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**Partnership Strategies of the Social Enterprise Inclusive Workshops “Prostie Veschi” with Large Companies**

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# STATEMENT OF SUBSTANTIVE CHARACTER OF THE COURSE PAPER

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# Introduction

The idea of social entrepreneurship is gaining its popularity both in Russia and in other countries. The phenomenon of social entrepreneurship is defined as “the application of business practices and procedures to organizations with a mission of solving some pressing societal problem” (Gigauri, Damenia, 2020). According to Porter and Kramer (2011), due to being free from purely business thinking, social enterprises are able to identify social needs faster than established corporations. They can use this ability to create shared value and thus, grow and become self-sustaining quicker than purely social programs. The number of social enterprises is growing both in Russia and worldwide. According to the United Nations, 3.2% of individuals of working age in 58 countries engage in social entrepreneurship (UN, 2020). The total growth of the number of social enterprises in Russia from 2020 to 2021 is 254,5% (Yakhneeva, Pavlova, 2021). With the emergence of social enterprises, a need for collaboration as a means of development and attainment of social aims of organizations emerges (Sakarya at at., 2012). Thus, social enterprises start looking for opportunities of collaboration with other commercial and non-commercial companies, including large businesses.

This paper is a consulting project for a Social Enterprise Inclusive Workshops “Prostie Veschi” that operates in Saint-Petersburg. The notion of collaboration or partnership between social enterprises and large businesses used in this paper is defined as inter-organizational efforts to address problems too complex to be solved by unilateral organizational action (Gigauri, Damenia, 2020).

 The concept of shared value creation brought up by Porter and Kramer (2011) is considered in this paper as a base of collaboration between social enterprises and large businesses. Shared value creation focuses on identifying and expanding the connections between societal and economic progress.

 In Russian legislation, the status of a social enterprise can only be used by businesses, however, this paper considers a wider definition of a social enterprise: an organization involved in particular socio-entrepreneurial projects (Blagov, Aray, 2021). It is important to outline because the primary legal form of the Inclusive Workshops “Prostie Veschi” is a non-commercial organization, however, the organization defines itself as a social enterprise and is widely referenced as such by media.

According to the founder and the PR manager of the organization, the Inclusive Workshops “Prostie Veschi” engage in various collaborations. Collaboration plays a very important role in company activities imbedded in each part of the business model. Thus, the organization has a need for collaboration and a strong potential for it. However, as stated by the founder of the company and further illustrated in the analysis of existing partnerships of the organization, “Prostie Veschi” would like to engage in more collaborations with large businesses.

There are several reasons for this. First of all, the administrative team sees such collaboration as a timely and necessary step in the development of the organization. “It is necessary for us to increase volumes of production as the high season for us is from September to December. During other times, it is quiet and we would like to have regular sales”, says the founder of the organization Maria Grekova. Secondly, the organization has recently moved to a larger production area and they are ready to increase their volume of production. Moreover, according to the PR manager of “Prostie Veschi”, there is an interest in such collaborations also from the side of large business: “We consider large business as one of main potential partners because everything is clear in terms of budgeting, and large companies are interested in unusual formats of charity – not just in providing money”.

The organization already has some experience in collaborating with large business, however, there is a need for more regular collaborations and for new ways to collaborate. Moreover, it is important for “Prostie Veschi” to be able to fully contribute to the value chain when collaborating with large business – not only receive help from it. The collaboration is expected to be based mainly on the concept of the shared value creation and not on corporate philanthropy of the large companies only.

Thus, there exists the following managerial problem: what are the possible ways of collaboration with large businesses that the Inclusive Workshops “Prostie Veschi” can implement?

This problem is going to be addressed in this consulting project carried out as a final thesis. Based on the managerial problem, the goal of the project is to elaborate strategic options for the Inclusive Workshops “Prostie Veschi” to engage in collaboration with large companies on the basis of creating a shared value.

The consulting project has the following objectives:

1. To define factors of external and internal environment of the organization influencing its collaboration with large businesses;
2. To determine opportunities for collaboration of the Inclusive Workshops “Prostie Veschi” with large businesses based on the peculiarities of the value chain of the organization and its previous experience of collaboration;
3. To find out principles of collaboration of large companies and social enterprises by systemizing the best Russian and international practices in a benchmarking of best cases of collaboration;
4. To suggest strategic options of collaboration of the Inclusive Workshops “Prostie Veschi” and large companies;
5. To create a pool of potential partners for the organization;
6. To propose the most applicable strategic options based on their feasibility and the decision-making factors of the management of the organization.

In order to accomplish the set objectives and reach the formulated goal, several instruments and frameworks are used. The Business Model Canvas provides insights into the organization’s business model and to highlight peculiarities of the business model of “Prostie Veschi” in terms of the duality of its processes: business and social. The PESTEL analysis of external environment allows to define factors that influence the organization, its activity and opportunities for collaboration. The concept of Value Chain is taken as a base for consideration of collaboration processes as it allows to visually demonstrate the shared value creation. The analysis of the organization’s value chain is carried out in order to find out opportunities for collaboration that the activities of the value chain dictate. Moreover, the value chain is used in the analysis of the previous collaboration cases of the organization, the benchmarking of the best cases of collaboration of Russian and international social enterprises and large businesses, and, consequently, as a framework for the suggestions on possible ways of collaboration of the Inclusive Workshops “Prostie Veschi” and large companies.

The primary data was collected through two interviews with the representatives of the organization: a semi-structured interview with the founder of the organization Maria Grekova and a structured interview with a PR manager Liza Kovalenko. The set of questions developed for the interviews can be found in Appendix 1. Additionally, four interviews were used. These interviews were conducted as part of a Master’s program Research Project at the Graduate School of Management, Saint-Petersburg State University.

The secondary data was received from scientific articles dedicated to social enterprises and collaboration, reports of companies, case studies, official websites of companies, owned media of “Prostie Veschi”: official website, social media.

The managerial value is derived by addressing the formulated managerial problem. Furthermore, the concept of shared value creation that is considered as a base of collaboration between social enterprises and large businesses can lead to higher impact of the collaboration. The recommendations on collaboration with large businesses for a particular social enterprise can potentially be implemented in other organizations.

The expertise in International Management is realized by systemizing and analyzing the experience of collaboration of international social enterprises and large businesses, as well as of international companies operating in Russia, and applying it to the Russian market. Unfortunately, due to the situation of the external environment and unpredictability of the political situation, it is currently not feasible to focus on extensive collaboration with international companies and, thus, the scope of the project lies primarily within Russian markets. However, the experience of international companies is still valuable and can be transferred onto current realities.

# Chapter 1. Internal and external environment analysis

In this chapter an analysis of the internal and external environment of the Inclusive Workshops “Prostie Veschi” is conducted. The profile of the organization as well as its Business Model Canvas allow us to find out the peculiarities of the organization and its activity that define its opportunities for collaboration. The PESTEL analysis provides insights about the environment that the organization operates in and their influence on collaboration opportunities of the Inclusive Workshops “Prostie Veschi”.

## 1.1. Profile of the organization

“Prostie Veschi” or “Simple Things” are seven workshops (ceramics, carpentry, textile, graphics, cooking, art studio, flowers) in Saint-Petersburg that produce various goods from souvenirs to furniture. At the heart of “Prostie Veschi”, there is a social mission: the organization is focused on employment and socialization of people with mental disabilities.

The organization was established on 23 February, 2018 by Maria Grekova with the support of the Animation Studio "Da" and the Presidential Grants Fund. In 2019, a carpentry workshop and an art studio appeared, as well as a cafe "Ogurtzy", which was the first inclusive cafe in Saint-Petersburg.

From a business perspective, “Prostie Veschi” can be seen as a manufacturer of different goods, such as ceramics, textile, wooden products, food and pieces with prints. They are produced by people with mental disabilities, who are beneficiaries and, at the same time, employees of the company, in collaboration with professional artists that work in “Prostie Veschi”, marketed by the administration team of “Prostie Veschi” and sold on different platforms to private customers as well as directly to businesses.

The societal need that the company addresses, is the employment and socialization of people with mental disabilities. Before having established the company, clinical psychologist Maria Grekova worked with mentally diverse children and their parents. She noticed that there are governmental institutions (schools, centers) in Russia that work with children, however, when children become adults, there are much fewer institutions that incorporate them, and thus, a lot of adults with mental disabilities have to stay with their parents as well as struggle to find jobs and social groups that would accept them. Thus, the idea of inclusive workshops emerged. The organization provides employment opportunities for people with mental disabilities in seven spheres: ceramics, carpentry, textile, graphics, cooking, art studio, flowers. The employees can try different activities and decide what they would like to do. The activities can be changed every day. All the processes are divided into small tasks, which allows people with mental disabilities successfully accomplish them and receive new skills. Apart from production, employees are offered opportunities to socialize and receive skills that are needed for every-day life. For example, every day, employees can join groceries shopping and preparation of dinner that everyone who works in the workshops have together.

On the global scale, the organization aims to decrease the social stigma that exists around people with mental disabilities. The team of “Prostie Veschi” tries to normalize the attitude towards mentally disabled people. As a means that helps to reach this goal, the workshops are open for visitors: anyone can come and create a cup next to the people that work there every day. Another important means is to make the high-quality goods a key component of the value proposition and thus, to shift the focus of customers from “who produced a cup” to “how the cup was produced”. The company believes that this practice helps to normalize the fact that different people can do different work and what matters is the quality of the work.

## 1.2. Business Model Canvas of the Inclusive Workshops “Prostie Veschi”

As the social enterprise has a dual nature: each activity has business and social components. The Business Model Canvas below represents both components of the activity of “Prostie Veschi”. The graphical representation of the Business Model Canvas can be found in Appendix 2.

### *Customer Segments*

From a social perspective, the company focuses on two segments: people with mental disabilities and their parents and caregivers. While the main beneficiaries of the social activity of the organization are people with mental disabilities, parents and caregivers should also be included as a segment as means of communication with them are different from the primary beneficiaries: different messages in promotional materials are used. Offering employment and socialization to people with mental disabilities, “Prostie Veschi” helps their parents and caregivers to take care about those people.

From a business perspective, the company also has two main customer segments: B2B and B2C. The B2B segment consists of small, medium or large business. As a value proposition for this segment, “Prostie Veschi” offers high quality corporate souvenirs and merchandise products that are individually designed for each particular company. Moreover, businesses can order interior design objects for their offices, cafes or conferences. The B2B segment is closely related to and sometimes interconnected with partners of “Prostie Veschi” as the companies that buy corporate souvenirs or other products from “Prostie Veschi” often also donate money to the organization or collaborate with it. However, in case if a company orders goods, it is classified as a customer of “Prostie Veschi”.

The B2C segment is characterized by private customers who can buy goods created in the workshops.

### *Value proposition*

As a social enterprise, the organization’s value proposition is employment and socialization of people with mental disabilities as well as normalization of people with mental disabilities in the society. By creating this value, the organization benefits not only its segments (people with mental disabilities and their parents and caregivers), but also society as a whole.

As a business, “Prostie Veschi” offer a wide range of goods that are produced by people with mental disabilities. Despite mentioning the social component on its website, the organization focuses primarily on the quality of products, thus, presenting itself as a high-quality goods manufacturer.

Overall, the company offers the following goods produced in the workshops: handmade ceramics, textile goods and souvenirs with unique prints designed by “Prostie Veschi”, wooden goods and food products. All goods are produced using high-quality raw materials and are designed by the company.

The above-mentioned products are available both for private and corporate customers, however, corporate customers also receive special deals: businesses can order souvenirs and merchandise products that are individually designed for each brand. “Prostie Veschi” also offer their products as interior décor objects for offices, cafes and conferences. In some cases, interior décor objects can be manufactured specifically for the client companies.

*Channels*The channels are almost the same for both components. The media owned by the organization are its website and pages in social networks (VKontakte and Facebook). In the social media, the organization publishes both business- and non-business-related news as well as useful information about mental disabilities. The social media of the organization primarily target private customers, parents and caregivers of people with mental disabilities as well as the general public. Of course, people with mental disabilities can also access the social media of “Prostie Veschi”, however, the content is usually not aimed at them. Businesses can also monitor this information; however, it is rarely dedicated to them.

Maria Grekova – the founder of the organization – also sometimes publishes information related to the organization on her personal page and it is usually more oriented at representatives of businesses and other partners. This page can also be considered an informational channel of the organization, however, it is not an official one.

The organization’s website provides a lot of information about the organization that can be useful for all (social and business) segments. It has a separate page dedicated to B2B where businesses willing to buy products of “Prostie Veschi” can see examples of previous corporate orders as well as receive information about the peculiarities of the working process and contact details. Corporate customers are personally contacted by representatives of the administrative team.

