

Methodological Approaches to Classification of Innovation Potential in the Context of Steady Development of Entrepreneurial Structures

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Abstract: The article offers authors' approach to theoretical and methodological interpretation of the system notion "innovation potential" which is connected with functioning and development of separate economic entities (entrepreneurial structures). In the article definition of innovation potential is proposed and main approaches to its classification depending on the type and kind are considered, complex of principles is described which must be used for entrepreneurial structure's innovation potential management in the context of sustainable development and balanced socio-economic growth of such structures.

Key words: Sustainable development • Balanced socio-economic growth • Entrepreneurial structure • Innovations • Innovation potential • Innovation potential classification • Principles of innovation potential management

INTRODUCTION

Innovations which are the result of application of scientific or organizational knowledge are one of the key factors which stand for development of entrepreneurial and corporative structures. This thesis has already become an axiom and does not demand any proofs [1]. In scientific and practical literature there are sufficient number of studies which demonstrate that innovations engage knowledge resource and produce such results which allow entrepreneurial or corporative structure by means of re-combination of means and factors of production to form advantages and maximize economic or non-economic benefits [2]. Producing and implementation of innovations not only facilitate formation of competitive advantages on micro-economic level (the level of separate entrepreneurial structures and other economic entities), but innovative activity of entrepreneurship and corporative segment also will increase competitiveness of national economy on the world arena [3].

Readiness and ability of entrepreneurial or corporative structure to produce and implement innovations signal about high sensitivity of managers and main staff to changes [4].

This in turn means that current functioning and further development of this structure is directed to search and use of new forms of combinations of means and factors of production with parallel decrease in resource consumption and the level of anthropogenic and production load on natural environment. Thus, transition to the concept of sustainable development in micro-economic level becomes impossible without innovative activity [5].

However the question about the contents, specific features and how innovative activity manifests itself in functioning and development of economic entities is still outstanding today.

In order to be innovative active or build its strategy of development in innovative direction entrepreneurial structure must possess certain capabilities which will guarantee its sustainable development and balanced socio-economic growth. Such capabilities in combination with knowledge resources of entrepreneurial structure must be considered as innovation potential. [6] Innovation potential of entrepreneurial structure is such resources and reserves whose effective and rational use will provide sustainable development of this structure in long-term perspective with simultaneous balanced socio-economic growth.

Innovation potential of entrepreneurial structure, its availability, means that such structure, firstly, is oriented to long-term development, secondly, this structure uses knowledge resources as an incentive for long-term sustainable development. In this aspect innovation potential is considered as pre-conditions for entrepreneurial structure for expanded reproduction process. Here we must take into consideration that, as any other system phenomenon, innovation potential has its own structure-local potentials which are based (accumulated and used) in some sub-system of control over the activity of economic entity.

In particular, the following combination of local potentials, which together form innovation potential of entrepreneurial structure (or any other economic entities), can be identified: knowledge, staff, infrastructural, financial. The state of these local potentials and their significance levels in the context of formation of integral (total) innovation potential for every entrepreneurial structure will be individual.

However the local potentials must be ordered in accordance with their significance depending on the ability to create resources. In our case primary (resource-forming) potentials will be staff and financial potentials, other local potentials should be considered as derivative (or resource-consuming).

Several approaches to typologization and classification of kinds of innovation potential of economic entities [7, 8]. But if the key point is sustainable development (facilitation of such development) then innovation potential has two main types: innovation potential of functioning; innovation potential of development.

Innovation potential of functioning of entrepreneurial structure can be viewed as conjunctural (momentary or short-term), intended for development and producing innovations meant for satisfaction of current individual or social demands, in extent which is higher than with the competitors thanks to creation of modified (new) products or improvement of processes of providing consumer services.

Innovation potential of development of entrepreneurial structure can be viewed as strategic one. This potential is intended not only for satisfaction of individual-social demands but for creation of new demands in society or economy with the purpose of their further most effective satisfaction by supply of brand new, next-level, products or improvement of processes of providing consumer services. In the same time both conjunctural and strategic innovation potentials of

entrepreneurial structure can be of different degree of manifestation and sufficiency for the purposes of sustainable development of such structure and its balanced socio-economic growth.

