing and also selection of qualitative personnel. To achieve result are necessary: active, passive sales, advertizing of the company (Schumpeter, 2008).

Today in the market of franchises in a services sector there is a number of competitors: "Loaders service", "House to everyone", Spetsizolyation.

As a result of a research of franchises of competitors, it is possible to draw a conclusion that franchises in the sphere of construction and services sell the companies which are in the market recently. Therefore the potential franchisee can have problems with payback as at most the young companies business processes in the organization aren't smoothly running, accurate duty regulations aren't made, and in general there is no system approach to business. (Masur et al 2004).

When planning components of project management, first of all, authors were faced by tasks:

- to develop organizational structure;
- to create team of the project.

Process of creation of organizational structure of the project happens at the general meeting and is approved as heads of structural divisions. Such approach allows to reduce probability of emergence of the conflicts at distribution of resources for performance of functional and design tasks (Kirshin & Titov, 2012).

Line-up of the team of the project: project manager, programmer, designer, advertiser, maker-up, two sales managers, HR specialist, support service of the franchisee (Petrov & Kachayev, 2014).

Qualities inherent in employees: conscientiousness, discipline, responsibility, diligence, decency, honesty, politeness, skill to communicate, high professionalism.

The temporary organizational structure of the project has been created and approved.

The sphere of rendering of services assumes high degree of discipline of personnel, accurate differentiation of functions, and therefore the question of type of organizational structure didn't stand. Of course, in this case the hierarchical structure of management has to be used. The organizational structure of this project has been developed and introduced on LLC Tatburstroy. This structure is temporary as has been created only under this project (Kosheleva, 2009).

Project management "packing of a franchise" is the first attempt to apply design approach to development of the company (Pletnev & Nikolaeva, 2015).

The hierarchical structure of works of the project is set according to four phases of the project: Initiation, Planning, Performance, End (Stanley, 2004).

#### 1 Initiation

1.1 Research of the market of franchises.

When carrying out monitoring of a condition of the market has come to light that only 1% of franchises are connected with the construction sphere. Also weaknesses of the existing franchises have been noted strong. Points which are necessary for packing of a qualitative franchise have been as a result created.

1.2 Creation and adoption of technological process. The structure of personnel, quantity of his units is defined. Duty

regulations are made and approved. The salary to the employees is approved according to the staff list.

2 Planning

2.1 Statement of tasks, coordination of the budget, approval of the plan of works.

2.2 Development of the marketing plan and strategy.

3 Performance

3.1 Search of office room and its equipment.

3.2 Selection of necessary personnel and distribution of tasks.

4 End

- 4.1 Ready franchising beech
- 4.2 Start of sales of a franchise

Development of the planned schedule and its performance. Management of time in the project includes distribution of time of the sequence of stages of his implementation, development of the planned schedule is necessary for coordination of activity of participants of the project, the order in which works have to be performed decides on her help.

The project is a little budgetary (is 175500 the sum of investments for creation of a franchise) and owing to this fact rather mobile that allows to avoid many risks. But, despite it, quickly pays off and makes rather high profit. By drawing up the estimate on the project it is necessary to consider all expenses; on payment of personnel, the Internet, etc.

As a result of the test period of sales 1 franchise to St. Petersburg has been sold. The package which has been sold was "Expert" for 220000 rubles. Therefore the priority "return of the spent investments" has been carried out already at a stage of test sales.

The conducted research has allowed authors to develop the management which will receive the franchisee upon purchase of a franchise. His existence allows the head company to save time of training of future franchisee and also to increase the cost of the franchise (Romashova, 2011)

#### 4 Summary

Authors have specified concepts project management and project managements.

The results of a research given above have shown that the company changes strategy, thereby adapts to the market. It demands big expenses of time. In this case it is necessary to consider project management as the solution of this problem. Thanks to such approach the company can optimize all resources in the shortest possible time.

Authors have formulated approach to application of project management in the large organizations. Which combine a number of signs:

- business processes are smoothly running;
- the organizational structure is accurately created;
- existence of current assets;
- full range of services or goods;
- high qualification of the project manager.

For the organizations of small business project management is suitable only for the solution of specific objectives

#### **5** Conclusion

By results of work, the analysis of the existing control system has shown that the company in the company is competently built a control system of projects. And the revealed problems are connected with seasonality. The term of implementation of the project was 7 months. Thanks to implementation of this project, the company has begun to realize the global purpose connected with scaling to regions of Russia and the CIS country.

To results the fact that already in the course of test sales, 1 franchise has been sold was. And the got profit completely has paid back invested funds of founders of the company.

The main actions for implementation of the project are a creation of temporary organizational structure in the company and also accurate planning and arrangement of tasks for each participant of the project. In this work functions, both founders, and each participant are defined. The plan for "packing of a franchise" in the LLC Tatburstroy company is developed and realized.

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