Private customers usually learn about the organization from the partners’ of “Prostie Veschi” informational resources, in various collaborations of the organization with other businesses and NGOs or through printed or online social advertisement done by “Prostie Veschi”. Products can be purchased by private customers online via the online store of the company as well as on online platforms (Ozon at the moment). Moreover, customers can see and purchase products offline: in twelve partner stores in St. Petersburg (for example, in charity stores “Spasibo”), in the workshops on Vasiljevsky Island as well as in the café “Ogurtzy” established by “Prostie Veschi”. Customers can reach the organization by email and phone published on the official website.

### *Customer relations*

As a social entity, “Prostie Veschi” constantly maintains contact with parents and caregivers of people with mental disabilities – in presence or via phone and messengers. The organization might need their advice on interaction with mentally disabled people that they look after as well as provide recommendations to parents and caregivers. The beneficiaries of the social activity are integrated into the processes of the company and thus, parents and caregivers are trained and offered personal assistance by the organization.

As a business, the organization keeps personal contact with businesses. Usually, different members of the administrative team are responsible for contacting different people, however, a PR manager is a key employee to do that. The contact is usually maintained via email, but phone calls and messengers are also used. Private customers can reach the company via email and phone published on its website as well as in person by coming to the workshops.

### *Revenue streams*

The organization has a hybrid financing system. According to Maria Grekova, 40% of costs are covered by the business activity: sales of manufactured goods. Governmental grants, especially grants of the President grants fund, play an important role in the company’s financing. According to Maria Grekova, the organization often buys needed equipment and pays wages to social workers with money from these grants. Crowdfunding is another important financing stream as well as donations – from businesses and people.

### *Key resources*

It is important to consider not only resources of the organization, but also its capabilities, as they are valuable for the activity of the organization. Moreover, the resources and capabilities are can be used when deriving opportunities for collaboration and suggesting possible partners for the company.

The major resource of the organization are people: employees, professional artists, administrative team, social pedagogue and employment manager. The qualified artists (ceramists, designers, carpenters) work with people, share their knowledge and help them build necessary skills. It is important to note that while from a social perspective, people with mental disabilities are one of the segments the organization focuses on, from a business perspective, they are employees of the company contributing to the production, thus, they are considered human resources. All the work is divided into small tasks that people can perform in order to produce goods. According to Maria Grekova, usually, several months are needed to teach a new employee to perform the tasks effectively: only after that the employee is able to fully take part in the production.

Among intangible resources are the reputation of “Prostie Veschi” as a high-quality manufacturer, practical knowledge about people with mental disabilities and its expertise in inclusion that the operations of the organization are based on. As for tangible resources, “Prostie Veschi” have their workshops, equipment and raw materials that are used in production. The last but also very important resource of the organization is its owned media. Being an informational resource, the website and social media pages of “Prostie Vesch” allow the organization to get financing, attract new customers and partners and realize its social mission – normalize the phenomenon of people with mental disabilities in the society.

### *Key activities*

The major activity of the organization is the production of goods. It can be divided in accordance with the types of the workshops: carpentry, ceramics production, graphics and design creation, sewing, printing, cooking. This activity plays not only business, but also social role as it is the main driver for socialization and inclusion. Anyone can create an object in the workshops and through that get more acquainted with the employees of “Prostie Veschi”, for whom, in turn, the production process is an opportunity to get new skills, become a part of an inclusive community and get a job.

The next three processes are a part of the organization’s social component. These are grocery shopping, cooking of food and internal communication. Food is cooked not only for production purposes, but as a part of the every-day life. Everyone who works in the workshops does grocery shopping, cooks food and dines together every day. Internal communication in the workshops is stated as a separate process as it has its own peculiarities and plays an important role in the social activity of “Prostie Veschi”. These simple processes are key for the socialization of the beneficiaries of the organization.

As a manufacturer, “Prostie Veschi” has to run the processes typical for a business entity, such as marketing, supply chain management, customer relationships management and accounting. The organization of collaborations and partnerships is stated separately due to its high importance to the company and due to the fact, that in “Prostie Veschi”, this process goes beyond marketing: it is also a part of the supply chain management and CRM activities.

### *Key partners*

“Prostie Veschi” has a large number of different partners that can be classified into the following categories: NGOs and other social enterprises, small and medium businesses, large businesses, governmental institutions and a crowdfunding platform. As the social and business components are closely interrelated, these partnerships work for both components.

NPOs, social enterprises and businesses are partnered mostly for collaborative reasons, which are going to be considered in details in the Chapter 2. The partnerships with large businesses are currently mainly based on the corporate philanthropy activities of the companies. Different governmental institutions also play an important role. These are education and care centers for people with mental disabilities, residents of which become the employees of the workshops. Governmental grants, such as “President governmental grants fund” and the administration of St. Petersburg contribute to the resource provision of “Prostie Veschi”.

People can also become partners of the workshops: they can donate their money or time and energy to the organization. The latter become volunteers. “Prositie Veschi” has a policy that anyone can become a volunteer: no specific knowledge or skills are needed and the amount of time spent in the workshops is defined by a volunteer themselves. Currently, the organization has around 200 volunteers. They help with the goods production and with internal processes enabling both business and social component of the organization.

### *Cost structure*

The costs are shared by both business and social components. The major costs are the labor costs as the organization pays wages to its employees, professional artists, administrative team and social workers. Production costs are associated with the main activity of the organization – production of goods. There are the costs of raw materials and equipment. Marketing costs reflect costs of advertising – both of products and advertising related to social mission (social advertising), as well as website and online store maintenance. A separate type of costs is related to partnerships and collaborations.

### Findings from the Business Model Canvas

The analysis of Business Model Canvas of the Inclusive Workshops “Prostie Veschi” can lead to two important outcomes. First of all, it is easily seen that collaboration plays a major role in the activity of “Prostie Veschi” directly or indirectly influencing various processes. Thus, there already exist different collaborations and more opportunities for them are to be found. Another important idea is that almost all aspects of the organization’s business model have dual nature: there are social and business aspects of the processes, which should be considered when suggesting collaboration opportunities.

## 1.3. PESTEL analysis

In order to acquire a better understanding of the environment in which “Prostie Veschi” operate, the PESTEL analysis of external factors was conducted. The analysis includes macro factors concerning both the environment as a whole and social enterprises in particular. The Table 1 summarizes factors of external environment of the Inclusive Workshops “Prostie Veschi”.

1. PESTEL analysis of the environment of operation of “Prosie Veschi”

|  |
| --- |
| **Factors and valence of their influence on “Prostie Veschi”** |
| **Political**Strained political relationships between Russia and other countriesSanctions and restrictions in various spheres | **Economic**Fluctuations of the exchange rateOverall decline of the Russian economyMeasures of support of social enterprises in Russia  |
| **Socio-cultural**Increasing awareness of the Russian society about people with physical and mental disabilitiesDevelopment of donation culture  | **Technological**Development of technologies as a tool to make digital devices more accessible for disabled people  |
| **Environmental**Deterioration of ecological situation | **Legal**Stricter regulations concerning NPOs Emergence of the legislation regulating social entrepreneurship in Russia |

### 1.3.1. Political factors

The political situation is mainly defined by the current factors, such as the strained political relationships between Russia and other countries and restrictions in various spheres performed by the Russian government. However, there also exists a political factor concerning only social enterprises: these are different governmental measures of support of social enterprises in Russia. Even though not having much influence in the short-term perspective, governmental support of social enterprises can imply positive changes in a long run. The table below summarizes the main political factors and their influence on social enterprises in general and the Inclusive Workshops “Prostie Veschi” in specific.

1. Influence of political factors on the activity of the Inclusive Workshops “Prostie Veschi”

|  |  |
| --- | --- |
| Factor of the external environment | Influence of the factor on the organization (“+” for mainly positive, “-” for mainly negative influence) |
| Strained political relationships between Russia and other countries | Complication of knowledge and information exchange with international colleagues (-)International companies leaving Russia:* Threat for existing collaborations with international companies (-)
* Decrease in opportunities for collaboration with international companies (-)
* Increase in opportunities for collaboration with Russian large businesses (+)
 |
| Restrictions in various spheres | Decline in number of active users of such social media channels as Instagram and Facebook, which are key for the organization (-) |
| Measures of support of social enterprises in Russia | * Increasing awareness of social problems and organizations focused on them in the society (+)
* Opportunities for positive changes in governmental policies (+)
 |

*Strained political relationships between Russia and other countries.*

Due to the peculiarities of the international policy of the Russian government in 2022, the relationships between Russia and other countries are becoming more and more difficult. This leads to various consequences for people and organizations residing in Russia. One of these consequences is knowledge exchange between companies. If previously it was possible to consult with colleagues from other countries, nowadays, it is difficult for various reasons: cancellation of programs, restriction of social media, reputational risks. For “Prostie Veschi”, this is specifically about companies from the European countries and the USA, which have high rates of social activity and wide presence of social enterprises on the market. Due to the current political situation, it is more difficult to exchange the experience with these companies and, thus, implement new solutions and innovate.

Moreover, various international companies left and keep leaving Russian markets. According to the Yale School of Management, over six hundred companies have stopped their operations in Russia to various degrees[[1]](#footnote-1). Due to this process, “Prostie Veschi” experiences difficulties in working with their business partners, which are foreign companies that have representation in Russia, as many of them are on the verge of leaving the country, as the organization published on their page on Facebook. There exists a threat for collaborations that already exist, for example, for the collaboration of “Prostie Veschi” with Lush, which sells the soap dishes manufactured by the organization. The same effect could possibly be present for the corporate clients of the organization, within which, for example, there is IKEA that closed its stores in Russia. Moreover, the number of possible partners within international companies decreases as the companies are leaving the country. At the same time, with the development of corporate social responsibility among Russian businesses, and triggered by the political situation, there might be a higher demand for collaboration from local businesses.

*Restrictions in various spheres.*

As a consequence of the current political situation, there are various blocks of media channels and social media platforms. On the 21st of March 2022, Meta (recognized in Russia as an extremist organization) was banned in Russia by the Tverskoy Court of Moscow. Facebook has been blocked in Russia since 4 March, and Instagram since 14 March due to restrictions on Russian media posts on the platforms. [[2]](#footnote-2) According to the current regulations, there is no restriction on use of the platforms by Russian citizens, however, Facebook and Instagram themselves are impossible to open without VPN. This has led to a significant decrease in the usage of Facebook in Russia: from 5.51 million of users on 24 February to 9.63 million of users on 15 March. The usage of Instagram has also decreased notably: from 39.03 million of users on 24 February to 34.18 million of users on 15 March.

This negatively affects “Prostie Veschi” as they are very active on social media, which contribute to both the realization of their social mission, as they share information about mental disabilities, and popularization of the organization itself resulting in more donations and purchases. Lower usage of both social platforms can cause a decline in donations and purchases of goods and make it more difficult and less effective for the organization to realize their social mission by sharing the important information.



1. Daily users of social media before and after bans of Facebook, Instagram, and Twitter in Russia on 24 February and 15 March, 2022, by selected platform (statista)[[3]](#footnote-3)

*Measures of support of social enterprises in Russia*

Considering the recent negative changes, it is important to mention a positive factor that has been seen during recent years. With the Federal Law №245-FZ from 26.07.2017, the notion of a social enterprise has appeared in the Russian legislation leading to various measures of support of social enterprises by the government. This policy has led to positive outcomes. According to the report by Yakneeva, Pavlova (2021), the number of social enterprises has grown from 1197 to 3047, which is 254,5%. Moreover, St. Petersburg is the leading region in the percentage of growth: 273%. It is important to note that NPOs are not recognized as social enterprises by Russian legislation, however, this factor is still important for the environment of operation of “Prostie Veschi” as it leads to the popularization of social entrepreneurship and social activity in general. Moreover, the higher number of social enterprises could result in more governmental support of socially aimed organizations.

### 1.3.2. Economic factors

The economic factors are mainly represented by the overall decline of the Russian economy in a long-term perspective and by the current fluctuations of the exchange rate of Ruble. The bale below summarizes the main economic factors and their influence on social enterprises in general and the Inclusive Workshops “Prostie Veschi” in specific.

1. Influence of economic factors on the activity of the Inclusive Workshops “Prostie Veschi”

|  |  |
| --- | --- |
| Factor of the external environment | Influence of the factor on the organization (“+” for mainly positive, “-” for mainly negative influence) |
| Fluctuations of the exchange rate | Raw material price increase:* Need for changes in planning of equipment purchase (-)
* Slower production volume development (-)
* Increase in price for the manufactured products (-)
 |
| Overall decline of the Russian economy | Decline in donations, which are an important source of financing for social enterprises (-) |

*Fluctuations of the exchange rate*

The current fluctuations of the exchange rate of Russian Ruble, as well as the international sanctions following Russian government starting “a special operation” in Ukraine, seriously affected prices in Russia. According to “Interfacs”, the yearly inflation rate has increased to 16.7% in March and, thus, the prices for consumer goods. Overall, in January – March, prices in Russia have increased by 9.95%, while in particular, construction materials have gained 10% in price.[[4]](#footnote-4)

This has already impacted “Prostie Veschi”: on the 31st of March, the organization posted that they are going to increase prices for their goods from the 1st of April due to the price increase of raw materials. Moreover, the organization cancelled their planned purchase of equipment for the carpentry workshop. Inability to purchase new equipment and larger volumes of raw materials slows the development of the production process in a long-term perspective, which negatively affects the organization.

