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MANAGEMENT OF INNOVATIVE ACTIVITIES OF ENTERPRISES IN CRISIS

Management of innovative activities of an enterprise in crisis conditions involves changes aimed at the introduction and use of new types of equipment and processes, as well as updating various aspects of the enterprise's innovative activities by implementing measures aimed at restoring, supporting and strengthening competitiveness.

It represents a comprehensive response of an enterprise to the degree of real threat to its innovative activities, aimed at maintaining the enterprise's financial balance and ensuring the stability of its development during a crisis.

During a crisis, a number of innovative risks are observed, which are even greater than in favorable conditions. In order to constantly monitor the internal and external environment of the enterprise for early detection of an impending crisis, which indicates a possible deterioration in the market positions and competitiveness of the enterprise, managers are recommended to take into account a system of factors (financial, production, investment, personnel, consumer, environmental and macroeconomic) and indicators that determine innovation risk.

Innovations open up opportunities for increasing productivity, reducing costs, expanding markets, automating processes, and diversifying products. Moreover, it is the innovative approach that allows businesses to quickly respond to changes in the environment, reducing dependence on external risks, in particular military, political, and inflationary risks [2, p. 332].

According to many representatives of innovative companies, the principle of innovation development should change: innovative development should be stimulated by consumer demand. At the same time, all interacting parties (state, business and science) need results, by which we usually understand both the necessary innovative product and the infrastructure that supports the development of the innovation process throughout the chain: “innovative idea – implementation – production (or social) effect”.

The process of creating and implementing innovations requires, firstly, significant financial investments; secondly, it can take a lot of time. That is, investments in innovative projects are long-term and aim for future profits, which is incompatible with crisis conditions. In times of crisis, maximizing cash flow is of paramount importance today and is achieved, among other things, by reducing the cost of financing long-term projects, since in the event of a company's bankruptcy there will be no one left to implement them. The probability of attracting foreign investment for innovative activities during a crisis is practically zero, since the risk of non-return of invested funds is extremely high.

When forming an innovation strategy at an enterprise, a number of factors should be taken into account, in particular, the market position of the enterprise, its production and technological potential, management systems, ethics and business culture, as well as the potential of scientific research. At the same time, certain principles of construction should be followed and oriented towards the general mission and general goal of the enterprise [3].

The implementation of a set of strategic measures to ensure the long-term sustainability of enterprises and prevent a crisis in their activities is much more effective than the short-term restoration of the solvency of enterprises using operational methods. Similarly, an innovative path of development of enterprises that provides a sustainable competitive advantage and eliminates the causes of the crisis (outdated production technologies, uncompetitive products, high unproductive costs, etc.) is undoubtedly better than financial methods of restoring solvency.

Strategic management of innovative development of an enterprise should be considered as a purposeful process of forming, implementing and adjusting long-term goals of innovative activity, taking into account the resource capabilities of the enterprise and changes in the external environment. In scientific research, innovative development is interpreted as a continuous process of creating, implementing and commercializing

new products, technologies, organizational and managerial solutions [1, p. 15].

The current areas of innovation activity of enterprises operating in crisis conditions are:

1. Production innovations. The goal of production innovations is to reduce internal production costs by using a known production plan, as well as simplify production processes by reducing inventories and work in progress. Methods for achieving this goal include organizing group technological processes, implementing just-in-time operational processes and MRP technologies (material requirements planning).

2. Innovations in the non-production (circulation) sphere. The goal is to reduce transaction costs associated with organizing supply and sales. Methods for achieving this goal include creating a network of small enterprises (independent structural units) that organize production and supply the parent company with a full range of necessary raw materials and materials, as well as organizing an internal sales network, after-sales service and engineering system.

3. Innovations in the financial and investment sphere. The goal is the effective management of technical projects related to the reorganization of the enterprise's production system when changing the production structure and updating the production program. Increasing the competitiveness of industrial enterprises in the conditions of their low investment attractiveness is associated with the rationalization of financial and investment activities, expanding sources of financing and using new financial technologies. The latter include financial leasing, which is used as a means of updating fixed assets due to the lack of internal funds for technical updating and equipping production with modern equipment.

4. Innovations in management and accounting systems. The goal is to reduce transaction costs within the enterprise by improving the organizational structure of the enterprise, optimizing internal business relations, delimiting powers and decentralizing the management system. In other words, the goal of the accounting system reform is to establish segment accounting in the management accounting system, which will function in parallel with financial accounting. The importance of segment accounting in a modern market economy is difficult to overestimate. Necessary conditions for organizing an effective system of segment accounting and reporting, and therefore management control, are the correct definition of the company's responsibility centers and the creation of an appropriate decentralized organizational management structure.

In our opinion, innovations in management are the basis for successful innovations in other functional areas of the financial and economic activities of enterprises. The need for innovations in management at both the social and corporate levels arises when solving two types of problems:

First, problems associated with failure to achieve goals and a decrease in manageability (enterprise growth, management level, delays in making and implementing management decisions).

Second, missed opportunities to leverage the effective functioning of a system built on existing innovation potential. Innovation is a key driver of competitiveness, and activating innovation management during a crisis provides a distinct competitive advantage for enterprises.

A crisis is a cyclical phenomenon inherent in a market economy that strongly impacts business and the overall well-being of an affected country. A crisis does not always exert a negative impact on the economy; most often, with the right managerial decisions, new contracts, and timely implementation of innovations, crisis phenomena can actually drive an increase in enterprise efficiency.

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