

## The Role of the Project “Enterprise Factory” in the Competitiveness Recovery of the Regional Economy of the Republic of Tatarstan

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### Abstract

The article focuses on the importance of the innovative educative-communicative project “Enterprise factory” in the competitiveness recovery of the regional economy of the Republic of Tatarstan. Indicated, that the lack of professional and psychological skills and competences as well as difficulties in the formation of effective communication between entrepreneurs are the crucial factors of the business activities efficiency limitations in the region. The main purpose and objectives of the project “Enterprise factory” are substantiated here. This article accentuates the specificity of the major trends of the project realization, namely, special master-classes and workshops, trainings, opportunities for new investments recruitment, discussions on the broad spectrum of intra- and intersectoral problems of the enterprise community, protection of rights and legal interests of entrepreneurs.

**Keywords:** *enterprise, competitiveness, education, master-class/workshop, efficiency*

### 1. Introduction

Competitiveness recovery of the regional economy largely depends on the mobility degree, innovations and initiatives generation by the subjects of the entrepreneur community, especially by the representatives of small and medium-size enterprises. The progressive development of the entrepreneurship, its focusing on the implementation of long-term, especially innovative, projects largely depends on the skills and competences of the entrepreneur community representatives.

At the same time it is important to make the point, that there is considerable lack of the educational programs and initiatives aimed at business advancing in the Russian Federation in general and in the Republic of Tatarstan in particular. Special courses in this trend at the higher professional educational establishment are often too academic and the professional trainings by the “business-guru” are doubtful because of their quality and trustworthiness of the material delivered as well as their expensiveness, which makes them not affordable for most representatives of small business. In this connection it is necessary to create the comprehensive educational and communicative “ground”, accessible and preferable for the numerous groups of acting and potential entrepreneurs.

### 2. Theory

It should be emphasized that the crucial role of the entrepreneurship in the competitiveness and efficiency recovery of economic systems is widely acknowledged by the majority of schools and streams in the economic science. Even A. Smith considered entrepreneurial skills as one of the driving forces of the economic development alongside with labor, landed resources and capital [10]. One of the fathers of the modern strategic governing theory M. Porter regarded entrepreneurship as the key “force”, which enables long-term sustainable efficiency improvement of the economic systems of different scales: from a small firm to the economy of a big industrial cluster or even a state [6].

J. Galbert also acknowledged the leading role of the entrepreneur activity in ensuring the high-level competitiveness of economic systems and emphasized a special role of the social-economic institutions, which guarantee the development and progressive advancement of entrepreneurship [5]. One of the key institutions of that kind is the

institution of higher special education.

P. Drucker believed that entrepreneurial skills developed as the result of the synthesis of one's inborn talents, experience and special educational programs [4]. According to his opinion, it was entrepreneur skills in contrast to other factors of production that could lead to the innovative "boom" in economy development. P. Abrahms was of the same opinion [1].

In the economics of the Republic of Tatarstan sustainable approaches to understanding of the leading role of the entrepreneurship in the provision of the high-level competitiveness of the region have been created. So, I.R. Gafurov, N.G. Bagautdinova and A.Z. Novenkova emphasize the importance of the free development of enterprise as the crucial component of setting up a group of modern, industrially developed and highly-technological production sectors on the territory of the Republic of Tatarstan [2].

M.R. Safiullin, N.Z. Safiullin, U.A. Saipullaev and L.N. Safiullin consider a special complex system of state support of small businesses as one of the most important competitive advantages of the economy of the Republic of Tatarstan [8]. From our point of view, the already-existing institutions such as RT-techno parks, techno polis "Rhimgrad", and investment-venture and pledge-insurance funds belong to the major institutions of this kind of support. Alongside with that the educational paradigm of the enterprise system perfection in the region has not been developed enough.

### 3. Results

The development of small businesses in the Republic of Tatarstan is characterized by rather ambiguous tendencies. One the one hand, the number of the registered in the region subjects of small business increased in 2005-2012 from 18,1 to 45,1 thousand or in 2, 49 times; on the other hand, the contribution of small businesses to the formation of the gross regional product for the same period raised only in 1, 24 times. It should be noticed that the substantial part of the registered subjects of small businesses were either "fly-by-night companies" or "thrown companies". Among the active subjects of small business the overwhelming majority deals not with the production but with trading and procurement [9], which respectively provides less contribution to the gross regional product (GRP).

$$GRP = 129,37 \cdot SB^{0,855}$$

where GRP – the real gross regional product of the Republic of Tatarstan;

SB – the number of subjects of small businesses registered in the Republic of Tatarstan.

As it follows from function (1), based on the materials from official regional statistics for 2005-2012, small businesses are characterized by the absence of multiplier effect on the value of the gross regional product of the Republic of Tatarstan. This states the meaning of the elasticity coefficient (less than 1) in the factor variable function. Thereafter, the influence of the efficiency increase of the small regional businesses on the gross regional product turned to be quite a vital problem, also because of career and competences enhancement of the entrepreneurs and formation of the innovative organizational-economic mechanisms of interactions between them.

Fig.1 reflects our expert estimation of the major problems of the enterprises development in the region, based on the results of the longstanding investigation, interviews of the entrepreneurs from different branches, etc.:

- 34% - experience
- 24% - integration
- 22% - finance
- 17% - regulation
- 3% - others

**Fig.1** Expert estimation of the major problems of the enterprises development in the Republic of Tatarstan

To sum up everything above, the major problems are concentrated in the sphere of experience and competences absence and difficulties of the formation of the integrative connections between the representatives of the business community. In fact, the effective experience and connections allow us to solve successfully some other problems, including the obtaining of access to finances and investment resources for reasonable prices as well as to cooperation with regulative state and municipal institutions.