*Overall decline of the Russian economy*

The economy of the Russian Federation is facing its decline through resent years and especially due to the current political events. According to Rosstat, the economy of the country has declined by 3.1%, while the GDP has declined by 7.8%. [[5]](#footnote-5) The income and purchase parity of Russians has also declined as reported by the Higher School of Economics[[6]](#footnote-6).

The overall decline in the income and purchase parity has led to decline in donations specifically. As one of the ways of financing of NGOs, are currently facing decline. According to a survey by “Vedomisti”, a major part of the surveyed 360 NGOs claim that the number of donations has decreased after the 24th of February. The amounts are stated differently by different organizations (some of them give percentages, others just verbally describe the decline) and thus, the overall decline cannot yet be measured. However, the charity platform “Dobro.Mail.ru” states that the amount of donations registered on the platform has decreased by 14.96% during the period from the 24th of February to the 17th of March. Among the reasons for such decline, there are the following: stop of operations of international companies on the Russian market and termination of operation of various payment systems, such as Visa, MasterCard, Apple Pay and Google Pay resulting in disruptions of regular donations.[[7]](#footnote-7)

In their social media, “Prostie Veschi” reported the loss of 75 regular donations of 45 thousand rubles, which is more than half a million rubles per year. This factor has already had a serious impact on the organization and might be a serious threat in the future.

### 1.3.3. Socio-cultural factors

The socio-cultural factors define a rather positive influence on the environment of the organization’s operation. The increasing awareness of the Russian society about people with physical and mental disabilities and the development of donation culture can be beneficial for the organization in a long run. The main socio-cultural factors and their influence on social enterprises in general and the Inclusive Workshops “Prostie Veschi” in specific are presented in the table below.

1. Influence of socio-cultural factors on the activity of the Inclusive Workshops “Prostie Veschi”

|  |  |
| --- | --- |
| Factor of the external environment | Influence of the factor on the organization (“+” for mainly positive, “-” for mainly negative influence) |
| Increasing awareness of the Russian society about people with physical and mental disabilities | * Increase in number of potential customers of the organization (+)
* Easier every-day activities of the organization (+)
 |
| Development of donation culture  | Potential long-term increase in the donations for the organization (+) |

*Increasing awareness of the Russian society about people with people with physical and mental disabilities.*

Even being overall rather low, the awareness of Russians about people with physical and mental disabilities is increasing. This trend can be exemplified by the level of awareness about people with autistic spectrum disorder (ASD). According to VTzIOM, in 2022, 77% of Russian people are to some extend aware about ASD: 55% heard something about it, 22% know about it very well. [[8]](#footnote-8) In comparison, in 2021, there were 73% of people who were aware: 58% have heard something and 15% knew about it very well. [[9]](#footnote-9) The 4% overall increase and 7% increase in the number of people well-aware of ASD give us positive projections about growth of awareness in future. For “Prostie Veschi”, this trend means a slow but steady increase in the number of supporters: customers, donators, volunteers. This, in turn, contributes to the realization of the company’s social mission as well as of its business component.

*Development of donation culture.*Even though, due to the current political situation, an amount and a number of donations to NGOs are decreasing, an overall trend shows a long-term growth of the number of people donating money to charity organizations. According to CAF World Giving Index, which is based on data from Gallup’s World View World Poll, an ongoing research project that was carried out in 114 countries in 2020, Russian Federation is ranked 67th among the surveyed countries based on its scores in three dimensions: helping strangers, donating money and volunteering time[[10]](#footnote-10). For comparison, the rankings of Russia were 112th in 2019, 101st in 2018, 110th in 2017 and 124 in 2016th. The number of people donating money has also increased: from 17% of the survey respondents in 2016 to 28% in 2020[[11]](#footnote-11). This trend can positively influence “Pristie Veschi” in the long-term by increasing the number of donations to the organization.



1. CAF World Giving Index: Russia

### 1.3.4. Technological factors

The overall technological development positively influences the environment. For people with disabilities, technological development causes major changes in standard of living. This factor and its influence on social enterprises in general and the Inclusive Workshops “Prostie Veschi” in specific are presented in the table below.

1. Influence of technological factors on the activity of the Inclusive Workshops “Prostie Veschi”

|  |  |
| --- | --- |
| Factor of the external environment | Influence of the factor on the organization (“+” for mainly positive, “-” for mainly negative influence) |
| Development of technologies as a tool to make digital devices more accessible for disabled people | Opportunities for development of the production processes (+) |

*Development of technologies as a tool to make digital devices more accessible for disabled people.*

One of the strategic goals of technological companies is the development of accessibility. For example, the technology of digital voice assistants is becoming more and more widely used. According to the research by Mindshare, 59.4 million people aged from 18 to 55 use voice assistants on their devices. 60% of the respondents do it more than once a week, 78% - at least once a month. Voice is the most often used tool to search for information: 83%. [[12]](#footnote-12) Most of the voice assistance technologies, such as Google Voice Search, are focused on use in voice-independent voice control systems and are not misled by individual characteristics of the user, which is especially important for people with disabilities and those with speech disorders[[13]](#footnote-13). Large corporations are already taking steps to make voice technologies even more accessible for people with speech impairment. For example, the Project Euphonia team by Google is using AI to improve abilities of computers to understand diverse speech patterns, such as impaired speech[[14]](#footnote-14). All in all, this trend shows that digital technologies can contribute to more accessibility – and on working places as well – and can be used by the Inclusive Workshops in production of goods and in internal communication creating new opportunities for production process development.

### 1.3.5. Environmental factors

The ecological situation is deteriorating in Russia and worldwide causing greater concerns about sustainability in the society and putting pressure on the business to contribute to the resolution of the problem. This factor and its influence on social enterprises in general and the Inclusive Workshops “Prostie Veschi” in specific are presented in the table below.

1. Influence of technological factors on the activity of the Inclusive Workshops “Prostie Veschi”

|  |  |
| --- | --- |
| Factor of the external environment | Influence of the factor on the organization (“+” for mainly positive, “-” for mainly negative influence) |
| Deterioration of ecological situation | Environmental concerns leading to greater demand for sustainable products: potential increase in demand for the organization’s products (+) |

*Deterioration of ecological situation*

The deterioration of ecological situation all over the world and specifically in Russia receives less attention due to the political events, however, it also defines the environment. The amount of CO2 emissions in Russia has reached 1,607,550 kt by 2018. Currently, especially after the peak of COVID-19 in 2020, people are even more concerned about environment and sustainability. According to PWC, 80% of respondents in Russia showed their concern about the state of environment. 47% of the respondents are ready to pay more for sustainable goods[[15]](#footnote-15). The research by HSE shows that more than a half of Russian citizens (53%) are involved in some kind of sustainable practice[[16]](#footnote-16). This factor can lead to a long-term increase in demand for sustainable goods and, thus, ones manufactured by “Prostie Veschi”.

### 1.3.6. Legal factors

The legislation concerning non-profit organizations in Russia is becoming stricter leading to disruptions in their operations. Moreover, with the emergence of legislation regulating social entrepreneurship in Russia, which is a positive factor on its own, a discrepancy between social enterprises “de jure” and “de facto” appeared, which does not result in positive outcomes for the Inclusive Workshops “Prostie Veschi”. The main legal factors and their influence on social enterprises in general and the Inclusive Workshops “Prostie Veschi” in specific are presented in the table below.

1. Influence of technological factors on the activity of the Inclusive Workshops “Prostie Veschi”

|  |  |
| --- | --- |
| Factor of the external environment | Influence of the factor on the organization (“+” for mainly positive, “-” for mainly negative influence) |
| Stricter regulations concerning NPOs  | * Wider and more complicated reporting requiring resources from the organization (-)
* Further complication of the process of hiring disabled people (-)
 |
| Emergence of the legislation regulating social entrepreneurship in Russia | Discrepancy between social enterprises “de jure” and “de facto”: being a social enterprise “de facto”, the organization cannot be entitled on receiving governmental support for social enterprises (-) |

*Stricter regulations concerning NPO’s activity.*

 The legislation concerning NPOs changes rather constantly, thus, it is important for organizations to stay informed of new laws. It is claimed that overall, the regulations are becoming stricter. For example, from the 1st of May 2022, new regulations about reporting of NPOs are implemented. According to the order of the Ministry of Justice №185 from 30.09.2021, the amount of the reported information by non-governmental organizations increases, moreover, the organizations can be held accountable for violation of deadlines of reporting[[17]](#footnote-17). From the 1st of January 2022, if the average number of employees of an NPO exceeds 25 working places, an organization has to share vacancies on the “Work in Russia” official website[[18]](#footnote-18).

All in all, legal regulations for NPOs constantly evolve in Russia and mostly becoming stricter, thus, implying the need in additional processes for the organization in order to correspond to the law. For “Prostie Veschi”, this results in spending more resources on reporting that is becoming wider and more complicated. Moreover, the process of hiring people with disabilities is becoming more complicated and, thus, slows activities within organization and requires additional resources.

*Emergence of the legislation regulating social entrepreneurship in Russia.*

According to the current legislation, the Federal Law №245-FZ from 26.07.2017 a social enterprise is defined as a small or medium-sized business entity that carries out activities in the field of social entrepreneurship. However, the “socio-entrepreneurial” mission can be pursued by organizations that operate under different legal forms, as individual enterprises, commercial organizations or non-profit organizations involved in particular socio-entrepreneurial projects (Blagov, Aray, 2021). Thus, there is a discrepancy between social enterprises “de jure” and organizations that can be defined as social enterprises “de facto” based on their social activity. Due to that, some non-profit organizations, including “Prosie Veschi” cannot apply for special offers provided by the government. Even though not causing problems directly, this fact leads to missed opportunities that may arise for companies with the status of a social enterprise in Russia.

### Findings from the PESTEL analysis

Overall, the considered factors are mostly negatively influencing external environment of the organization’s operation. The current political and economic situation dictates major changes in various spheres of activity of “Prostie Veschi”. The long-term perspective on the economic and legal situation in Russia shows negative trends and, thus, can potentially interfere with operation of the organization. However, current governmental policies supporting social entrepreneurs as well as long-terms tendencies of development of donation culture, awareness of the society about people with physical and mental disabilities, as well as the increasing willingness to buy sustainable products due to the worsening ecological situation, give new opportunities for the development of the organization.

In terms of collaboration, it is clear that in a short-term perspective it would be more feasible to collaborate with Russian companies, as partnering with international businesses is currently complicated or even impossible, while Russian businesses may use this situation in order to enhance their brand image and develop.

# Chapter 2. Partnerships Experiences: organization examination and benchmarking analysis

This chapter provides a closer look at partnerships that already exists at the Inclusive Workshops “Prostie Veschi” as well as the insights from the international and local experiences of collaboration that are systemized in the benchmarking of the best cases of collaboration between Russian and international social enterprises and large businesses. Both partnership experiences of Prostie Veschi and the collaboration cases of other companies are considered from the perspective of the Value Chain as it allows to note how the responsibilities were distributed between businesses and social enterprises in each collaboration case.

## 2.2. Value Chain of “Prostie Veschi”

In this part, the value chain of the organization is considered. It is done in order to provide a closer look on the process of value creation at “Prostie Veschi” and find out the ways of collaboration that is possible within each activity. There are also examples of such collaboration if the organization has already experienced that. The findings from the analysis of the value chain contribute to elaboration of the suggestions for collaboration.

### Primary activities

### *Inbound logistics*

Raw materials used by “Prostie Veschi” to produce goods are bought by the administrative team in retail or wholesale stores and transported by the team. Sometimes, some materials are purchased and transported by partner companies within collaborations or in terms of their corporate philanthropy. The inventory is stored at the workshop areas. The opportunity for collaboration within this activity can be found in the processes of transportation and storage of raw materials.

### *Operations*

The processes of converting raw materials into finished goods are run at the workshops. They involve employees, professional artists and volunteers. These are various processes from drawing and sewing to planting flowers, most of which are performed by employees. However, there are tasks that are accomplished by the administrative team: for example, printing of souvenirs and shirts. The division of the manufacturing process into small steps does not only make it achievable for the employees, but also allows to better control for quality of goods. The value is added by the cautious process of manufacturing as well as by the social component of the process: people with mental disabilities are employed, they get new skills and socialize. The operations can constitute many collaboration opportunities as partners can take part in different production processes. However, it is important to account for the peculiarities of the production process dictated by personal qualities of the employees when integrating partners in the process of production. For example, according to the founder of the company, sometimes the manufacturing process can stop due to some employees feeling bad and not showing up. It is important to accommodate such circumstances by planning more time for the production.

