Olena Chornenka

Candidate of Economic Sciences, Associate Professor, Associate Professor at the Department of Foreign Trade and Customs Lviv Polytechnic National University ORCID: https://orcid.org/0000-0002-0900-4003

INNOVATION MANAGEMENT AS THE KEY TO SUCCESSFUL FOREIGN ECONOMIC ACTIVITY IN EU COUNTRIES

Summary

Innovation management stands as the pivotal factor driving successful foreign economic activity among EU member states, exemplified by the cases of Poland, Germany, France, and the Czech Republic. Each country reflects a distinct trajectory shaped by historical, cultural, and economic contexts. Poland harnesses its adaptability to grow a robust startup ecosystem and leverage EU funding, propelling exports and global competitiveness. Germany's legacy of precision engineering fosters strong industry-academia alliances that sustain its reputation for high-quality products. France, bolstered by state-led research initiatives and an ingrained appreciation for creativity, excels in diverse sectors ranging from luxury to high-tech industries. The Czech Republic's manufacturing heritage and strategic location enable it to thrive in specialized markets and integrate smoothly into pan-European supply chains. By examining these varying vet interconnected approaches, we see that innovation management orchestrates how ideas become market-ready solutions with global appeal. Effective governmental policies, collaboration among stakeholders, and a willingness to adapt ensure that EU countries remain dynamic players in international trade. In this context, innovation management is not merely a buzzword but a strategic cornerstone – one that continues to shape the trajectory of EU nations, fortifying their position in a rapidly evolving global landscape.

Introduction

Innovation management plays a pivotal role in shaping the economic landscape of contemporary global markets. In the context of the European Union (EU), this role becomes even more profound, as member states strive to maintain competitive advantages through the seamless integration of technology, research, and strategic planning. When combined with efficient foreign economic activity, innovation management fosters the conditions necessary for sustainable growth. The ability to introduce novel products, services, and processes forms the basis for maintaining global competitiveness. Moreover, it underpins the drive for long-term financial stability in a rapidly evolving environment. This dynamic underscores the need for a thorough exploration of how innovation management influences foreign economic success within EU countries.

As EU member nations continue to deepen economic and political integration, the emphasis on innovation has intensified. The global arena demands that countries not

only keep pace with emerging technological trends but also adapt swiftly to shifts in consumer preferences and market regulations. Foreign economic activity, defined by exports, imports, and cross-border investments, sits at the heart of national development strategies. Thus, the EU's focus on cultivating innovative capabilities is not just about remaining relevant - it is about forging a pathway to sustained prosperity. Innovation management, therefore, becomes the essential mechanism to harness new ideas effectively and integrate them into international operations. A well-devised system of innovation management enables companies and governments to identify opportunities early, reduce risks inherent in research and development, and respond proactively to the changing demands of the global market. In parallel, foreign economic activity depends largely on how well these innovations are promoted and positioned across international borders. Whether it is the digitalization of manufacturing processes or the surge in green technologies, the success of any new development is greatly influenced by its global reach and acceptance. Consequently, the interplay between innovative breakthroughs and foreign trade policies reveals a fundamental synergy that can drive national and collective prosperity.

To better understand this interplay, it is crucial to examine the unique characteristics of innovation management in key EU countries. Each member state has its own regulatory frameworks, economic priorities, and technological expertise that impact the way innovation is generated and deployed. Moreover, cultural norms and historical legacies can influence the pace and nature of how new ideas are embraced. By scrutinizing national approaches to foreign economic activity and innovation management, we glean insights into how best practices might be adapted or replicated across the broader European community. Such an examination also highlights inherent challenges and opportunities, ensuring that reforms are wellinformed. For instance, Poland's rapid transition to a market economy has positioned it as an emerging hub for technology startups, while Germany's long-established engineering tradition lends itself to high-value industrial innovation. France's focus on research-intensive industries has produced notable global champions, and the Czech Republic's manufacturing-based economy has demonstrated resilience through specialized production lines and technical expertise. These examples underscore that success in foreign economic activity is often a consequence of deliberate investment in innovation, supported by frameworks that encourage collaboration among enterprises, research institutions, and government bodies. Each scenario offers valuable lessons on how to integrate innovation management with international endeavors.

This text aims to delve into the nuances of innovation management within the EU, focusing on both overarching principles and country-specific experiences. By exploring Poland, Germany, France, and the Czech Republic as illustrative examples, we will highlight the fundamental elements of innovation management, showcase the distinctive dynamics of foreign economic activity, and examine how these two domains reinforce one another. Ultimately, by understanding the drivers behind successful innovation and leveraging these insights to bolster cross-border economic engagement, EU countries can thrive amid global uncertainties. Through

strategic planning and collaborative efforts, innovation management emerges as the key to unlocking sustainable foreign economic growth.

Chapter 1. Features of innovation management and foreign economic activity in EU countries

Innovation management plays a pivotal role in foreign economic activity by serving as the engine for competitiveness and sustainable growth in the global marketplace. It is a systematic process that involves the ideation, development, and implementation of new products, processes, and business models, enabling companies and economies to adapt to rapidly evolving markets. In the context of foreign trade and international cooperation, innovation management is increasingly recognized as a strategic tool to overcome challenges such as economic volatility, technological disruption, and competitive pressures. By fostering a culture of innovation, organizations can better anticipate global trends and seize emerging opportunities. In foreign economic activity, innovation management contributes significantly to the enhancement of international competitiveness. It provides firms with the ability to differentiate their offerings in crowded markets, thereby gaining a competitive edge over rivals. This differentiation often translates into increased market share and profitability [1-2]. Innovation-driven strategies are crucial for entering and sustaining positions in international markets, where consumer preferences, regulatory environments, and competitive landscapes vary widely. Furthermore, managing innovation effectively ensures that organizations remain agile and responsive to external shocks and disruptive technologies, which are common in today's interconnected global economy.

One of the key areas where innovation management influences foreign economic activity is in the realm of technology transfer and international collaboration. Companies and nations often engage in cross-border partnerships to access new technologies, research capabilities, and market insights that might not be available domestically. These collaborations are essential for driving innovation as they enable the pooling of resources and expertise, leading to breakthroughs that have farreaching implications. By effectively managing the innovation process, organizations can leverage these international relationships to foster economic growth and drive forward the development of novel solutions that meet global challenges.

