

## Tendencies and Features of Innovation Management in the Activities of Businesses

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**Abstract:** In this study, the researchers offer an analysis of the basic concepts of innovation management such as the “innovation”, “innovation process”, “diffusion of innovations” (the spread of innovation), “commercialization” and others. It should be noted that innovation management performs stage of preparation and implementation of innovative changes and consists of interconnected periods/phases, forming a single, integrated whole administrative impact on the overall efficiency and cost-effectiveness of commercial enterprises. Have “kinds of innovations and their classification”. In the study of innovation management features of great importance. Innovation management can be successful, provided long-term study of innovation that is necessary for their selection and use. Innovation, having such a feature as a long lag time from invention to implementation of the commodity markets, will be successful in the implementation of the individual, it is inherent in innovation management-strategies. Actual competitive advantage of businesses on the product market depend on a number of general and specific factors but in spite of their diversity, it can be argued that the most important are the factors determining the conditions of administration (management) selection of commercial enterprise development strategy and particularly its implementation process.

**Key words:** Management, innovation management, business enterprise, business, Russia

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### INTRODUCTION

The world's economic literature, “innovation” is interpreted as the transformation of the potential scientific and technological progress in the real, is embodied in new products and technologies. The issue of innovation in our country for many years was developed within the framework of Economic Studies of scientific and technical progress. The term “innovation” has been actively used in the Russian economy in transition, both independently and to refer to a number of related concepts: “innovation”, “innovation process”, “innovative solution”, etc. To clarify the concept of “innovation” get acquainted with different views on its nature.

### MATERIALS AND METHODS

As a theoretical and methodological basis of the study were used by Russian and foreign monographs and articles of scientists and experts in the field of management, innovation businesses. In carrying out the study as a complex dialectical methods of management

studies have been applied, systematic and logical analysis and synthesis. As an information and empirical basis of research were used research reports leading institutes in areas of innovation development of the regions as well as comprehensive compilation of submissions received by the researchers.

### RESULTS AND DISCUSSION

In the literature, there are hundreds of definitions. For example, on the basis of the content or the internal structure of isolated innovations, technical, economic, organizational, managerial, etc. stand out features such as the scale of innovation (global and local); the parameters of the life cycle (selection and analysis of all stages and substages), the process of introducing laws and so on. Various researchers, mostly foreign Ansoff, Ilinkova *et al.* (2004), Monchev (1978), Perlaki (2001), Schumpeter (1982), Tviss (1989) interpret this concept, depending on the object and the subject of his research.

For example, B. Twist defines innovation as a process in which an invention or idea to acquire economic content.

F. Nixon believes that innovation is a set of technical, industrial and commercial activities, leading to the appearance on the market of new and improved industrial processes and equipment. B. Santo believes that innovation is a social-technical-economic process which through the practical use of the ideas and inventions leads to the creation of the best on the properties of products, technologies and if it is guided by economic gain, income, appearance innovation additional income could result in the market. Joseph Schumpeter treats innovation as a new scientific and organizational combination of production factors, motivated entrepreneurial spirit. The internal logic of the innovations, a new point of economic development more dynamic.

At the present time, in relation to technological innovation are the concepts established by the Oslo Guidelines and as reflected in the international standards for statistics of science, technology and innovation. International standards on statistics of science, technology and innovation recommendations of international organizations in the field of statistical science and innovation, ensuring their systematic description in a market economy. In accordance with these standards, innovation, the end result is innovation that gets embodied in the form of new or improved products, introduction on the market of a new or improved technological process used in practice, or a new approach to social services. Thus, innovation is the result of innovation.

Analysis of different definitions lead to the conclusion that the specific content of innovations make the changes and the main function of innovation is a function of the change. Austrian scientist Schumpeter (1982) identifies five typical changes:

- Using the new technology, new processes or new market to ensure production (purchase, sale)
- The introduction of products with new properties
- The use of new raw materials
- Changes in the organization of production and logistics
- The emergence of new markets

These provisions are formulated by Joseph Schumpeter in 1911 Later in the 30 year he has already introduced the concept of innovation, treating it as a change in the purpose of the introduction and use of new types of consumer goods and new production vehicles, markets and forms of organization in the industry.