### *Outbound logistics*

The manufactured goods are distributed through various channels: the online-store of “Prostie Veschi”, OZON internet-platform and partner retailers such as “Spasibo”. The goods can also be found at the workshops, as the workshops are open for visitors, and at the “Ogurtzy” café. The value is added by balancing the number of distribution channels, which makes the goods easily accessible by customers, and the choice of these channels, so that they are in line with the organization’s values. Collaboration can happen and is already happening in terms of distribution: “Prosie Veschi” do not own stores and, thus, they partner with stores and marketplaces. As an example of such collaboration, we can consider the partnership with “Lush”, which sells soap dishes made by “Prostie Veschi”.

### *Marketing & Sales*

Marketing and sales activities are run by the administrative team and include various strategies aimed at enhancing visibility of the organization, such as offline (billboards) and online (infographics and videos) social advertisement and provision of information about mental disabilities. The social media of the organization is also an important channel that tells not only about the activity and products of “Prostie Veschi”, but also about their every-day processes, which also contributes to enhancing their visibility. It is important to note that marketing activities of the organization are more focused on its social component then on the business one, however, some attention is still dedicated to the products. The value is added not only by promoting products, but also by providing a lot of useful information about people with mental disabilities. Thus, it is important to consider the balance between popularizing the social mission of the organization and its products when collaborating in this sphere.

### *After-sales Service*

After-sales service is rather limited due to the peculiarities of the goods, however, it is possible to return the purchase if its quality appears to be bad. The website of the organization provides a phone number and an email for contacting as well as an address of the workshops where customers can come. Opportunities for collaboration within this type of activities depend on a product and the way a collaboration occurs within other activities. For example, in case of partnership with “Lush”, the retailer itself is responsible for the after-sales service.

### Secondary activities

### *Firm Infrastructure*

The firm infrastructure is organized by the administrative team who does the planning, accounting, finance and quality control. The team consists of sixteen people, every one of each is responsible for their own sphere: PR, documentation and reporting, governmental support, advertisement, employment of people with mental disabilities, etc. Even though every person has their own field, the team members are constantly collaborating with each other. The value is added by the constant improvement of the working system and overall organization of the activity of the workshops. There are less opportunities for collaboration in this part of the value chain as its primary responsibility is to manage other activities of the value chain. However, knowledge-sharing might be very useful for the collaborating parties.

### *Human Resource Management*

Apart from the administrative team, there are professional artists (or masters of the workshops) and employees – people with mental disabilities. Professional artists are managing the workshops, partially designing products and sharing knowledge and skills with employees, which mainly take part in the manufacturing process. The value is added by the process of learning and training that involves people with mental disabilities as well as by their socialization. Moreover, people are the main factor in the activity of “Prostie Veschi” and managing them right is a key for the value creation. Volunteering at the workshops can be considered an example of collaboration in this part of the value chain, as volunteers do not only help in the manufacturing process, but also play an important role in the social component of the organization: they contribute to the socialization of the employees and, thus, to the HRM part of the value chain. All in all, the opportunities for collaboration in terms of the HRM can arise in knowledge and skills exchange.

### *Technological Development*

The design and development of manufacturing techniques are within the responsibilities of the professional artists. They have to divide each process into smaller tasks and maximize the efficiency of every one of them. Moreover, with members of the administrative team, they design new products. The value is added by increasing the quality of the products and the ability of employees to accomplish the tasks successfully by making the tasks as clear as possible. As in the previous sections, knowledge exchange could be an opportunity for collaboration. Partners could take part in the process of technological development itself, however, it is very important to account for the specificities of the production at “Prostie Veschi”.

### *Procurement*

There are several ways the organization obtains raw materials and equipment. One of them are retailers and wholesalers. The quality or raw materials and the reputation of suppliers are important for “Prostie Veschi”; thus, the value is added by careful choice of the raw materials by the organization. Some of the materials and pieces of equipment are supplied by partnering businesses, thus, the purchase or supply of raw materials and equipment can be and are possible ways of collaboration. For example, Leroy Merlin is one of suppliers of free raw materials and equipment of “Prostie Veschi”.

### Findings from the analysis of the value chain of “Prostie Veschi”

The analysis of the value chain of “Prostie Veschi” allows us to note several important features concerning collaboration. First of all, it is clear that opportunities for collaboration exist at each part of the value chain, however, their ranges and types differ. Thus, the following collaboration opportunities may arise: transportation and storage of raw materials in inbound logistics activities, as well as distribution in outbound logistics. The manufacturing process may allow for integrating employees of partnering companies in production, or for dividing the tasks and manufacturing separately by each collaborating party. In Marketing & Sales, it can be possible to collaborate by using already existing at “Prostie Veschi” promotion channels (for instance, social advertisement), coming up with new channels for the organization (for example, partner platforms) or creating new ones. Opportunities in After-sales Service activities are rather characterized by division of responsibilities based on other spheres of collaboration. Specificity of secondary activities of the value chain primarily imply opportunities for sharing of knowledge and experience between partners and, thus, enhancing the efficiency of the processes. However, other ways of collaboration can also be possible: for example, collaborating parties can work together on technological development or divide responsibilities in procurement. What is important for collaboration in any activity of the value chain, is to account for individual characteristics of “Prostie Veschi” and peculiarities of their processes in order to smoothly and efficiently implement the collaboration.

## 2.3. Partnerships of Prostie Veschi

### 2.3.1. Analysis of partnerships of “Prostie Veschi”

According to Maria Grekova, the organization collaborates a lot: “We are not afraid of collaboration. We do it often not because of the financial profit, but because of the new audience: collaborations are cheaper than advertisement”. Even being very willing to collaborate, the organization has already come up with several criteria that are important for them to be met before starting a new collaboration. Here are some of them, according to the PR manager and the founder of the organization:

1. Reputation of a potential partner
2. Matching values: it is important that a partnering company has values that are similar to those of “Prostie Veschi”; this can be seen from the company’s corporate social responsibility as well as from situations that the company was involved in a past.
3. The collaboration should be beneficial not only for “Prostie Veschi”, but also for the partner company.
4. Relation of spent resources to benefits.
5. Match in demand and production capacity: the workshops have limited production capacity; thus, it is important to consider it beforehand.

The collaborations vary by who initiates them: sometimes they are initiated by “Prostie Veschi”, sometimes by other parties. Most of the collaborations are associated with the World Mental Health Day, the 10th of October. For that day, the organization sends suggestions to potential partners, and it is up to them to engage in collaboration, however, there are companies that suggest their initiatives themselves.

As the organization collaborates a lot, various collaborations allow for different mixes of responsibilities within the value chain. The table below shows how the responsibilities are distributed between the collaborating parties. There are several most common ways of collaboration that “Prostie Veschi” engage in.

The first one is when a brand-new product is created, while both parties contribute to that. For example, the organization collaborates with cafes and restaurants the following way: “Prostie Veschi” produces cups, while a café or a restaurant creates a drink, which they serve in those cups. The drink is frequently named after “Prostie Veschi” and the organization gets a percentage from the sales. In a similar manner, the organization collaborated with an eco-friendly cosmetics brand “Golodniy Leshiy”: the employees of the workshops produced cups, which were then filled by “Golodniy Leshiy”, and the resulting product was a massage candle in a reusable cup. The last, but not least, example is the collaboration of “Prostie Veschi” with a Saint-Petersburg clothing brand “Usta k Ustam”: the organizations produced Panama hats together, which have thoughts of employees of the workshops written on the inner side. “We equally contributed to the production and equally gained from sales”, - that is what Maria Grekova says about the partnership. In these collaborations, both parties perform activities of inbound logistics and operations, but outbound logistics, marketing & sales, as well as after-sales services are within responsibilities of the partners. The gains for Prostie Veschi are usually a percentage from sales and an enhanced brand visibility, while partners gain their percentages, a new product and an enhanced reputation for collaborating with a social enterprise.

Another type of collaboration widely used by “Prostie Veschi” is when the organization produces goods and collaborates with other businesses for distribution. In this case, inbound logistics and operations are performed by “Prostie Veschi”, while outbound logistics, marketing & sales and after-sales services are within responsibilities of another party. In this case, “Prostie Veschi” receive a distribution channel, enhanced visibility and a percentage (or full amount) from sales, while a collaborating party gets goods and enhanced brand image. The examples of such collaborations are partnerships with “Spasibo” stores, “Master’s” book store and Lush.

A similar way can be observed in collaborations of “Prostie Veschi” with various festivals, such as “Znak Ravenstva”, “Zavtra”, “Stereo Leto”, “Tom Sawyer’s Day Festival”, “Integral Dance Forum” and others, where the organization usually provides waffles, coffee and in some cases organizes workshops or catering services. In this case, partners provide a distribution channel, too, however, the difference is the fact that this opportunity is not permanent because it lasts as long as a festival. Thus, while partners contribute in outbound logistics and sometimes in marketing & sales by advertising the workshops, “Prostie Veschi” perform all the other activities of the value chain including after-sales services, which, in the previously considered case, were usually a responsibility of a partner. Another important difference is that in the case of a festival, “Prostie Veschi” can guarantee their employees opportunities for socialization, which is an important gain in terms of the social mission of the organization. Partners, in this case, receive a supplier of food for their festival, as well as help with catering, workshops or some other activities.

Among other collaboration opportunities, we can find cases when “Prostie Veschi” design and produce gifts for events. For example, for a competition “Social Entrepreneur of the Year” by SAP, “Prostie Veschi” provided gift bags. Another example could be “Dancing Village on Ladoga” Festival, which also received shopping bags for their participants. In these cases of collaboration, the organization gains more visibility, while partners get souvenirs for guests of their events. In this case, if we consider guests as final customers, collaborating parties contribute in outbound logistics, marketing & sales, and after-sales services as they are ones bringing the products to the final customer and making sure that the customer is satisfied with it, even though they (customer) get it for free. By providing the products of “Prostie Veschi” to guests, the event organizers also provide help with marketing & sales because this way, they promote the Inclusive Workshops.

There are some outstanding cases of collaboration, such as the collaboration with an educational organization “Trava”, where “Prostie Veschi” provided their workshop area for events of “Trava”, while employees and members of the administration team of the Inclusive Workshops participated in the events. This is a simple way of collaboration among non-profit organizations, however it is important because it shows that collaboration may involve different resources that the parties have. Being involved in procurement and outbound logistics (if we consider provision of a place as a means to distribute an educational product), “Prostie Veschi” gained enhanced visibility among people with alike values, information exchange and socialization opportunities for employees, while “Trava” were able to organize their events.

