



Management of Innovations by Increasing the Efficiency of Innovation Activity of the Enterprise

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Abstract: This essay explores the intricacies of managing and implementing innovation, highlighting the obstacles that frequently stand in the way of advancement in this field. The goal of the study is to clear the path for more successful innovation tactics by identifying these barriers. The study delineates distinct approaches targeted at optimizing the process of invention generation, with an emphasis on reducing both temporal and monetary outlays. After conducting a comprehensive analysis of current obstacles and inadequacies, the research provides valuable suggestions for improving the management framework that oversees innovation initiatives in businesses. These suggestions aim to improve the distribution of resources, expedite procedures, and create an atmosphere that is more favorable for the growth of innovation.

Keywords: business models, globalization, innovation, radical innovation, innovation management

1. Introduction

In modern conditions the growth of business well-being is more and more ensured through the creation and implementation of innovations. To succeed, it is no longer enough to simply take into account the characteristics of the existing demand, one should strive to create products that have radical differences and are able to meet the needs of customers that they did not even know about [1]. It has been determined that one of the most important factors in increasing efficiency and promoting growth in corporate operations is embracing innovation [2]. Firms that make constant investments in innovation typically see faster growth via the introduction of new goods, services, and business strategies [3].

Furthermore, it has been highlighted that fostering organizational, marketing, and managerial entrepreneurship in a competitive market requires the integration of innovation culture [2]. Enterprise growth has been found to be significantly aided by business model innovation, which enables organizations to overcome resource limitations and experience long-term growth [4]. Competitiveness, corporate success, and economic progress all depend on the adoption of new methods [5].

Many successful businesses have been able to fundamentally change the traditional business model that characterizes their industry [6]. Only the development of innovative activities can ensure the survival of the enterprise in the conditions of constant change and high level of instability. The capacity to adapt and innovate is essential for an organization's survival and success in the present dynamic and uncertain business climate. Businesses may proactively reinvent their business models to preserve their market positions and seize new possibilities by utilizing cutting-edge technology like artificial intelligence [7].

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Additionally, business model innovation must be included if company agility and overall performance are to be improved, especially for small and medium-sized businesses [8]. Businesses may become even more resilient and long-lasting in the face of changing market needs and obstacles by adopting sustainable business strategies and ideas like frugal innovation [9].

However, one of the main barriers to the accelerated development of the firm are the principles that were able to ensure the success of large enterprises. It goes without saying that the management of enterprises is often not ready to reform the existing system of business functioning.

There are a number of reasons why current business systems are reluctant to be changed. Depending on variables including firm size, geographic location, and performance levels, businesses may view barriers in the business environment differently [10]. Furthermore, managers may use strategies like management accounting procedures to subtly oppose changes, especially when neoliberal reforms are involved [11]. Employees and middle managers may also be resistant to management reforms, particularly if they have not had enough training to acquire the skills required for performance reviews [12]. These difficulties draw attention to the difficulties in implementing organizational change and the necessity of using calculated methods to get past opposition and promote a reform-friendly culture. Nevertheless, the process of accelerating changes in the external environment leads to changes in the structure of existing markets and the displacement of inefficient firms.

The objective of this review of the literature is to conduct a critical analysis of the obstacles that impede the efficient management and application of innovation in businesses. The research attempts to clarify the complicated interplay between several factors that limit innovation processes and identify major roadblocks by conducting a thorough literature review. The research aims to create feasible recommendations for improving the management systems controlling innovation activities within businesses by combining insights from various academic publications. These suggestions, which offer workable methods to enhance innovation processes and get over current obstacles, are based on best practices and theoretical frameworks. The study's ultimate goal is to give businesses insightful information on practical tactics for overcoming the challenges of innovation management and raising the effectiveness of their innovation initiatives.

2. Method

This literature review methodically looks at the difficulties businesses face while managing innovation. It entails an extensive search of reports, conference proceedings, and scholarly publications. Strict selection standards guarantee that only excellent works that tackle innovation management issues are included. With an emphasis on reoccurring themes and developing patterns, pertinent insights are retrieved. Data is synthesized using thematic analysis, which reveals subtleties and patterns. The results are carefully evaluated to produce meaningful insights that guide possible approaches to solving the problems that have been found. By using this analytical approach, the research hopes to present a scholarly analysis of innovation management issues, providing practitioners and policymakers with useful information for maximizing innovation activities in businesses.

3. Results and Discussion

3.1. Signs of corporate failure

One of the signs of impending corporate disaster is the transformation of high-tech products into standardized goods. This change might be a sign of a loss of inventiveness and competitive advantage, which could result in lower market relevance and profitability. The literature has shown that failing to innovate and adjust to shifting market needs can lead to financial difficulties and put an organization's future in

jeopardy [13]. The difficulty to make the required adjustments to avert an imminent catastrophe can be attributed to a number of variables, including company size, performance levels, and managerial opposition. Moreover, the COVID-19 epidemic and other significant crises have shown how crucial innovation and adaptation are to the survival and resilience of businesses [14,15].

