

*Ereshev B.T.*

**THE BASIC DIRECTIONS OF INNOVATIVE OPERATION OF BUSINESS**

*Ересhev Б.Т.*

**ОСНОВНЫЕ НАПРАВЛЕНИЯ ИННОВАЦИОННОЙ ДЕЯТЕЛЬНОСТИ БИЗНЕСА**

Development of innovations and as a whole system of innovative management acts as the certain necessity. Any innovation conducts to infringement of stability of any system (industrial, economic, financial) enterprises, pressure and shifts causes in it internal.

Scientists-economists in the field of innovation management mark presence available contradictions between functioning of the enterprise and its change where functioning assumes cyclic reproduction of any actions, as a result it can be effective only in that case when is on a regular basis and stably.

By itself innovative process is closely connected to the concept of «life cycle» of innovations which includes three basic stages:

*origin* - comprehension of needs and opportunities of innovations, research of the certain innovation, development and experimental introduction. The stage is characterized by such concepts, as innovative plan, project, experiment and introduction. In this stage innovative sources create preconditions for the innovative plan as which is systematized data received from the analysis of an environment;

*diffusion* - provides repeated recurrence, duplicating of innovations on other objects;

*routinism* - the innovation is realized on other, constantly functioning elements of corresponding objects. At the given stage the innovation cannot be considered as completely completed if it has been stopped on any of intermediate stages.

According to A.I. Prigozhin's classification innovations is subdivided on material and social; also on the mechanism of realization and on features of innovative process [1]. It has defined differences «innovation» and «novelty». In his opinion, innovations represent the complex processes meaning introduction in a public practice by something new (novelty), and the novelty is new rather than concrete system methods, ideas, orders, subject which are offered only to development and introduction for satisfaction of concrete needs of a society in various spheres of its life.

The novelty is a basis and a previous stage in development of an innovation. The given categories are classified by him on four groups:

scientific - theories, concepts, hypotheses, opening, methods of research, both methodical and methodological approaches, etc.

technical (technological) - giving out set of inventions, technical and technological decisions,

instruction of which can change the environment of the person and his subject world;

social - political, economic ideas and concepts, philosophical, religious, etc.

cultural - all new in art and culture.

As the serious factor of the characteristic of an innovation degree of novelty which represents the certain property and independent value of any innovation, distinguishing it from previous innovations acts; however, the degree of novelty can vary.

A solving element in competitive struggle is novelty grocery, defining which factors concern: originality of idea, rate of return, size of assignments for research and development, factor of updating of the cores and circulating capitals, charge on marketing, volume of realization and profit.

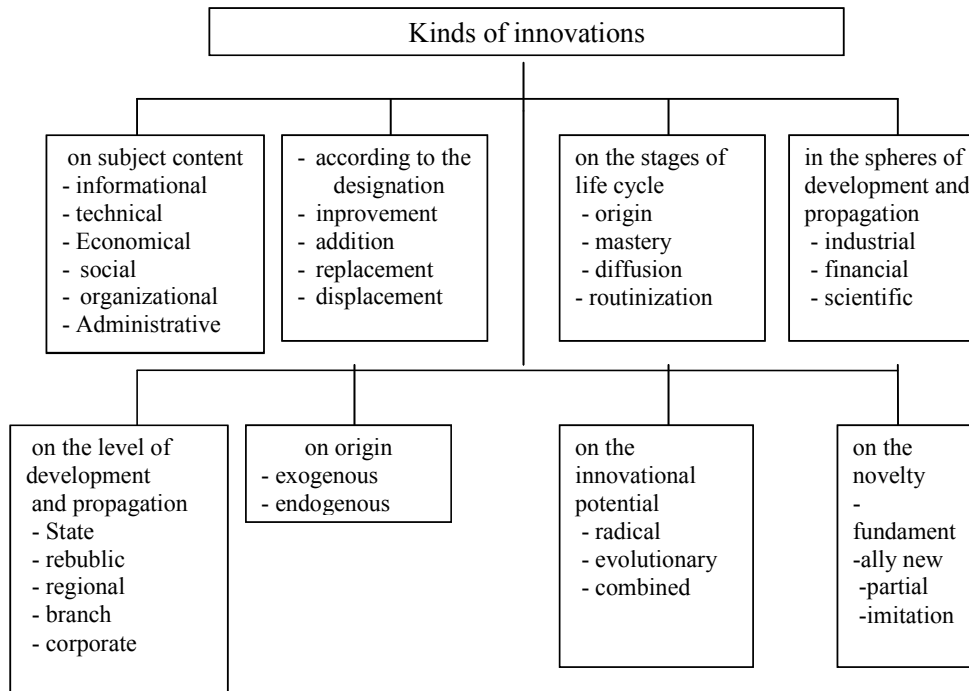
It is necessary to emphasize that novelty is a property of a product which operates during the certain period of time in view of term of obsolescence. In our opinion, essence of the concept of novelty can be defined as set of the properties describing volume and structure of changes of concrete object, and also as defining degree of its novelty. Thus market novelty is defined by following properties: increasing in quantity of functions, changing of needs of buyers, expansion of segments of potential consumers.