1. Collaborations of “Prostie Veschi” according to Value Chain activities

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Name of collaborating organization | Product | Activities in the product’s Value Chain performed by Prostie Veschi | Activities in the product’s Value Chain performed by the collaborating organization | Gains for SE | Gains for business |
| Primary activities | Secondary activities | Primary activities | Secondary activities |
| Large and influential business |
| SAP | Gift bags for the competition “Social Entrepreneur of the Year” | Inbound LogisticsOperations | Firm InfrastructureHRMTechnological DevelopmentProcurement | Outbound logisticsMarketing & SalesAfter-sales Service | Procurement | Enhanced visibilityFinancing | Gift bags |
| Lush | Soap dishes | Inbound LogisticsOperations | Firm InfrastructureHRMTechnological DevelopmentProcurement | Outbound logisticsMarketing & SalesAfter-sales Service | - | Distribution channelEnhanced visibility | A new productEnhanced brand image |
| Small and medium-sized businesses |
| Café “Brother” | Drink “Prostie Veschi” in the “Cup with a finger” by Prostie Veschi | Inbound LogisticsOperations | Firm InfrastructureHRMTechnological DevelopmentProcurement | Outbound logisticsMarketing & SalesAfter-sales Service | Firm InfrastructureHRMTechnological DevelopmentProcurement | Enhanced visibilityFinancing | A new drink in the menuCups for the drink |
| Masters Bookstore | Products manufactured by “Prostie Veschi” | Inbound LogisticsOperationsMarketing & Sales | Firm InfrastructureHRMTechnological DevelopmentProcurement | Outbound logisticsMarketing & SalesAfter-sales Service | - | Distribution channel | Products to sellEnhanced brand image |
| Café “Orangery” | Drink in a “Cup with a finger” | Inbound LogisticsOperations | Firm InfrastructureHRMTechnological DevelopmentProcurement | Outbound logisticsMarketing & SalesAfter-sales Service | Firm InfrastructureHRMTechnological DevelopmentProcurement | Enhanced visibilityFinancing | A new drink in the menuCups for the drink |
| Usta k Ustam | Panama hats with thoughts | Operations | Firm InfrastructureHRMTechnological developmentProcurement | Inbound logisticsOutbound logisticsOperationsMarketing & SalesAfter-sales Service | Firm InfrastructureHRMTechnological DevelopmentProcurement | Enhanced visibility50% from sales | A new product50% from sales |
| Golodniy Leshiy | Massage candles | Inbound LogisticsOperations | Firm InfrastructureHRMTechnological developmentProcurement | Inbound logisticsOutbound logisticsOperationsMarketing & SalesAfter-sales Service | Firm InfrastructureHRMTechnological DevelopmentProcurement | Enhanced visibility | A new product |
| Social enterprises, NGOs, festivals |
| “Dancing Village on Ladoga” Festival | Shopping bags for the festival | Inbound LogisticsOperations | Firm InfrastructureHRMTechnological DevelopmentProcurement | Outbound logisticsMarketing & SalesAfter-sales Service | - | Enhanced visibility | Shopping bags for participants |
| Trava educational organization | Various events of “Trava” | Outbound logistics | Procurement | Inbound LogisticsOperationsMarketing & SalesAfter-sales Service | Firm InfrastructureHRMTechnological Development | Enhanced visibilityInformation exchangeSocialization opportunities for employees | Place for events |
| Spasibo Store | Products manufactured by “Prostie Veschi” | Inbound LogisticsOperationsMarketing & Sales | Firm InfrastructureHRMTechnological DevelopmentProcurement | Outbound logisticsMarketing & SalesAfter-sales Service | Procurement (financing) | Distribution channel | Products to sell |
| Stereo Leto Festival, Znak Ravenstva Festival, Zavtra Festival and others | Waffles and coffee at the festival’s market | Inbound LogisticsOperationsOutbound logisticsMarketing & SalesAfter-sales Service | Firm InfrastructureHRMTechnological DevelopmentProcurement | Outbound logisticsMarketing & Sales | - | Distribution channelEnhanced visibility | Food supplier for the festival’s market |
| Tom Sawyer’s Day Festival | Waffles, carpentry workshops, help in painting of a fence | Inbound LogisticsOperationsOutbound logisticsMarketing & SalesAfter-sales Service | Firm InfrastructureHRMTechnological DevelopmentProcurement | Outbound logisticsMarketing & Sales | - | Distribution channelEnhanced visibilitySocialization for employees | Waffles, workshops, painted fence |
| Integral Dance Forum | Catering and market organization | Inbound LogisticsOperationsOutbound logisticsMarketing & SalesAfter-sales Service | Firm InfrastructureHRMTechnological DevelopmentProcurement | Outbound logisticsMarketing & Sales | - | Distribution channelEnhanced visibilitySocialization for employees | Catering and market for the festival |

It is important to note that the organization tends to collaborate with small and medium businesses and non-profit organizations. Even though there exist partnerships with large business that are based on collaboration, there are also a line of partnerships, where large businesses helped the Inclusive Workshops in terms for corporate philanthropy. The table below summarizes such examples of partnerships with large businesses that the organization published on its website.

Leroy Merlin and IKEA provided furniture and equipment for the workshops. The team of “Prostie Veschi” had an opportunity to participate in various programs organized by SoinSchool, Impact Hub and Rosbank and received new knowledge and financial support. Moreover, Jet Brains, Epam, Samskip and other companies also provided financial support to the organization.

1. Partnerships of “Prostie Veschi” with large businesses

|  |  |  |  |
| --- | --- | --- | --- |
| Name of the partnering business | Contribution of the business in the Value Chain of “Prostie Veschi” | Gains for “Prostie Veschi” | Gains for business |
| Primary activities | Secondary activities |
| IKEA, Leroy Merlin | - | Procurement | Furniture and equipment for the workshops | Enhanced brand image |
| Jet Brains, Epam, Samskip and other companies | - | Procurement | Financial resources | Enhanced brand image |
| SoinSchool, Impact Hub, Rosbank | - | HRMProcurement | New knowledgeFinancial resources for projects | Participants of programsEnhanced brand image |

As we can see from the table, the role of large business in the partnerships with “Prostie Veschi” is primarily supportive, the business is mainly responsible for procurement. The motivation for the businesses to engage in such collaborations is usually bound to their corporate social responsibility activity as their gain is an enhanced brand image. These collaborations also create shared value as the outcomes are in place for both collaborating parties as well as the society as a whole. However, these collaborations are considered separately as no final product is created in them and they are usually not as beneficial for businesses as collaborations based on the process of shared value creation. Nevertheless, these cases should still be included in the analysis as they can lead to ways of collaboration that allow for more contribution from both sides.

### Findings from the analysis of partnerships of “Prostie Veschi”

By analyzing the collaboration experience of “Prostie Veschi”, we can come to several findings. First of all, it is notable that the organization tends to stick to particular schemes of collaboration. Most of the times, it contributes to production of a new product by manufacturing its parts or by designing the product and covering a part of its production costs. The most numerous collaborations types are the ones where partners provide distribution channels for products of the organization. They either distribute themselves, as it is in case of stores or when the organization supplies gifts for participants of events, or create spaces for that, as it is with festivals.

The primary activities of the Value Chain that are most frequently performed by “Prostie Veschi” are: inbound logistics, operations, marketing & sales. This can be explained by the fact that in most cases, the organization plays the role of the manufacturer, while giving other activities to collaborating parties. Thus, outbound logistics, marketing & sales and after-sales services are the activities mostly performed by partners. On the one hand, these patterns reveal most convenient and efficient ways of collaboration for the organization and shows its zones of expertise, but on another hand, other mixes of responsibilities within the Value Chain might give “Prostie Veschi” other gains and opportunities as well as become ways of creation of shared value.

The open approach to partnership revealed in the above-mentioned statement of Maria Grekova, creates a lot of ways of collaboration for the organization, as targeted gains vary from enhanced brand visibility and new distribution channels to financing. Due to the presence of a strong social component, it is important to also consider non-business gains, such as socialization opportunities for employees, information exchange, or distribution of information about people with mental disabilities, which stems from enhanced brand visibility. All in all, we can see that collaboration is important and valuable for “Prostie Veschi”. The organization has already tried different ways of collaborations, and various other ways can still be found.

## 2.4. Benchmarking the Best Cases of Collaboration between Social Enterprises and Large Businesses in Russia and worldwide

In this section, different cases of collaboration of social enterprises and large businesses (Russian and international) are compared based on the elements of the value chain of the product or service resulting in the collabiration. The cases of collaboration were selected based on several factors. First of all, the collaboration should take place between an enterprise with a clear social mission and a large business. Secondly, the collaboration should result in a product or service, which makes it possible to analyze the value chain. Moreover, the considered organizations should be Russian as well as international. This guarantees the opportunity to see examples of collaboration within local environment as well as to have a general understanding of different ways of collaboration.

The table reflects the following elements. First of all, the names of the collaborating organizations. First goes a name of a social enterprise (or an organization with a social mission) and then goes a name of a large business. In the second column, you can see a product of a service resulting from the collaboration. Then, the table contains the processes of the value chain performed by social enterprises and by business, which are divided into primary and secondary activities. Finally, some of the gains of the participants of the collaborations are reflected.

1. Benchmarking of the best cases of collaboration of social enterprises and large businesses in Russia and worldwide

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Name of project and organizations involved | Product / service | Activities in the product’s / service’s Value Chain performed by SE | Activities in the product’s / service’s Value Chain performed by business | Gains for SE | Gains for business |
| Primary activities | Secondary activities | Primary activities | Secondary activities |
| Abahizi Rwanda & Kate Spade | Bags | Inbound logisticsOperations | InfrastructureHRMTechnological development (process development) | Outbound logisticsMarketing & SalesAfter-sales services | ProcurementTechnological development (product design) | Supply of raw materialsProduct designIncreased brand recognitionEmployment | Enhanced brand imageUnique product |
| Greyston Bakery & Ben and Jerry’s | Half-backed brownie ice cream | Inbound logisticsOperations | InfrastructureHRMTechnological development (process development)Procurement | Inbound logisticsOperationsOutbound logisticsMarketing & SalesAfter-sales services | InfrastructureHRMTechnological development (product design) | Product designIncreased brand recognitionEmployment | Enhanced brand imageUnique product |
| VisionSpring & Warby Parker | Glasses for people in need | Outbound logistics (distribution) | InfrastructureHRMTechnological development (process development) | Inbound logisticsOperationsOutbound logistics (packaging)Marketing & SalesAfter-sales services | InfrastructureHRMProcurementTechnological development (product design) | Ready product for the organization’s social missionIncreased brand recognition | Enhanced brand image  |
| PÅTÅR & IKEA | Coffee | Inbound logisticsOperationsOutbound logistics (packaging) | InfrastructureHRMTechnological development Procurement | Marketing & SalesAfter-sales services | HRM (sales people) | Distribution channelIncreased brand recognition | Enhanced brand imageReady product |
| Guzel Sanzhapova / Anton Tut Ryadom Center & IKEA | Card holders and pillow cases | Inbound logisticsOperations | InfrastructureHRM | Outbound logisticsMarketing & SalesAfter-sales services | InfrastructureTechnological developmentProcurementHRM (sales people) | Increased brand recognitionEmployment | Enhanced brand imageReady product |
| Nochlezhka & Leroy Merlin  | Help to homeless people (accommodation, food, employment, etc.) | Inbound logisticsOperationsOutbound logisticsMarketing & SalesAfter-sales services | InfrastructureHRMTechnological development | Operations Marketing & Sales (informational support) | HRM (corporate volunteers)Procurement | Resources (materials, financial resources)Informational supportEmployment opportunities for beneficiaries | Enhanced brand image |
| Liza Alert & Beeline & Megaphone | Search for missing people | Inbound logisticsOperationsOutbound logisticsMarketing & SalesAfter-sales services | InfrastructureHRMTechnological developmentProcurement | Marketing & Sales (informational support)  | Procurement | Important resource – sim cardsInformational support | Enhanced brand imageCustomer loyalty |
| Nashe Budushee Fund & Lukoil | Various goods | Inbound logisticsOperationsOutbound logistics (packaging) | InfrastructureHRMTechnological developmentProcurement | Outbound logistics (distribution) Marketing & SalesAfter-sales services | HRM (sales people) | Distribution channelIncreased brand recognition | Enhanced brand imageReady products |
| Nuzhna Pomosh & Lamoda | Various goods | Inbound logisticsOperationsOutbound logistics (packaging) | InfrastructureHRMTechnological developmentProcurement | Outbound logistics (distribution) Marketing & SalesAfter-sales services |  | Distribution channelIncreased brand recognition | Enhanced brand imageReady products |

### 2.4.1. Cases of collaboration of international companies

*Abahizi Rwanda & Kate Spade*

Abahizi Rwanda is a manufacturer of bags with a social mission to provide high-quality products for the global fashion industry by empowering their mostly-woman employees to improve their lives and their community. Kate Spade is a fashion label focused on bags and jewelry. The collaboration was aimed on production of bags by Abahizi Rwanda using design ideas and materials of Kate Spade.[[19]](#footnote-19)

*Greyston Bakery & Ben and Jerry’s*

Greyston Bakery is a social enterprise focused on employment of people from any background. Ben and Jerry’s are a famous ice cream manufacturer. Greyson provides brownies for Ben and Jerry’s ice cream. This partnership allowed Greyston to create more employment for its beneficiaries.[[20]](#footnote-20)

*VisionSpring and Warby Parker*

VisionSpring is an organization aiming at providing access to affordable glasses for men and women. Warby Parker is a manufacturer of glasses. In 2011, the companies launched a program called Buy a Pair, Give a Pair. When buying a pair of glasses from Warby Parker, customers give another pair to someone in need.[[21]](#footnote-21)

*PÅTÅR and IKEA*

PÅTÅR is a coffee producer partnering with about 13.000 sustainable-cultivating small farmers, almost 50% of which are women. The company helps its partners to become financially stable and improve their livelihood. IKEA is a large retailer primarily focused on good for home. By selling PÅTÅR’s coffee, IKEA helps to make coffee consumption more sustainable and helps to empower small farmers[[22]](#footnote-22).

### 2.4.2. Cases of collaboration of Russian companies

*Guzel Sanzhapova, Anton Tut Ryadom Center and IKEA*

Guzel Sanzhapova and Anton Tut Ryadom Center are social enterprises from Russia. Anton Tyt Ryadom Center is focused on employment, training and socialization of people with autistic spectrum disorder, while Guzel Sanzhapova aims on development of a small village Malyi Turysh by providing employment opportunities to its inhabitants. With IKEA, the social enterprises produced a line of products called OTERSTELLA. The design and materials were provided by IKEA, and the production part was performed by the enterprises[[23]](#footnote-23).

