

## Imperatives of Innovative Development of Business

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**Abstract:** The concept of innovative development of the business, based on five elements of innovative activity is investigated: purpose and problems of innovative development of business; formation of standard and legal base of innovative activity; state regulation of innovative development of business; mobilization of resources for implementation of programs of innovative development of business and ensuring their effective use; development of innovative infrastructure. Theoretical justification of formation of system of investment ensuring realization of innovative processes at the enterprises, is given by being form of realization of investment strategy and strategy of innovative break. It is claimed that decisive imperative innovative development of business there is an innovative communicative space.

**Key words:** Innovative development • Investment providing • Innovative process • Infrastructure  
• Innovative sphere • Investments • Innovative program.

### INTRODUCTION

The main tendencies of development of world economy are characterized by a combination of strategy of innovative break to innovative business. From here the important conditions defining rates of innovative development of world industrial production, are: firstly, globalization of scientific researches and formation of branch blocks of innovative system; secondly, distribution of scientific and technical progress on averages technological branches; thirdly, increase of science intensity of production. At all variety of innovative characteristics of the production business creating the base of competitiveness of business in the world market and expanding a field of the global competition in the innovative sphere, using of new knowledge and the technologies which have become result of scientific researches and development remains a key link and in the long term. Possibilities of active adaptation of a virtual image of technologies of the future (which recently tend to increase) are defined by involvement conditions in an innovation of the knowledge-intensive capital and investments.

**The Concept of Innovative Development of Business:** For achievement of cumulative effect of growth of science intensity of segments of national and world economy into the forefront various combinations of elements, basic persistent and the principles of innovative process move forward. Thereby complexes of the interconnected objects of the intellectual property determining by which strategy of functioning have to be formed there will be a development of innovative competences and creation of original technologies. Similar complexes will represent a great value for business, than the simple sum of values of separate decisions and will allow to pass from a classical way of development of the business assuming imitations, the price competition, production creation on the basis of integration of the standardized elements, to innovative, causing creation of original innovative solutions, wide innovative infrastructure.

The success of innovative development of business is defined by level of implementation of innovative processes at the enterprises. The solution of the problem of formation and realization of innovative processes at the enterprises assumes development of the relevant conceptual provisions defining character of the

mechanism of investment ensuring realization of innovative processes by means of economic, standard and legal, financial, organizational, social and other influences.

The concept reflects the main point of view on this phenomenon, a framework defining essence and the directions of development of this phenomenon is set.

On the basis of the analysis of the innovative processes proceeding at the enterprises and taking into account need of activization of innovative activity, the concept of innovative development of business is developed. Implementation of the concept will allow to create system of investment ensuring innovative processes at the enterprises and also to provide priorities and the directions of their development on a long-term prospect, taking into account features of investment of processes of creation of new production, expansion of the range of existing production, technological re-equipment of production, improvement of organizational structures, development of innovative infrastructure.

The concept of innovative development of business at the enterprise is based on results of a number of basic and applied researches in the field of management of investments. So, at the heart of different financial and economic calculations the concept of a temporary assessment of money lies, therefore, at elaboration of methodical approaches within innovative development of business this concept finds the reflection in an assessment of efficiency of implementation of innovative processes. Not less important is the concept of the accounting of a factor of inflation. Influence of inflation affects many aspects of activity of the enterprise, in particular mobilization of resources for implementation of programs of innovative development at the enterprises. The compromise concept between risk and profitability in the course of innovative development of business underlies formation of the purposes and problems of investment ensuring innovative processes at the enterprises and development of the system of the actions minimizing negative consequences of investment risk. The concept of asymmetry of information underlies using of standard and legal, market information in the course of implementation of all kinds of activity. This information can be used by subjects in the various ways for successful using of factors and conditions of increase of efficiency of innovative development of business for the economic growth and achievement of strategic objectives of development.

The conceptual purpose of innovative development of business is the increase in scales of real output at the expense of attraction of investments into the effective, competitive kinds of activity, capable to provide the fullest using of capacity of the enterprise that will allow to reach economic, scientifically – technical and social effect from alleged actions [1].

The concept of innovative development of business consists of several interdependent components: purpose and problems of innovative development business; formation of standard and legal base of innovative activity; state regulation of innovative development of business; mobilization of resources for implementation of innovative programs and ensuring their effective use; development of innovative infrastructure.

The concept of innovative development of business assumes management of all parties: from formation of the purpose, strategy and priorities of investment policy which focus on activization of using of scientific and innovative potential, on technological modernization of industrial potential, preservation and development of personnel potential and searching of effective mechanisms of attraction of resources to formation of the mechanism providing balanced branch structure and uniform processes of redistribution of resources at social and economic efficiency and before release of mass parties of an innovative product.