The number of sources is regarded as an innovation process. This concept recognizes that innovation

develops in time and has clearly defined stages. Innovations characterized by both dynamic and static aspects. In the latter case, the innovation is presented as the final result of research and production cycle, these results are an independent set of problems.

The terms “innovation” and “innovation process” is not unambiguous, although close. The innovation process is associated with the creation, development and dissemination of innovations. The creators of innovations (innovators) are guided by criteria such as the life cycle of the product and economic efficiency. Their strategy aims to outperform the competition by creating innovation that is found to be unique in a certain area.

We draw attention to the fact that scientific and technical developments and innovations serve as an intermediate result of research and production cycle and as practical applications are transformed into scientific and technical innovation. Scientific and technological developments and inventions are the application of new knowledge with a view to their practical application, scientific and technical as innovation is the materialization of new ideas and knowledge, discoveries, inventions and scientific and technological developments in the production process with a view to commercial sale to meet specific customer needs. The indispensable qualities of innovation are scientific and technical novelty and industrial applicability. Tradeable in relation to innovation acts as a potential property, to achieve that requires some effort. Scientific and technological innovation characterizes the final result of research and production cycle which acts as a special commodity-scientific and technical production is the materialization of new scientific ideas and knowledge, discoveries, inventions and developments in the production with a view to commercial sale to meet specific needs (Kobersy *et al.*, 2016).

It follows that innovation, the result should be considered in view of the innovation process. For innovation are equally important, all three properties: the scientific and technological innovation, industrial applicability, tradability. The absence of either a negative effect on the innovation process.

Commercial aspect defines innovation as an economic necessity, conscious through the needs of the market. It is necessary to pay attention to two things: “materialization” innovations, inventions and developments in new technologically advanced industrial products, tools and objects of labor, technology and organization of production and the “commercialization” and turn them into a source of income. Therefore, scientific and technological innovation must: be new to satisfy the market demand and bring profit to the manufacturer.

**Types of innovations and their classification:** Innovation management can be successful, provided long-term study of innovation that is necessary for their selection and use. First of all, it is necessary to distinguish between non-critical modifications and innovations in products and processes, (e.g., aesthetic changes, that is, color, etc.); minor technical or external changes in the products, leaving unchanged the design concept and do not have enough significant effect on the parameters, properties, price of the product and its constituent materials and components; expanding the range of products through the development of production has not been produced before in the enterprise but already well-known products on the market, with the goal. Meet the current demand and increase enterprise revenues.

The novelty of the innovations estimated by technological parameters as well as the market position. In view of this classification is based innovations. Depending on the technological innovation parameters are divided into product and process.

Product innovations include the use of new materials, new semi-finished products and components; obtaining fundamentally new products. Process innovation means new ways of organizing production. Process innovations may be associated with the creation of new organizational structures within the enterprise.

As the novelty of the type of innovation for the market share on new industry in the world; new to the industry in the country; New to this company (group of companies). If we consider the company as a system, can be identified:

- Innovation at the entrance to the company (changes in the selection and use of raw materials, machinery and equipment and other information)
- Innovation at the exit from the company (products, services, technology, information, etc.)
- Innovation System structure of the company (management, production, technology)

Depending on the depth of the changes emit innovation: radical; improvers; Modification. These types of innovations are distinguished from each other by the degree of coverage of life cycle stages. Russian scientists from the Research Institute for System Studies (RNIISI) developed an extended classification of innovation taking into account the areas of business which are highlighted innovation: technology; manufacturing Chueva *et al.* (2016); economic; shopping; social; in management. It is enough to complete the classification of innovations offered (Prigozhin, 2003).

As the prevalence of, isolated; diffuse. Diffusion is the spread of innovations already once mastered the new conditions or to new facilities introduction. It is thanks to the diffusion of the transition from a single introduction of innovations for innovation across the economy.