Effective innovation management also plays a critical role in shaping national economic policies and strategies related to foreign trade. Governments, recognizing the importance of technological advancement and innovation, invest in research and development (R&D) initiatives and create frameworks that support innovation ecosystems. These policy measures often include incentives for innovation, protection of intellectual property rights, and the establishment of innovation hubs. Such supportive environments encourage both domestic and foreign investments, which are fundamental for sustainable economic development. By integrating innovation management into economic planning, policymakers can boost national competitiveness on the global stage and enhance the overall performance of their economies. Another significant aspect of innovation management in the sphere of foreign economic activity is its impact on supply chain dynamics and operational

efficiency. In an era where global supply chains are highly integrated and complex, innovation management enables firms to optimize operations, reduce costs, and improve product quality. The adoption of advanced technologies such as automation, artificial intelligence, and digital analytics has revolutionized traditional supply chain processes. These innovations not only streamline production and distribution but also enhance transparency and responsiveness across borders. As a result, companies are better positioned to manage risks and capitalize on new business opportunities in a dynamic international environment.

Innovation management is also critical for addressing the challenges associated with globalization, such as cultural differences, regulatory heterogeneity, and varying market conditions. Organizations that effectively manage innovation are adept at tailoring their products and services to meet diverse customer needs while complying with different regulatory standards. This adaptability is essential in navigating the complexities of global markets, where a one-size-fits-all approach often falls short. By fostering an innovative mindset, companies can develop flexible strategies that accommodate local variations and ensure success in multiple regions, thereby reinforcing their presence in the international economic arena.

Innovation management, at its core, concerns the systematic processes and practices that guide the development, implementation, and commercialization of new ideas. This involves not only the invention of novel products or services but also the application of new methods in operations, marketing, and strategy. Crucially, it brings together knowledge from diverse fields, fostering an environment where experimentation is encouraged yet directed. In the EU context, where economies are intertwined through shared regulations and financial structures, effective innovation management becomes a unifying factor that drives competitiveness both within and beyond regional borders.

A central element of innovation management is the capacity to anticipate and adapt to change. Organizations must remain vigilant in tracking technological breakthroughs, market trends, and evolving consumer preferences. By employing tools such as horizon scanning and scenario planning, managers seek to identify potential disruptions before they become crises. This proactive stance not only mitigates risk but also positions companies to seize emerging opportunities in foreign markets [3-4]. Innovation, when guided by a solid management strategy, can serve as a powerful lever for breaking into new territories or diversifying product portfolios.

Collaboration is another key pillar of innovation management. It thrives in ecosystems where academia, government institutions, and private businesses can freely exchange insights. Funding mechanisms, such as EU grants and venture capital, play a critical role in enabling these collaborations. By pooling expertise and resources, entities can undertake high-cost, high-risk research and development efforts that might be unfeasible if pursued independently. Furthermore, cross-border collaborations within the EU pave the way for joint ventures that resonate in global markets, reinforcing the link between innovation management and international competitiveness. However, effective innovation management also requires robust organizational structures and leadership. Companies must commit to ongoing learning and capacity building, while leaders champion the mindset that experimentation and even initial failures are acceptable stepping-stones toward breakthroughs. In addition, internal communication channels need to be transparent and efficient. This ensures that frontline employees and executives share a common vision, fostering a culture where new concepts can be tested without bureaucratic roadblocks. Such an environment fuels creativity, supporting both incremental and radical innovations that can bolster foreign economic performance. Crucially, innovation management is not confined to the realm of product development. Process innovations, such as lean manufacturing or data-driven decision-making, can deliver dramatic improvements in efficiency and cost reduction. Marketing innovations that embrace digital channels and analytics can also open new customer segments abroad. This broad perspective underlines that every facet of an organization, from research and development to sales, can be a site for innovative thinking. As EU countries strive to differentiate themselves on the international stage, the ability to leverage these diverse innovation pathways is paramount.

Risk management is integral to the innovation process, particularly in the face of uncertain market conditions. Strategic risk assessment helps organizations decide which projects to prioritize, balancing potential rewards against known and unforeseeable challenges [5-6]. This is especially pertinent in cross-border contexts, where legal, cultural, and infrastructural differences add layers of complexity. By aligning risk assessment frameworks with long-term objectives, enterprises can invest in innovations that not only offer immediate gains but also build the foundation for enduring competitiveness. Thus, innovation management shapes both short-term achievements and long-range resilience.

In summary, innovation management stands at the crossroads of creativity, strategy, and operational excellence. It harmonizes diverse inputs – from cutting-edge research to savvy market positioning – to unlock meaningful advancements in products, services, and processes. For EU countries, where integration and collaboration are cornerstones of economic policy, innovation management becomes a collective imperative to maintain global influence. When guided by sound principles and supported by well-designed policies, it catalyzes sustainable growth across borders. This sets the stage for deeper exploration of how specific EU nations have leveraged innovation management to enhance their foreign economic activities.

Poland's journey toward robust innovation management began with economic transformations in the early 1990s. The country moved from a state-controlled model to a market-oriented system, spurring private enterprise and foreign investment. This transition sparked the creation of technology parks and incubators, as the government recognized that support for research-intensive industries could accelerate integration into European and global markets. In parallel, Poland's foreign economic activity surged, fueled by exports in sectors such as machinery, furniture, and IT services. Innovation management became a critical factor in refining product quality and diversifying foreign trade destinations. One defining characteristic of Polish innovation management is its reliance on strong public-private partnerships. Programs funded by the European Union, including Horizon Europe, have facilitated knowledge transfer between universities and emerging companies. These grants often prioritize collaborative projects that address societal challenges, ranging from

renewable energy to advanced manufacturing techniques. By engaging with local academic talent, Polish businesses gain access to cutting-edge research while contributing to regional development. This synergy has been vital in bolstering Poland's reputation as a hub for cost-competitive and increasingly sophisticated products destined for foreign markets.

Government policy also plays a significant role in shaping Poland's innovation landscape. Tax incentives for research and development, coupled with streamlined procedures for patent registration, encourage companies to engage in continuous improvement. These policy measures extend to foreign enterprises, which can invest in Polish research centers to co-create new technologies. As foreign direct investment (FDI) flows in, local firms benefit from international expertise and best practices, further enhancing their global competitiveness. The net effect is a cycle in which innovation management drives export growth, which in turn attracts more foreign interest.

