

# INNOVATION AND ENTREPRENEURSHIP

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# Main determination

- ▣ The innovation is the issued result of basic, applied researches, development or the experimental operations in any field of activity on increase of its efficiency. Innovations can be made out in a look: opening, patents, know-how, results of market researches, etc. It is necessary to implement, turn this innovation it into the innovation form, i.e. after completion of innovative activities to receive the positive result, then to continue diffusion of innovations.
- ▣ The innovation is an end result of implementation of an innovation for the purpose of change of a control object and receiving economic, social, ecological, scientific and technical or other effect.

- ▣ Subjects of an innovation are the enterprises, subjects of innovations (customers), investors, contractors according to the innovative project, including suppliers of the material and financial resources, and other subjects (physical and legal entities, including foreign). Depending on scales of an innovation and complexity of the project in its implementation can take part from several organizations to hundreds and the enterprises having specific functions, bearing risks and hopes of assignment of appropriate part of results (profit) or simply entering the market relations concerning support of an innovation with goods (services).
- ▣ The customer of an innovation — future owner and the user of results of an innovation generally itself is the subject where the innovation, i.e. the organization structure being in center of innovative process is implemented. In many cases the customer the investor of an innovation can appear.

## For the purposes of our research by the innovative enterprises:

- - Small business we will consider the innovative enterprises with quantity of busy staff to 100 people, an annual turnover no more than 150 million rubles and number of implementable projects no more than 1. Preferentially local scales of activities and the small size of a share of intangible assets of the enterprise will be additional signs of reference of the innovative enterprises to small business.
- - Large business – the innovative enterprises realizing mass production, possessing big resource force and, naturally, to it the force competitive innovative behavior in the market is peculiar. These firms possess the large sizes, big number working (over 500 people), a set of branches and subsidiaries, a range completeness, ability to mass production. They are distinguished by heavy expenses by research and development, production, marketing and marketing networks

# Groups of the small innovative enterprises:

## Small innovative enterprises

- The enterprises on initial stage of innovative process
- Enterprises of a pas of a stage of development of innovative process
- **Implementation firms**
- **Engineering firms**
- **Profittsentra**

- ▣ Engineering firms are a certain connective link between scientific researches and development, on the one hand, and between innovations and production — with another. Engineering activities are connected to creation of objects of industrial property, activities for design, production and maintenance of machines, the equipment, the organization of productions taking into account their functional purpose, safety and profitability (engineering firms, integrating in association, will form the venture enterprises).

## Main activities of engineering firms:

- ▣ assessment of the probable significance of the commercial environment useful to model, inventions;
- ▣ technical prediction of innovative idea of future technology of scientific and technical products;
- ▣ innovation finishing before industrial implementation;
- ▣ rendering services in the course of implementation of object of development;
- ▣ commissioning.

- Implementation firms promote development of innovative process and, as a rule, specialize on implementation unused patentees of technologies, advance on the market of licenses of the perspective inventions developed by certain inventors, a finishing of inventions to an industrial stage, and also on production of small experimental batches of objects of industrial property with the subsequent sale of the license. Implementation firms are as though a link between basic and applied researches. Therefore they often are based the scientists who were earlier working at universities or large laboratories, or the engineers working in major companies.
- Profittsentra are one of forms of an acceleration of innovations. They represent temporal target combining of scientists of several allied industries of science and technique, and also managers for the solution of specific scientific and technical or production objectives, for example on mastering and production of new types of production.
- Innovative activities of the enterprise are directed first of all on mastering and implementation in the internal and external markets of competitive products (services) and technologies on the basis of innovations. In the last decades small business began to be implemented actively into innovative processes and to execute function of the pioneer in the scientific and technical sphere therefore among the small organizational forms directed on intensification of innovative process, engineering and implementation firms, and also профитцентры have importance.



# Factors of development of small business:

- ▣ The technological aspect, consists in implementation to all spheres of economy of different types micro - the electronic technique, not requiring big floor spaces, big investments, process of acceptance of the effective administrative solution.
- ▣ Legal aspect, acceptances by the state of acts on tax, etc. to privileges on small business.
- ▣ The financial aspect, consists in state and off-budget support of venture business.
- ▣ 4 . Because of a small number of employees on small firms it is easier to control them and in connection with their flexibility they are more adapted for requirements of the market and achievements of scientific and technical progress.
- ▣ The psychological aspect, is connected to increase of intellectual level of research associates.
- ▣ Economic aspect, high performance of the end results of innovative activities of small firms and faster return of investments in comparison with the large companies.

# Factors constraining development of small business:

- Big risk of investment in connection with the small nomenclature of let-out products, or executed services. The goods can not get accustomed in the market;
- It is very difficult to arrange production without necessary production potential;
- Feeble infrastructure of firm and its security.
  
- For this reason process of enlargement of firms now proceeds,
- creations of superlarge associations in which the listed restraining factors of growth of small firms aren't inherent.