- At the place in the production cycle: raw materials; providing; food
- Continuity: replacing; canceling; return; opening; introduction of a retro
- Coverage: local; system; strategic
- Innovation potential and the degree of innovation: radical; combinatorial; Perfection

The last two areas of classification, taking into account the scale and novelty of innovation, intensity of innovative changes in the most express quantitative and qualitative characteristics and innovations are important for the economic evaluation of their effects and to inform management decisions.

Original innovative observation was made Kondratiev (1989) in the 20s who discovered the existence of the so-called “big cycles” or as they are known abroad, “long waves”. N. Kondratiev pointed to a relationship of long waves with the technical development of production, involving the analysis of data on scientific and technical discoveries, showing wavy character of their dynamics. He explored the dynamics of innovation, distinguishing them from the discoveries and inventions. Dynamics innovations studied in the context of a large cycle phases. In studies N. Kondratiev first viewed the so-called cluster approach. N. D. Kondratiev has shown that innovations are distributed unevenly over time, emerging groups, that is, in modern terms, clusters. Recommendations N. Kondratiev can be used in the development of innovative strategies.

**The choice of innovative strategy in the implementation of the management of businesses:**

The real competitive advantage of firms in the market today depend on a number of general and specific factors but in spite of their diversity, it can be argued that the most important are the factors determining the conditions of a choice of strategy of development of the organization and especially its implementation process.

The strategy of the company, it generalizes the model of long-acting, required the company to achieve its objectives with available opportunities. the company’s development strategy includes the development of approaches that would ensure the viability of it on the market in the future.

Only after the adoption of the development strategy and its documentary evidence in the form of a strategic plan, the firm will move to the justification of their plans in the field of marketing and production, will build its organizational management structure, determine the size of the necessary investments, establish remuneration of staff, etc.

The increasing complexity of production processes, increasing knowledge-intensity of production, changes in the external environment of the organization are responsible for increasing the requirements for the content of its policies, strategies and tactics, the quality of management (Shkrukin *et al.*, 2016). In this situation, any strategic actions taken by the company, are innovative because they are, anyway, based on innovations in its economic, production or supply capacity. It is therefore logical to define the innovation strategy as a key element in organizational strategy, without compromising the role and value of its other elements. In economic literature presents the following definition of innovation strategy.

An integral part of the overall strategy of the organization, aimed at identifying the priorities of perspective development of the organization and achievement, thereby providing a new quality of production and management, implemented by means of advanced non-standard-based management decisions, taking into account the specifics of the organization.

One of the means to achieve the objectives of the organization that is different from other means of its novelty, especially for the organization and perhaps for the industry, the market, consumers (innovation activities aimed at obtaining new products, technologies and services; application of new methods in R&D, production, marketing and management and the transition to the new organizational structure; the use of new types of resources and new approaches to the use of traditional resources).

**The value of the choice of business strategy:** Choosing a strategy is key to the success of innovation. The company may be in crisis, if he could not foresee the changing circumstances and respond to them in time. Choosing a strategy is an essential component of the cycle of innovation management.

In a market economy, the head is not enough to have a good product, it must closely monitor the emergence of new technologies and plan their implementation in your company to keep up with competitors. The strategy can be combined with the decision-making process. In both cases, there are objective (strategy objects) and the means by which the goals are achieved (decisions).

A clearly defined strategy is important for the promotion of innovation. The strategy is an interconnected set of actions in order to strengthen the vitality and power of the enterprise (company) in relation to its competitors. In other words, the strategy is a detailed comprehensive and integrated plan to achieve their goals.

An increasing number of companies recognize the need for strategic planning and is actively implementing it. This is due to increasing competition. We have to live not only for today but to anticipate and plan for possible changes in order to survive and win the competition. With a choice of strategies relating to development plans for research and development and other forms of innovation. Strategic planning has two main objectives:

Efficient allocation and use of resources. This so-called "inside strategy". Planned use of scarce resources such as capital, technology and people. In addition, the acquisition of enterprises is carried out in new industries, the output of unwanted branches and selection of efficient "portfolio" companies.