Germany, on the other hand, has a long-standing tradition of engineering excellence and industrial innovation. Known for its "Mittelstand" (small and medium-sized enterprises), the German economy relies heavily on specialized, highquality manufacturing. Innovation management in Germany is deeply integrated into corporate strategy, with many firms maintaining dedicated research and development teams. This commitment is supported by robust vocational training and apprenticeship programs, ensuring a steady supply of skilled workers who can implement cutting-edge technologies. Consequently, Germany's foreign economic activity is anchored by exports of machinery, automobiles, and chemical products, all of which embody advanced engineering and innovation.

In Germany, the link between academia and industry is institutionalized through organizations like the Fraunhofer Society and the Max Planck Institutes. These research bodies collaborate closely with private companies to bridge the gap between foundational science and market-ready applications. Government support for research is substantial, ensuring that scientists and entrepreneurs have the resources to experiment and refine ideas. Through regional clusters such as those in Baden-Württemberg or Bavaria, firms gain easy access to specialized suppliers, research partners, and infrastructure [7-8]. This concentration of expertise underpins Germany's ability to retain a leading position in global trade. When it comes to foreign economic activity, Germany's prowess hinges on both the quality of its products and the trust it has built with international partners. Decades of consistent performance have established a formidable reputation for German technology and craftsmanship. Innovation management strategies, such as continuous improvement (Kaizen) and the adoption of Industry 4.0 principles, keep German enterprises on the cutting edge. These approaches facilitate smart manufacturing, optimize production lines through automation, and integrate data analytics for predictive maintenance. In foreign markets, this systematic commitment to innovation sets German products apart in terms of reliability and technical sophistication.

A notable contrast between Poland and Germany lies in their levels of capital intensity and the depth of industrial heritage. Poland, being relatively newer to the free-market system, has had to quickly build an innovation ecosystem from the ground up. This environment emphasizes agility, cost-effectiveness, and openness to global collaboration. Germany, by contrast, benefits from a centuries-long industrial tradition, well-established institutions, and a wealth of accumulated technical know-how. While Poland's foreign economic activity is often price-competitive and increasingly technology-driven, Germany's is synonymous with premium quality and advanced engineering. Despite these differences, both countries showcase how innovation management can fuel international success. Poland demonstrates that strategic reforms and sustained investments in education, infrastructure, and research can catapult a transitioning economy onto the global stage. Germany illustrates that even in a mature, highly developed economy, there is always room for incremental and radical innovation to sustain export dominance. By fostering environments that support knowledge exchange, each country leverages its unique strengths to navigate global competition [9-10]. The outcome is a dynamic EU landscape, where diverse models of innovation and trade contribute to collective prosperity.

In practical terms, collaboration between Poland and Germany in areas like automotive manufacturing and energy solutions exemplifies how joint innovation efforts translate into tangible economic benefits. German automakers, for instance, often establish production facilities or partnerships in Poland to tap into its skilled labor and lower production costs. This synergy creates a virtuous cycle where Polish suppliers upgrade their capabilities in line with German quality standards, further advancing Poland's innovation potential. Meanwhile, Germany gains flexible supply chains that enhance its competitiveness in foreign markets (Table 1).

Overall, Poland and Germany represent two distinct pathways to leveraging innovation management for foreign economic success. Poland's rapid evolution highlights the value of targeted policy measures, public-private partnerships, and openness to global investments. Germany's longstanding prowess confirms the importance of continuous research and development, vocational excellence, and institutional support. Both countries underscore the principle that innovation management is integral to sustaining growth, remaining competitive, and achieving significant penetration in global markets. Their experiences lay a foundational understanding for examining how France and the Czech Republic approach these same challenges and opportunities.

France's innovation management framework is shaped by a combination of stateled initiatives and robust private-sector participation. The country has historically invested heavily in fundamental research, yielding institutions of global renown in fields ranging from aerospace to biotechnology. Such a focus stems from a national tradition that values scientific discovery and cultural advancement. Foreign economic activity in France is buoyed by exports of luxury goods, agricultural products, and cutting-edge technologies, reflecting a dual emphasis on heritage and modernity. France's ability to blend tradition with technological innovation underscores the multifaceted nature of its global trade positioning.

Key to France's innovation strategy is the role of government agencies such as Bpifrance, which provides funding and support to startups, and the National Research Agency (ANR), which coordinates research projects nationwide. These organizations focus on bridging the gap between basic research and commercial application, encouraging collaborations that pair academic expertise with market-driven demands. Through competitive grants, tax credits, and international partnerships, France aims to nurture an ecosystem where scientific discoveries rapidly transition into globally marketable products. This framework has been instrumental in sustaining its prominence in areas like nuclear energy, pharmaceuticals, and aerospace engineering.

Table 1

	activity in Folanu and Germany
Poland	Germany
Poland's historical shift from a centrally planned economy to a market-driven one has cultivated a national aptitude for swift adaptation. This rapid transition encouraged a strong entrepreneurial spirit supported by government reforms and incentives that accelerate innovation. As a result, Poland has become a favored destination for foreign direct investment, showcasing how a focus on modernization can create competitive advantages in both regional and international markets.	Germany's global reputation for engineering excellence is a testament to its deep-rooted industrial heritage. The country's culture emphasizes meticulous craftsmanship and top- tier standards, traits ingrained through vocational training and apprenticeships. This unwavering commitment to precision endears German products to customers worldwide, bolstering its foreign economic position and illustrating how an ingrained culture of excellence can drive innovation management
The dynamic startup scene in cities like Warsaw and Kraków underscores Poland's innovative capacity. Incubators, technology parks, and accelerator programs have emerged to nurture fledgling enterprises in fields like fintech, gaming, and artificial intelligence. These ventures often tap into Poland's robust pool of tech-savvy graduates, fostering continuous growth. This environment propels Poland's foreign economic reach, as many startups target global niches and secure international partnerships	Institutions like the Fraunhofer Society exemplify Germany's success in bridging academic research and commercial application. By aligning scientific inquiry with industrial demands, these partnerships accelerate the development of ground-breaking technologies. This synergy not only fosters innovation in manufacturing and engineering but also cements Germany's prominence in global trade, as specialized knowledge is consistently transformed into market-ready solutions.
Poland has effectively leveraged EU funds to bolster research and development initiatives. By channeling these resources into infrastructure, education, and collaborative projects, the country has laid a solid foundation for sustained innovation. Joint ventures that receive EU grants allow Polish firms to develop internationally competitive products, enhancing exports and raising Poland's profile as a growing innovation hub within Europe	Germany's proactive embrace of Industry 4.0 principles – smart automation, real-time data exchange, and interconnected supply chains – exemplifies its forward-thinking innovation management. By integrating advanced software and robotics into production, German firms optimize efficiency and reduce costs. This modernization resonates in foreign markets, where reliability and technological sophistication remain powerful incentives to purchase German goods