Innovations can be internal (endogenous) and external (exogenous), where internal innovations have exclusive value for development of given field of activity, external innovations act as new results of given field of activity which can be used in other spheres.

It was offered by economists - scientists classification of innovations from the point of view of intensity innovative changes: innovations of the zero order - the target change keeping and updating of existing functions of industrial system and its part; innovations of the first order - the target adaptation to quantitative requirements at preservation of function of industrial system or its part; innovations of the second order - simple organizational changes with the purpose of maintenance of the best organization of industrial system or its part; innovations of the third order, i.e. adaptable changes including mutual adaptations of elements of industrial system which conduct to increase of efficiency of industrial system as a whole; innovations of the fourth order represent simple qualitative changes, partial functional changes within the limits of industrial system or its part, there are objects with new useful properties or the changed parameters. Innovations of

the fifth order include the highest qualitative changes of functional properties of industrial system or its part where all varies or the majority of initial properties of considered system at preservation of the former structural concept; innovations of the sixth order are qualitative changes of functional properties of industrial system or its part, thus its initial concept varies, but the functional principle is kept; the innovation of the seventh order represents the highest basic change in functional properties of industrial system or its part, a basic functional principle changing it;

As it was mentioned earlier, linear character of innovative process is based on traditional communications between research and development, manufacture and selling with orientation to a product, instead of consuming that corresponds to the present stage of scientific and technical progress. In view of above-stated and also studying of basic works of scientists in the field of innovations and management are given classification of innovations under the subject maintenance, stages of life cycle, purpose, spheres of development and distribution, origin, innovative potential and novelty (figure 1).



As a conclusion, innovations represent the interconnected process, the multilevel system functioning in conditions of incompleteness of the information and a modern global dynamical competition where survival condition of firm becomes a continuity of innovations, growth of expenses for the research and development, assuming a high degree of uncertainty of a conjuncture, as defines necessity for carrying out of rational and purposeful activity on its regulation. The major direction of innovative changes attracts formal and informal leaders' acts. Sociological researches show that the majority of heads at intellectual level realize the necessity of innovative changes at the enterprises and their role as the main motive power. In the scientific economic literature there are designated three basic strategies of development of the enterprises in relation to innovations: defensive, offensive and is moderate-offensive.

Within the limits of defensive strategy of the organization there have no opportunity to spend innovative development and, in a greater measure, they are focused on

use of experience and achievement of others. The active-offensive strategy purpose assumes statement to become the leader, leading enterprise on the certain branch or site. The moderate-offensive strategy is the second position, the manufacturer where the basic purpose is insurance upon exposed risk of leaders. Innovative process as itself is a source of contradiction, a social pressure where any changes is opposed with already developed organization, to its purposes, communication, and culture. Innovations for certain time break functioning of the organization, realization of adaptable actions, reorganization that is connected with loss of time, work, a rhythm and other demand.