Adaptation to the environment. The aim is to ensure effective adaptation to changes in external factors (economic changes, political factors, demographics, etc.). Strategic planning is based on carrying out numerous studies, data collection and analysis (Osadchy and Akhmetshin, 2015a, b). This makes it possible not to lose control of the market. It should be borne in mind that the situation is changing in the modern world. Therefore, a strategy should be designed so that it can be eliminated if necessary.

Strategy development begins with the formulation of the overall objectives of the organization. It should be clear to anyone. Goal setting plays an important role in the company's relations with the external environment, the market, the consumer. The overall objective of the organization must take into account:

- The main activity of the company;
- Working principles in the external environment (principles of trade, the relationship to the consumer, maintaining business relations)
- The organization's culture, its traditions, the working climate

When you select a target you need to consider two aspects: one is a client of the company and what it can meet demand. After setting a common goal the second phase of strategic planning-specification of objectives. For example, the following main purposes can be defined:

- Profitability to achieve in the current year, the level of net profit of 5 million d e
- Markets (sales, market share, the introduction of new lines). For example, to increase market share to 20% or to increase sales to 40 thousand pieces
- Performance. For example, the average hourly output per worker 8 units. Products
- Production (total output, production of new products or the withdrawal of some models, etc.)
- Financial resources (size and structure of capital, the ratio of debt to equity, working capital size, etc.)
- Production facilities and buildings. For example, to build a new warehouse of 4000 square meters. meters
- R&D and the introduction of new technologies. Key indicators, technical characteristics, cost, implementation time
- Organization-changes in the organizational structure and activities. For example. Open a representative office in a particular region
- Human resources (their use, movement, training and etc.)
- Social Responsibility. For example, to allocate certain funds for hospital equipment

To target could be achieved, it is necessary to proceed from the following principles:

- A clear and specific statement of purpose, expressed in specific gauges (monetary, natural, labor).
- Each goal should be limited in time, given the period to achieve it (eg, to establish serial production of the new model by the end of mincing the 3rd quarter)

Goals can be long-term (up to 10 year), medium term (up to 5 year) and short-term (up to 1 year). Objectives are specified taking into account changes in the situation and monitor the results (Kirillov *et al.*, 2015):

- Objectives should be achievable.
- Goals should not deny each other.

Strategic planning is based on a thorough analysis of the external and internal environment of the company:

- Estimated changes occurring or likely to occur in the planning period
- Identifies threats to the firm positions
- Investigated factors that are favorable to the company

Processes and changes in the external environment have a vital impact on the company. The main problems associated with the environment-economics, politics, the market, technology and competition. A particularly important factor is competition. Therefore, it is necessary to identify key competitors and find out their market position (market share, sales, goals and etc.). It is advisable to conduct research in the following areas:

- To assess the current strategies of competitors (their behavior in the market, promote products and techniques, etc.)
- To investigate the influence of the environment on the competition
- Try to collect information on scientific and technological developments of competitors and other information and to predict future actions of competitors and identify ways to counter

Careful study of the strengths and weaknesses of competitors and compare their results with their own figures would better think about the strategy of competition. Serious environmental factors include social and behavioral and environmental factors. The firm must take into account the changes in the demographics, educational attainment and others.

For example, the training needs of a market economy Mamycheva *et al.* (2016), the transition to which is carried out in Russia, expanding markets books on management, marketing and others. Analysis of the internal environment is conducted to identify strengths and weaknesses in the company's activities.

The strategy is the starting point of theoretical and empirical research. Organizations can vary by how their leaders, key decision makers, tied to the strategy of using innovation. If the top leadership supports efforts to implement innovation, the probability that innovation will be adopted for implementation in the organization increases. As the involvement in decision-making senior management of the importance of strategic and financial goals increases.