Unique principles of innovation management and specifics of foreign economic activity in Poland and Germany

Source: formred by the author

Another hallmark of the French system is its cultivation of "pôles de compétitivité," or competitiveness clusters. These clusters bring together companies, research institutions, and local governments to stimulate regional innovation. By

concentrating resources and expertise, they enable faster knowledge transfer and more targeted research and development efforts. Each cluster often specializes in particular industries, such as sustainable energy or advanced materials, thereby promoting synergies that extend into global markets. Their collaborative nature exemplifies how innovation management can be structured to maximize regional strengths while also positioning France favorably in international trade. However, like any innovation ecosystem, France faces challenges. High labor costs and complex regulatory frameworks can at times inhibit rapid scaling, especially for startups looking to compete on the world stage. To address these issues, recent reforms have focused on simplifying business creation and expanding digital infrastructure. The emergence of technology hubs in Paris and other cities reflects a growing entrepreneurial culture that complements traditional research institutions. These hubs serve as conduits for foreign investments and partnerships, reinforcing France's standing as a destination for ambitious, globally oriented projects. In contrast, the Czech Republic's approach to innovation management is deeply influenced by its legacy of industrial manufacturing and engineering excellence, particularly within the domains of machinery, automotive components, and nanotechnology [11-12]. Post-communist transitions in the 1990s reshaped the economic landscape, paving the way for foreign direct investment and private enterprise. Today, the Czech Republic boasts a diversified export structure, sending goods around the world, from precision-engineered parts to advanced electronics. Its commitment to research and development is evident in modernized universities and specialized institutes that encourage collaboration with industry.

A key factor in the Czech Republic's innovation strategy is the use of technology clusters and innovation centers that focus on applied research. These institutions often work directly with local manufacturers to improve processes and develop new products [13-15]. For example, automotive clusters benefit from close proximity to car manufacturers, allowing them to test prototypes and refine designs more efficiently. This proximity fosters a pragmatic, iterative approach to innovation management, where the immediate needs of industry guide research priorities and resource allocation.

Government support in the Czech Republic further propels its innovative momentum. Through programs co-financed by the European Structural and Investment Funds, small and medium-sized enterprises can access grants to modernize facilities, hire technical experts, and invest in quality management systems. By aligning these incentives with regional development goals, the Czech Republic ensures that innovation management is not limited to the capital city of Prague but also reaches other industrial hubs like Brno and Ostrava. As a result, foreign investors looking to establish manufacturing or R&D operations find a supportive environment with streamlined procedures and skilled talent. When it comes to foreign economic activity, the Czech Republic has capitalized on strategic geographic positioning. Situated at the heart of Central Europe, it benefits from easy access to major EU markets such as Germany, Austria, and Poland. This logistical advantage complements its tradition of precision engineering, making it an attractive location for supply chain operations. Consequently, Czech exports often serve as critical components in the final assembly of goods sold under well-known European brands. This integration into complex cross-border value chains underscores how innovation management and foreign trade are symbiotically linked.

A notable challenge for the Czech Republic lies in elevating the recognition of its homegrown brands on the global stage. Many domestic firms operate as suppliers rather than independent market leaders. While this arrangement offers a steady stream of foreign business, it can limit the visibility of Czech innovation achievements. To address this issue, an increasing number of companies are moving up the value chain, seeking to develop proprietary technologies and brands. In doing so, they invest in marketing, design, and customer relations – areas that benefit significantly from systematic innovation management (Table 2).

Table 2

France	Czech Republic
The Czech Republic's long history of machinery production and precision engineering underpins its current innovation trajectory. Decades of accumulated know-how provide a solid foundation for designing and refining products. This expertise resonates globally, as Czech-made components increasingly feature in high-value supply chains, illustrating how manufacturing heritage can evolve into a modern innovation pillar	France's robust network of state-funded institutions, including the CNRS and CEA, underscores a national commitment to fundamental research. Government engagement extends beyond funding, guiding strategic priorities in sectors such as nuclear energy and aerospace. This top-down support ensures a rich pipeline of scientific discoveries that feed into commercial applications, boosting France's international standing in high-tech exports
Czech innovation management places high importance on practical applications, particularly through industry-aligned research centers. These institutions collaborate closely with manufacturing firms to test and implement new solutions. By prioritizing outcome-oriented R&D, the Czech Republic accelerates the commercialization process and remains competitive in sectors like automotive parts and nanotechnology, which thrive in foreign markets	French society's appreciation for creativity, design, and art merges seamlessly with technological advancement. Luxury goods, fashion, and culinary arts often integrate cutting-edge techniques to maintain global appeal. This blend of tradition and modernity exemplifies an innovation culture that transcends scientific labs, permeating diverse sectors and sustaining France's multifaceted export portfolio
Positioned in Central Europe, the Czech Republic benefits from efficient access to key EU markets. This logistical advantage facilitates export activities, encouraging foreign partners to invest in local production facilities. The result is an ecosystem where innovation – particularly in supply chain optimization – continues to flourish. As companies refine processes to meet diverse market requirements, Czech exports gain a stronger foothold internationally	These specialized clusters coalesce expertise from private industry, academia, and local governments to foster targeted innovation projects. By pooling resources, competitiveness clusters catalyze breakthroughs that are swiftly adapted for global markets. This systematic approach to collaboration amplifies France's capacity for foreign economic growth, as new products and services are refined with robust institutional backing

Unique principles of innovation management and specifics of foreign economic activity in France, and the Czech Republic

Source: formred by the author

Overall, France and the Czech Republic exemplify how different historical contexts and economic structures shape national approaches to innovation management. France's high-level research institutions and government-driven initiatives reflect a tradition of state involvement in economic and scientific pursuits. The Czech Republic's focus on industrial application and integration into European supply chains points to a more manufacturing-centric model. Yet both nations underscore that successful foreign economic activity hinges on a well-coordinated ecosystem where research, entrepreneurship, and policy converge. By examining their strengths and weaknesses, one gains a fuller understanding of how EU countries harness innovation to maintain global relevance.

