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STRATEGIC MANAGEMENT OF INNOVATIVE DEVELOPMENT OF ENTERPRISES

The article considers conceptual foundations of strategic management of innovative development of enterprises, which is a key factor of ensuring their competitiveness in the context of dynamic changes in the market environment. The main attention is paid to the formation of effective management mechanisms that allow integrating innovation processes into the overall development strategy of an enterprise. The necessity of focusing on long-term goals is substantiated, taking into account rapid technological changes and the growing role of knowledge and information in economic activity. The main stages of strategic innovation management are analyzed, including the formulation of mission and vision, assessment of the external and internal environment, determination of strategic priorities, development and implementation of innovation programs. Particular attention is paid to approaches to assessing the effectiveness of innovation activities, which allows adjusting strategies depending on the results obtained. It is proved that when justifying the choice of an innovation strategy, managers should take into account its compliance with the overall development strategy of the enterprise, its acceptability in terms of risk, and market readiness to accept a new product. It is determined that a matrix of alternative options, compiled by analogy with the SWOT matrix, can also be a tool for choosing an innovation strategy. The article also considers models of interaction between enterprises and other participants of the innovation ecosystem, such as research institutions, universities, start-ups and investors. The importance of partnerships for the exchange of knowledge, technologies and resources is emphasized. A methodological approach to the development of innovation strategies based on a combination of forecasting, risk management and change management elements is proposed. The study emphasizes that successful strategic management of innovations requires flexibility, adaptability and integration of various functional areas of an enterprise. The results of the study can be used to improve the practice of strategic management of innovation development, contributing to the achievement of sustainable growth and strengthening of market positions of enterprises.

Key words: innovative development, strategic management, management tools, enterprises, strategies.

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СТРАТЕГІЧНЕ УПРАВЛІННЯ ІННОВАЦІЙНИМ РОЗВИТКОМ ПІДПРИЄМСТВ

У статті розглянуто концептуальні засади стратегічного управління інноваційним розвитком підприємств, що є ключовим фактором забезпечення їхньої конкурентоспроможності в умовах динамічних змін ринкового середовища. Основна увага приділена формуванню ефективних механізмів управління, які дозволяють інтегрувати інноваційні процеси в загальну стратегію розвитку підприємства. Обґрунтовано необхідність орієнтації на довгострокові цілі, враховуючи швидкі технологічні зміни, зростання ролі знань та інформації в економічній діяльності. Проаналізовано основні етапи стратегічного управління інноваціями, включаючи формулювання місії та бачення, оцінку зовнішнього та внутрішнього середовища, визначення стратегічних пріоритетів, розробку та впровадження інноваційних програм. Особливу увагу приділено підходам до оцінювання ефективності інноваційної діяльності, що дозволяє коригувати стратегії залежно від отриманих результатів. Доведено, що обґрунтовуючи вибір інноваційної стратегії, керівники повинні враховувати її відповідність загальній стратегії

розвитку підприємства, прийнятність її за рівнем ризику, готовність ринку до сприйняття новинки. Визначено, що інструментом вибору інноваційної стратегії може бути також матриця альтернативних варіантів, складена за аналогією до матриці SWOT. В статті також розглядаються моделі взаємодії підприємств з іншими учасниками інноваційної екосистеми, такими як науково-дослідні установи, університети, стартапи та інвестори. Підкреслено важливість партнерств для обміну знаннями, технологіями та ресурсами. Запропоновано методологічний підхід до розробки інноваційних стратегій, що базується на поєднанні елементів прогнозування, ризик-менеджменту та управління змінами. Дослідження підкреслює, що успішне стратегічне управління інноваціями вимагає гнучкості, адаптивності та інтеграції різних функціональних сфер підприємства. Результати роботи можуть бути використані для вдосконалення практики стратегічного управління інноваційним розвитком, сприяючи досягненню стійкого зростання та зміцнення ринкових позицій підприємств.

Ключові слова: інноваційний розвиток, стратегічне управління, інструменти управління, підприємства, стратегії.

Formulation of the problem. Modern business conditions require enterprises in the region to pay increased attention to the analysis and assessment of the prospects of their activities. The main task of innovation management as one of the functional areas of organization management is to ensure its effective activities and development in the long term by substantiating and choosing promising areas of activity, creating or attracting those innovations that will significantly distinguish the organization's products or services from similar products of competitors. Strategic management of innovative development of enterprises in the region involves, first of all, determining the place and role of innovations in the implementation of the general strategy of enterprises in the region, which is developed to achieve promising goals (gaining a larger market share, ensuring high rates of economic development, etc.) in a competitive environment.