#### **Methods of selection of innovative strategy of business:**

The basis of the development of the innovation strategy is the theory of the product life cycle, market position of the company and it has pursued science and technology policy. The following types of innovation strategies:

Offensive, typical for companies base their business activities on the principles of competition. It is characterized by small innovative firms

Defensive, aims to keep the company competitive position in existing markets. The main function of such a strategy, to intensify the ratio “cost, the result” in the innovation process. Such a strategy requires intensive research and development:

- Simulation, using firms with strong market and technology position

Simulation strategy used by firms that are not pioneers in the placing on the market of certain innovations. At the same time, the main consumer properties are copied (but not necessarily technical features) innovations released to the market by small innovative firms, or firms-leaders. Innovation strategy is based on the principle of “time-money”. The choice of innovation strategy, taking into account the product life cycle takes into account the following. Origin This turning point is characterized by the appearance of the embryo of a new system in the environment of the old or the original, making it a parent and requires a restructuring of the entire life.

Example 1, inventive cycle. Here the birth, the first appearance of the idea (design of technical solutions) which will form the basis of a new type of technology (the formulation of the principle of activity). Example 2, the production cycle. Limbo is the creation of explorers company (i.e., a firm that specializes in the creation of new or radical transformation of the old segments of the market) which is taken to develop new technology.

Birth, there is a fracture that actually there is a new system that has developed largely in the image systems, it gave rise to. Example 1, the appearance of the first idea (design of technical solutions) which will go to the general idea of a new type of technology (formulation layout scheme). Example 2, start the conversion of Explorers Company the Company, patient's samples (company operating on a narrow segment of the market and satisfying the existing specific needs it).

Adoption. Fracture is the appearance of the formed (adult) system which is beginning to compete with the previously created, including the parent. Formed system tends to assert himself and is ready to initiate the emergence of a new system.

Example 1, the appearance of the first idea (design of technical solutions) which will pass away in the practical establishment of the first examples of a new kind of art (creation of structural scheme). Example 2, start the conversion, patient's samples, the firm in a violent company (a company with “power” strategy (Rocha *et al.*, 2016), operating in an area characterized by a high level of well-known technology of big business standard, mass production).

Stabilization, the turning point in the introduction of the system at a time when it exhausts its potential for further growth and is close to maturity. Example 1, the appearance of the first idea (design of technical solutions) which will go to the practical implementation of the technical systems that are suitable for large-scale implementation (creation of several sizes). Example 2, yield violent on the world market and the formation of the first branch on it.

Simplification, the turning point, consisting in the beginning of the “withering” of the system, the appearance of the first symptoms of the fact that it took place “apogee” of its development: the youth and the maturity is over and ahead of retirement. Example 1, the appearance of the first idea (design of technical solutions) which is associated with the optimization of established technical system. Example 2, formation of violent Transnational Companies (TNCs).

Fall, in many cases, a decline of most important indicators of the system of life that is the essence of the fracture. Example 1, the appearance of the first idea (design of technical solutions) associated with improvements previously established technical system level innovations.

Example 2, start the collapse of a number of separate TNK-commutants firms (firms engaged in medium and small businesses to meet local needs with individualized approach to clients based on the use of the achievements of firms, Viola comrade.

Exodus, this turning point is characterized by the completion of the most significant decrease in system performance life. She seemed to be returning to its original state and is prepared to move to a new state.

Example 1: The appearance of the first idea (design of technical solutions) which is associated with changes in technology operated functions. Example 2, the end of the process of separation into a number of TNK semi-detached commutants firms in this situation, the death of one firm does not cause any complications in the work of others.

Destructurisation, fracture expressed in stopping all vital processes and systems or to use it in another capacity or utilization in conducting technology. Example 1 Termination proceeds ideas associated with this type of technology (with separate samples of old equipment can be used as artifacts and therefore can not be ruled appearance technical solutions which are usually in the fifth or the sixth step. Example 2, termination of existence of the company (usually, this means its reorientation on release other products).

This is followed by local level, defining NTPI, that is, to the level of the firm, production, etc. According to

modern economics, at any given time a competitive production unit (company, company), specializes in providing products to meet specific social needs, forced to work on the item relating to the three generations of technology, outgoing, dominant and emerging (perspective).