The concept of innovative development of the business, presented in Fig. 1, consists of the following elements: the purpose and problems of innovative development of business, formation of standard and legal base of innovative activity, state regulation of investment ensuring innovative development of business, mobilization of resources for implementation of programs of innovative development and ensuring their effective use, development of innovative infrastructure.

Main goal of innovative development of business within investment policy is creation of competitive advantages of the enterprises on new innovatively - a technological basis for ensuring steady economic and ecologically safe growth, saving of the steady provision in domestic market and an exit to a foreign market, intensity easing in the social sphere.

**Components of Process of Innovative Development of Business:** In the directions of investment activity in the course of innovative development of business it is possible to allocate the purposes of real investment

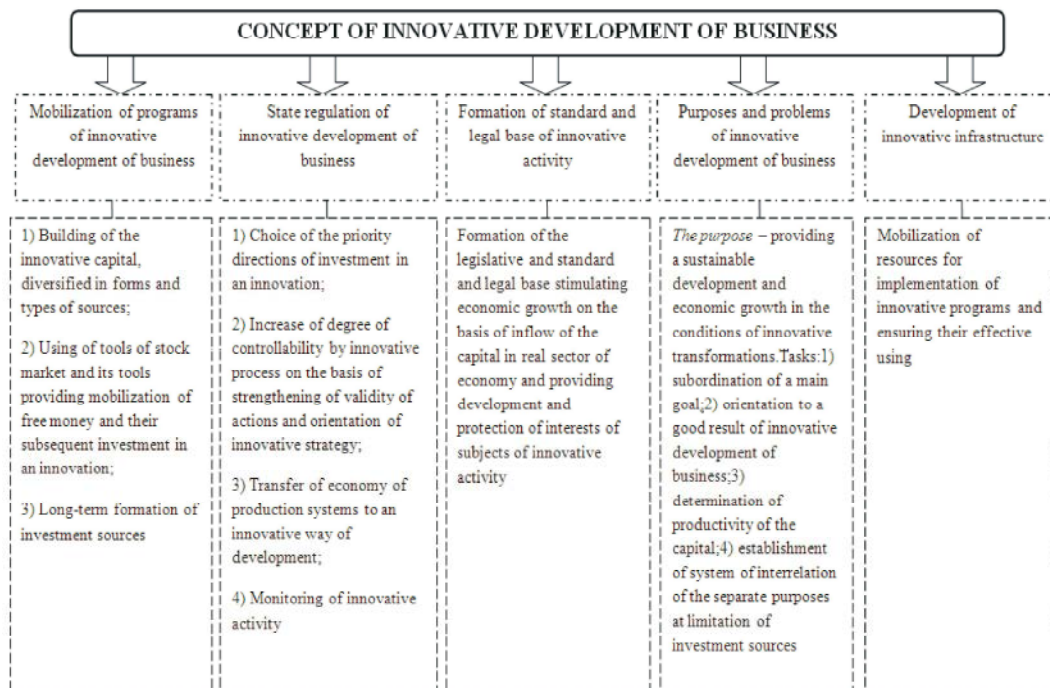


Fig. 1: Concept of innovative development of business

determined by a branch and regional orientation of real investments and the purposes of financial investment defining prospects of acquisition of controlling stakes of other enterprises.

On an orientation of reproduction development allocate:

- The purposes of simple development according to which timely replacement of depreciable fixed assets and intangible assets within simple reproduction is provided;
- The purposes of expanded development according to which the increments of assets or own capital of the enterprise are provided that finally will lead to growth of welfare of owners of the enterprise;
- The purposes of innovative development according to which the increments of assets or the capital as a result of an embodiment of advanced technology, release of new production (or qualitatively other than previous analog), capable to satisfy certain requirements and inquiries of consumers are provided.

On the nature of influence on result in the course of formation and using of system of innovative development of business it is possible to allocate:

- The direct purposes which are directly connected with the end results of innovative development of business;
- The supporting purposes which provide realization of the direct purposes, for example, improvement of organizational structure of management, minimization of investment and financial risks.

For realization of the purposes it is necessary to solve the following problems:

- Industry restructuring on branch, technological structure;
- Ensuring stable growth rates of output of a technological and consumer demand;
- Increase of competitiveness of production and development of export-oriented productions;
- Development of infrastructure of innovative activity and exit to foreign markets of intellectual production;
- Formation of favorable investment climate;
- Modernization and technological updating of production base and development of the innovative potential focused on release of hi-tech production;
- Strengthening of the personnel potential, advancing preparation and retraining of experts for needs of the industry and is innovative - a technological complex;

- Development of mechanisms of the corporate governance based on system of mutual participation in the capitals.