*Nochlezhka and Leroy Merlin*

The partnership of Leroy Merlin & Nochlezhka has a long history remarkable by various projects. Nochlezhka is a social enterprise that provides rehabilitation to homeless people and helps them have a home again. Leroy Merlin is a large business retailing goods for home and garden. In order to contribute to the social mission of Nochlezhka, Leroy Merlin provides employment of Nochlezhka’s beneficiaries, helps to build and renovate facilities of the organization, provides necessary goods and informational support to Nochlezhka[[24]](#footnote-24). In March 2020, Leroy Merlin and Nochlezhka constructed an installation “Home in the eyes of a homeless person”: a cozy home covered with a cage that was aimed to show that homeless people do not have access to this space of safety and comfort. This installation increased awareness of the society about the problem of homelessness[[25]](#footnote-25).

*Liza Alert and Megaphone, Beeline*

Liza Alert is a social initiative occupied with a search of missing people. Beeline and Megaphone are large mobile services providers. As being able to communicate via phone is very important for the volunteers and the call center of Liza Alert, the companies provide sim cards to the organization. During the period from 2012 to 2019, more than 200 thousand calls were registered on the hotline of Liza Alert. Thus, by providing the service the businesses are specialized one, Beeline and Megaphone highly contribute to the social mission of Liza Alert. Moreover, Beeline has a “help” form of Liza Alert on their website providing informational support to the initiative[[26]](#footnote-26). Apart from enchanted reputation, the sim card providers receive greater customer loyalty from people that received help from Liza Alert – as companies that contributed to the search for this particular customer.

*Fund of Regional Social Programs “Nashe Budushee” and Lukoil*

The Fund of Regional Social Programs “Nashe Budushee” is a fund that helps social entrepreneurs to develop. Lukoil is one of the largest oil companies in Russia. In collaboration with the fund, the business provides a marketplace for social enterprises: they can distribute their products in the stores of Lukoil based on the competition organized by the company and the fund[[27]](#footnote-27).

*Nuzhna Ponosh and Lamoda*

Nuzhna Ponosh is a charity fund that is focused on the development of charity in Russia and helps social enterprises, charity organizations and NPOs by drawing people’s attention to the social missions of the organizations and offering them to donate. Lamoda is a large Russian online-retailer. In association with the fund, Lamoda created a section on their website named “I want to help” where people can purchase foods of socially-oriented businesses[[28]](#footnote-28).

### 2.4.3. Findings from the Benchmarking

By analyzing the above-listed cases of collaboration, we can come to the following takeaways. First of all, it is important to note that among these cases, there are several similarities concerning the activities on the value chain performed by businesses and social enterprises. For example, social enterprises tend to be responsible for such activities as Firm infrastructure, Inbound logistics and Operations, while large businesses are most frequently in charge of Marketing and Sales as well as of After-sales services. Moreover, the contributions of either side in terms of the performed activities are not equal: for example, in some cases, social enterprises performed almost all activities associated with production or distribution, while businesses were only responsible for procurement. This can be explained by differences in abilities, resources and expertise of business and social enterprises mentioned by Skarya et al. (2012). Finally, it is important to consider that the products or services of the collaborations are usually owned by one of the collaborating parties. This fact can create substantial differences in gains of the sides.

The above-mentioned findings should be considered both by social enterprises and large businesses when entering in collaborations with each other. These factors can be useful when defining roles of the collaborating parties and forming expectations about the outcomes. Moreover, different combinations of the contribution inputs of the parties in terms of the activities of the Value Chain may be adjusted for each particular collaboration.

## 2.5. Results of interviews with large businesses in Russia

The interview that I conducted with Maria Grekova was a part of a research project carried out by students of the Master’s program of the Graduate School of Management, Saint-Petersburg State University. My colleagues interviewed representatives of social enterprises and large businesses operating in Russia about their experiences of collaboration. The insights drawn from the interviews with large companies are taken by me in order to understand the overall position of the business about the topic of collaboration with social enterprises. The names of the companies’ representatives and the companies themselves are kept anonymous, however, it is possible to draw some findings from the interviews.

### 2.5.1. Experience of collaboration with social enterprises

Most collaboration experiences that the large companies had with social enterprises were associated either with businesses purchasing souvenir products from social entrepreneurs, or with businesses and enterprises with a social mission (including NPOs) engaging in a project resulting in social or business outcomes. One example of the later type of collaboration could be a case when a business plans, finances and organizes a special social initiative and invites a social enterprise as a provider of required knowledge and skills. From the perspective of the value chain, the social enterprise is partially responsible for operations and HRM, while the business covers all other activities, however, there can also be cases when more activities of the value chain are performed by the business. The main idea in this type of collaboration is that a business invites a social enterprise that has the resources and capabilities need for a specific project and that this business does not have and thus, both companies can contribute to the value chain and create shared value. The fact that some of large businesses already have an experience of such collaboration creates an assumption that businesses may be eager to engage in such collaborations in the future, and thus, there are opportunities for “Prostie Veschi” to further develop such collaborations.

### 2.5.2. Ways of collaboration that businesses see

This is highly linked to the previous paragraph as the experience that the interviewed large businesses already have mainly defines the opportunities for collaboration that they can suggest. First of all, social enterprises can play a role of suppliers either of parts of goods, or of finished goods. For example, souvenir products, as some businesses specified. Another example can be found in the Benchmarking of the best cases of collaboration: Greyston Bakery producing brownies for the Ben and Jerry’s ice cream.

Another role that businesses would be eager social entrepreneurs to play is a supplier of particular information. As it was mentioned above, businesses sometimes invite NPOs to their projects as the NPOs have expertise in a particular sphere. Thus, representatives of NPOs can teach employees about the subject of their expertise.

Following from the previous role, based on a particular knowledge and skills, social entrepreneurs can realize projects developed by or with businesses as these projects lie within the expertise of these organizations. An example of this role from the Benchmarking, is a collaboration of VisionSpring & Warby Parker, as Warby Parker is specialized in production of glasses, while VisionSpring is an expert in the social problem of lack of affordable glasses, and thus, can implement the project aiming to distribute glasses among those in need.

### 2.5.3. Expectations of large businesses from social entrepreneurs

In the interviews, the representatives of the large businesses mentioned what they expect from their potential collaborative parties among social enterprises. The requirements of the businesses can be summarized in the following way:

* High quality of work
* Clear and transparent reporting
* Ability to communicate in business terms
* Clear impact of the activity
* Punctuality, ability to meet deadlines
* Trustworthiness
* Sustainability and long-term orientation
* Common values
* Readiness for collaboration and interest
* Presence of successful cases of collaboration

Some companies are eager to help their potential partners to align with their requirements by teaching them about reporting, communication, values, etc. Some of the interviewees highlighted the importance of clear communication about goals and expectations of each collaboration party from each other and from the project itself.

All in all, some of the Russia-based large businesses already have an experience of collaborating with social entrepreneurs. They are open for collaborations and have some ideas about that. Unfortunately, some of them express lack of information about social entrepreneurs, their competences and would appreciate more proposals from them. Thus, there is a demand from large businesses to collaborate with social enterprises and it is possible to find suitable ways of collaboration.

# Chapter 3. Recommendations on collaboration

This chapter is dedicated to recommendations of collaboration of the Inclusive Workshops “Prostie Veschi” with large businesses: suggested strategic options of collaboration and a pool of potential partners – Russian and international businesses. The suggested options are then evaluated in terms of applicability for the Inclusive Workshops “Prostie Veschi” and outcomes for partnering business and society.

## 3.1. Suggestions on options of collaboration of Prostie Veschi with large businesses

Based on the previously performed analyses, the Benchmarking of best Russian and International cases, results of interviews with large businesses and the evaluation of resources and capabilities of “Prostie Veschi”, it is possible to define several ways of collaboration that the organization can implement with large businesses. The table below summarizes the proposed ways of collaboration. The more detailed descriptions can be found after the table: the suggestions are named based on the activities of the value chain performed by business and by social enterprise.

1. Summary of suggested ways of collaboration

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Option number | Short description | Main activities of the value chain performed by SE | Main activities of the value chain performed by business | Main gains for Prostie Veschi | Main gains for business |
| 1 | Business realizes goods produced by SE: either purchases and sells them (option 1.1), or acts as a distributor gaining a margin (option 1.2) | Inbound logistics, Operations | Outbound logistics, Marketing and Sales, After-sales services | Distribution channel,Increased brand and social problem recognition | Enhanced brand image,Increased customer and employee loyalty,Increased product variety,Increased customer satisfaction |
| 2 | SE is responsible for the production of goods, business is in charge of distribution, marketing, sales and after-sales service, as well as of material procurement | Operations | Procurement, Outbound logistics, Marketing and Sales, After-sales services | Distribution channel,Increased brand and social problem recognition,Procurement of production | Enhanced brand image,Increased customer and employee loyalty,Increased product variety,Increased customer satisfaction |
| 3 | SE is responsible for product design, business is responsible for production, logistics and after-sales services. Marketing and sales can also be done solely by business or in collaboration | Technological Development,(Marketing & Sales) | Procurement,Inbound logistics,Operations,Outbound logistics,Marketing & Sales, After-sales Services | Increased brand and social problem recognition | Enhanced brand image,Increased product variety,Increased customer satisfaction,Employee development |
| 4 | A fifty-fifty contribution to the value chain by both parties: the product is designed together, SE produces a part of the product, and a business produces a part of the product. Procurement and distribution can be shared depending on resources and capabilities or also split by two | Technological Development, Inbound logistics, Operations, (Outbound logistics, Marketing & Sales, After-sales Services) | Technological Development, Inbound logistics, Operations, (Outbound logistics, Marketing & Sales, After-sales Services) | Increased brand and social problem recognition,Development in business sphere | Enhanced brand image,Increased customer and employee loyaltyIncreased product variety,Increased customer satisfaction,Employee development |
| 5 | An informational collaboration where SE shares their practical knowledge about mental health, while a collaborative party specialized in media creates informational products | HRM, Operations | HRM, Operations,Procurement | Increased brand and social problem recognition | Enhanced brand image,Employee development,Increased product variety |

### 3.1.1. Option 1. Social Enterprise: Inbound logistics, Operations; business: Outbound logistics, Marketing and Sales, After-sales services.

Within this collaboration structure, social enterprise is considered as a supplier of goods realized by business. The goods can be bought by the business (option 1.1) or remain owned by the social enterprise (option 1.2). In the first case, the business purchases goods, while in the second case, the business acts as a marketplace and may keep a percentage from the sales of the goods manufactured by the social enterprise.

The Option 1 is based on the resources and competences of “Prostie Veschi”, such as ability to produce high-quality goods, human resources and resources directly associated with production: raw materials, equipment, workshop areas. The potential collaborating party is required to have the following resources and capabilities: retail areas, human resources with particular marketing and sales skills, after-sales service capacities, expertise in retail.

As a possible gain from such collaboration, “Prostie Veschi” can receive a large distribution channel for its goods, as well as more attention to its social component of activity. A stable and long-term demand for the products can promote a development of production increasing its efficiency and volume. The partnering large business, in turn, receives an opportunity to enhance its brand image by collaborating with a social enterprise. Its social activity based on the shared value creation can also increase employee and customer loyalty. A new product on the shelves of the brand can potentially increase customer satisfaction and, consequently, sales in general.

Examples of such option of collaboration already exist. One of them is the partnership of “Prostie Veschi” with Lush, which distributes soup dishes manufactured by the organization. As the collaboration is proving to be successful, it would be beneficial for the organization to multiply such cases. Possible partners in this case can be large retailers that have similar values and are capable of distributing socially-responsible products, while not imposing their brand name on the product of the collaboration.

### 3.1.2. Option 2. Social Enterprise: Operations; business: Procurement, Outbound logistics, Marketing and Sales, After-sales services.

In this case, a social enterprise is responsible for the production of goods, while a business is in charge of distribution, marketing, sales and after-sales service, as well as of material procurement. Even though this type has a similar distribution of activities of the value chain between businesses and social enterprises, the key difference is that in this case, the business provides resources (raw materials or financing) for the production and, as a consequence, often partially or fully owns the final product. The collaboration of IKEA and Anton Tut Ryadom Center can serve as an example for such collaboration, though the extent to which the social enterprise participates in such collaboration can be different: in the case of the considered example, technological design was mostly performed by IKEA, while in other collaborations, it can be done by both collaborating parties or by a social enterprise only.

In this case, “Prostie Veschi” can rely on the same resources and competencies that were described in the previous type of collaboration (ability to produce high-quality goods, human resources, raw materials, equipment, workshop areas), while the potential collaboration party has to be able to contribute to the value chain also in terms of financing or raw materials provision.

The potential gains of “Prostie Veschi” in this type of collaboration are similar to the previously considered type: a stable and large-scaled demand for the manufactured goods and more attention to the organization’s social mission. Moreover, as the procurement is fully or partially within responsibilities of a partner, the organization does not have to spend its resources (money, time, human resources) on that activity, which can be very beneficial in the current economic situation. In turn, the collaborating business receives a new product to its range, which is in line with its requirements and its brand image. Moreover, the business can also expect reputational benefits and, this, increased customer and employee loyalty. If the process of product design was performed together by the collaborating parties, both of them can profit from knowledge-sharing.