Chapter 2. Possibilities of integrating the experience of EU countries into the realities of Ukraine

In recent decades, Ukraine has been navigating a complex journey of economic reform, which has directly affected its approach to innovation management and external trade. While possessing fertile agricultural lands, strong engineering traditions, and a growing tech sector, the country faces structural and institutional challenges. On one hand, there is a recognized need to modernize production processes and embrace advanced technologies; on the other, certain bureaucratic barriers and regulatory uncertainties continue to hinder rapid progress. This tension creates a unique environment in which public and private stakeholders must collaborate carefully to move innovation initiatives forward while opening up broader global economic opportunities. Historically, Ukraine's industrial base was centered on heavy machinery, metallurgy, and related fields. Over time, market liberalization and closer ties with international organizations have fostered a shift toward light manufacturing, specialized services, and software development. As domestic firms look outward for export growth, innovation management becomes crucial for staying competitive. Businesses that once relied on traditional manufacturing methods are increasingly seeking novel solutions in areas such as robotics, IoT, and advanced materials. This transformation underscores the importance of investing in research and development, as well as forging strategic partnerships with foreign entities that can provide expertise and funding.

The agricultural sector, long a pillar of Ukraine's economy, has undergone modernization to meet global quality standards. Innovation in seed technology, crop management systems, and agricultural machinery has emerged as a priority. These efforts enhance yields and product quality, allowing Ukrainian producers to move beyond bulk commodity exports toward value-added products. Yet, capitalizing on global market opportunities depends on creating an environment where new solutions can be tested, refined, and disseminated rapidly. Regulations that support agritech startups, protective measures for intellectual property, and efficient licensing processes are some of the elements needed to foster growth in this sector.

Ukraine's burgeoning information technology industry has become a high-profile example of successful innovation management. Software development hubs have taken root in major cities, where teams cater to both domestic businesses and international clients. The IT sphere benefits from a relatively young, highly educated workforce, with many professionals proficient in multiple programming languages. However, retaining skilled talents is a consistent challenge. Brain drain remains a concern as the best and brightest often seek opportunities abroad. Therefore, shaping an ecosystem that offers competitive wages, continuous professional development, and a clear intellectual property framework is crucial for Ukraine's long-term aspirations as a global IT partner.

A critical component of effective innovation management lies in the collaboration between educational institutions, research centers, and industry players. Ukrainian universities, especially in engineering and technical disciplines, produce a substantial number of graduates. Nevertheless, the transition from academic research to commercial application is frequently hampered by limited funding, outdated infrastructure, and insufficient incentives for entrepreneurship. In some regions, technology parks and incubators have begun to bridge this gap, providing resources for startups to refine prototypes and connect with potential investors. Strengthening these linkages will help transform theoretical expertise into market-ready products and services.

When discussing foreign economic activity, it is essential to recognize the role of trade agreements and the impact of geopolitical developments. Ukraine's pursuit of closer integration with European institutions has opened new export channels, albeit amid uncertainties. As the nation signs trade deals and aligns certain standards with European norms, local companies gain a pathway to markets that expect consistently high quality and transparency. In turn, this alignment with international regulations compels firms to adopt advanced production systems and rigorous quality control, both of which demand continuous innovation. Over time, this can foster a culture that prizes research-driven improvement and results-focused creativity. Another aspect shaping innovation in Ukraine is the reliance on external funding sources, whether through foreign direct investment or international organizations. While this can inject capital for critical projects - particularly in manufacturing, renewable energy, and infrastructure – it also means that Ukraine must offer a stable policy environment to attract and retain investors. Factors like contract enforcement, transparent governance, and anti-corruption measures are pivotal in convincing global partners that the country is a reliable choice for long-term collaboration. Enhanced accountability and reduced bureaucratic red tape will encourage a broader spectrum of innovation-focused investments that can boost export volumes.

Ukraine's entrepreneurial scene is steadily expanding, with a growing number of small and medium enterprises seeking global niches. Innovative products in fields such as aerospace, biotechnology, and consumer electronics have gained traction internationally. Nonetheless, limited access to credit and high-interest loans can stifle the growth of emerging firms. Policies that support venture capital, protect minority shareholders, and incentivize investment in research clusters are vital for sustaining this momentum. In parallel, local business associations and professional networks are stepping in to organize trade missions and technology fairs, helping to match promising startups with prospective customers or partners abroad.

The continuous modernization of Ukraine's regulatory framework for intellectual property and standards compliance represents both a challenge and an opportunity.

Clear legal structures around patents and industrial designs encourage entrepreneurs to take risks, knowing their breakthroughs will receive legal protection. At the same time, enforcement must be robust enough to discourage counterfeit activity, which undermines legitimate innovators. Active participation in global associations that set technological norms can not only boost Ukraine's credibility but also ensure that new products are developed to meet recognized benchmarks. This, in turn, strengthens the position of Ukrainian enterprises in international supply chains. Overall, Ukraine's trajectory in innovation management and foreign trade reflects a balancing act between inherited industrial legacies and a drive to embrace modern solutions. The country's path forward hinges on expanding the collaborative network of public institutions, universities, private enterprises, and overseas investors. By reinforcing these relationships and cultivating an environment conducive to creativity, Ukraine can better position itself in the global arena. Although hurdles remain – ranging from financial constraints to legislative gaps – there is clear evidence of emerging pockets of excellence. With targeted reforms, proactive policymaking, and a steadfast commitment to open-market principles, Ukraine can leverage its existing advantages to carve out a sustainable role in international commerce.

Poland and Germany have each forged distinct pathways to aligning innovation with external trade objectives. For Ukraine, drawing insights from these experiences can jumpstart modernization efforts and secure stronger ties with global partners. One of the most compelling lessons from Poland is how concerted, state-backed initiatives can rapidly accelerate progress in key industries. Meanwhile, Germany offers a compelling blueprint for harmonizing deep technical skill sets with market readiness. Merging select elements from both countries could empower Ukraine to become a credible contender in advanced manufacturing, IT-driven sectors, and niche technology fields.