Each generation of technology in its development life cycle isolated. Let the company in the time interval from  $t_1$  to  $t_3$  is working on three generations of technology A, B, C, successively replacing each other. In its infancy and early product release of growth in (time  $t_1$ ) production costs still high, demand is also small which limits economically viable production capacity. At this point, the volume of product release A (previous generation) is very large and the product C has never issued. On the generation of output stabilization phase B (the time  $t_2$ , the saturation stages of maturity and stagnation) of its technology is fully mastered; the demand is very great. This is the period of maximum output and maximum aggregate profitability of the product. Product Release A fallen and continues to fall. With the emergence and development of a new generation of technology (product C), providing even more effective implementation of the same function, begins the fall in demand for the product in the (time  $t_3$ ), the volume of its production and profits, they may bring, are reduced, the generation of the technology in general, there are only as a relic.

**Specifics of Russian innovative strategies in the activities of businesses:** Features innovative strategies in Russia is the history of economic development of the country and the importance of the military-industrial complex in the process of formation of the Russian economy. Specificity of the three innovation strategies as follows:

**Power strategy of mass and standard production activities of commercial enterprises:** Domestic violent narrow focus of production and an excessive number of similar enterprises (producing modern purpose fighter-bombers such as "Moment" and "Su", the producers of "Mi" and "Ka" helicopters). Their products compete on equal terms in the global market with similar products of American and European firms. Violent organizations inherent competition two areas: the production of traditional products, innovative strategy, production of new products.

**Violent should:**

- Focus on mass consumption markets which comes
- Standardized products

- To reduce costs through economies of scale of demand and consumer preferences through advertising campaigns
- Reinforcing the reputation in the financial and banking circles which allows to conduct aggressive investment policy (continuous investments in R&D, the purchase of competing companies and sub-contractors, etc)

Violent strategy is typical for companies operating in the field of large-scale, the standard production of goods and/or services. The three most important form of storage-violent firms are called "proud lions", "mighty elephants" and "clumsy hippopotamus". The fundamental source of the strength of its companies adhering concluded that such production can usually work more efficiently and at a lower cost than the production of small batches of very different from each other goods. In addition, violent advantage created by extensive research, developed distribution network and the large advertising campaigns.

Violent strategy is simple: relying on its huge power, the firm seeks to dominate the vast market opportunities for displacing rivals with him. It attracts buyer's comparative cheapness and quality factor (average quality) of their products. And caring about the customer, not charity on the part of violent giants, often occupying a monopoly position in the market.

Large firms Critics often say that the history of those knocked out the main trump card, the technical superiority. Previously, small businesses do not have the advanced equipment. Now it is they, as a rule, is not inferior to that used giants. Especially the sharp attack of the giant face in Ukraine, where they are often treated as monopolies, stifling the economy and hinder its reform. Truth in such statements there, competitive pressure from smaller firms has increased around the world and Ukrainian giants is clearly not adapted to market conditions.

**The strategy of product diversification and market segments:** Concentration area, patient's samples companies in the defense sector of Russia, it is many enterprises producing finished components and accessories for the end of military systems or auxiliary control devices in the field of informatics, communications, navigation, etc. Of the three factors of product differentiation (quality, service, advertising) Russia succeed patient's samples, only the first (the possession of a unique technological innovations ably commercialization allows defense companies hold prominent competitive position on the world market).

The main essence of the diversification strategy is the division of assets and capital companies between different activities in order to reduce future risk of loss of income. Diversification can take many forms: in modern practice are 4 main types of product diversification strategy: horizontal, vertical, concentric. Consider each type of strategy in more detail.

**Horizontal diversification.** Horizontal diversification strategy involves the acquisition or development of new products that can be sold to current customers or clients of the company. In such a strategy, the company relies on the existing level of sales and production technology. An example of horizontal diversification is to add a new type of cheese in the dairy company's sales range. Risks in a horizontal diversification strategy is reduced by increasing the variety of goods. In the case where one type of product will become obsolete, the company will still have a range allowing a stable income.

