



FACTORS INFLUENCING THE IMPLEMENTATION OF THE INNOVATION STRATEGY AT INDUSTRIAL ENTERPRISES

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Article history:	Abstract:
Received: December 6 th 2022 Accepted: January 6 th 2023 Published: February 4 th 2023	The article discusses approaches to the formation of an innovative strategy for the development of an enterprise. Choosing the right innovation strategy is an important part of an organization's activities. There are a big number of internal and external factors. They have a great influence on the formation of an innovative strategy. It is important to highlight the correct factors. This article reviews experts' classifications and suggests an additional classification of factors, which can influence choosing an innovation strategy.
Keywords: strategy, innovation strategy, innovative development, infrastructure, management, key factors, optimal solution, classification of factors	

INTRODUCTION

In the modern world, in the context of a sharp change in the business environment surrounding enterprises, and the fiercest competition, the only condition for the survival of enterprises is their innovative development. Choosing the right innovation strategy is an important part of any organization's activities. A strategy is a document that describes the main activities of the company, the direction of its improvement, as well as the goals that the company needs to implement in a timely manner [1]. For a company to operate more successfully in the market, it needs a strategy that is innovative. An innovative strategy will allow you to be competitive. The relevance of the chosen topic lies in the fact that almost every day various internal and external factors within the company and in the market change, and it is necessary to correctly determine which factors have a direct impact on the development of an innovation strategy.

LITERATURE REVIEW

At present, significant analysis of the innovative strategy of an enterprise has been carried out by various foreign and domestic authors: an analysis of the formation of an innovative strategy, its goals and directions, and in particular the factors that have the greatest influence in the process of its development. The works of such foreign scientists I. Ansoff [1], M.Porter [17], G.M.Meskon [11], V.G.Medynsky [10], E.A.Utkin [14], A.N.Petrov [13] and others are devoted to the development of an enterprise development strategy. The classification of such strategies has been considered by V.P.Baranichev [3], L.M.Gokhberg [5], P.Genster [6], P.B.Zabelin [7] and others. Innovative processes of enterprise development have been

studied by S.V.Valdaitsev [4], O.V.Motovilov [12], R.A.Farakhutdinova [15], J. Schumpeter [16] and other authors.

In the works of these scientists, aspects of the effective innovative development of an enterprise are considered. At the same time, insufficient attention has been paid to the issues of determining the methods of rational organization of enterprise management.

The purpose of this article is to analyze the effectiveness of the implementation of an innovative enterprise development strategy.

RESEARCH METHODOLOGY

When conducting scientific research, methods such as induction and deduction, analysis and synthesis, structural analysis, statistical analysis, and abstract logical thinking were used. Literature and articles by foreign and domestic economists are analyzed as the methodological basis of the article.

ANALYSIS AND DISCUSSION OF RESULTS

Modern entrepreneurship operates in a constantly changing, dynamically developing external environment. The main problem that every enterprise faces are the difficulty of identifying and searching for mechanisms to adapt to the market situation. This situation is influenced by many different factors, which can be divided into external and internal. External factors include the difficulty of adapting to changing political and macroeconomic conditions, increased competition in the industry, the results of scientific and technological progress, the emergence of new forms of business organization, the development of information technology, etc. Internal factors include the tightening



of consumer requirements for product quality, the shortening of the product life cycle, the emergence of new competitors in the industry, the difficulty of gaining a niche in the market, and the emergence of new strategic associations. The dynamism of the presented factors at various stages of the life cycle of an enterprise manifests itself ambiguously, which requires the construction of an effective management system at each stage. Thus, it can be argued that one of the main levers for ensuring the efficiency of the functioning and survival of the company in market conditions is rational management activity.

The flexibility of management, the ability to quickly reorganize, not to miss new opportunities opened up by the market and innovations, to see development prospects - all these qualities are now becoming the main levers of enterprise management in the competitive struggle. The need to focus on consumer demand, and the implementation of a manoeuvrable scientific, technical, innovation and market policy became the fundamental ideas of the new philosophy of management and development of the company. All this led to the recognition by firms of the need to develop and implement a system of strategic enterprise management [2].

An innovative strategy for the development of an enterprise is understood by us as a set of rules for setting and making decisions, goals and objectives and methods and methods for transferring an enterprise from its current state to a new one based on the introduction of product, technological, managerial, social, economic, environmental, organizational innovations and justification of a market strategy firms.

The development of an innovative strategy for the development of an enterprise should be based on the principles of comprehensiveness, reliability, timeliness, and economy, as well as simplicity and independence from other options for planned innovations.

