

# Formation of the Project Office for the Regulation of Innovative Development of Food Industry Enterprises

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**Abstract.** The article describes the strategic approach to regional food development, identifies ways to solve the problems of import substitution in agricultural producers. The assumption about the need to introduce a project approach to the management of the food sector of the economy, the development and implementation of complex projects and programs, matching and coordination of the activities of the authorities and participants in the food market of the region. Implementation of project approach to the innovation development of the food industry can ensure the creation and implementation of project office – integrated framework that promotes sharing of resources, tools, methodology and methods of project management between the regional economic entities involved in the process of design, development and production of food products and coupled with their consumption of services; implementation and monitoring of the projects and programs of development of food sector of the region; providing support to the regional economic system through the introduction of project management standards and the formation of unified reporting on programs/projects aimed at the development of the food sector of the region's economy. It should be noted that the implementation of the project office will solve the problems of development, implementation and regulation of projects of innovative development of the food industry, as well as reduce the resistance of managers and staff to the use of project work methods, the implementation of qualified specialists' training in project management, which will improve the project expertise.

**Keywords:** project, project approach, project management, innovative development, food industry.

## 1 Introduction

The most important direction of development of the regional economy is innovative, which is especially important in the context of the formation of economy of knowledge, supposing a technological breakthrough in all activities without exception within the framework of the implementation of an innovative strategy that meets the targets of the national security strategy. The formation of demand for innovation is the most important function that drives the mechanism of integration interaction of regional innovation.

## 2 Problem Statement

Factors impeding the effective implementation of this function are: low level of innovative activity of the region and enterprises located on its territory; imperfect policy of Executive bodies of state power; social, political, legal, economic other problems of the region. Guided by the well-known thesis that "demand creates supply", it can be assumed that the highest level of innovation activity, production and supply of innovation will be observed in the regions in which the above entities are active and form the demand for innovation.

Based on the publications of A.F. Shishkin, S.V. Dedov and S.V. Demin, under the innovative resources we will understand the socio-economic phenomenon, which is able to bring society to a new stage of economic development without mass social conflicts, the activation of which takes place in conditions of openness to new ideas and vision of prospects, elimination of institutional traps, overcoming of traditions and prejudices that impede innovative development, destruction of barriers established by the previous level of knowledge and information, creation of new samples of culture of society [1]. S.V. Dedov refers to innovative resources a set of socio-economic relations between different economic entities (households, firms, the state) on the formation and implementation of intellectual, productive and consumer abilities and qualities of a person, ensuring the continuity of the process of creation, use and preservation of innovation in the modern knowledge economy [2].

Development and implementation of the policy of spatial and network transformation of the food sector of the region's economy is a set of intentions and actions consistent with the strategic objectives of the regional and national economy, aimed at ensuring fair competition, mutual satisfaction of resource needs and opportunities in the process of value creation on the principles of a closed-cycle economy. At the same time, adhering to the position of M. Porter, by strategy we mean the positioning of the business, or rather the competencies of organizations due to their resource capabilities, in a well-defined industry structure [3].

### 3 Research Questions

Actual and effective method of regulation of the food sector of the region's economy is project management.

The concept of "project", "project approach", and "project management" is widely used at all levels of management. American experience of project management is presented by the "Guide to the body of knowledge on project management", European – "Eurasian standard for project management", Russian – the development of the Certification Commission of the Russian project management association "Project Management: Fundamentals of professional knowledge. National requirements for the competence of project management specialists" [4].

Project management, in the most General sense, is focused on the management of projects and programs in various areas of activity. According to the national standard ANSI PMBoK, project management is an area of activity in which the clear objectives of the project are defined and achieved by balancing the amount of work, resources, time, quality and risk [5]. It is necessary to present the project approach as a system of work organization, and project management becomes a continuous, repeatable process, including the relationship of projects. The researcher G.A. Kompaneitseva concludes that it is "... management based on project technologies, closely interrelated with the strategic vision of the organization, enterprise, industry, region, implemented through the implementation of a set of selected projects, taking into account their interdependence, complementarity, synergy" [6].

Summarizing the above, we can cite the opinion of the specialists of the "Club of top managers 4CIO": project management is the planning, organization and control of labor, financial and material resources of the project, aimed at the effective achievement of the project goals. M. Tsogoev distinguishes the characteristics of projects, which include the development, uniqueness, innovation, efficiency, localization in time [7].