Poland's post-communist transformation was underpinned by targeted economic reforms, ambitious privatization drives, and a concerted push to foster homegrown entrepreneurship. This shift helped spur an environment in which new businesses could access shared workspaces, training programs, and public grants. Ukraine can benefit from a similar approach by adopting financial instruments that reduce barriers to entry for startups. Furthermore, Poland's ability to attract foreign direct investment through special economic zones and technology parks could inform Ukraine's regional development policies. Setting aside well-equipped zones, complete with streamlined regulatory processes, will entice investors looking for cost advantages combined with a solid technical talent pool.

Both Poland and Germany underscore the importance of comprehensive vocational education that produces skilled workers aligned with industry needs. Germany, in particular, stands out for its apprenticeship model, which combines classroom instruction with hands-on work experience in companies. Applying a similar structure in Ukraine could help bridge the gap between theoretical education and market demands. By collaborating with local businesses, universities, and government agencies, Ukraine's vocational schools could provide young specialists with practical competencies. This would tackle skill mismatches that hamper innovative projects, simultaneously raising the caliber of labor available to both

domestic and foreign enterprises. Another dimension that Ukraine might adapt from Germany is the systematic support for medium-sized enterprises. Often referred to as the backbone of Germany's economy, these entities exhibit robust export orientation, meticulous craftsmanship, and consistent innovation practices. Ukraine could encourage the growth of comparable firms by offering tax breaks for ongoing R&D, simplifying the process for obtaining export licenses, and implementing mentorship programs where seasoned entrepreneurs guide newcomers. Additionally, fostering closer ties between midsize businesses and research institutions can accelerate the evolution of products with international appeal.

Poland's digital transformation story can serve as an example for Ukraine's burgeoning tech scene. Over the past two decades, Polish cities have become regional hubs for software development, e-commerce, and fintech. Government policies that incentivize IT investments, combined with grassroots networking events, have facilitated a supportive climate for innovation. Implementing similar strategies – ranging from offering preferential tax rates for IT companies to organizing hackathons – can strengthen Ukraine's position as a tech outsourcing and product development hotspot. Embracing e-government solutions could also enhance public trust in digital initiatives, simplifying interactions with state institutions.

Germany's emphasis on research clusters and applied science institutes demonstrates how structured collaboration between academia and industry can yield groundbreaking innovations. Entities akin to the German research associations might be formed in Ukraine to steer collaborative projects and disseminate findings to relevant stakeholders. Allocating resources to such institutions would foster a pipeline of market-ready breakthroughs. This approach would address a persistent issue in Ukraine: translating strong theoretical work into functional prototypes and commercially viable offerings. Clear incentives for private firms to co-fund or sponsor applied research would further embed innovation within industrial ecosystems.

The success of Poland and Germany in exporting manufactured goods stems partly from their focus on high-value products and precision engineering. Ukraine's industrial base could adopt specific quality management standards that are widely recognized by international buyers. Drawing upon Germany's rigorous certification processes, Ukrainian manufacturers could distinguish themselves in niche markets that value reliability. Simultaneously, adopting Polish strategies for brand promotion, especially at industry fairs and international exhibitions, would showcase Ukrainian achievements and attract new commercial partnerships. Rebranding certain Ukrainian exports to highlight technical sophistication could shift global perceptions, potentially leading to higher profit margins.

One recurring theme is the significance of stable, predictable regulations that resonate with investor confidence. Poland's EU membership and Germany's deeprooted legal system set a foundation for consistent policies, which in turn stimulate research and development budgets. Ukraine can move in this direction by ensuring transparency in public procurement, protecting minority stakeholders in corporations, and combating corruption. Such measures not only encourage local entrepreneurs to invest in innovation but also open doors for collaborations with reputable foreign entities. Over time, adopting recognized standards and clarifying administrative procedures can transform Ukraine's business environment into one that rivals its Western neighbors. Another lesson relates to bridging urban-rural divides. Poland's transformation was not limited to capital cities; smaller towns also received support for local enterprises, boosting employment and regional equity. By comparing this model to Germany's tradition of "hidden champions" – often located outside major metropolitan areas – Ukraine might consider distributing technological resources more evenly across its territory. Building innovation-oriented infrastructure, such as research labs and tech incubators in secondary cities, would widen the talent pool and potentially uncover unique, region-specific strengths. This decentralization can reduce migration pressures on metropolitan centers while enhancing the overall national innovation landscape.

Ultimately, the experiences of Poland and Germany highlight the necessity of coherent, long-term strategies that balance government intervention with private initiative. Ukraine can adopt relevant policies to strengthen its position in global trade, focusing on areas where it already shows promise – like agritech, industrial automation, and information technology – while improving the collaboration between universities, tech startups, and established manufacturers. A dual emphasis on skillbuilding and supportive regulations will help Ukraine climb the value chain. In the end, blending aspects of Poland's agile transition with Germany's deep-rooted expertise can offer Ukraine a practical roadmap for weaving innovation management into the fabric of its economy, driving outward-looking growth that resonates on the international stage.

France and the Czech Republic each bring unique perspectives on integrating innovation into broader economic strategies. For Ukraine, drawing on these two examples can provide alternative pathways to fostering a competitive, knowledge-intensive economy. France's reputation for high-level research and artistic flair has been a springboard for developing globally influential industries. Meanwhile, the Czech Republic's methodical focus on industrial applications underscores the value of being tightly interlinked with European manufacturing networks. By incorporating elements from both models, Ukraine can optimize its own environment for creativity, technological breakthroughs, and trade expansion.

A key lesson from France is the value of substantial investment in fundamental science, which eventually finds application in commercial contexts. Ukraine, with its tradition of strong mathematical and engineering education, could emulate France's approach by bolstering national research institutions. Dedicated funding for priority areas – like energy storage, advanced materials, or biomedicine – can create a pipeline of ideas. To ensure these concepts do not languish in labs, France's practice of supporting incubators near universities might be replicated, enabling student-led startups and academic spinoffs to transition rapidly into market-based ventures.

The French model also highlights the power of blending creativity with scientific rigor, visible in industries like luxury goods, aerospace, and gastronomy technology. In Ukraine, there are multiple cultural domains that could be similarly elevated through creative approaches – such as fashion, furniture design, and artisanal food production. Pairing technical research with branding and design innovation can lead

to distinctive product categories that resonate with international consumers. This tactic requires forging partnerships between design schools, marketing professionals, and engineering teams. Over time, establishing a reputation for originality could help Ukrainian goods secure footholds in specialized global segments.