The second is the inability of an enterprise to predict future market trends. The success of an enterprise as a whole and its ability to make strategic decisions can be greatly impacted by its incapacity to forecast future market trends. It is important for organizations to forecast market trends in order to successfully manage risks, seize opportunities, and prepare for future developments. Numerous research studies have investigated novel techniques and technological advancements to improve market trend prediction. These include the use of artificial intelligence in stock market forecasting [16], the application of deep learning models for directional trend change prediction in financial time series [17], and the use of ensemble support vector machines for effective stock market prediction [18].

Particularly in times of crisis, innovation is essential for reducing risks and preserving competitiveness [19]. Companies who don't innovate and set themselves apart from the competition may find it difficult to get financing, which might result in unstable finances and even worse outcomes [20]. Product innovation is crucial for improving competitiveness and raising the likelihood that a firm will survive, according to the literature, especially for small and medium-sized businesses [21,22]. As a result, companies must be able to innovate and adapt their business models in order to manage uncertainty, maintain growth, and prevent the impending catastrophe brought on by the commoditization of high-tech goods.

3.2. Preconditions for innovation

Thus, it is necessary to create an atmosphere in the organization that is conducive to the continuous creation of innovation. For this purpose, it is necessary to abandon bureaucratic procedures in the management of the firm. First of all, it is necessary to recognize that the emergence of innovations cannot be predicted. Also, the monopoly on innovation approval by top management should be broken. It is desirable to create several competing centers that provide support for new ideas emerging from workers. The best enterprises create communities of practice that involve workers who specialize in different areas of expertise. It is necessary to encourage the involvement of workers in innovation activities through material and moral incentives [23].

In the context of the economic crisis, it is particularly important to ensure that the costs of creating innovation are low. To increase the efficiency of innovation, it is necessary to increase the share of workers proposing innovative ideas, to increase the share of radical innovations in the total number of proposed projects, to expand the number of ideas received from external sources, to identify the main priorities in innovation, to reduce the cost of obtaining new information through experimentation.

Increased investment in building the skills required to enable employees to participate actively in innovation is hampered by stereotypes of managers who believe that innovation creation should be the responsibility of specialized departments. The best companies involve the top management of the firm in the process of collecting and reviewing ideas, and more than ten percent of their staff are involved in supporting innovations. One of the most effective tools for attracting external knowledge is crowdsourcing, which is now much easier due to the development of information technology. In this way, it is possible to identify groups of specialists interested in solving existing problems, as well as the incentives that make it possible to involve them in the work. Radical innovations make it possible to fundamentally change consumer expectations and behaviors, types of competitive advantages, and the cost structure of the industry, often at low risk. They tend to involve solving problems, most of which are overlooked by existing target customer groups. Unfortunately, existing types of

marketing research do not identify unmet customer needs. For this reason, experimentation in practice is necessary [24].

3.3. Innovation and globalization of economy

The development of globalization processes leads to the need to organize innovative projects that require the participation of several large firms. K. Wilson and I. Doz [25] distinguish ten principles of managing these projects in the context of globalization:

- 1) Gradual expansion of the project.
- 2) Ensuring stable conditions.
- 3) Involving senior management on an ongoing basis in support of the project.
- 4) Utilizing standard techniques in project management.
- 5) Identifying the team responsible for project management.
- 6) Developing an effective project planning system.
- 7) Providing the project with the required resources.
- 8) Formation of a control system.
- 9) Limiting the number of participants.
- 10) Creating an effective communication system.

When creating a large project that involves a significant number of organizations, it is necessary to first create a system of relationships between them, for example, through the implementation of a number of small pilot projects. Involvement of top management is necessary to solve inter-organizational problems. Creating a stable environment will help to retain talented employees for whom competition is increasingly fierce. The team responsible for the project should be located in one geographic location and the rules for project development should be standardized. It should be kept in mind that the success of a project is largely determined at the planning stage. It is not necessary to involve unloaded employees who do not have the required qualifications to work in the project. It is necessary to ensure control over the quality of project implementation on the part of employees. A limited number of partners is required because of the need to save time in project implementation. Although information technology can reduce time and money, face-to-face communication facilitates the sharing of tacit knowledge, which is especially important when creating radical innovations.

4. Conclusion

To sum up, this research provides an extensive analysis of the difficulties and obstacles that come with managing innovation in businesses. A thorough analysis of the literature has yielded important insights into the subtleties and complexity of innovation processes. The results highlight how diverse innovation problems may be, encompassing anything from corporate culture and legal barriers to resource limitations. Through the process of combining and analyzing these findings, useful suggestions for professionals and decision-makers looking to improve innovation management procedures surface. Overcoming these obstacles requires strategies that focus on maximizing resource allocation, encouraging an innovative culture, and managing regulatory environments.

In today's fast-paced business climate, businesses must ultimately overcome these obstacles if they hope to be sustainable and competitive. In the future, innovation and organizational performance will be greatly aided by increased research and cooperation across stakeholders.

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