Project approach to the regulation of innovative development of the region in many modern studies on improving the competitiveness of enterprises, project activities and improving the efficiency of innovation and investment activities in the region.

Considering the project approach to ensuring the socio-economic development of the region, Yu.P. Dubrovchenko and S.O. Lebedeva distinguish two types of projects-initiated by the Federal government and implementing the strategy of the region. The authors give an example of 30 projects in the framework of the "Strategy of socio-economic development of the Volgograd region until 2020" [8].

E.A. Chumachenko proposes a process-project approach to the socio-economic development of the region based on the development of the strategy and its financial support. At the same time, it determines that the effectiveness of the process-project approach is associated with the indicative nature of regional programs, the system basis of the goals and objectives of programs, the concentration of limited financial resources of the region [9].

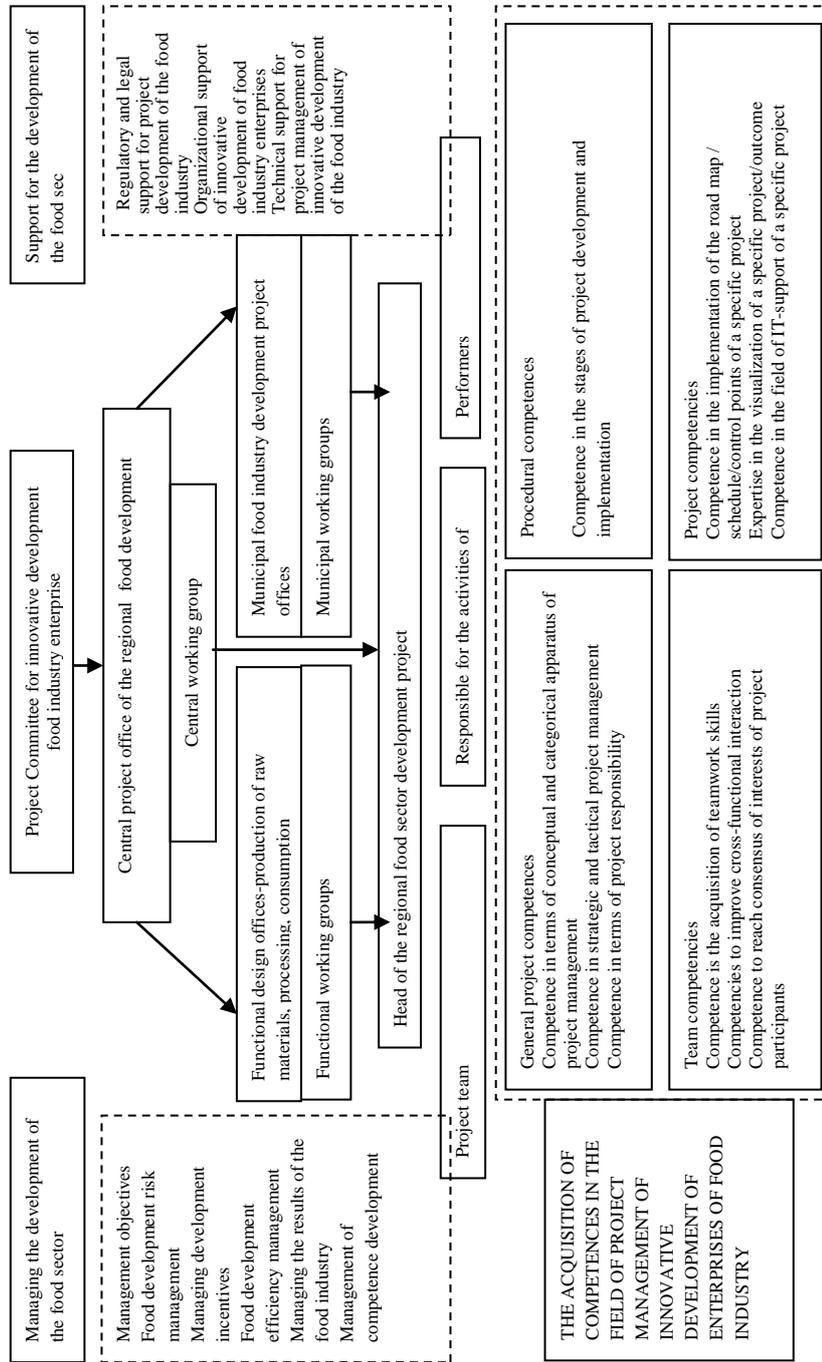
### 4 Purpose of the Study

The main context of the policy of spatial and network transformation of the food sector of the region's economies is the development of methods and techniques of state regulation, taking into account the need to harmonize the interests of all participants - producers of agricultural raw materials, processing enterprises and consumers, as well as development providers – research organizations; institutions of higher, secondary and additional education; organizations of innovation infrastructure; Executive authorities [10]. The project approach to the innovative development of the food industry is currently not fully developed. There is no methodological basis for it, no features of adaptation to the work of agricultural enterprises and processing companies are identified, the prospects for the application of the project approach in the innovation environment are not clearly defined.

### 5 Research Methods

Most experts talk about the introduction of a strategic approach to food development, solving the problems of import substitution in agricultural producers, integration processes in the food industry, improving food security at the same time, according to the author, all these issues can be solved more effectively with the introduction of a project approach to the management of innovative development of food industry, the development and implementation of complex projects and programs, coordination of the activities of the authorities and participants of the food market in the region.

Implementation of the project approach to the development of the food sector of the region's economy can ensure the creation and implementation of the project office. The place and role of the project office in the management of the food sector of the region's economy are shown in Fig.1.



**Figure 1.** Place and role of the project office in innovation development management food industry enterprise  
 Source: compiled by the authors

The formation of a project office to regulate the food sector of the region's economy can be based on different approaches. Most authors identify a consistent approach (from a detailed survey, through concept to implementation), an approach based on the use of project management information systems (both traditional on the Microsoft Word platform and full-featured), as well as an approach based on quick results. The most appropriate approach to the formation of the project office and the implementation of project management, many experts believe an integrated approach that combines the features of individual approaches.

The implementation of the project office in the food sector is a multifaceted task and is characterized by a significant number of problems. Visualization of the problem field of formation and implementation of the project office is shown in Fig.2.

