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**METHODOLOGICAL AND  
PRACTICAL APPROACHES TO  
OPTIMIZE THE ACTIVITIES OF  
THE REGIONAL SMALL  
ENTERPRISES OF INNOVATIVE  
TYPE**

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**Abstract**

In this work the theory and methodology of formation of methodological approaches to improving the efficiency of small innovative enterprises, creating the necessary conditions for efficient operation, improvement, increasing the competitiveness of enterprises. Research related to the identification of the characteristics and laws of innovative development of enterprises of small business in conditions of global competition, rating their condition and interactions with external organizations, identifying ways to improve the state and conditions of development, the selection of areas for improvement.

**Keywords:** innovation activities, the commercialization of intellectual property, regional economy, innovation, small business

**Preface:** The ease of reorientation of production, innovation of products, rapid response to market needs, achieving the most efficient performance, and many other factors predetermine one of the main priorities of modern Russian economy – the creation of conditions, providing a radical development of enterprises of small and average business. The greatest interest in this sector of the economy is given to innovative-technological activity of industrial enterprises. To improve the efficiency of innovation enterprises of small and medium businesses need state support and protection of interests of innovative enterprises of small and middle business, aimed to ensure competitive advantage. This will ensure growth

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potential, to increase the share of technology-intensive products, to develop a system of support measures, and the use of trade-economic, organizational, financial and information and Advisory tools. To ensure the achievement of the dynamically stable development of the enterprise, the primary role belongs to innovation, innovation activity, capable to provide not only the upgrade of production base, but also the introduction of modern innovative technologies in the control system. Innovative activity of small enterprises due to objective necessity of the development of science and technology, the regularities of market relations, connected with the orientation of businesses at the demand and growing market needs, growing competition, the increasing complexity of economic relations. In this regard, the study of the formation and development of competitive and innovative small and medium business is relevant, because the understanding of the influence of certain elements of innovation policy will stimulate the development potential of innovative small and medium-sized businesses. The insufficient development of theoretical and methodological principles and problems of formation of methodical approaches to increase of efficiency of small innovative enterprises has predetermined the relevance of the chosen research topics.

**Materials and methods:** The scientific basis for the study consists of the works and the works of foreign and Russian authors devoted to the development and implementation of innovative strategies for enterprises, including small , such as the companies of Technopark of the Irkutsk national research technical University, and the main trends of development which are set out in the works of A. S. Nechaev, Vladimir Yu Konyukhov [1,2], A. S. Bovkun [6,7] and this author [3,4,5]. The study used materials, documentation, and standards of Technopark Irkutsk state technical University (small innovative enterprises). Despite the significant amount of work relating to various aspects of the work of small and medium business, including innovative, a number of theoretical and practical issues raised by the problem are controversial, need to be studied. For example, poorly developed elements of the formation of methodical approaches to increase of efficiency of small innovative enterprises. Scientific hypothesis is the formation of methodological approaches to improving the efficiency of small innovative enterprises, allowing to justify the priority of the specified process and make recommendations for its improvement. Object of research are methods and tools justification of directions of increase of efficiency of work of small innovative enterprises. The subject of the research is a set of organizational-economic management relations in

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the process of formation of methodical approaches to increase of efficiency of small innovative enterprises. Theoretical and methodological basis of research is the contemporary experience of the problems of functioning of small innovative enterprises. During the research we used methods of economic-statistical, systemic, comparative analysis method, structuring, logical methods, classification methods and building typologies, logical-theoretical analysis. Based on the theoretical works of Russian and foreign scientists, devoted to the theory and practice of innovative activity, methods of economic evaluation and sustainability of small innovative enterprises, the development of methodical approaches to increase of efficiency of management decisions and operation of small innovative enterprises [1,2,6,7, etc.]. The theoretical basis consists also of provisions of the labour and civil legislation, Federal and regional normative documents on regulation of activity of small innovative enterprises. The empirical basis formed the statistical materials of the Federal service of state statistics of the Russian Federation, the reported data of one of the University parks, the informational materials published in periodicals and economic publications in Russia and other countries, these online resources as well as results of author's research and calculations [3,4,5].

**Results and discussion:** Since the aim of this work was the synthesis and development of theoretical and methodological aspects (provisions) of formation of methodical approaches to increase of efficiency of small innovative enterprises, that determined the formulation and the solution of the following interrelated tasks:

- to examine theoretical approaches to the essence of the concept, types and classification of small enterprises and innovative activities;
- to consider international experience in the management and operation of small innovative enterprises;
- to establish and justify the basic forms and methods of management and support of small innovative enterprises;
- to study motivation aspects of innovation activity of small business subjects;
- to offer a systematic approach to improving the efficiency of innovative small businesses;
- to develop criteria and indicators of financial efficiency evaluation of small innovative enterprises;
- to offer a cluster tool to increase the efficiency of small innovative enterprises;
- to justify the reserves of increase of efficiency of innovative activity and their classification;

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- recommend a method for determining quantitative estimation of reserves of increase of efficiency of innovative activity.