**Vertical integration,** the strategy of vertical diversification involves the movement of "up or down" in the production chain. In other words, the company goes on its previous production cycle steps or moves forward to subsequent stages of their production cycle. Vertical diversification strategy reduces the company's dependence on third-party solutions, prevents third parties to obtain excess profits and closes all important processes within a company.

An example of vertical integration is the situation when the company ceases to sell their products through selected retailers and opens its own store retail and wholesale sales (Osadchy and Akhmetshin, 2015a, b). Or, the company acquires a supplier of resources and raw materials for the production of their goods. Or, the company opens a subsidiary business of selling paints and building materials to its core business for the reconstruction of homes, providing the best price and supply of process materials.

**Concentric diversification.** The strategy of concentric diversification strategy is also referred to related diversification. This strategy is the expansion of the production portfolio by products (or businesses), enabling more efficient and better use of existing technology and resources of the company. In other words, following the strategy of concentric diversification the company makes matching products or introducing complementary services that contribute to facilitate and improve the consumption of the main product. This type of diversification is often used by small companies and new products created are usually closely related to the company's core business.

For example, a manufacturer of children's products may acquire other small toy manufacturers across the

country to increase the distribution of its products and access new markets. Another example would be the introduction to the range of a small bakery in addition to baking finished, semi-finished products and dough for the preparation of food at home. The advantages of the strategy related diversification is to provide access to ready-made solutions and experience, reducing competition in the segment (with the purchase of competing products), more efficient use of available resources.

**Conglomerate diversification.** Conglomerate diversification strategy is also called a strategy of unrelated diversification and involves keeping the two completely independent lines of business that do not improve the activity of each other. Following the strategy of diversification Conglomerate Company develops a completely new line of business and gain access to completely new customers. Upon an investment of current profits into new growing and highly profitable industry. Sometimes this kind of diversification in the future allows the company to gain access to new technologies that can improve the current product.

By conglomerate strategy to diversify the company uses when she can effectively apply their knowledge and experience in new markets; when there is technology to enable it to gain a competitive advantage in new markets; when new markets and industries have significantly high potential. An example of this strategy can be called a situation where the shoe manufacturer entering a new (for them) the market for the production of clothing (by using their knowledge and expertise in consumer behavior and preferences).

The main advantages of unrelated diversification strategy is that the company can find and develop more profitable business in the future, as well as reduce the impact of seasonal sales slump core business. The disadvantages (or risks) of such a strategy of diversification is the need to allocate significant resources to the development of new lines of business and investments which cannot be recouped in poor managerial work.

## **CONCLUSION**

Thus, innovation management in commercial enterprises is the preparation and implementation of innovative changes and consists of interrelated phases, forming a single, integrated whole. There is implemented, used change as a result of this process-innovation. is very important diffusion (spread over time once already mastered and used innovation in a new environment or field of application) For implementation of the innovation



process. The innovation process is cyclical. The inclusion of these points will help to create flexible systems of organization and management of the economy.

Modern innovation processes are quite complex and require an analysis of their patterns of development. This requires professionals involved in various organizational and economic aspects of innovation-innovation managers. Innovative managers must have the scientific, technical, economic and psychological potential, they need engineering and economic knowledge. Innovative managers contribute to the promotion of the innovation process in the activities of business, are trying to forecast possible disasters and ways to overcome them.

For the competition of the market economy is characterized by independent companies who are interested in upgrading products, the availability of the innovations of the market, competing with each other. Therefore, there is a market selection of innovations, involving innovation managers. Innovative managers can operate in a variety of organizational structures (Academy of Sciences, universities, scientific societies, research institutes, design bureaus and others). Acting as the creation of creative groups, research and dissemination of innovation, portfolio formation on research and development. They manage research teams, involved in the coordination of research and should possess the qualities of a traditional manager and research scientist, as well as being skilled economists able to evaluate the effectiveness of innovations.

The new difficult stage of reforming Russia's economy requires the preparation of specialists in innovation management, research teams owning management methods, research and development and are able to work on the innovation market.

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