<p style="text-align: center;"><b>KEY PROBLEM PROJECT MANAGEMENT</b></p> <p style="text-align: center;">Basic condition:</p> <ul style="list-style-type: none"> <li>- project architecture</li> <li>- type and type of project office</li> <li>- key functions of the project office</li> </ul> <p style="text-align: center;">Specifics of the food sector:</p> <ul style="list-style-type: none"> <li>- state of the food sector management system</li> <li>- participants in the food sector and a set of linkages</li> <li>- register of ongoing and future projects</li> <li>- types of design solutions for the food sector of the region's economy</li> </ul> <p style="text-align: center;">Project management requirements in the region:</p> <ul style="list-style-type: none"> <li>- development of passport, plan and road map of the project(s)</li> <li>- phasing the implementation of projects of the food sector</li> <li>- set of areas/activities/checkpoint projects</li> <li>- existing experience of project management in the regions</li> </ul>	<p style="text-align: center;"><b>PROBLEMS OF METHODOLOGY PROVISIONS</b></p> <p style="text-align: center;">Methodological and methodical base:</p> <ul style="list-style-type: none"> <li>- project management methodology-PMBOK, IPMA, Eurasian standard, national competence requirements</li> <li>- methodology of Russian companies - "Project practice", "Project services", "PM Expert", "ELMA", others</li> <li>- methodological recommendations on the implementation of project management</li> </ul> <p style="text-align: center;">Regulatory framework and standards:</p> <ul style="list-style-type: none"> <li>- post. № 1050 from 15.10.16; rasp. The MAYOR NO. 26P-AU from 14.04.14.</li> </ul> <p style="text-align: center;">PMBok, ICB, NTK, IPMA Delta, ISO, ISO PM Standards (project management)</p> <ul style="list-style-type: none"> <li>- key ministries, agencies and project organizations</li> </ul> <p style="text-align: center;">Project management information system (PMS):</p> <ul style="list-style-type: none"> <li>- the purpose of technological support (labor, errors, speed, information), a set of subsystems</li> <li>- the level of maturity of management processes to select the type of ICMS</li> <li>- ISUP platform</li> </ul>
<p style="text-align: center;"><b>THE PROBLEM OF CREATING PROJECT OFFICE</b></p> <p style="text-align: center;">Specialists:</p> <ul style="list-style-type: none"> <li>- heads of project offices-Central, functional, municipal</li> <li>- responsible for project directions/activities</li> <li>- project team and training</li> <li>- professional support of the project office</li> </ul> <p style="text-align: center;">Management:</p> <ul style="list-style-type: none"> <li>- strategic / tactical decision system</li> <li>- overcoming resistance to change</li> <li>- project motivation</li> </ul> <p style="text-align: center;">Possible solution:</p> <ul style="list-style-type: none"> <li>- value of project management for the food sector</li> <li>- increase in the effectiveness of projects (terms, risks, budget)</li> <li>- the leading role of the project office in coordinating the interests of stakeholders</li> </ul>	<p style="text-align: center;"><b>IMPLEMENTATION PROBLEMS PROJECT OFFICE</b></p> <p style="text-align: center;">Experience in implementing project offices:</p> <ul style="list-style-type: none"> <li>- options for the implementation of offices - "Cascade", "Agile", "from ISUP", mixed</li> <li>- positive experience of the regions (pilot site 1 LV. - Belgorod, Yaroslavl region, level 2 - Penza, Tomsk region.)</li> <li>- effective zones of implementation of project offices in the regions</li> </ul> <p style="text-align: center;">Features of project management in the food sector:</p> <ul style="list-style-type: none"> <li>- multi-aspect functioning of the sector, specifics of products, projects, regional features of development</li> <li>- the leading role of the food sector in the economy of the region</li> <li>- dependence on resource availability and interaction of the parties</li> </ul> <p style="text-align: center;">Necessary competence:</p> <ul style="list-style-type: none"> <li>- set competence of project management</li> <li>- contextual, behavioral, technical, General competence</li> <li>- new competencies of stakeholders in the development of the food sector in the region</li> </ul>

