

# **WAYS TO INCREASE COMPETITIVENESS OF ENTERPRISES PREDICATED ON STRATEGIC MANAGEMENT OF INNOVATION-DRIVEN DEVELOPMENT**

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Modern scientific and technological progress is impossible without an intellectual product obtained as a result of innovative activity. Therefore, understanding of the place and role of innovation processes in economic development has become of particular importance.

Scientific and theoretical aspects of diffusion of innovations theory were considered in the works of: Aires R., Anchishkina A., Budville J., Gamidova G., Glazyeva S., Zos-Kior M., Kuznets S., Markina I., Perru F., Porter M., Rogers E., Santo B., Sorokina P. and others. These authors have identified the role of innovations as the major driver of economic growth, developed a conceptual framework, identified the main cause-and-effect relationship in this activity area.

However, it bears mentioning that some theoretical and methodological aspects of innovation management require further in-depth studies. The scientific community faces a number of challenges in determining the essential features of innovation, and there are serious problems in finding new ways to intensify innovation processes in conditions of unstable dynamics and inconsistencies in the behaviour of economic entities.

Strategic management of innovative development of economic entities is considered as a part of strategic management and as a subsystem of general management considering the subject of management, its goals and objectives [1].

Strategic management of innovative development of economic entities has been designed to address the problems of planning and implementation of innovative investment projects, it is related to the process of anticipating changes in economic activities of organizations, search and implementation of large-scale strategic decisions that ensure survival and sustainable development due to the identified future success factors [2].

The main principles of strategic management of innovative development of economic entities should be: constant forecasting of the situation in the capital market, goods and services, action planning and anticipation of crisis circumstances; prevention and avoidance of technology gaps; systematic implementation of innovations in all, especially in interconnected spheres of activity of economic entities; continuous investment in human capital, innovation, gaining competitive advantages.

Achievement of results from innovation development requires the introduction of specific tools and means of management from the body of strategic or innovation management. Innovative management is carried out in parallel with the management of the traditional production process of goods and services.

Thus, strategic management of innovative development of economic entities is a

process of implementing a system of management of their main activity areas on an innovative basis in order to achieve the goals of strategic and innovative development, improve competitiveness and competitive positions, financial success, build and implement innovation strategy given the environmental changes.

The management system of enterprises that use an innovative approach to their operation and development is designed to solve a number of problems:

- creation of new and renewal of the existing production systems;
- systematic renewal of assortment of goods and services;
- combination of flexibility and adaptability of small-volume manufacturing with high efficiency, low costs and high productiveness of large-volume manufacturing;
- increasing the efficiency level of production and supply through the improvement of labour productivity of staff and reducing all possible costs;
- development and implementation of a strategy and tactics of leadership struggle by concentrating efforts and resources on the most promising areas of technological expansion;
- ensuring the development of economic entities in a competitive environment [2].

Based on these considerations, it should be noted that the strategic actions of organizations require the search for new ideas, and therefore have innovative features. All activity areas of economic entities and levels of management in some way need new (innovative) solutions. Innovative corporate strategy should be focused on the achievement of the planned development goals through the introduction of innovations in both basic (traditional) and new business areas (structural units, subdivisions) of the organization.

Based on the results of the study, the main directions of increasing the competitiveness of the enterprises, focused on innovative development and innovative activity (Table 1), have been identified and systematized in this study.

Table 1

Directions for increasing the competitiveness of enterprises on the basis of strategic management of innovative development

Features	Directions
Improvement of the organization structure	Creation of high-tech start-ups, in which innovative activity is embodied, on the basis of innovative enterprises; their efficiency is determined by the number of innovations implemented
Enhancing the effectiveness of management activity	Formation of the management system for innovative development on the basis of substantiation of priority development directions of subjects of management and the management system by eliminating the obstacles to innovative development that provides development and realization of projects, as well as support of business entities with resources
Implementation of innovations in business processes and manufacturing chains of the organization	Innovative development based on improving innovations, cumulative expenditures on the implementation of which are slightly lower than on other types of innovations, while the economic effect is higher

*The source: author's development*

Thus, regarding the management of innovative development and increasing the competitiveness of enterprises, the following may be stated:

- those enterprise will be able to compete favourably in the future, that will focus their activities on the creation of unique products or the formation of markets to meet the existing or develop new customer needs, a special corporate (innovative) culture and knowledge generation. The development of innovation potential is the basis of this process;

- economic entities have to change the organizational structure to a more flexible one and to develop skills for fast response and adaptation to environmental changes.

Literature:

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2. Mykhailichenko M., Lozhachevska O., Smagin V., Krasnoshtan O., Zos-Kior M., Hnatenko I. (2021). Competitive strategies of personnel management in business processes of agricultural enterprises focused on digitalization. *Management Theory and Studies for Rural Business and Infrastructure Development*, 43(3), 403-414. Retrieved from <https://ejournals.vdu.lt/index.php/mtsrbid/article/view/2519> (Accessed 28 October 2021).