

DOI: <https://doi.org/10.30525/978-9934-26-295-1-109>

KEY ASPECTS OF ENSURING THE FINANCIAL AND ECONOMIC PERFORMANCE OF THE INNOVATIVE DEVELOPMENT OF INDUSTRIAL ENTERPRISES

Innovative development depends on internal factors (material and technical support, production and sales activity, organizational and managerial support, financial and economic support, research and development activity, use of human capital), which limit the company's capabilities for innovative development, and external factors (industry, political and legal, economic, marketing environment; infrastructural support, tendency of world markets towards globalization). These factors determine the set of objects and conditions with which an industrial enterprise interacts directly or indirectly.

An effective management system of innovative development at the level of an individual industrial enterprise requires a comprehensive study of its effectiveness. The formation of management mechanisms capable of significantly increasing the financial and economic effectiveness of the innovative development of industrial enterprises in modern conditions is one of the primary scientific tasks.

The financial and economic effectiveness of innovative development is characterized by financial resources (own, involved, etc.) that are necessary for industrial enterprises to carry out innovative activities and determines the efficiency of using the innovative potential of the enterprise.

Thus, the following indicators can determine the financial and economic effectiveness of innovative enterprises [1, p. 87-88]:

- the level of innovation capacity of costs, which determines the share of innovation costs (technological, marketing, organizational) in the total volume of industrial products;
- coefficient of own funds aimed at innovative activity, which shows the share of own funds for financing innovations in the total amount of investment funds aimed at innovative development;
- the level of the enterprise's investment policy, which determines the development of the innovation development management subsystem in the direction of mobilizing own and attracting funds from external sources (including state, regional) aimed at innovation;
- the level of R&D expenditure, which characterizes the expenditure on research and design work;
- R&D efficiency ratio, which characterizes the scientific and scientific and technical effectiveness of research and development works;
- the rationality of the use of goods distribution channels, which characterizes the effectiveness of operations regarding the sale of innovative products;
- the degree of flexibility of the price policy, which characterizes the ability of an industrial enterprise to set prices for goods and change them depending on the market situation in order to capture a certain market share and obtain a planned amount of profit;
- the degree of increase in the profitability of the enterprise, which characterizes the net effect of innovations for the period (in monetary terms) to the amount of capital costs incurred during the implementation of innovative activities.

Financial and economic effectiveness of innovative activity is reflected both at the production stage and at the implementation stage (internal and external, intermediate and final, static and dynamic efficiency).

That is, it is possible to strengthen the innovative development of the enterprise by increasing the indicators of its components. Increasing the level of financial and economic efficiency of innovative development of an industrial enterprise includes:

- new financial methods and tools for the distribution of investment funds;
- improvement or modification of the financial system, active investment policy;
- change of methods and ways of planning innovative development;
- use of modern methods of calculating the effectiveness of innovative projects;
- reduction of production costs, rationalization of the accounting system.

The main source of the implementation of innovative projects, as evidenced by the facts of the conducted research, are the own funds of industrial enterprises (about 70%), and it becomes obvious that in the future it is necessary to rely on them.

The economic toolkit for the implementation of innovative measures, which provides for the creation of an innovative development fund based on the mobilization of own funds through the successful implementation of innovative changes. The recommended areas of use of this fund are internal investment in innovative development, insurance and its stimulation (based on individual and collective encouragement).

Stimulation of innovative development, in addition to the individual incentive system, also includes a collective incentive system based on the principle of consistency of interests in increasing the efficiency of the enterprise's innovative activity. The collective form of stimulating innovative development at the enterprise is determined depending on the value of the interval limits of the integral indicator of innovative development.

Thus, the financial and efficiency of innovative development of an industrial enterprise depends on its objective and adequate assessment. It is necessary to use a set of methodological approaches, supplementing them with other criteria and balanced indicators in accordance with the specifics of the innovative activity of the enterprise, the type of industry and a number of other factors. This will make it possible to evaluate the results of the enterprise's work in this direction both in the current period, based on the results of implemented innovative solutions, and in the medium and long term.

References:

1. Sydoruk I. (2018) The process of managing the financial and economic effectiveness of the innovative development of the enterprise. *Herald of Khmelnytsky National University. Economic sciences*, no. 3, vol. 1, pp. 85–89.