**Figure 2.** Problem field of formation and implementation of the project office on regulation of development of the food sector of the region's economy (Source: compiled by the authors)

The argument in favor of the project office is the positive experience of a number of regions – Belgorod region, Yaroslavl region, Tomsk region, Penza region, Ulyanovsk region and Vologda region, Perm region, Primorsky Krai, Khanty-Mansi Autonomous district, the Republic of Sakha (Yakutia). The function of project offices in these regions is supported by the Project office of the Government of the Russian Federation.

## 6 Findings

Thus, the project office is a certain organized structure, including qualified project management specialists, who form methodological and organizational support of project management, develop the most optimal portfolios of projects and programs, as well as ensure the connection of projects with the direction of development and the overall strategy through the implementation and development of the information system of planning and monitoring.

The project office for regulation of the food sector of the region's economy is a regional regulatory structure that facilitates the exchange of resources, tools, methodology and methods of project management between the participants of the food sector in the process of development, implementation and control of projects and programs for the development of the food sector of the region's economy, providing support to the regional economic system through the introduction of project management standards and the formation of unified reporting on programs/projects of the food sector.

The functions of the project management office of the food sector in the region are: the study of the starting positions of the food sector in the region and the prospects for its development; the development and adaptation of the legal and methodological framework for the implementation of project management in the development of the food sector; the development of projects, projects and programs for the development of the food sector in the region; the formation of competencies in the project management of the food sector in the region; spatial and network transformation of the food sector of the region's economy on the basis of involvement in the project activities of regional development providers and municipalities; intensification of innovative activities in the regional food sector; attracting investors in the food sector of the region and the formation of the development Corporation (Voronezh region); regulation of the food sector and improving food security

## 7 Conclusion

Taking into account the conducted research and presented developments on the formation of the project office, it should be noted that the study of the methodology of project management and development of project management based on the information of consulting companies "Project practice", "Project services", "PM Expert", training centers "PM University", "Specialist", the implementation of project management platforms will contribute to improving the efficiency of project management to regulate the processes of innovative development of food industry enterprises – "Advanta", "Dialogue" and others, providing support to project management associations – "Moscow branch of PMI", "SOVNET" and from the Executive bodies of state power at the regional and municipal levels. Project management is currently assessed as a leading factor in the success of regional development, increasing the investment attractiveness of the territory.

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