It is important to note that in this type of collaboration, there is a risk of “Prostie Veschi” to be less independent and fluent in the process of production as the partner can set their requirements for the quality of products or even for the production process itself. Thus, it is important to clarify expectations of both parties and to align the goals.

### 3.1.3. Option 3. Social Enterprise: Technological Development, (Marketing and Sales); business: Procurement, Inbound Logistics, Operations, Outbound logistics, Marketing and Sales, After-sales services.

In this type of collaboration, social enterprise is integrated into a business’s production process as a product or service designer. An example of such collaboration can be when a business produces goods developed by a social enterprise. These could be ordinary goods or products, development of which is specifically within expertise of a social enterprise and not within a scope of expertise of a business.

The resources and competencies that “Prostie Veschi” can use in this case are their skills of work with people with mental disabilities, their ability to produce high-quality goods as well as human resources: employees and professional artists that can be involved in the product or service design. Thus, they can provide their expertise on this matter. The large business, in turn, has to have the necessary financial and human resources, as well as production facilities in order to implement the collaboration.

The gains for the parties depend on specificities of the collaboration, however, it is possible to come up with some potential takeaways. This type of collaboration can be beneficial for the social mission of “Prostie Veschi”, as projects where the organization’s expertise in needed, are usually aimed at contributing to solution of the problem it is focused on. Thus, “Prostie Veschi” can gain wider audience and more attention to their social activity, as well as to them as a brand. In some cases, such projects can also provide opportunities for development of the employees: both in terms of socialization of people with mental disabilities, and in terms of knowledge-sharing.

The collaborating business gains a new product in their product line and, thus, potentially increased customer satisfaction. The business can also receive new knowledge and skills outside of the field of its expertise, which can positively influence the employees – for example, in terms of creativity, which was mentioned by one of the interviewed representatives of a large business.

### 3.1.4. Option 4. Social Enterprise: Technological Development, Inbound logistics, Operations, (Outbound logistics, Marketing & Sales, After-sales Services); business: Technological Development, Inbound logistics, Operations, (Outbound logistics, Marketing & Sales, After-sales Services).

This is the case of fifty-fifty contribution to the value chain by both parties, when the product is designed together, a social enterprise produces a part of the product, and a business produces a part of the product. Procurement options can vary, but the costs are mostly shared as fifty-fifty, though the activities associated with distribution (Outbound logistics Marketing & Sales, After-sales Services) can be performed by either both or one party depending on their resources and capabilities. For example, if the partnering company has retail facilities and customer audience, which are larger than the ones of “Prostie Veschi”, it would be logical for this company to be responsible for distribution. Several examples of this type of collaboration can be found among the collaborations of “Prostie Veschi” with small and medium businesses. For instance, its collaboration with “Usta k Ustam”: “We equally contributed to the production and equally gained from sales”, - says the founder of the company, Maria Grekova, about this partnership. As the experience of such collaboration was positive, it would be beneficial for the organization to try implementing this format with large business.

Apart from gaining more attention to the organization and its activity, in this type of collaboration, “Prostie Veschi” can have an opportunity to substantially develop in terms of business processes as this type of collaboration mainly assumes close contact with representatives of the large company. If the product and process design is implemented by both parties together, they can share their knowledge and experience, hence, contributing to the development of each other. Moreover, if the distribution and informational support is performed by the business, “Prostie Veschi” can receive a new customer audience. The business can also obtain an opportunity to develop as the social enterprise can have their own approach as well as the expertise in spheres where the business in not an expert, for example, in inclusion. Moreover, such close interaction with the social enterprise can be very enriching for the employees of the large company in terms of soft skills. The gains associated with the CSR activity of the business can also be in place.

It is important to note that this type of collaboration could rather be implemented on a short-term basis then in long-term. The reason for this is that a fifty-fifty contribution can require too much resources from the social enterprise, which could be draining in a long-term. On the other hand, large businesses usually need a larger scale of production, thus, in a long run this type of collaboration could be limiting for them. Moreover, it is logical to divide proportions of contribution according to resources and capabilities, which are unequal in case of collaboration of social enterprises and large businesses, thus, in a long run, such division of responsibilities could be inefficient. However, this type of collaboration can still be beneficial for both parties in case of production of limited editions or initiatives that are limited in time.

### 3.1.5. Option 5. Social Enterprise: HRM, Operations; business: Procurement.

Following the idea of short-term collaborations, it is viable to consider a social action as a way of collaborating. An example of such action can be found in the Benchmarking. This is the case of collaboration of Leroy Merlin and Nochlezhka, when they created an installation “Home in the eyes of a homeless person”. The idea was developed by Nochlezhka according to their expertise, while Leroy Merlin was responsible for procurement and logistics. The installation was constructed by volunteers of Nochlezhka. “Prostie Veschi” also have an experience of similar collaborations. For example, their collaboration with the Russian Museum, when the workshops constructed “a bench with peculiarities” symbolizing inclusion in the society. This experience can be transferred to collaborating with large business.

The resources and capabilities required from “Prostie Veschi” are mainly associated with their expertise. These are their knowledge about people with mental disabilities, expertise in inclusion, their good reputation, their skills of work with people with mental disabilities and, of course, their human resources. Depending on the product of the collaboration, “Prostie Veschi” might also be able to demonstrate their ability to produce high quality goods and need resources associated with the production of goods. The business, in this case, is required to have the resources needed for the procurement of the initiative. These might be goods, financial resources, human resources.

The gains of both parties can vary depending on the specificities of the particular collaboration, but since this type of collaboration assumes a social initiative, it is expected to increase the awareness of the society about the social problem addressed by the social enterprise. Moreover, if the product manufactured by “Prostie Veschi” is new, it can contribute to the development of the employees as they design and produce a new product. As the initiative is most probably aligned with the CSR activity of the business, the expected outcomes for it also relate to that. The brand develops an image of a sustainable brand that contributes to solution of societal problems and thus, as it was mentioned above, it may expect higher customer and employee loyalty or higher ratings occupied among investment options.

### 3.1.6. Option 6. Social Enterprise: HRM, Operations; business: HRM, Procurement, Operations.

It is important to take into account options of collaboration based on the organization’s resources and capabilities, but not directly associated with production of goods. As an extension of the previous type of collaboration, an informational collaboration should be considered: “Prostie Veschi” can share their practical knowledge about mental health, while a collaborative party specialized in media creates informational products. This idea is based on the resources and capabilities of “Prostie Veschi” associated with their expertise in work with people with mental disabilities. The organization is already sharing their insights in that via their social media channels and can widen their audience with the help of media companies, as the social mission of the organization is to decrease the social stigma that exists around people with mental disabilities. Such collaboration can be short-terms – for example, one or several articles – or long-term: weekly or monthly rubrics.

Possible collaborative parties in this case can be companies that work in the field of media: online and offline newspapers and journals, podcasts, large social media projects, social media of large companies. When choosing a partner for this type of collaboration, it is very important to consider their values, policies, cases in the past, their communication style as this collaboration can greatly affect the reputation of the organization as well as influence the image of the problem they work with in the eyes of the society.

The main gain for “Prostie Veschi” in this case is contribution to the resolution of the societal problem they are focused on: destigmatizing people with mental disabilities, however, the collaboration can also promote them as an organization and as a brand. The collaborative party can receive a new rubric for their informational product and an expertise of the social entrepreneur that can be enriching for not only the product variety of the company, but also for the development of its employees. Moreover, if the values of the audience are in line with the ones broadcasted by the media company, it can benefit from greater customer loyalty.

## 3.2. Pool of possible partners

Based on the previous analyses, it is possible to come up with the following suggestions in terms of possible partners. The choice is focused primarily on the Russian companies as it is dictated by several factors of the external environment: due to the political situation, various international companies are stopping their operations in Russia, however, local companies become more willing to collaborate with the aim of creating shared value, thus, that could imply opportunities for “Prostie Veschi” to start partnerships with Russian companies. However, several international companies were still included as options for a later collaboration. As the collaboration may occur with businesses from the same industry as well as from other industries, the possible partners are grouped accordingly. The table below summarizes the suggestions concerning possible partners.

1. Possible partners for “Prostie Veschi”

|  |  |  |
| --- | --- | --- |
|  | Russian Companies | International Companies |
| The same or related industry | DomovoyLeonardoBukvoedSovinsonEspera HomeBefree | Leroy MerlinIKEAMonki |
| Different industry | WildberriesYandex MarketYandex LavkaLamoda Magnit CosmeticUlybka RadugiLudi LubyatTzekh 85 | The Body ShopAuchan |

The possible partners were selected based on several factors. First of all, the specificity of “Prostie Veschi”, its social aims and values were considered. The companies, the values of which substantially differed from the ones of the organization, were excluded. Moreover, most of the considered companies have to have either an experience of successful collaborations with social enterprises or NPOs, or reputation of a business capable of such collaborations.

### 3.2.1. Russian companies operating in the same or related industry

The first group of companies are businesses involved in production or retailing of goods for home, clothes or souvenirs: Domovoy, Leonardo, Bukvoed, Sovinson, Espera Home, Befree. Domovoy is a retail chain of goods for home, Leonardo is a DIY and souvenirs retailer. Thus, these retail chains can become distributors of the products of “Prostie veschi”. Bukvoed is a book retailer that also sells souvenirs dedicated to Saint-Petersburg, which “Prostie Veschi” also produce. Sovinson and Espera Home are producers of bed linen and pillows located in Saint-Petersburg, thus, production collaborations are possible. Befree is selected as a Russian fashion brand specialized on mass marketing of unusual clothes for young people, so limited editions can be a product of collaboration of “Prostie Veschi” and this company.

### 3.2.2. International companies operating in the same or related industry

Leroy Merlin and IKEA are suggested as possible collaboration partners from the same or related industry. “Prostie Veschi” already have an experience of collaborating with these companies, however, the role of the businesses in those collaborations was mostly concerning provision activities. However, due to the already existing contact and experience, and therefore trust, other forms of collaboration could be implemented. For example, production and distribution of goods, social actions and events, informational partnership. An H&M’s daughter fashion brand Monki could be a possible collaboration partner in terms of design of limited collection of clothes, as the brand highly promotes sustainability and unusual design of clothes and, thus, can be considered as a potential collaborative party for “Prostie Veschi”.

### 3.2.3. Russian companies operating in a different industry

The suggested partners in the category of Russian companies operating in a different industry can be divided into several subgroups. The first subgroup are online marketplaces, such as Wildberries, Lamoda, Yandex Market and Yandex Lavka. Wildberries and Lamoda have an experience of collaborating with social enterprises and offer opportunities to sell their goods on their platforms. Yandex has a charity project “Pomosh Ryadom” involving its users in participation in charitable activities and offering NPOs a free access to its services. Thus, it may be possible to establish a collaboration beneficial for both parties in distribution, social events or initiatives with Yeandex Market, which could distribute goods, or Yandex Lavka, which could sell jams and caramel manufactured by “Prostie Veschi”.

The next subgroup are offline retailers, such as Magnit Cosmetic and Ulybka Radugi. The ways of collaboration can be the same as the ones suggested for the online retailers. Magnit has recently realized an initiative for social adaptation of people with disabilities in collaboration with a center “Nash Dom” and, thus, might be a possible collaboration partner. Ulybka Radugi does not seem to have any similar experience so far, however, they might be interested in it following the tendency among Russian companies.

The last suggested subgroup in the category are local bakery chains of Saint-Petersburg that prioritize social component in their activity: Ludi Lubyat and Tzekh 85. The latter company is already known for several social initiatives, among which, there is a competition of social and ecological projects organized by the company, and provision of food for Sozidateli Center. Ludi Lubyat has always talked about their care about people and society and, thus, the business could be interested in a collaboration. There are various possible ways of collaboration in this subgroup: from a collaborative development of a new product or design, to “Prostie Veschi” supplying inner decor, furniture, or uniform to the cafes.

### 3.2.4. International companies operating in a different industry

Considering now opportunities abroad, the international companies Auchan and The Body Shop are suggested as potential partners in the future. “Prostie Veschi” already have an experience of partnering with the foundation Generation Auchan, and, thus, the collaboration with the retailer can be developed further in terms of common social initiatives or even distribution. The Body Shop is known as a sustainable cosmetics producer and retailer, which already has an experience of collaborating with small companies. Thus, the partnership opportunities might include limited collections production, distribution of goods manufactured by “Prostie Veschi” or collaborative social initiatives.

All in all, there are various opportunities for the organization to collaborate and many potential partners – both Russian and International. Each company can be considered for different suggested types of collaboration depending on the goals of collaborating parties and their resources and competencies in a particular moment.