When examining the Czech Republic, one finds a concerted commitment to applied research tailored to industrial outcomes. Specialized institutes often partner with manufacturers to tackle real production challenges, whether in automotive components, machinery, or chemical processes. Ukraine could follow suit by incentivizing cross-sector collaborations in crucial industries, such as metalworking or precision agriculture. Grant schemes that reward projects with near-term commercial viability might persuade businesses to invest in research, especially if they see an immediate return in the form of refined products or improved operational methods. This model ensures a rapid feedback loop between theoretical investigation and industrial adoption.

Another aspect of the Czech experience is the strategic pursuit of high-value-added segments within traditional sectors. Rather than merely producing bulk goods, Czech firms frequently target subfields where they can excel in quality or sophistication, thereby competing beyond price factors alone. For Ukraine, shifting a portion of its existing industrial capacity to more refined or specialized production could be transformative. This might include advanced welding techniques for aerospace parts, state-of-the-art agricultural equipment, or sophisticated pharmaceuticals. Building these capabilities entails training technical staff, upgrading factory equipment, and forging alliances with foreign partners who can assist in technology transfers.

France's cluster-based policies also offer an insightful template. The concept of "competitiveness clusters" unites corporations, research institutions, and local authorities around a specific technological or industrial theme. These clusters receive targeted government support, helping participants coordinate research agendas, share infrastructure, and accelerate product development cycles. Ukraine could benefit from establishing pilot clusters focusing on areas like green technologies, cybersecurity, or bioengineering, each guided by regional expertise. By consolidating talent and resources, such ecosystems can spawn spinoffs and cross-pollinate ideas, ultimately enhancing the country's export portfolio.

From the Czech Republic, Ukraine can learn the importance of maximizing geographical advantages. Located in the heart of Central Europe, the Czech Republic relies on well-established trade routes to supply components to neighboring countries. Although Ukraine's geographic situation differs, it shares borders with prominent European markets and has access to the Black Sea for maritime shipping. Strengthening logistics corridors and cross-border partnerships could replicate the Czech strategy of embedding local producers into major European supply chains. Enhanced railway networks, efficient customs processes, and robust distribution channels would all serve to integrate Ukrainian exporters more thoroughly into continental manufacturing webs.

Both France and the Czech Republic illustrate how government-led initiatives can coexist with private sector dynamism if policies are transparent and geared toward

tangible outcomes. In France, supportive legislation for innovation includes tax credits for research and development, grants for startups, and simpler procedures for registering intellectual property. The Czech Republic embraces similar incentives while also emphasizing workforce upskilling. Ukraine can adapt these measures to its own context, ensuring that entrepreneurs receive clear guidelines on how to obtain financing, protect inventions, and scale operations. Consistency and clarity in these regulations will be crucial for drawing both domestic and international capital into research-driven ventures. An additional takeaway from France is the cultural valorization of invention and artistic expression. Ukraine has a heritage of craftsmanship and strong creative traditions that could be leveraged for higher value in export markets. By nurturing festivals, expos, and training programs that celebrate new ideas, the nation can foster a milieu where inventors, artisans, and technologists collaborate. This cultural shift can encourage young talents to remain in the country, building local success stories that attract international attention. It can also help to distinguish Ukrainian products in crowded sectors, adding emotional resonance and brand value that purely technical offerings often lack.

In sum, French and Czech experiences illustrate that sustainable innovation ecosystems require a multi-layered approach: robust academic research, targeted public support, adaptive private industries, and an overarching cultural appreciation for creativity. Ukraine can mix these elements to shape a development trajectory that accommodates its existing strengths in engineering, technology, and agriculture. By forging cluster initiatives, boosting applied research, and incentivizing quality upgrades in traditional sectors, Ukraine sets the stage for enhanced trade ties and deeper integration into European and global markets. Adopting the best practices from these two nations, while customizing them to local realities, promises to yield tangible dividends in terms of economic diversification and an overall upgrade in competitiveness.

Synthesizing the lessons from Poland, Germany, France, and the Czech Republic reveals that each has carved out a distinct route to harmonizing innovation with external market engagement. For Ukraine, distilling these insights into action points can accelerate development while fostering deeper connections with trading partners. The challenge lies in adapting proven concepts to local realities, ensuring that policy measures are not merely copied but thoughtfully integrated into Ukraine's legislative frameworks, business culture, and societal context.

Central to any successful integration strategy is the creation of an environment where collaborative efforts thrive. Policymakers in Ukraine can champion coalitions that bring together universities, state research bodies, private enterprises, and international donors. Funding instruments need to be structured in ways that motivate long-term research while offering immediate incentives for commercial prototypes. By ensuring that collaborative networks receive ongoing support and face minimal bureaucratic impediments, Ukraine maximizes the potential to transform theoretical breakthroughs into market-viable solutions.

One recurring theme observed in Poland's modernization and Germany's industrial heritage is the emphasis on refining human capital. Achieving elevated standards in vocational training, as well as advanced degrees, has proven critical for

sustaining innovation-driven economies. Ukraine can adapt this by restructuring educational curricula, encouraging practice-oriented internships, and partnering with companies that require specialized skill sets. At the same time, wage policies and career advancement opportunities must be competitive enough to deter brain drain. Another focus area is the strategic positioning of small and medium-sized enterprises, given their important roles in economies like Germany. Ukraine can boost its SME sector by streamlining administrative procedures, instituting clear tax benefits for research spending, and simplifying credit access. By strengthening these businesses, Ukraine fosters an ecosystem that is flexible, resilient, and able to diversify exports beyond a handful of flagship industries. This also promotes innovation at the grassroots level, as SMEs often experiment with new processes and respond quickly to market shifts.

The French model highlights the impact of robust state-backed research combined with a cultural embrace of creativity. Ukraine could allocate specific budgets for fundamental research in areas where it has technical or scientific strengths, such as materials science or agricultural biotechnology. Beyond financial mechanisms, nurturing a creative ethos across society can embolden entrepreneurs and inventors. Public events, academic competitions, and youth programs that celebrate unconventional ideas can plant the seeds for an innovation culture extending well beyond the capital city.