Scientific novelty of work consists in complex theoretical and methodological development of methodological aspects of formation of methodical approaches to increase of efficiency of small innovative enterprises and development of recommendations for its improvement. The most significant provisions, the findings, results and recommendations in the field of formation of methodical approaches to increase of efficiency, possessing scientific novelty and the substantial basis are as follows:

1. It is found that the objects of innovation are not only the products (services) and processes, but also technology, therefore, formulated the following definition of innovation: innovation is a system of measures aimed at creation and realization of objects of innovation activity – new or improved products (services), new or improved technology and new or improved processes with the aim of obtaining profit or other useful result, achieve competitive advantage and ensure sustainable development of the enterprise.

2. Formed basic forms and methods of innovation management, which offers documentation and a specific list of quantitative indicators. The main documents are: the report on the status of the project; the structure of the report according to the standard project; report structure on a complex project; monthly report on the progress of the project; information on project status; weekly employee; diary of work; employee's report on work done for the month.

3. It justifies the selection in the composition of the quantitative indicators of innovative activities of such criteria and performance indicators as: net cash flow to small innovative enterprises (MIP); the MIP cost; capital structure; structure of financial liabilities IIP liquidity; the asset structure of the MIP; the structure of current expenditures of the MIP; the level of concentration of financial operations in high-risk areas and relative indicators-indicators calculated on the basis of absolute criteria and performance indicators.

4. Proposed a systematic approach to improving the efficiency of innovative small businesses, including:

- system of indicators characterizing the efficiency of small business, and forming the first subsystem;
- risks of doing small business innovation forming the second subsystem;
- indicators of investment attractiveness of small businesses, forming a third subsystem;

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- the elements included in subsystems (measures of effectiveness and investment attractiveness and other components of the problem).

5. Developed criteria and indicators of financial efficiency evaluation of small innovative enterprises, forming the system of indicators, including indicators of profitability, indicators of business activity, financial soundness indicators, which can be calculated according to the balance sheet and statement of financial results generated in the reporting of small innovative enterprises.

6. Identified and proved reserves of increase of efficiency of activity of small innovative enterprises, including: the influence of factors related to lower costs and increase profitability; the leveling of the different types of risk that form the system of indicators of risk in the composition of the factors, particular indicators of factors and methods.

7. The recommended method of determining the quantitative estimation of reserves of increase of efficiency of innovative activity consisting of the following components, implemented sequentially in three stages:

The 1st stage. Calculation of net monetary income innovative solution for the evaluation of quantitative factors and reserves.

2nd stage - Estimation of reserves of increase of efficiency of realization of innovative solutions with consideration of factors external and internal environment.

3rd stage - Evaluation of the quality of innovative solutions for the realization of reserves of increase of efficiency of innovative activity of the enterprise.

The author obtained the following results:

1. In the context of small business an important component is the distinction between small and medium enterprises, as well as the allocation of micro-enterprises, which is possible through the use of quantitative, qualitative and combined approaches to the definition of small and medium enterprises, and which are used in regulatory documents and in the literature.

2. It is revealed that the objects of innovation are not only the products (services) and processes, but also technology. In this regard, formulated and proposed the following definition of innovation: innovation is a system of measures aimed at creation and realization of objects of innovation – new or improved products (services), new or improved technology and new or improved processes with the aim of obtaining profit or other useful result, achieve competitive advantage and ensure sustainable development of the enterprise.

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Accordingly, technological innovation includes not only product and process innovations, but also innovations in technology.

3. Foreign experience in the field of small innovative entrepreneurship is recommended to be divided into the following areas:

- experience in the field of state regulation;
- experience in the creation of additional jobs;
- experience in reducing administrative barriers;
- experience in the use of universities;
- experience in export orientation.

4. Types of small businesses, depending on the criteria of division - the problems to be solved, the content of specific tasks (activities) , the nature of their products, or place, the level of development - may be the following:

- Economic, social, environmental
- Technical and scientific, scientific production (technical), Advisory, promotional, mediation
- Enterprises engaged in the exploitation and development of production of industrial purpose
- Enterprises producing consumer goods
- Companies that are developing and mastering intermediate products, finished products, component parts and products
- Sies in the administrative structure of large research institutes and NGOs
- Shadow Sies
- Sies the self-supporting administrative units
- Knowledge-intensive Sies "free floating"
- Sies at universities
- The vital and fast-growing

5. As forms and methods of innovation management can use the documentation set and a specific list of quantitative indicators. The main documents are: report on the status of the project report Structure on a complex project Monthly progress report project factsheet project status Weekly employee work Diary employee's Report on work done for the month.

