

INNOVATIVE POTENTIAL OF THE ENTERPRISE: CHALLENGES AND PROSPECTS FOR DEVELOPMENT

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Abstract. *The article reveals the role of innovative development of enterprises for their effective functioning. The concept of innovative potential of enterprise is defined. The main components of the innovative potential of the enterprise (personnel, information technology, innovation-organizational, material-technical) are defined. The factors and challenges that hinder the innovative development of enterprises are identified. Different approaches (systemic, scientific, detailed, oriented, diagnostic) to assessing the innovative potential of enterprise are considered. Prospects for development based on the innovative potential of an enterprise are proposed (investment in research and development to stay ahead of competitors and meet the ever-changing market requirements; development of employees' skills and provision of opportunities for learning and growth; cooperation with external partners for fresh perspectives and ideas; creation of a culture and ethics that encourages creativity, experimentation and risk-taking).*

Keywords: innovative potential, innovative development, management, innovation, assessment, innovative activity, enterprise.

Innovation management is a key factor for increasing the competitiveness of an organization in a fiercely competitive market. Innovations allow companies not only to withstand competition but also to take leading positions. Developing new products, improving processes, and introducing the latest technologies all help businesses to increase the efficiency of their operations and meet the needs of a changing market. Therefore, it is important for companies to improve their innovation potential and stimulate a creative approach to the development of their own activities.

Research and assessment of the enterprise potential helps to identify opportunities to improve performance, which in turn will make it possible to predict the probability of the results of the enterprise's innovation activity. Given the relevance and breadth of the chosen topic, it is worth noting that many domestic and foreign scholars have studied it, such as K.O. Yarovy, V.P. Dalyk, L.G. Smolyar and others. The results of their work are largely devoted to certain aspects of the innovation activity of enterprises, which increases the level of validity of relevant management decisions. A significant contribution to the development of the methodology for managing the innovation potential of enterprises was made by such scientists as Chikov I.A. [1], Pylypenko O.S., etc. The works of O.Y. Emelianov [2] reflect the improvement of the theoretical foundations for assessing and managing innovative business development, primarily in clarifying the essence of this development, as well as in identifying its features and criteria. However, it should be noted that the above studies focus more on methods of assessing and managing the innovative potential of an enterprise, which led to the topic of the study, identification of the main challenges and prospects for innovative development of an enterprise.

Innovation potential is indeed a key element of a successful enterprise. It allows a company to develop, stay ahead of competitors and adapt to changes in the market. Innovations can create new products and services, optimize processes, increase efficiency, and contribute to the sustainable growth of an enterprise. Therefore, understanding and utilizing the potential of innovation can be crucial for the success of an enterprise [1, pp. 3-4]. The innovative potential of an enterprise can be considered as a set of available resources (intellectual, technological, financial, economic, scientific and production) and capabilities with their respective infrastructure support, which are able to create new knowledge (ideas) and an effective mechanism for their commercialization, which in turn contribute to the sustainable development of the enterprise. The innovative potential of an enterprise may consist of *human resources* (number of personnel, their distribution by professional training; culture and guidelines that promote creativity and experimentation; level of reliability of interaction with the subjects of the innovation process), *information-technology* (characterizes the level of information support of the enterprise, the degree of completeness and

accuracy of information necessary for making innovative decisions), *innovation-organizational* (availability of opportunities to create and adopt ideas, plans, innovations and bring them to the level of new technologies, designs, organizational and managerial decisions; testing of innovation ideas and evaluation of the application of innovations in the production of new products) and *material-technical* (availability of investments and financing, ability and responsiveness of the enterprise's production facilities to market needs) components [2, pp. 97-98].

The innovation potential of an enterprise is influenced by factors such as the culture of the organization, the availability of qualified employees, research and development of innovative technologies, the availability of funding for research and development, government support and legislation on innovation, and the ability of the company to respond quickly to changes in the industry and market requirements. In addition, the innovation potential of an enterprise faces such challenges as intense competitive pressure, the rapid pace of technological change, changes in legislation, changes in consumer tastes and preferences, cybersecurity risks, and the instability of the economic situation, the constant need to update the knowledge and skills of employees, as well as the need to adapt to changes in the market [2, pp. 99-100]. In today's market economy, it is not only the fact of an enterprise's existence that is important, but also the assessment and development of innovative business processes and innovative potential. This allows companies not only to remain competitive in the market, but also ensures their sustainability and future growth. Innovations stimulate the development of an enterprise, allowing it to introduce new ideas, technologies and approaches that increase the efficiency and profitability of the enterprise. There are various approaches to assessing innovation potential, the most important of which are the *systemic approach* (taking into account the interconnections and interactions in the structure of innovation potential and the sustainable development management system); *scientific approach* (taking into account the effect of economic laws and patterns of development, application of scientific approaches to the organization and functioning of a set of elements of innovation potential that have a synergistic effect); *indicative approach* (an innovative way of enterprise development that helps to increase competitiveness by investing innovations in new technologies); *diagnostic* (methodology of expert assessments); *detailed approach* (factor analysis of the enterprise's state when calculating each of the components and parameters of potential), etc. [3, p. 80].

Assessment of innovation potential is not enough to effectively realize its potential. There is a need to identify development prospects, first of all: it is important to continuously invest in research and development to stay ahead of competitors and meet the ever-changing market requirements; investing in employee skills development and providing opportunities for learning and growth can also increase the innovation capacity of an enterprise; and collaborating with external partners, such as research institutions or other companies, can bring fresh perspectives and new ideas. In addition, a culture and ethos that encourages creativity, experimentation, and risk-taking should be created, which is crucial to fostering innovation within the enterprise. By utilizing these perspectives, an enterprise can fully realize its innovation potential and achieve long-term success [3, pp. 81-82]. Thus, the innovation potential plays an important role in the company's operations, as it enables continuous improvement of products and services, opens up new opportunities for business development, increases competitiveness in the market and helps to attract new customers. The development and implementation of innovative solutions allows the company to adapt to rapidly changing conditions, ensuring sustainable growth and success.

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