From the Czech Republic, Ukraine might replicate the emphasis on specialized manufacturing for high-value exports. Encouraging local producers to focus on premium segments rather than competing purely on cost could elevate profit margins and global visibility. Setting up pilot projects for advanced manufacturing can serve as proof of concept, demonstrating how a shift toward quality-intensive production yields tangible competitive advantages. These pilot efforts could then expand, bringing along clusters of supportive services and complementary businesses. In terms of building robust relationships with global partners, Ukraine can take cues from how these EU nations maintain predictable legal environments. Stability is pivotal in attracting and keeping foreign investors, particularly when financing is needed for innovation-focused ventures. The introduction of transparent procurement processes, anti-corruption measures, and consistent tax policies can remove uncertainty that currently deters certain prospective collaborators. Achieving this level of predictability requires coordinated governance reforms and vigilant oversight.

Implementation must also consider regional nuances. Ukraine encompasses diverse local economies, each with its own strengths and challenges. Some areas excel in IT services, while others remain rooted in heavy industry or agriculture. Tailoring policy tools to suit regional characteristics is essential; for instance, technology incubators might be more impactful in tech-savvy regions, whereas cluster initiatives in manufacturing could thrive where industrial activity is prevalent. This differentiation ensures that national-level strategies are not one-size-fits-all but rather a mosaic of specialized approaches (Table 3).

Feature from each country that should be integrated

Poland		
One of the most potent examples for Ukraine is Poland's targeted support for emerging companies.		
From technology hubs to accessible grant programs, Poland has lowered barriers for first-time		
entrepreneurs, enabling them to experiment and scale quickly. Implementing analogous		
frameworks in Ukraine would allow young innovators to access funding, mentorship, and		
collaborative resources		
Germany		
A hallmark of Germany's success is its well-established dual-education approach, combining		
formal instruction with real-world training. For Ukraine, adopting a similarly structured		
curriculum could drastically reduce skill gaps. By forging partnerships between industry		
representatives and educational institutions, Ukraine ensures that students gain up-to-date practical		
experience. This synergy boosts workforce competence and injects fresh insights into enterprises,		
fostering a cycle of innovation and talent retention		
France		
France's dedication to national research objectives, often facilitated by state-backed institutions,		
illustrates the impact of consistent funding and strategic oversight. Ukraine can adapt this by		
creating or reinforcing specialized centers for priority fields, supported by transparent budget		
allocations. Such centers would coordinate with both private and public entities, ensuring that		
laboratory breakthroughs transition into real-world applications		
Czech Republic		
The Czech Republic's strong nexus between industrial players and specialized research facilities		
underscores the value of practical, results-oriented partnerships. Adopting this model in Ukraine		
would mean incentivizing manufacturers to co-develop solutions with universities and research		
institutes. Rather than focusing solely on theoretical studies, these collaborations would be guided		
by market needs and potential for commercial viability.		

Source: formred by the author

Furthermore, real integration of these insights demands robust feedback loops. Constant evaluation, carried out by independent bodies or in collaboration with foreign experts, can highlight whether certain reforms are succeeding or require adjustment. By deploying pilot schemes, Ukraine can test the feasibility of adopting, for example, German-style vocational training or French-inspired research clusters, before rolling them out on a grander scale. This iterative approach reduces risks and helps fine-tune initiatives for maximum impact. Ultimately, the path to weaving EU best practices into Ukraine's innovation and foreign trade apparatus is not linear or instantaneous. It demands strategic planning, prudent investments in human and physical capital, and consistent governmental support over years, if not decades. Yet the potential payoff is considerable: a more resilient economy, a workforce equipped for cutting-edge challenges, and a reputation for producing globally competitive goods and services. By embracing lessons from Poland, Germany, France, and the Czech Republic while customizing them to Ukraine's intricate realities, the country can accelerate its progress toward becoming a recognized player in the international economic arena.

Conclusions

Innovation management emerges as an essential catalyst for prosperity in the European Union, acting as a bridge between new ideas and tangible economic outcomes. By closely examining Poland, Germany, France, and the Czech Republic, we uncover the multifaceted ways in which strategic innovation fosters competitive advantages in foreign markets. Each country's historical trajectory, cultural influences, and institutional framework shape how they identify opportunities, mitigate risks, and translate creative concepts into globally impactful solutions. This diversity across the EU not only enriches the internal market but also amplifies the bloc's collective voice on the world stage. In the Polish context, a swift transition to an open-market model has sharpened the country's focus on agility and rapid adaptation. The development of technology ecosystems and the effective use of EU funding highlight the importance of aligning policy measures with economic needs. Germany, conversely, benefits from a storied legacy of industrial precision, underscored by robust industry-academia linkages and a steadfast commitment to continuous quality improvement. These attributes have fortified its global standing, allowing it to remain resilient in the face of international competition.

France's dedication to fundamental research and state-supported innovation initiatives demonstrates the critical role that governmental structures play in fostering scientific discovery and creative dynamism. The country's ability to merge cultural appreciation with advanced technologies sustains a broad export portfolio, ranging from luxury items to aerospace engineering marvels. Meanwhile, the Czech Republic leverages its manufacturing heritage and central geographic location to weave itself into continental supply chains. Through applied research centers and strategic partnerships, it remains agile and relevant in a competitive marketplace, highlighting that smaller economies can excel by capitalizing on specific strengths.

Despite the variations in scale, sector focus, and policy approaches, these four EU nations share overarching lessons on how to nurture innovation. Effective collaboration - whether across borders or within regional clusters - consistently accelerates the transfer of knowledge and technology. Government support, targeted investments, and the cultivation of specialized skill sets further bolster innovation pipelines. These elements converge to shape not just national agendas but also the broader European project, reinforcing unity through shared commitment to progress. At the heart of foreign economic activity lies the capacity to build trust with international partners. Innovations that uphold stringent quality standards and deliver unique value propositions are crucial for market penetration. Whether driven by costcompetitiveness or technological sophistication, each country's approach underscores the imperative of aligning R&D with tangible export strategies. Moreover, adopting clear risk management frameworks ensures that challenges like global economic volatility or regulatory hurdles are met proactively. In this sense, innovation management is not merely about scientific breakthroughs but about orchestrating every step leading from idea to international market acceptance.

Looking ahead, the continued success of EU countries in global trade will hinge on how effectively they evolve their innovation management practices. Ongoing digital transformation, sustainability mandates, and the rise of new economic powers will test Europe's resolve to remain at the forefront of innovation. By learning from each other's successes and adapting to shifting landscapes, EU nations can collectively forge resilient economic structures. Ultimately, the synergy between innovation management and foreign economic activity fuels prosperity across the region, as each member state contributes its unique strengths to a united, future-oriented vision.

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