## 3.3. Evaluation of the suggested strategic options

In this part, the suggested strategic options are evaluated in terms of their applicability for the Inclusive Workshops “Prostie Veschi” as well as from the perspective of outcomes for potential partnering businesses and society as a whole.

### 3.2.1. Evaluation of the suggested strategic options in terms of applicability for the social enterprise

In order to assess the applicability of each suggested option of collaboration, they are evaluated according to several key factors. The first factor that is considered is feasibility of an option of collaboration. It shows the likelihood of a suggested option to be implemented in the nearest future. The feasibility was calculated based on the following components, which were derived from the findings from the interviews with representatives of large businesses as well as the interviews with the representatives of the social enterprise. The components are the following:

* Number of potential partners: higher availability of potential partners can make the collaboration more feasible;
* Opportunity to initiate: whether it is possible for the social enterprise to initiate the collaboration
* Duration of the collaboration: short-term collaborations are more easily established with the long-term ones, according to the founder of the organization);
* Familiarity of the option of collaboration for business: if a potential partner already has an experience in a suggested option of collaboration or is informed about it, the collaboration is more feasible
* Transaction costs: resources spent in order to make the collaboration happen

The importance of the components constituting feasibility is considered as equal (0.2). The Table 13 shows the assessment of the components contributing to feasibility and calculation of feasibility of each suggested option of collaboration.

1. Calculation of feasibility of the suggested ways of collaboration

|  |  |  |
| --- | --- | --- |
| Factors contributing to feasibility | Weight of the factor | Suggested options of collaboration |
| Option 1.1 | Option 1.2 | Option 2 | Option 3 | Option 4 | Option 5 |
| Number of potential partners (+) | 0.2 | 0.2 | 0.2 | 0.1 | 0.2 | 0.25 | 0.05 |
| Opportunity to initiate (+) | 0.2 | 0.2 | 0.25 | 0.2 | 0.15 | 0.25 | 0.15 |
| Duration of the collaboration (+) | 0.2 | 0.05 | 0.05 | 0.1 | 0.1 | 0.2 | 0.1 |
| Familiarity of the option of collaboration for business (+) | 0.2 | 0.25 | 0.25 | 0.1 | 0.1 | 0.2 | 0.25 |
| Transaction costs (-) | 0.2 | 0.1 | 0.1 | 0.25 | 0.2 | 0.25 | 0.2 |
| Total feasibility | 1 | 0.120 | 0.130 | 0.050 | 0.070 | 0.130 | 0.070 |

Other factors are defined by the representatives of the Inclusive Workshops “Prostie Veschi” in terms of collaboration with large businesses. They include:

* Regularity: long-term orientation of the collaboration, stability of demand;
* Size and compatibility of potential customer audience: potential match in values, number of people benefiting from the social impact;
* Resources spent on non-production activities: time, financial and human resources spent on activities that are not the primary specialization of the organization;
* Risk of loss of brand individuality: potential necessity to produce under a large brand’s name;
* Unusual collaboration: an option of collaborating that can potentially be more interesting for the organization, allowing for unusual ideas and tasks;

The factors are ranked from the most important (0.25) to least, but still important (0.05) based on the results of the interviews with the representatives of the organization. The Table 14 contains the evaluation of the suggested ways of collaboration according to the factors.

1. Evaluation of applicability of suggested ways of collaboration

|  |  |  |
| --- | --- | --- |
| Key factors | Weight of the factor | Suggested options of collaboration |
| Option 1.1 | Option 1.2 | Option 2 | Option 3 | Option 4 | Option 5 |
| Feasibility (+) | 0.25 | 0.130 | 0.153 | 0.080 | 0.058 | 0.128 | 0.108 |
| Regularity (+) | 0.2 | 0.25 | 0.15 | 0.25 | 0.05 | 0.1 | 0.05 |
| Size and compatibility of potential customer audience (+) | 0.2 | 0.2 | 0.2 | 0.2 | 0.25 | 0.2 | 0.25 |
| Resources spent on non-production activities (-) | 0.15 | 0.05 | 0.1 | 0.05 | 0.25 | 0.05 | 0.25 |
| Risk of loss of brand individuality (-) | 0.15 | 0 | 0 | 0.2 | 0 | 0 | 0 |
| Unusual collaboration (+) | 0.05 | 0 | 0 | 0.05 | 0.25 | 0.2 | 0.25 |
| Total applicability | 1 | **0.115** | **0.093** | 0.075 | 0.049 | **0.094** | 0.062 |

As a result of the evaluation, it is possible to rank the suggested ways of collaboration in the following way from the most applicable to the least applicable ways of collaboration:

1. Option1.1: business realizes goods produced by SE by purchasing and selling them;
2. Option 4: a fifty-fifty contribution to the value chain by both parties. The product is designed together, SE produces a part of the product, and a business produces a part of the product. Procurement and distribution can be shared depending on resources and capabilities or also split by two;
3. Option 1.2: business acts as a distributor optionally gaining a margin;
4. Option 2: SE is responsible for the production of goods, business is in charge of distribution, marketing, sales and after-sales service, as well as of material procurement;
5. Option 6: an informational collaboration where SE shares their practical knowledge about mental health, while a collaborative party specialized in media creates informational products;
6. Option 3: SE designs a product or service, business is responsible for production, logistics and after-sales services. Marketing and sales can also be done solely by business or in collaboration

Thus, it is advisable for the organization to focus on the suggested ways of collaboration 1 and 4 as they are not only the most aligned with the decision-making factors defined by the organization, but also the most feasible. The implementation of the most effective of the suggested ways of collaboration can allow “Prostie Veschi” to receive the expected outcomes and the experience of collaborating with large business on the basis of the shared value creation. After that, the organization can consider other ways of collaboration depending on its particular needs.

### 3.2.2. Evaluation of the suggested strategic options in terms of outcomes for business and society

It is useful to critically asses the suggested options not only from a perspective of a social enterprise, but also from the perspective of its potential collaborative party. Moreover, it is important to consider social impact of collaboration. In order to compare the options in terms of outcomes for business and society, the framework of Comparaison of Corporate Responsibility (CR) types by Halme and Laurina (2017) is used. The framework allows to consider the suggested options of collaboration in terms of their relationship to core business, target of responsibility and expected benefit. Within the framework, there are three corporate responsibility types:

1. Philanthropy: when the emphasis of activity is on charity, sponsorships, employee voluntarism etc.
2. CR Integration: the emphasis of activity is on conducting existing business operations more responsibly
3. CR Innovation: the emphasis is on developing new business models and products for solving social and environmental problems

Depending on the type of CR, potential financial and social benefits vary. Philanthropy leads to lower benefits. The benefits for the business and society in case of CR Integration are higher. However, the highest outcomes are attained in case of CR Innovation (Halme, Laurina, 2017).

The table below aligns the suggested strategic options, their types and expected outcomes for business and society according to the framework.

1. Outcomes of the suggested collaboration options for business and society according to the framework by Halme and Laurina (2017)

|  |  |  |
| --- | --- | --- |
|  | Options 1, 2 | Options 3, 4, 5 |
| Type of CR | CR Integration | CR Innovation |
| Relationship to core business | Close to existing core business: no new product or service created | Enlarging core business or developing new business: a new product is created |
| Target of responsibility | Environmental and social performance of existing business operations: SE is included in business activity | New product or service development |
| Expected benefit | Improvement of environmental and social aspects of core business: business acts more socially-oriented by including SE in its activity | Alleviation of social or environmental problem |

The suggested options are not considered as Philanthropy as the emphasis is these partnerships is not put on charity and sponsorship. The suggested options of collaboration number 1 and 2 are considered as CR Integration because no new product of service emerges: business simply includes SE into its activity without changing its operations. The value is still created as the business becomes more socially oriented. However, these types of collaboration are expected to be less beneficial for business and society as a whole as the other options. The suggested options of collaboration number 3, 4 and 5 are considered CR Innovation because as a result of such collaborations, a new product is created. These collaboration options are expected to be beneficial for the business and society by contributing to alleviation of social problem.

Thus, when considering the implementation of the suggested strategic options, the Inclusive Workshops “Prostie Veschi” are recommended to consider the outcomes not only for the organization, but for the potential partners and society as a whole. The combination of these evaluations can lead to the implementation of the most beneficial collaborations for all the stakeholders.

# Conclusion

As a final thesis, a consulting project for a Social Enterprise Inclusive Workshops “Prostie Veschi” was carried out. The goal of the project was to elaborate recommendations for developing a strategy for the Inclusive Workshops “Prostie Veschi” to engage in collaboration with large companies on the basis of creating a shared value.

The analysis of the Business Model Canvas of the organization allowed to find out that the majority of the processes include collaboration or are influenced by it. The organization is already collaborating a lot and some opportunities can still be defined in terms of collaboration. Another important outcome from the consideration of the business model of “Prostie Veschi” is the fact that the organization has a dual nature: it acts both as an organization that performs social role and as a business entity. This aspect was considered when deriving recommendations of ways of collaboration with large business that the organization can implement.

Important peculiarities of the environment of the organization’s operation were found based on consideration of the factors of external environment, which were defined using PESTEL analysis. As a result of the analysis, it was concluded that in a short term, collaboration is more feasible to be established with Russian companies. This outcome has defined the focus of the project on collaboration with large Russian businesses.

Opportunities for collaboration based on the value chain were derived from the analysis of the value chain of the Inclusive Workshops “Prostie Veschi” and the analysis of their partnership experience. Moreover, possible principles of collaboration between social enterprises and large companies were found out by systemizing and analyzing the best cases of collaboration of Russian and international companies in a benchmarking.

Several strategic options for collaboration of the Inclusive Workshops “Prostie Veschi” with large companies were suggested based on the previously defined opportunities for collaboration and partnership principles. The strategic options were evaluated according to their feasibility and the decision-making factors mentioned by the representatives of the organization and a ranged list of the options was created. Moreover, the outcomes for the potential partnering business and the society as a whole were considered.

All in all, despite the controversies of the external environment, the Inclusive Workshops “Prostie Veschi” have the needed resources and capabilities to engage in collaboration with large businesses. There are various ways by which the organization can collaborate with large companies, as well as different potential partners both in the industry of the operation of the Inclusive Workshops and in other industries. The suggested strategic options can be used by the organization as templates of possible partnerships. The outcomes of the project can potentially be transferred on other social enterprises.

I hope that the results of the project are found useful by the Inclusive Workshops “Prostie Veschi” and can contribute to the development of the organization and the collaboration between social enterprises and large business, creating value for the society as a whole.

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# Appendix

## Appendix 1. Questions for interviews

### 1.1. Questions for the interview with the founder of the organization Maria Grekova

About the organization:

1. How the Inclusive Workshops “Prostie Veschi” look in terms of their business model?
2. What is the competitive strategy of your organization?
3. In one of the interviews, you described income and expenses approximately as follows: commercial activity (covers 40% of expenses, goes to the salary of special masters and the administrative team), support from individuals, grants (equipment, work of basic specialists), fundraising (salary of the administrative team). Can you add something to this?

About the collaboration experience:

1. Overall, what formats of collaborations are there now or were there before?

4.1) Who initiated these partnerships and how?

 4.2) What were the expectations from the collaborations?

4.3) Did the expectations coincide with reality? What lessons have been learned from the collaborations?

 4.4) How has collaboration with large firms affected your organization? Has a new policy been adopted, changes in daily activities, or new ideas emerged after cooperation?

1. I was attracted by the partnership with the cafe "Brother". From my point of view, this collaboration can be a vivid example of creating a common value. Could you, please, tell more about this partnership?
2. Please, tell more about the partnership with Lush. Who initiated this partnership? What are the terms of the partnership? Are soap dishes a new product created for this collaboration, or did it already exist before?
3. Do you feel the need to collaborate with large businesses?
4. Have you ever refused to partner with large firms? Why?
5. What are the main criteria for a partnership with a large business for you? List the criteria from the most important to the least important. (funding, social media promotion, source of inspiration, learning opportunities: soft skills (intrinsic motivation) / hard skills = professional experience)
6. What resources/competencies does a social enterprise need to effectively partner with large firms? (describe based on your experience)
7. Why are there not so many collaborations with big business?
8. What formats of collaboration with large business do you see for yourself in the future? What else would you like to implement? What, in your opinion, is necessary for this from your side and from the business side?

### 1.2. Questions for the interview with the PR manager of the organization Liza Kovalenko

1. How do partnerships usually start, who initiates them?
2. Are there any criteria by which you filter out partners?
3. What do you think is important for your partners in collaboration with you?
4. What would be important for a large business in collaboration with social enterprises (volume, regularity, something else?).
5. Please, tell about some interesting collaboration formats that you had.
6. Do you consider big business as possible partners?
7. What is needed for this partnership to take place? (From your side, from the business’s side).
8. What are the current obstacles to cooperation with big business?

## Appendix 2. Business Model Canvas of the Inclusive Workshops “Prostie Veschi”



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