Innovative activity is realized usually in the legal forms corresponding to turnkey contracts on capital construction, design, deliveries and others. Investment can happen by acquisition of actions of joint-stock company, the accession to association to a share investment. Investments into innovations can be carried out by acquisition of the patent or rights of using under the license contract, trademark acquisition, etc.

Investment ensuring innovative development of business can be characterized as activities for accumulation, distribution and using of the money which is subject to investment. State regulation of investment activity can act in shape: the state investment programs, direct control of the state investments, a tax policy, providing the financial help on development of certain territories, branches, productions, financial, credit and depreciation policy, an antimonopoly policy, support of innovative activity.

Main directions of support of innovative activity following:

- Development of infrastructure of scientific and technical and innovative activity (it is innovative - the technological centers, science and technology parks, exhibition platforms etc.);
- Preparation and retraining of personnel in the field of scientific and technical business;
- Development of standard legal support of innovative activity, creation of system of protection of intellectual property;
- Creation of conditions for attraction of investments into innovative projects.

According to a main objective of innovative development of the business, the defined present Concept, investment resources of the industrial enterprises have to go, first of all, on implementation of the effective quickly paid back investment projects promoting innovative technologically updating of production base. Now the greatest importance is gained by questions of long-term formation and rational using of investment and innovative resources.

Financial security of innovative development of business can be carried out in the various ways and from different sources. As the main forms of financial security of innovative development of business in the Russian and world practice are considered:

- Own financing at the expense of net profit, the sums of depreciation charges, the insured sums paid in the form of compensation for caused damage as a result of a loss occurrence, monetary accumulation, savings of citizens, legal entities;
- Joint-stock financing at the expense of deposits of founders and strategic investors;
- Loan financing for the account: bonded loans; the loans granted by government bodies on a returnable basis and also the insurance companies, pension funds, investment funds and the companies; credits of foreign investors, banks; the foreign sources provided in the form of financial means or other participation in authorized capital of joint ventures and also in the form of direct investments of the international organizations and also individuals.

Using of various forms of financing of innovative development of business assumes their analysis and a choice of the most optimum and acceptable scheme. One of the most important forms of financial security of innovative development of business is self-financing. It is based on using of own financial resources, first of all arrived also depreciation charges. On the one hand, own means are a source of capital investments on modernization, reconstruction and production expansion, development and the organization of release of the competitive production which is in demand in the market. With another - realization of such production leads to the sales proceeds and profit growth, increase in opportunities of reproduction of fixed capital.

For this purpose it is necessary to provide the mechanism of using of own funds for financing, first of all, quickly paid back, highly effective projects included in the investment program of innovative development of business and providing additional receipts at the expense of which accumulation of investment and innovative potential of the enterprises will be carried out.

Innovative development of business is interfaced to practical difficulties which arise at application of criteria of a factor of time and risk because the majority of innovative solutions is based on forecasts. Thus

existence of risk causes uncertain character of forecasts. Using of methods of modeling to the solution of investment problems in the conditions of uncertainty will allow to choosing independent variables in distribution of probabilities of approach of risk events in the course of innovative development of business [2].

Interaction of the investment and financial markets is an important condition of investment ensuring innovative development of business. The financial market provides accumulation of temporarily free funds of one subjects of the market and effective using their by others, formation of financial resources, their most effective investment and purposeful using. For ensuring innovative development of business establishments have to be involved in innovative process financial and credit systems, the investment, insurance, consulting companies, the state specialized structures. Mobilization of resources and their subsequent placement can be carried out by credit or share option of investment. At the first option transfer of money it is mediated by credit and financial institutes, at the second - redistribution of the investment capital is carried out through issue and placement of securities. Redistribution of means between economic sectors happens proceeding from market criteria of appeal of investments.

Let's note that at the heart of the offered concept of innovative development of business the approaches defining innovative development of business as process of a choice, justification and attraction of investment resources and instruments of investment in innovative developments of the enterprises, management with which lie will provide advancing creation, development and introduction not only new equipment and technology, but also new combinations of the production and intellectual resources opening the road to new products, production methods, raw materials sources.

## **CONCLUSIONS**

Active positioning in an innovation will lead to emergence of innovative communications between objects of intellectual property. Innovative communications as the active relations, will allow to distinguish and correctly to use any available and again being created economic relations in innovative space, from system positions to approach to management structurization, to design of the interconnected processes of movement of resources in innovations.

It is represented that in this regard decisive imperative innovative development of business there is an innovative communicative space as area of self-identification of objects of the intellectual property, having property of coherence of economic positions for maximizing as commercial effects from using of innovative communications and globalization of corporate innovative functions both in business community and with government and society institutes.

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