**Table 1:** Advantages and disadvantages of main variations of business education

Variation of business education	Advantages	Disadvantages
1. Full-time course in the higher educational system	Fundamental preparation/educational background	Excessive theorization. Lengthy period of education

2.	Short-term psychological-pedagogical trainings and master-classes	Targeted solution of psychological and professional problems including specific questions	High costs of trainings. Unprofessional trainings are not rare
3.	Development of business associations	Enlarged opportunities for communication between entrepreneurs	Associations are formed primarily not for educational aims but for the resources accumulation and common lobbyism
4.	Trainings by the state programs	Opportunities for networking with the representatives of the state structures	Usually low-quality educational process, its excessive formalization
5.	Formation of the comprehensive innovative educational-communicative "platform"	Creation of multisided opportunities to get access to the education, development of the competences, improvement of the communication among entrepreneurs.	Some difficulties in the coordination of different directions/sectors of educational-communicative platforms

As Table 1 shows, the most favorable strategic variation of the skills and competences of the representatives of the business community is the formation of the comprehensive innovative educational-communicative "platform" in the region. Respectively, at the end of 2013 Kazan (Volga-region) Federal University together with one of the diversified companies of the Republic of Tatarstan "Bulatov group" launched the project "Enterprise factory". In practice, the first events within this comprehensive educational initiative took place in February 2014.

The educative-communicative project "Enterprise factory" aimed at the competitiveness recovery of the development of the regional economy of the Republic of Tatarstan and other regions of the Volga Federal District via the formation and perfection of the educational potential of the subjects of entrepreneurship, development of their skills and competences, creation of the effective integrative and cooperative networks.

The primary targets of this project are:

- formation of the free and comprehensive, including maximal broad spectrum of educative and communicative instruments, "platform" for cooperation of different subjects of business activity;
- highest possible involvement of the young in the system of entrepreneurship by means of organization and realization of professional, psychological trainings, master-classes and workshops;
- development of the branch marking (experience sharing system of the most successful representatives of business community in the Republic of Tatarstan and other regions);
- opportunities for realization of proper business ideas, search for investors and co-investors, including the institutions of state authorities and municipal regulations based on the principles of state partnership;
- -general increase of the practice orientation of the higher economical and managerial education

Innovativeness of the project "Enterprise factory" also lies in the fact, that for the first time in the Republic of Tatarstan this kind of initiative has been realized by means of cooperation of the largest educational organization of the region and successful commercial structures from different economic sectors. For sure, the main difference between the educative-communicative project "Enterprise factory" and traditional educative programs realized by Kazan (Volga-region) Federal university is deviation from academism to practical orientation. At the same time, the availability of the material and technical basis, organizational capacities and human resources of KFU allow us to increase the efficiency of creation and realization of educative initiatives of the project "Enterprise factory".

The possible major development trends and directions of the educative-communicative project "Enterprise factory" are the following:

1. Master-classes and workshops with the participation of successful entrepreneurs from different branches of economy and industry of the Republic of Tatarstan and other regions of the Russian Federation.
2. Practice oriented lectures on the specificity, success and defeat of entrepreneurship for youth and students.
3. Professional and psychological trainings.
4. Roundtable discussions about intra- and intersectional specificity
5. Business-plans presentation of the potentially effective investment and innovative projects of both commercial and social orientation.
6. Communication with potential investors and creditors.
7. Communication with the state institutions concerning the prior directions of the enterprise development in the region.
8. Formation of the synthetic courses dedicated to the development of the enterprise, which could be integrated to the system of state educational standards.

9. Creation of the entrepreneur association (perspective direction of the educative-communicative project development), which should be effective not nominally unlike many other intra- and intersectional business association in the Russian Federation. It could solve a wide range of issues concerning the improvement of organizational-economical mechanisms, educational potential and increasing efficiency of the business activity in general.

It is quite difficult to estimate quantitatively the efficiency of the proposed project "Enterprise factory", because the constituent parts of the foreseen measures are targeted at the generating of the long-term effect. Nevertheless, for the new investment projects it is effective to use the following formula of the efficiency estimation:

$$K=NPV+S+B+C$$

Where K – complex efficiency of the innovative projects, realized under the educative and communicative initiatives of "Enterprise factory";

S – social efficiency of the project. For example in the form of the summary discount salary fund

B – discounted budget efficiency of the project;

C – indirect economic efficiency of the project for the associated connected branches of regional economy.

That is why, while analyzing the projects and initiatives of the "Enterprise factory" it is necessary to make a complex estimation within the uniform system of coordinates not only their commercial efficiency but also their influence on the social and budgetary development of the regional economy, which could be formed in the project related branches of the economy in the region.

#### 4. Conclusions

The creation of the innovative educative-communicative project "Enterprise factory" will promote the efficiency and contribute to the widening of the entrepreneurs communication spectrum by means of the formation and improvement of their skills and competences. It will lead to the secure and sustainable competitiveness recovery of the regional economy of the Republic of Tatarstan.

In this regard the project "Enterprise factory" will advance the creation in the Republic of Tatarstan of modern high-technological "economy of knowledge", which L.N. Safiullin, D.V. Ulesov and G. Murtazina esteem as the optimal/appropriate scenario for the development of the regional economy [11]. Besides, on the basis of "Enterprise factory" it could be possible to contribute to the solution of prior aims of the regional economy, namely to the formation of the efficient industrial regional clusters. Such clusters perform as territorial complexes, which guarantee the efficiency of the economic growth by means of concentration of the capital and entrepreneurial skills [7]. In accordance with the information above, within the framework of the "Enterprise factory" it will possible to work out the projects dedicated to the formation of the effective system of small enterprises-satellites for the major industrial clusters of the Republic of Tatarstan, namely, oil, petrochemical and engineering ones, etc.

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