

ENTREPRENEURSHIP, TRADE AND BUSINESS CULTURE: AN ANTI-CRISIS ASPECT

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THE COMPONENTS OF THE EFFECTIVE IMPLEMENTATION OF INNOVATION: A THEORETICAL ASPECT

Innovation is the result of activities aimed at improving products, services, production and other processes in order to meet the growing needs of the market.

Innovation is a finished product resulting from the introduction of new ideas. The objects of innovation activities include the result, the resulting intellectual property or goods (services). The creation of innovation has a preconceived end result. Innovation activity stimulates the work of organizations, allowing to overcome critical moments and improve the quality of work and the resulting end product. For each organization innovation tasks are set individually – depending on the goals and capabilities of the enterprise. Obtaining the necessary resources affects the width of the range of tasks to be solved and their sequence.

An innovation is an introduced improvement that stimulates an increase in the quality of a work, service, or product. Features of innovation:

1. Realizability in practice;
2. Adequacy in relation to the needs of buyers;
3. Expected income.

The functions of innovation are presented in Table 1 [2].

Table 1

Functions of innovation activities

Function	Characteristics
Restructuring	application of theoretical knowledge to produce a socially useful product
Motivational	activation of the growth of public profits through potential benefits for participants
Renewing	new ideas affect the growth of the economic indicators of the country, the percentage of the gross domestic product
Social	improving human life, increasing comfort and quality of life; improving environmental performance

To perform these functions it is necessary to have two sides of the process: subjects and objects of innovative activity.

The subjects include:

- individuals or legal entities engaged in entrepreneurial activity;
- state structures, engaged in the control of this activity;
- participants of the innovation process, involved in the creation and implementation of innovation;
- defenders of the interests of the subjects that create new ideas.

The goals of innovative activity include:

- increasing the sphere of influence on the consumer market;
- improvement of competitiveness parameters;
- improvement of the internal working process of the organization;
- improvement of environmental safety indicators of production and sales processes [3].

The necessity of innovations in different sources is explained differently. The main reasons for the emergence of innovation are called:

- 1) the requirements of customers;
- 2) the desire to take a leading position within their industry;
- 3) increasing the importance of the organization;
- 4) improvement of internal processes of the enterprise;
- 5) imitation of similar companies.

Organization of innovative activity in different spheres of our life is conditioned by necessity to create comfortable conditions, to solve problems, to correspond to constant growth of intellectual level of the population. State, global, intra-branch level – life on any scale requires improvement. The role of innovation in the success of any activity is difficult to underestimate.

The rate of innovation, according to the book by E.M. Rogers [1], depends on five aspects (Table 2).

Table 2

Factors influencing the spread of innovation

Factor	Characteristics
Income	The amount of benefit derived from the innovation affects the popularity of the product
Accessibility, absence of controversy	A materially advantageous invention with the right parameters will quickly find consumers
Compliance with the level of the consumer	Sophisticated technology will not resonate with a user with little knowledge
Accessibility for testing. Visibility	A noticeable improvement in the quality of life using new technology will create a good level of demand
Competition between innovations. Competing innovators	Competition in any area of activity has a positive effect: it reduces the time it takes to create ideas, forces greater attention to the quality of inventions and their dissemination

Innovative activities with competing counterparts are more disciplined. Organizations have to put more effort into consumer market research. Analyzing the innovation activities of competitor firms becomes an integral part of enterprise strategy and radically influences new ideas. Progressive technologies are emerging every day, replacing the rapidly aging innovations that conquered the world only yesterday. Competition pushes inquiring minds to further improve all areas of life, searching for optimal, modern processes.

An innovation is considered successfully introduced if four conditions are met (Table 3) [4; 5].

Table 3

Criteria for the success of innovations

Criteria	Characteristics
Importance	The result should be regarded by the buyer as a valuable acquisition
Exclusivity	The result must have properties different from those of existing competitive products on the market
Endurance	The resulting product must be resistant to competitive opportunities. The prospect of maintaining uniqueness in the market should be long-term
Liquidity	The organization must be able to implement new ideas with the available resources; the product must be a profitable purchase for the buyer in terms of quality and price

The effectiveness of innovation is the essence of innovation.

The development of innovation depends on the loyalty of the state to new ideas. With legislative support of innovative projects, absence of deterrents, competent state regulation of innovations and the presence of stimulating incentives innovation will develop powerfully and everywhere. The state will be able to fully feel the role of innovation in modern society through the development of all sectors. In the absence of proper support, it is difficult to implement innovations in social life and production, therefore, the development will lag far behind, technologies will not get the timely implementation. Every state faces the tasks of preserving unity and protecting citizens. Fulfillment of these tasks is impossible without innovation activities. In each area (agriculture, finance, economy) there are priority areas, their stimulation will have a positive effect on the overall development of the state system.

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