Innovation potential of entrepreneurial structure can be judged by the form of its manifestation -as real or latent. Real innovation potential is formed by combination of resources, means and factors of production which are characteristic of entrepreneurial structure at present time and probably in future. Real innovation potential of entrepreneurial structure also includes an enterprise's ability of very quick mobilization of resources, means and factors of production necessary for current functioning and sustainable development on the base of balanced socio-economic growth in medium and long term.

In its turn latent (hidden) innovation potential of entrepreneurial structure is understood by us as combination of resources, means and factors of production which entrepreneurial structure could possess if it had been sufficiently financed, optimally structured in organizational and functional terms, included into innovative processes of local, national or transnational level.

Thus, having identified the form of manifestation of the innovation potential of entrepreneurial structure in main activity we can judge about the state of internal environment of a company, its ability and readiness to fulfill innovation-oriented development to keep long-term sustainability and balance of socio-economic growth.

By the level of sufficiency innovation potential of entrepreneurial structure is classified by us as optimal, sufficient and insufficient. Optimal innovation potential of entrepreneurial structure can serve both for functioning and development needs without engagement of additional resources, means of production and factors of production in big amount from external environment. Here exploration of optimal innovation potential both for purposes of functioning and development will be characterized by availability of the reserve and ability to reproduce.

Sufficient innovation potential of entrepreneurial structure must be viewed as ability to rather fully satisfy all the needs of current functioning and most part of developmental needs of an entrepreneurial structure at the expense of its own resources, means and factors of production. Attraction of resources, means and factors of production from external environment while using support of third party can be done only in case of urgent necessity and when new and previously not taken into consideration circumstances will appear.

Insufficient innovation potential of entrepreneurial structure is an inability (failure) to satisfy needs of functioning and development to rather full extent at the expense of its own resources, means and factors of production. Insufficient innovation potential of entrepreneurial structure testifies, firstly, the inefficiency of activity organization and inability to obtain economic and other benefits from current functioning because of combination of accumulated problems of activity.

Secondly, insufficient innovation potential of entrepreneurial structure signals about the necessity of attraction (mobilization) of resources, means and factors of production from external environment with use of third party's support which can negatively influence functioning and development of this structure.

Innovation potential accumulated by entrepreneurial structure or any other economic entity demands efficient and effective management [9, 10].

In general methodological terms innovation entrepreneurial structure's potential management is complex scientific and practical knowledge intended for formation of such managerial concepts and foundations thanks to which efficiency and effectiveness of innovative activity of entrepreneurial structure will constantly increase and the state of accumulated innovation potential will be positively characterized by estimated dynamic changes.

It is worth mentioning that management of innovation potential of entrepreneurial structure is based on several key principles. Principle of management of innovation potential of entrepreneurial structure must be understood as special combination of guidelines intended for effective exploration of accumulated in management sub-systems strategic and operational reserves and obtaining of necessary effects (sustainable development and balanced socio-economic growth).

While managing innovation potential of entrepreneurial structure it is necessary on the one hand to orientate to the achieved level of development of this structure, on the other hand, to take into consideration external environmental alternatives.

This means that capabilities of entrepreneurial structure (state of its internal environment) must be characterized by availability of authenticities to opportunities which can be opened in external environment, or entrepreneurial structure must possess developmental reserves which are necessary for realization of definite project solutions in aspect of its innovation potential management. Therefore, basic

principle of management of innovation potential of entrepreneurial structure is the principle of alternatives and scenarios.

The second key principle of innovation potential management is use of differentiated approach, because multiplicity of opportunities which can be opened in external environment can not be always explored by current accumulated in entrepreneurial structure abilities to functioning and development. Depending on accumulated level of innovative abilities entrepreneurial structure can be oriented to producing either conjunctural or strategic innovations.

It can be concluded from said above that innovation potential of entrepreneurial structure can be regarded as strategic reserve. Managing this reserve is solution of the problem of how to provide sustainable development and balanced socio-economic growth of entrepreneurial structure at the expense of planning, accumulation and further use of innovation potential.

Summarizing all said above it is necessary to emphasize that innovation potential of entrepreneurial structure is a sum of abilities not only for functioning but for sustainable development at the expense of combination of resources used effectively and rationally. Innovation potential of entrepreneurial structure can be classified depending on the type and kind: as strategic and conjunctural (short-term) and as sufficient or insufficient, local or real. Innovation potential management is based on underlying principles: alternative character, scenarios, differentiation of approach. This provides system approach to accumulation, planning and use of innovative potential in the continuum of sustainable development and balanced socio-economic growth.

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