

Chapter 54

Lean and Digital:

A Case Study on Procurement and Supply Chain Professionals' Online Social Network

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ABSTRACT

This study focuses on “BuyerNetwork.net,” an online social networking website which brings procurement and supply chain professionals together on a digital-sphere for the purposes of interacting on work related communications and gathering information about supply chain products, operations and industry specific updates. It is aimed to explain the concepts of digital entrepreneurship and lean startup concepts with a literature background and on a case study. In the proposed case study, BuyerNetwork.net’s establishment process is examined.

INTRODUCTION

Entrepreneurship is the topic that occupies a prominent position on the research agendas of scholars from a variety of disciplines including anthropology, history, management, psychology, sociology and economics. It has been introduced by Jacques des Bruslons in 1723 on the French dictionary, *Dictionnaire Universel de Commerce* (Navale, 2013) and the ‘entrepreneurship’ word derives from the French word ‘entreprendre’ (Kuratko, 2009). In about 1800, Jean-Baptiste Say, a French economist who was one of the first mentioned ‘entrepreneur’ word, has explained it as “a person who shifts economic resources out of an area of lower, into an area of higher productivity and greater yield” (Butler-Bowdon, 2010, p. 82). Over the years, many research studies have been conducted to understand the personality characteristics, abilities, capabilities of the entrepreneurs. One can see many studies which examine the relationship

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between entrepreneurship and many more related concepts such as culture, innovation, economy. Moreover, 'entrepreneurship literature' shows that it has many new categories such as eco-entrepreneurship, social entrepreneurship, woman entrepreneurship, digital entrepreneurship, lean entrepreneurship etc.

Weightless economy, digital transformation and many other new concepts emerged in the 21st century. Social media and social networking are two of these concepts which take place in the digitalization movement. Mainstream social networks such as Facebook, Instagram, LinkedIn are widely in use. Also, there is an emerging attention to vertical social networks which are specialized online communities built on shared interests, needs, events etc. BuyerNetwork.net is one of them which has been established in 2014 at Istanbul University Teknokent (Turkey) for innovative university practices by two scholars. There are procurement and supply chain professionals, entrepreneurs, scholars, researchers, students and NGOs in the BuyerNetwork.net ecosystem. It provides professional communications and connections; B2B opportunities and campaigns; and professional tools. It has more than 3300 members, 6 modules (performance measurement, commercial campaigns, goods and services, quality documents, references, marketplace, blogs and events modules), 3 user groups and 16 special functions.

The emerging digital economy has attracted much interest in recent years. Since internet and digitalization have changed almost everything including entrepreneurship, it brought new concepts such as digital entrepreneurship. Davidson and Vaast (2010, p. 2) explains that "digital entrepreneurs rely upon the characteristics of digital media and IT to pursue opportunities. In doing so, they exacerbate changes in the competitive landscape, as they attempt to seize the opportunities and thereby potentially further the creative destruction process of the digital economy". According to Hull (2007) digital entrepreneurship basically has three types which are mild, moderate and extreme digital entrepreneurship. In this study, BuyerNetwork.net is emphasized as 'extreme digital entrepreneurship' which the entire company is digital, going from production to customers. This explanation points a 'type of entrepreneurship' based on the digital-sphere.

The other concept which is explained in this study is lean startup. It offers innovative and profitable products and/or services while minimizing unnecessary over-costs to customers, suppliers and the environment. In this study, BuyerNetwork.net establishment process has been explained with this concept. While lean start-up method focus on how new entrepreneurial companies can develop new products and services for a large number of customers in a shorter period of time by minimizing costs (Tanev et al., 2015), digital entrepreneurship states the platform which entrepreneur(s) do business in. Lean startup concept deals with "how" by explaining the process of producing MVP(s) in an early stage company based on waste reduction thinking. Digital entrepreneurship defines "what" by putting a framework and stating the tools can be used such as social networking platforms, digital apps. Both concept stress the challenges, the risks and uncertainties the companies have to deal with. In many cases, the solution for the companies is to build relations and networks to minimize both complexity and uncertainty, as well as to optimize the use of external resources. The link between the two approaches can be found in their focus on entrepreneurship, since in both cases the entrepreneurs have to learn to operate in a complex and uncertain business ecosystem including customers (which is very important for lean startup concept), suppliers, R&D partners, competitors, etc. (Tanev et al., 2015).

Some previous studies examined the concepts both conceptually and empirically (Sambamurthy et al., 2003; Hull, 2007; Turban et al., 2008; Davidson & Vaast, 2010; Ashgari & Gedeon, 2010; Hafezieh et al., 2011; Esmaeeli, 2011; Tanev et al., 2015; Grohn et al., 2015). This chapter aims to bring these two concepts together with a single case study on BuyerNetwork.net. In doing so, lean start-up method can deeply be understood for establishing a digital company on a vertical social networking site.

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