Analysis of recent achievements and publications. The study of the essence and significance of strategic management has received much attention from both domestic scientists and researchers from foreign countries. Such scientists as Chandler A., Porter M. in their works prove the need to develop an effective management strategy [1–2], Puzenteilo P., Zavytiy O. point to strategic management as a tool that allows creating conditions for the development of the region in the future and making management decisions in accordance with strategic goals [3]. Zhavoronkova G. and Korytko T. were engaged in research on strategic planning of socio-economic development of the region [4; 5]. Rogatina L. investigates the impact of strategic management on the formation of competitive advantages of the region [6]. Despite the fact that the spectrum of research on strategic management of regional development is quite large, but taking into account the current economic situation, the consequences of the pandemic and martial law, this issue needs to be given even more attention, because most regions of Ukraine are unstable and economically unprofitable, therefore it is necessary to consider special levers, directions that will help to strategically effectively manage the region.

Therefore, the **purpose** of this article is to highlight the essence of innovation strategies of enterprises in the region and their application in today's conditions.

Presentation of the main material. Strategy is a long-term model of enterprise development, which is adopted to achieve its strategic goals and takes into account the limitations of the internal and external environment.

An innovative strategy is one of the means of achieving enterprise goals and is characterized by novelty, primarily for enterprises in the region, and often for the industry, market, and consumers. Depending on the goal and market position, the following types of innovative strategies are distinguished: offensive strategy, defensive strategy, imitation, dependent, traditional strategy, and «opportunity» strategy («niche» strategy).

Offensive strategy. It is developed to implement the overall growth strategy. This strategy is used by enterprises in the region that build their activities on the principles of entrepreneurial competition. It is associated with the desire of enterprises to achieve technical and market leadership by creating and introducing new products. Therefore, most offensive innovations are implemented in countries that are world leaders [2].

The offensive strategy assumes a close connection of the region's enterprises with world achievements of science and technology, the presence of scientific achievements financed and implemented by the region's enterprises themselves, its ability to quickly respond and adapt to new technological opportunities. A feature of this strategy is the active participation of enterprise employees in the creation and implementation of innovations. Innovations very rarely «come» to the region's enterprises from an external source in a finished form. Therefore, to implement the offensive strategy, it is important to have a powerful research and development and design base that could not only create its own new products, but also improve existing ones.

The offensive strategy includes a set of measures that should outline ways to enter new positions and determine:

- demand conditions in the future;

- the nature of the organization's internal elements necessary for its development;
- new types of products that should be supplemented by the enterprise's product range; the share of the main product among new goods and services;
- methods for preventing errors in capital investments and developing new products;
- the range of economic resources necessary for the production of new goods and services;
- organizational methods for creating new industries: the absorption of other enterprises by purchasing them; merging with enterprises in the region that produce the necessary products, or creating new industries on their own through scientific research and the development and implementation of business projects [1].

The offensive strategy can be used by small innovative (venture) firms and large enterprises. Thanks to powerful research and development departments, they can generate their own ideas and implement them, protecting their exclusive right to new products through the patenting system (Dupon, Microsoft, Antonov JSCB, etc.).

Defensive strategy. It is part of the general stabilization strategy and is aimed at maintaining the competitive positions of enterprises in the region in existing markets. This strategy is chosen by most medium-sized enterprises that avoid excessive risk. Such enterprises are one step behind the pioneers and introduce an innovation, making sure of its prospects. However, this is not an imitation of a new product. As a rule, it is improved, which makes it possible to use the innovation in other areas, for a different purpose, or to introduce it to other markets. The main function of such a strategy is to optimize the ratio of «costs – output» in the production process.

Such a strategy also requires significant efforts in the research and development sector, so it is used only by powerful high-tech enterprises in the region. Having analyzed the achievements and mistakes of the pioneer companies, having improved the innovation and legally protected its new model, they begin mass production and receive significant profits from this. For example, IBM surpassed the pioneering company Sperry Rand in the production of computers, using precisely the defensive strategy. In turn, many computer companies, having purchased a license from IBM and having improved its basic computer, that is, also using the defensive strategy, flooded the world market with their products [2].

The defensive strategy involves special attention to personnel, advertising, extensive service, and maintenance, since significant advantages for enterprises in the region can be obtained precisely in this area.

The imitation strategy is used by imitating enterprises that have purchased a license for certain

innovations from a pioneer enterprise. Sometimes imitation can occur without the permission of leading enterprises, that is, in a pirated manner. The imitating enterprise not only copies the main consumer properties of innovations, but also achieves certain advantages in their production: reducing costs by attracting cheap labor or local resources, using existing production facilities for a new purpose.