Thus, the formation of a model of innovative development of an enterprise should take into account the phases of the innovative process in an enterprise.

The final decision and the inclusion of innovation in the development strategy of the enterprise is carried out after an appropriate assessment of the main financial and economic indicators. As well as considering these indicators in dynamics and assessing the risks of implementing the presented innovation. The development of a model of an enterprise development strategy should also include an analysis of the current and possible state of its innovative potential at the stage of the life cycle at which this innovative strategy is being developed.

Thus, according to M.P.Postalyuk, the most generally accepted classification of factors is considered based on their relationship to the economic system, that is, the division into internal and external factors [2].

When considering environmental factors, it is worth paying attention to trends in the industry under study, trends in the development of technological products and innovations, the desires and whimsies of the target audience, existing competing companies, etc. In addition, it is necessary to take into account such a factor as the state, in this case, legislation is meant the country in which the organization operates, tax policy, pricing, etc.

Internal factors include the goals and objectives of the enterprise, organizational structure, competitive strategy, industry affiliation of the organization, product strategy, the value of the organization's shares, etc.

For the formation of a full-fledged innovation strategy, S.A.Kuznetsova considers the corporate strategy to be the primary factor in addition to the factors of the external and internal environment [20]. Corporate strategy is understood as a strategic plan for managing an organization, focused on developing directions for its growth, and development of production and sales goals to achieve corporate plans and general corporate goals. The influence of all three components, that is, corporate strategy, external environment and internal variables, together allows the most complete development of product and technology strategies. It is in these strategies when developing a new product (service) or upgrading an existing product (service) that most often contains the main innovation, and novelty in the company's activities, due to which it can become more competitive in the market, retain established consumers and attract new ones.

K.A.Poretskova believes that it is necessary to single out three strategic levels of factors in the formation of an innovative strategy according to the level of economic analysis, namely the macro level, meso level and micro level [19-27].

Macro-level factors (the level of the national economy) include the economic situation that has settled in a particular country and in the world as a whole; regulatory acts of taxation and legislation of the country, the share of organizations that develop new products and new technologies, in other words, the share of innovative enterprises, as well as the level of competition in the world market.

Macro-level factors (factors influencing the process of developing an innovation strategy at the state level): the organization's appeal to external sources of



financing for innovation activities, as well as the relationship of organizations with the authorities.

At the micro level (at the company level), such factors as the financial position of the organization, its innovative potential and innovative activity, the reputation of the product and brand among the target audience, and the quality of the products (services provided) have the greatest influence.

In addition, when choosing factors influencing the choice of an innovative strategy for an enterprise, one can consider a classification according to aspects of the organization's activities. These factors include market, demographic, managerial, natural and climatic, environmental, political, and investment.

Demand for manufactured goods (provided service) and supply, consumer income level, exchange rate, availability of necessary suppliers, logistics supply system, product (service) life cycle, raw material price level, level of existing competing companies, market segment volume, level and the rate of inflation and others, these indicators relate to market factors and allow you to evaluate the most important aspect of the organization's activities, that is, they take into account the key specifics of the organization's activities. Based on correctly taking into account market factors, it is possible to form a company's product strategy, which is a significant part of the entire innovation strategy.

Demographic factors include such values as gender, age, nationality, values (culture), and education of future or current employees. It is necessary to understand which employees will be profitable to hire, as well as how to further form a team, based on demographic characteristics, in order to carry out the productive and effective operation of the enterprise. In addition, it is important to note that demographic factors can be attributed not only to the employees of the organization but also to the target audience in order to understand whether it will be interested in the product (service provided), whether to continue its activities in a particular market, change or expand the field of his activity [24-29].

For the implementation of an innovation strategy, a competent leader is important, who can ensure the further application of the strategy being developed, so it is important to take into account the managerial factor. This case also implies the process of organizing intra-company economic relations, the formation of the organizational structure and corporate culture of the organization, as well as the ability of managers to make decisions in critical situations, in particular in innovative activities.

Environmental change has a significant impact on the activities of any organization. In this case, a change in natural and climatic factors is implied.

This factor is taken into account almost in the first place when choosing the geographical location of the organization. The company must understand what external natural and climatic changes may or may not affect the specifics of its activities and future consumers.

