

## PEDTR 2019

### 18<sup>th</sup> International Scientific Conference “Problems of Enterprise Development: Theory and Practice”

## DEVELOPMENT OF INNOVATIVE PROCESSES AT INDUSTRIAL ENTERPRISES

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### *Abstract*

This article is aimed at analyzing the development of innovations at industrial enterprises. The experience of developed countries confirms that the winner in the competition is the one who considers the innovative development as the basis of the own activities, and among the main strategic goals, there are development of new products and services. The innovative process is a multi-level system in which each element represents a separate socio-economic aspect of innovations. Businesses that combine deep understanding of their business with the gained experience in the area of innovations are the ones that win customers. That is why businesses are trying to use innovations to improve their competitiveness. The relevance of the chosen topic is determined by the fact that due to the application of digitalization in the market economy, there is a need to rethink approaches to innovations at industrial enterprises. In this regard, special attention should be paid to the essence of elements in the innovative field. The modern activity of enterprises allows using opportunities for applying such innovations, in which existing technologies, products and services of various industries are adapted, and then successfully launched into new areas of the entrepreneurial activity. But there are rules that must be met in the current economic situation. The purpose of the study is to analyze opportunities and profitability of investments into innovations of industrial enterprises.

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**Keywords:** Innovations, innovative development, modernization, industry, industrial complex, industrial enterprises.



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## 1. Introduction

In the context of globalization and international competition, the innovative development way is actually the only alternative for modern business, since at present the world economy is recovering from the financial crisis and a new long wave of economic dynamics begins, which leads to an increase in the technological level throughout the world and the formation of a new system of public relations based on the innovative development (Chirkunova, Belanova, Kornilova, & Ryduk, 2018). Companies that innovate are always at risk. But the risk is offset by a reward in the form of a significant share of profit if the application of innovations becomes successful. The famous economist Joseph Schumpeter once defined innovations as "new combinations" of existing elements (Schumpeter, 1982). Innovative activities of enterprises cannot give a return in the near future, you need to keep in mind the expected net profit in the long term. Innovation is a qualitative change in the production, affecting the economic growth (Kireeva, Belanova, Kornilova, & Chirkunova, 2017).

## 2. Problem Statement

The problems of interaction between the state, science and business are reflected in the triple helix concept (Triple Helix) or the model of strategic innovation networks, which is based on theses about the dominant position of institutional structures and the importance of the network nature of interaction between participants of the innovative process within strategic associations.

It is known that the organization of innovations includes three important aspects:

- The subject of innovation activity, which is an association of people who together implement development, application and creation of innovations;
- A set of processes and actions of the organization aimed at performing necessary functions in innovation activities;
- Structures that ensure the internal orientation of the system and improve the relationships between its elements and subsystems (Edler & Fagerberg, 2017).

From this point of view, the innovation program should be understood as a process of ordering innovation activities, and regulating methods, forms, ways and processes that are carried out in the innovative activities of companies.

The activities of innovative enterprises face a number of serious key challenges:

- Higher education institutions as state institutions do not have the right to receive income from business activities;
- Problems with registration of patents for inventions, utility models and other results of the intellectual activity entered into the authorized capitals of small innovative enterprises (hereinafter – SIE) have not been solved;
- According to current legal norms, universities can provide their SIEs with space for rent only if they win a tender or auction on a par with other participants;
- There is a problem of filling the authorized capital of SIEs; the innovative infrastructure of universities is not developed enough (Sanaliev, Kengzhgalieva, Idelbayeva, & Niyazbekova, 2018).

### **3. Research Questions**

The most innovative industries in the Russian Federation are the space and defense industries, as they have great potential and are actively supported by the state. Medicine, agriculture, IT-technologies and construction are promising, the development of which will have a positive impact on the standard of living of the population (Chirkunova, Kireeva, Kornilova, & Pschenichnikova, 2016). The most profitable investments are made in innovative enterprises, but in Russia, many innovative ideas do not find their way to implementation because of the lack of funds.

### **4. Purpose of the Study**

The purpose of the study is to present opportunities and profitability of investments in innovations at industrial enterprises, as well as to reveal some problems in this area, in particular, the lack of funding and the search for ways to implement innovative ideas. This goal determined an attempt to solve the following tasks:

- Present general directions for implementing the policy in the field of innovation;
- Consider innovation as an important factor of the economic growth;
- Study the essence of innovations in the industrial production.

The authors consider priority directions on the way to increasing the innovative potential. These areas should include changes and regulation: development of property and financial institutions for innovations; budgetary and tax conditions for the priority development of the intellectual property market; promotion of international patenting of Russian results of scientific and technical activities; improving the efficiency of state financing of R&D (Abenova, Agumbayeva, Madyshev, & Niyazbekova, 2019).

### **5. Research Methods**

The methodological basis of the study was the fundamental provisions of the industrial economy, scientific works in the field of enterprise and industrial economics, and the results of statistical research in the field of functioning of industrial complexes. To date, certain scientific methods and trends of the innovative development have been formed. However, a comprehensive approach is needed to identify areas of development and implementation of innovations (Semenyuk et al., 2018). In the course of this study, the authors used dialectical, system-functional, economic-statistical, and formal-logical methods

### **6. Findings**

#### **6.1. General directions of the implementation policy in the sphere of innovations**

The Russian Federation has already started the process of legal consolidation of mechanisms for developing the innovation climate in the country. There are attempts to create special economic zones, technology parks, business incubators, etc., which unite the private and public sectors through partnership.

## 6.2. Innovations as an important factor of economic growth

Investment in infrastructure and innovations are key drivers of the economic growth and development. As more than half of the world's population lives in cities, public transport and renewable energy sources are becoming increasingly important, as well as the growth of new industries, information and communication technologies (Kornilova, Shekhova, Belanova, & Savoskina, 2019).

Technological progress is also a key factor for finding long-term solutions to both economic and environmental problems, such as creating new jobs and improving the energy efficiency (Niyazbekova, Grekov, & Blokhina, 2016). Promoting sustainable industries, investing in research and innovations are important ways to promote sustainable economic development.

More than 4 billion people still do not have access to the Internet, and 90% are from developing countries. Bridging this digital gap is crucial for ensuring the equal access to information and knowledge, as well as for stimulating innovations and innovative entrepreneurship.

## 6.3. Innovations in the industrial production

Industrial innovations provide a necessary set of applications for secure and structured real-time data management across the whole product-related content. It provides a safe interaction in real-time, an exciting business analytics to manage the main business points, and easy management and organization of tasks.

## 7. Conclusion

To increase the level of the innovative development, it is necessary to form and effectively use investment resources, which will contribute to the transformation of the production sector, as well as increase the effectiveness of measures being developed to activate innovations, scientific and technological renewal of the industrial sector. These measures will have a positive impact on the economic growth and competitiveness of the Russian economy. A lot of innovations in industrial enterprises should lead to a reduction in time and costs, it is much more reasonable to innovate in those products that will meet the needs of customers or ensure the development of new activities that can generate income.

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