If the imitation strategy is carried out with respect for the intellectual property rights of the leading enterprise and at the same time ensures a successful combination of someone else's technology with the advantages of its own resources, it can also be useful for the imitating enterprise. For Ukrainian enterprises, such a strategy is one of the ways to increase the science-intensiveness and technological sophistication of production.

Dependent strategy. It is developed to implement the general stabilization strategy by enterprises-subcontractors of large companies. The nature of technological changes depends on the policy of the «parent» enterprises. «Dependent» enterprises of the region perform subcontract work to the order of the main enterprise. Small enterprises of this type are common in capital-intensive industries, their market success is directly related to the success of the main product of the main enterprise among consumers. Such enterprises do not carry out innovative search independently, but provide high criteria for the quality of work and flexibility in adapting to requirements, new technologies and sales markets. A significant proportion of such enterprises in the region is in the service business and in promoting products to new markets.

The dependent innovation strategy is widespread in Ukraine. World leaders in high-tech industries come to our country precisely through the creation of local enterprises-sub-manufacturers of components for their products or service providers (for example, in the telecommunications industry – UMC, Kyivstar Ukraine). Thanks to the «dependent» innovation strategy, Ukrainian enterprises can actively participate in the global innovation process [3].

Traditional strategy. It is also used to implement a general stabilization strategy. It is effective for enterprises in the region that have occupied a market niche due to the uniqueness of their product. This type of strategy does not involve significant technological changes, so it is only conditionally classified as innovative. But traditional production became such due to the fixation of certain innovative forms on them for a long period of their life cycle. Therefore, if a company, based on a thorough analysis of the market situation and the position of competitors, is completely confident in the stability of the market and consumer benefits of its products, it can consciously adhere to the traditional strategy. At the same time, this strategy involves improving the forms of servicing traditional

products, which determines the features of innovative behavior inherent, for example, in the restaurant and hotel business.

Strategy «by chance» («niche» strategy). This strategy is a response of management to external signals of the market or institutional environment. Innovative activity here consists in searching for information about the opportunities that open up for the company in new circumstances, finding special niches in existing markets that have a consumer with an atypical but significant variety of needs. Such a strategy can be a component of an offensive and defensive general strategy depending on the capacity of the market niche.

Mixed strategy. It is used mainly by transnational corporations that operate in different areas of business and in different markets. For one type of business, an offensive strategy is chosen, for another – a defensive or traditional one.

The choice of a certain innovation strategy by an enterprise depends on many factors, including: conditions and factors of the external environment, the scope of the enterprise's activity, the range and assortment of its products, the duration of the life cycle of goods, its ability to monitor scientific and technical information regarding the innovation market, the level of scientific and technical and technological potential, etc.

When justifying the choice of an innovation strategy, managers should take into account its compliance with the overall development strategy of the enterprise, its acceptability in terms of risk

level, and the market's readiness to accept the new product.

The directions for choosing an innovation strategy are presented in the form of a matrix in Figure 1.

A matrix of alternative options, compiled by analogy with the SWOT matrix (Figure 2), can also be a tool for choosing an innovative strategy.

Under favorable conditions and the presence of strong innovation potential, an enterprise can use one of the most attractive strategies - the leader strategy. In this case, the implementation of innovations becomes possible due to active scientific research carried out by employees of the enterprise itself. The enterprise is aggressive in its desire to occupy a larger market share, therefore it strives for leadership in costs, constantly improving technology.

For such an enterprise, it is important not only to identify consumer needs, but also to form them, using various marketing tools. To do this, it can use the scientific developments of other firms that do not have the funds to bring their products to the market. This may be the acquisition of innovative enterprises by mutual consent or the acquisition of a full license from venture firms to release new products [2].

The strong innovative potential of the enterprise allows it to use various innovative strategies even under unfavorable conditions (changes in current legislation, increased competition in the selected market segment, etc.). If necessary, it can enter another business (this is diversification) or form a joint venture in another industry with partners who have some experience in this area, thus strengthening

		External factors	
		Favorable conditions	Adverse conditions
Internal environment	Strong innovation potential	Active R&D, differentiation, cost leadership, acquisition of innovative firms, acquisition of full licenses	Diversification, vertical integration, joint ventures
	Weak innovation potential	Attracting investment from outside, merging with other firms, using franchising, acquisition of licenses	Liquidation of unpromising businesses