During functioning of the organization there is a constant accumulation of the labor, expressed in the form of techniques, various material forms and organizational structure that results not only in increasing of quantity, but also in complication of dependences between different elements of the organization's structure, which is its structure. Integrity and interrelation of all elements of the

industrial organizations are those that changing of any element causes changing of others and so on. Stability of the organization can be broken whereas stability of structures, purposes of system is an important condition of its functioning.

More effective in activity of the enterprise can be revolutionary broken, the fast dismantle of an available system purposes, management structures of the industrial organization, but it is a risky step as it is interfaced by the disorganization and formation of chaos in earlier controlled sphere of activity. In this situation circumstanced efforts are required that can restore controllability of the given organization.

One of a direction of innovative operation of business is gradual change; however they quickly suppress by the old system and practically do not give any effect. Therefore, in the situation of radical reorientation in activity of the organization it should be made the intelligent system changes and understanding of this should be important for heads and collectives of the modern Kazakhstani enterprises, which makes radical restructurings of bases of their activity in connection with changed conditions of economic activities in our republic.

In practice the general laws of innovative process are formed, but it is necessary to remember that any enterprise is original owing to its organizational, economic, technological and socio-cultural features. Therefore introduction any innovation should have special character, which is each standard project of an innovation should be transformed according to features of enterprise and this transformation can concern maintenances, purposes, volume, terms and other parameters of innovative process.

In modern conditions as it was found from made research, it is possible to assign two following approaches in studying of innovation: organizational-focused and individually-focused.

In the first approach the term «innovation» is used as a synonym of concept «invention» and concerns, basically, creative process. In the second approach the innovation represents a complex of interconnected processes and grows out from conceptualization of the new idea directed on the decision of a problem and further - to practical application of a new phenomenon. Thus realization of innovative concepts is connected with using of the standard resources applied in other kinds of social activity of people such as economic resources (the capital, material resources), labor, management and time.

Innovative process is modeled as the form of some sequences of the phenomena that forms life cycle of innovation where, as base, acts the model of an innovation consisting of the following stages: conceptualization of innovations; the preliminary consent with an innovation; purchase of resources; realization of the innovative concept; institutionalization of the results.

A concrete definition of the given model describes innovation as two-staged process, consisting of initiation

stage and introduction stage of an innovation, where initiation stage consists of three phases (concern in additional knowledge; formation of innovative installation; decision-making), and introduction stage consists of two phases (primary introduction and realization of an innovation).

Acceptance of an innovation is connected to the solution of the question of openness concerning the problems of organizational development. Investigating features of phase of formation of installations and decisions, experts of organizational development suggest considering organization as a system of special filters. The individual is capable to receive, to expose to censorship and to deform the information in a zone of the influence that corresponds with idea of G.Watson [2] about system of coherent (very difficultly to change one part of system without innovation of other parts). In practice the perception of potential of innovation is connected to sensation enterprise's members of that there is all opportunities for introduction of an innovation in the enterprise, and it possesses experience of effective realization of innovation in the past; also the certain part of enterprise's members is ready to take responsibility for the results of innovative activity.

According to the individual- focused approach it is necessary to consider under an innovation creative activity where the typical model consists of following three stages:

- the first stage, represents development of an innovation, i.e. creation of the concept and the documentary description of an innovation;
- the second stage, represents decision-making - development of alternatives and forecasting of consequences of each alternative, specification of criteria of selection;
- the third stage includes realization of the decision, that is overcoming of resistance and routinization of innovations.

From the listed three stages decision-making process is the core.

Definition of the organizational-legal form of the small innovative enterprises has essential importance for the formation of a control system, acceptance of concrete strategic decisions, order of distribution of profit, condition of a liability of founders, various motivational levers and some other factors of activity of the enterprise. In this connection in republic innovative business can be carried out in two essentially different organizational forms: individual business; commercial and noncommercial organizations of independent legal person with the right of realization of economic activities from his name, including participation of the state.