Currently, environmental factors are gaining more and more popularity. Many buyers are more likely to begin to think about the environmental friendliness of the goods they consume, and how much impact they have on the growth of environmental pollution when using the goods. In addition, many countries control goods for the quality and safety of their use within the framework of ecology [30-33]. It is also necessary to single out political factors, as they have a significant impact on the production and social activities of the organization. Various changes in the political environment can lead to both positive and negative results, therefore, when drawing up an innovative strategy, it is necessary to take into account the specifics of the political situation in the country in which the organization is located, as well as the countries with which it cooperates. Sudden political changes can affect contracts with suppliers, profits of the enterprise, prices for the necessary resources (raw materials), the number of consumers, product quality, etc.

Any innovation may require a considerable amount of money, therefore, the investment factor should also be taken into account. In this case, the availability of borrowed funds, the company's business activity, liquidity indicators, the amount of expected profit, the degree and speed of the introduction of innovative technologies, the degree of the workload of production facilities and the level of their efficient use, etc. are considered. In addition, when considering these factors, such an indicator as risk. It is important to note that all of the above factors can be risk factors, as their negative change can have a negative impact on investment factor variables [31-35]. Therefore, when developing the most effective innovation strategy for a company and identifying factors that affect its product (service), it is necessary to take into account the relationship of all factors with each other and their influence on each other. All these factors are summarized in the table.



Table 1. Factors influencing the choice of an organization's innovative strategy (developed by the author)

№	Classification sign	Factors
1	Based on their relationship with economic system	<p>A) External factors:</p> <ul style="list-style-type: none"> - trends in the studied industry; - trends in the development of technological products and innovations; - desires and capriciousness of the target audience; - existing competing companies; - the legislation of the country in which the organization operates; - tax policy; - pricing. <p>B) Internal factors:</p> <ul style="list-style-type: none"> - goals and objectives of the enterprise; - organizational structure; - competitive strategy; - industry affiliation of the organization; - product strategy; - the value of the company's shares <p>C) Corporate strategy</p>
2	By level of economic analysis	<p>A) Macro-level factors:</p> <ul style="list-style-type: none"> - economic situation; - normative acts of taxation; - the legislation of the country; - share of innovative enterprises; - the level of competition in the world market. <p>B) Macro-level factors:</p> <ul style="list-style-type: none"> - the appeal of organizations to external sources of financing of innovative activities; - relationships between organizations and authorities. <p>C) Micro-level factors:</p> <ul style="list-style-type: none"> - the financial position of the organization; - Innovation potential; - innovative activity; - the reputation of the product and brand among the target audience; - the quality of the products.
3	By aspects of the organization's activities	<p>A) Market factors:</p> <ul style="list-style-type: none"> - supply and demand; - income level of consumers; - Exchange Rates; - availability of necessary suppliers; - a logistic system of deliveries; - product life cycle; - the level of prices for raw materials; - the level of existing competing companies; - the volume of the segment in the market; - level and rate of inflation <p>B) Demographic factors:</p> <ul style="list-style-type: none"> - age; - nationality; - cultural values;



		- education.
		C) Management factors: - the presence of a competent manager-manager; - the process of organizing intra-company economic relations; - formation of the organizational structure and corporate culture of the organization; - the ability of managers to make managerial decisions in a critical situation.
		D) Natural and climatic factors: - the geographical location of the organization; - natural and climatic conditions.
		E) Environmental factors: - growth of environmental pollution; - quality and safety of their use.
		E) Political factors: - the political situation in the country; - legislation; - tax policy.
		G) Investment policy: - availability of borrowed funds; - business activity; - liquidity indicators; - the size of the expected profit; - degree and speed of introduction of innovative technologies; - the degree of the workload of production facilities and the level of their effective use; - risks.

CONCLUSIONS AND OFFERS

Based on the analysis of the factors that influence the choice of an organization's innovative strategy, three classifications were identified based on the opinion of economic experts: based on their relationship to the economic system, the level of economic analysis, and aspects of the organization's activities.

Consideration of all factors individually and in combination allows you to develop an innovative strategy for the organization. Without continuous innovation and revision of the strategy, in particular, changes in important factors, the effective operation of the organization in the modern competitive field will be constantly under the influence of various threats to economic security.

The carried-out systematization allows for the allocation set of the factors influencing innovative development. The identified factors have a significant impact on enterprises and contribute to the activity or slow it down, including innovation. In the future, to build an effective methodology for the innovative development of enterprises, it is necessary to identify

the key operating factors that contribute to an innovative breakthrough, taking into account regional and industry specifics, which will make it possible to build an effective strategy for the growth of innovative activity based on the analysis and elimination of "bottlenecks".

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