Figure 1. Matrix for choosing an innovation strategy

Market position	Strong	Acquisition of another firm (venture)	Imitative strategy ("follow the leaders")	Technological leadership, intensive R&D Offensive strategy
	Favourable	Offensive or "niche" strategy	CHOICE	Finding profitable areas of technology application Imitation strategy, opportunistic strategy
	Weak	Defensive strategy	Defensive or dependent strategy (rationalization)	Offensive strategy (organization of a "risky" project), "niche" strategy
	Innovative opportunities			
	Strong	Strong	Strong	

Figure. 2. Matrix of alternative options for innovation strategies

the positions of both participants, or unite with its suppliers or distributors through vertical integration, which will make it less dependent on price fluctuations in the market. Favorable conditions allow an enterprise to improve its market position even with weak innovative potential. For this, it is possible to attract investments (if the novelty has been accepted by the market and demand for it is expected to grow, and the company does not have enough of its own funds to increase production volumes independently).

Mergers with other enterprises are possible on the principle of forming a stable network: the enterprise concludes a long-term agreement with the parent company for the production of components or semi-finished products. If the market does not accept the novelty, the enterprise will share the risk with the parent company.

An acceptable alternative may also be the use of a franchising system. In this case, the innovation strategy involves replicating a successful novelty in the service sector. For new products, it is advisable to purchase a license to manufacture products that are in wide demand. However, if many licensors have purchased this license, excessive consolidation of the market segment is possible.

Adverse conditions with weak innovation potential involve the immediate liquidation of an unpromising business, since the enterprise is unable to carry out innovative activities [5].

Management of innovation processes at enterprises in the region is not limited only to the choice of an innovation strategy. It is necessary to assess all, primarily resource, capabilities of the enterprise for its implementation. Thus, the creation of a basic innovation and the realization of its inherent potential require proper material and technical support and highly qualified scientific and technical workers. In addition, the return on innovation increases under the conditions of its rapid introduction to the market, which requires significant funds at the stage of its commercialization. Therefore, only powerful enterprises are usually able to implement an offensive strategy. At the same time, improving innovations can be created under less favorable conditions, which causes a significant spread of those innovation strategies that are based on the diffusion of innovation – imitation, dependent, «opportunistic», etc. Therefore, when choosing an innovation strategy, it is necessary, first of all, to assess the resource capabilities of enterprises.

Planning the strategy of enterprises of the region is associated with the distribution of resources between certain areas of its activity, taking into account their prospects. The most important thing at this stage is to balance the allocation of resources between those units that will bring profit in the short term (investment in intensive product promotion) and the long term (modernization of production, product

or technological development and research). This is a particularly difficult task in conditions of limited financial capabilities of the enterprise, when funds for a full-fledged organization of the innovation process are not enough and preference is given to improvements.

In the context of rapid scientific and technological progress, timely and operational implementation of innovations ensures the flexibility and agility of enterprises in the region, their ability to adapt to a changing environment (technical, organizational, economic, political, cultural, etc.). Therefore, innovation policy should be aimed at consistent comprehensive innovation activities to change any of the elements of the business, due to real or potential market needs (demand), scientific and technological progress or special scientific research.

Innovation policy of enterprises in the region is a form of strategic management that determines the goals and conditions for implementing the organization's innovation activities, aimed at ensuring its competitiveness and optimal use of existing production and intellectual potential.

Innovation policy characterizes the attitude of management to innovation activities, determines its goals, directions, functions and organizational forms. It regulates the interaction of scientific and technical, marketing, production, economic activities in the process of implementing innovations. This interaction should be managed on the basis of certain norms and rules, which include:

- organizational, legal and other procedures that determine the procedure for forming an innovation policy;
- development of the functional areas of the enterprise;
- the mechanism for implementing the innovation program;
- the mechanism for adjusting the areas of innovation.

Conclusions. Innovation policy is aimed at implementing the strategic goals of the organization, taking into account its existing and potential resource capabilities, as well as the market situation. At the same time, it cannot rely on the extrapolation method – a method that consists in transferring the conclusions obtained as a result of studying one part of phenomena and processes to another homogeneous set, to another time. After all, in market conditions, the assumption that the future will necessarily be better than the past does not correspond to reality.

In view of these requirements, the formation of innovation policy should be carried out on the basis of the following principles: the predominance of strategic orientation, orientation to market needs, purposefulness, complexity, planning, information security.

The choice of innovation strategy is carried out taking into account the internal and external conditions of the enterprise's functioning. The development of an innovation strategy should be based on strategic

management decisions that reflect the consideration of all issues related to its implementation. The development of these decisions should be a promising area of research.

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