6. Appropriate allocation of the following criteria and performance indicators: net cash flow MIP; MIP cost; capital structure; structure of financial liabilities IIP liquidity; the asset structure of the MIP; the structure of current expenditures of the MIP; the level of concentration of financial operations in high-risk areas.

7. State regulation of innovation policy is a system, including: taxation, credit, depreciation policy, insurance, Federal and regional state orders, privatization, infrastructure, Finance,

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commercial structures, etc. To improve the efficiency of the system and mechanisms of state support of small innovative business are invited to:

- Improvement of mechanisms of state support;
- Improvement and harmonization of legislative base;
- Improving information management of authorities and entrepreneurs.

8. Motivation for motivation for innovative activity should be considered in two aspects: motivational mechanism or incentive mechanism of the enterprise in General, and motivational incentives for personnel.

Valid for stimulation and development of motivation of managers and staff to innovate it is necessary to use a complex compensation instruments, namely wages and bonuses as a result of the effective operation of the company, and stock options, that is, the promotion Manager by granting of the right to buy company shares at par value, which is a significant part of the total income in case of good market conditions.

For successful implementation in small business innovation policies should be developed at the enterprises of the standard "Motivation and stimulation of personnel." As the sample is offered a standard of Motivation and stimulation of personnel of the Technopark of Irkutsk state University.

9. The partnership of large and small enterprises for implementation of innovation projects increasingly feasible with the use of the cluster approach, as well as non-profit partnership.

10. A systematic approach to the problem of increasing the effectiveness of the small business innovation may include:

- system of indicators characterizing the efficiency of small business, and forming the first subsystem;
- risks of doing small business innovation forming the second subsystem;
- indicators of investment attractiveness of small businesses that form the third subsystem.
- the elements included in subsystems (measures of effectiveness and investment attractiveness and other components of the problem).

11. Analysis of innovative small business in the Irkutsk region showed that almost a detailed and sufficient analysis on the basis of reporting is available, and are used in the evaluation only two indicators – the amount of work and investment .

The most correct and adequate for the calculation of the financial performance of small innovative enterprises may be the index that includes not only profitability, but also indicators of

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business activity, financial sustainability, which can be calculated according to the balance sheet and statement of profit generated in the reporting of small innovative enterprises.

12. Identification and substantiation of reserves of increase of efficiency of small innovative enterprises is linked:

-first, the influence of factors related to lower costs, increase profitability;

-secondly, with the homogenization of various types of risk, reducing the impact of which can significantly increase efficiency.

13. The system of indicators of risks should include factors private values of variables, methods. Private performance in the composition of the factors can be unique to individual small businesses, and supplemented with specific indicators and methods of their calculation, more specific methods of selecting, reflecting sectoral (podotraslevoy) and regional characteristics, purpose, sources of innovative solutions.

14. The groups of indicators (factors) reveal reserves of increase of efficiency of activity of small innovative enterprises can be: scientific and technical; institutional; industrial and technological; economic and financial; social; environmental;

sectoral (regional); legal; organizational communication; market (marketing). For each group of factors assume a set of particular indicators, which may be different for individual small innovative enterprises in accordance with the nature of industry the purpose and profile of the enterprises, the purposes of the selection of innovative solutions, stages of their implementation and sources of formation.

15. The factors shaping the innovation activities of enterprises are divided into internal (related to the enterprise) and external (beyond the company) depending on which define the reserves associated with those factors. In turn, the external factors are divided into direct and indirect. For an overall assessment of influence of factors on the innovative solution from the point of view of its feasibility and identifying scope for efficiency gains the amount of points with weights of importance. The assignment of points for each indicator based on expert evaluation .

16. Method for the quantitative estimation of reserves of increase of efficiency of innovative activity may include the following components and is performed in two stages:

The 1st stage. Calculation of net monetary income innovative solution for the evaluation of quantitative factors and reserves,



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2nd stage - Estimation of reserves of increase of efficiency of realization of innovative solutions with consideration of factors external and internal environment and

3rd stage - Estimation of reserves of increase of efficiency in the implementation of innovative solutions with consideration of factors external and internal environment.

The development of methods of use of reserves of increase of efficiency of innovative activity in educational universities and academic enterprises is to create small enterprises at universities and research institutions and the development of commercialization on these small businesses.

17. A powerful tool to stimulate innovation policy, building up their own sources of financing is tax policy.

To increase effectiveness of innovative projects should apply the following measures of tax policy:

- the amount of VAT to extend the exemption from taxation (or to impose a reduced rate of VAT) on enterprises involved in the projects due to different funding sources;
- the amount of the investment tax credit at realization of innovative activity set in proportion to absolute values or incremental R & d ;
- to enable the use of tax holidays for several years on the profits from realization of innovative projects;
- tax breaks on profit.

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