Innovative enterprises representing commercial organizations can be created in forms - the state enterprise, economic company, joint-stock company, production co-operative, the innovative enterprises and organizations. They can be created also in forms of public associations,

noncommercial joint-stock companies, establishments, funds, the unions and associations, etc.

Currently small innovative enterprises are characterized by two groups of the attributes that have essential value for construction of a control system: attributes reflecting their criterion functions and attributes influencing organizational forms of the enterprise. The quantity of proprietors there is often defined by initial needs in investments or complexity of research-and-production processes, constructions of the managing mechanism. The small innovative enterprises on a thematic structure shares on are dividing specialized and diversified (versatile) enterprises. The small innovative enterprises as a whole is the spatial organization which is defined by character of carried out processes, structure of counterparts, cooperation, division of labor processes, structure of suppliers. From the economic point of view it represents the effective tool of constant maintenance of high competitiveness of works and services, and are capable to react dynamically and flexibly both to changes of a consumer demand, and to new offers and the perspectives opening on the basis of the results of research and development. In this case weak and strengths of the small innovative enterprises are shown in the comparison with the possible alternative forms of innovative activity of the large innovative enterprises.

Small enterprises, basically, carry out innovations not demanding significant investments and attracting essential material, labor and power resources. They are capable to reduce social uncertainty of crisis situations, in conditions of re-structuring of branch manufactures, giving workplaces for the qualified employees and workers.

Revealing of positive and negative parts of small enterprises reflect its most positive parts shows in the innovative-focused fields of activity in connection with creation and development of new products, technologies, materials, management systems and its elements, also in promotion and development of the new markets. Despite of a high risk degree the small innovative enterprises have high chances of enterprise success at performance definite conditions in comparison with the large individual enterprises.

In the economic literature allocate three kinds of innovative business: an innovation of production which include process of updating of sailing potential of the enterprise, increasing in volume of received profit, expansion of a share in the market, preservation of customers, strengthening of independent position, creation of new workplaces, etc.; an innovation of the technologies representing process of updating of the industrial potential, directed on increase of labor productivity and economy of energy, raw material and other resources; the social innovations making process of systematic improvement of humanitarian sphere of the enterprise which expands opportunities in the labor market, mobilize enterprise's

personnel for achievement of goals, strengthens trust to social obligations of the enterprise to employees and a society as a whole.

In the republic on the basis of organizational method of the innovative process in the firm it is

possible to allocate three models of innovative business:

- First represents innovative business on the basis of the internal organization where the innovation is created and used inside the enterprise's specialized divisions - on the basis of planning and monitoring of their interaction under the innovative project;

- Second - innovative business on the basis of the external organization by using contracts when the order for creation and (or) development of innovations is placed between organizations;

- Third - innovative business on the basis of the external organization using ventures.

Second model of innovative business, where the firm places the order for development of innovations and masters their own forces, is most widespread. Not using of the first model can be explained by insufficient potential of small enterprises, a weak financial condition and adverse perspectives on filling of order portfolios of the scientific organizations.

For achievement of the planned purposes and receiving of super profit from innovative activity, at the organization of innovative business, it is necessary to consider the certain conditions and to answer following requirements: to have a clear idea of volume of potential consumers demand on innovation, to express its advantages economically before existed ways of satisfaction of needs; to define the resource restrictions arising at creation, manufacturing and selling of innovation; conformity of enterprise's personnel to requirements which play a significant role for success such as age of founders of firm or their personal qualities (high working capacity, communication skills, purposefulness, competence); quality of the organization and management at limits of the material and financial resources and market uncertainty.

In summary, only the small innovative enterprises are most effective, because it characterized by the absence of strictly formalized management structures which provides speed and flexibility in decision-making.

#### **Bibliography:**

1. Prigozhin A.I. Innovations: stimulus and obstacles. M.: Politizdat, 1989. 271 pages.
2. Trainev V. A., Alekseyev I.S., Trainev I.V. Strategy and tactics of owner's activity in the domestic and foreign practice: Generalization. M: International academy of information processes and technologies, 1995.