

**ИНОВАЦИЯТА - СЪВРЕМЕНО СРЕДСТВО ЗА ПОСТИГАНЕ
НА КОНКУРЕНТОСПОСОБНОСТ**

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**INNOVATION – MODERN MEANS OF ACHIEVING
COMPETITIVENESS**

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Received: 04.01.2017, Accepted: 14.02.2017

Abstract

The generation of new ideas is essential to increase the competitive advantage of business organizations in terms of constant search for ways and means of improvement. New ideas are the basis of innovation and innovative activity of enterprises. The fast pace, at which consumer requirements change, requires investing in innovative solutions to ensure the continued existence and development of business organizations. Namely innovations are the main driving force of the market economy.

The main purpose of this article is to consider innovation, their relationship with science and opportunities for their development using OPIC 2014-2020.

Keywords: *innovations, new ideas, competitive, development of business organization*

JEL Codes: *O 1, O 3,*

1. Introduction

Nowadays existence and development of business organizations necessitate their continuous renewal, improving the quality of their products and services, meeting needs in line with consumer expectations. Important is the ability of organizations to find ways and means of forming new needs, i.e. to outrun customer awareness of them. Achieving this requires gathering new ideas which ensure competitiveness of business organizations.

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2. Nature of innovation

Concept of innovation is open to interpretation. In general, it is any innovation that is undertaken by an organization - this may be introduction of a new product or service in the market, introduction of a new technology or machine in order to improve workflow, a change in the organizational structure in order to optimize material and information flows. It is therefore considered that innovation is a concept with complex content, which is difficult to give a single definition that satisfies all practical situations (Georgiev & Tzvetanov., 1997, p. 35; Nenov, 2010, p. 25; Panteleeva, 2010, p. 25). From an etymological point of view, the root of the concept of innovation has Latin origin, meaning "to make new" and can be found in the Middle Ages, XV c. (Panteleeva, 2010, p. 25). It is associated with continued pursuit of man to develop. Viewed in a broader sense, the term *innovation* means a new application of knowledge, skills and technologies in new areas and in this sense corresponds to the literal translation of the word from Latin (in - in; novatio - novelty) (Agov et al, 2008, p. 152). On the other hand, viewed in dynamics, *innovation* should be defined as the process of specifying given idea from its occurrence to its market realization in the produced new products, services, technologies, processes. (Agov et al, 2008, p. 152). The innovation can be seen as a result of combining the firm-specific determinants and external influences (Fostering Innovative Entrepreneurship, 2012, p. 4).

The main source of new ideas is the creative activity of people and from this point of view innovation is limited to a continuously revolving creative process associated with the creation and implementation of innovations. They may be new to the market or to the business organization; can be created inside the organization or have an external origin. On the other hand, it should be also noted that innovation can be also viewed as a connecting integrative process, where creation, design, implementation, adaptation and use of the created are included. It is believed that innovation is associated primarily with three main features: scientific and technical novelty, manufacturing (practical) applicability and commercial implementation (Agov et al, 2008, p. 372). If a new idea has not found its market implementation, it cannot be converted into a real innovation. Materialized and needed on the market novelty is the only one that can provide its organization-creator with positive financial results. It is a prerequisite for generating profit, which is one of the main objectives of any business entity. Creation and implementation of a new idea is closely related to the development of scientific research and development activities.

3. Innovations and science

For the development of innovation an important factor is scientific discoveries, for any novelty implies improvement of existing tools, methods and ways of working. In this regard, science is one of the sources of new ideas. Creation of an enabling environment for innovation and innovative activities implies commitment of significant financial resources which small and sometimes medium-sized enterprises do not have. Therefore, in the world practice, cluster units arise and they allow examining the cultural differences in consumers from different countries. This is of prime importance for the success of any innovation. Application of science can be sought in the following areas: fundamental and applied researches; developments; discoveries; inventions; technology; entrepreneurship. Levels of education of human resources as well as the development of research potential are of great importance.

The level of scientific and technical progress today and the use of much more sophisticated means and methods of work and communication suggest investment in activities related to continuous modernization in all spheres of life. Competent ability of business organizations depends on the speed at which they improve their products and services. Investment in research, development and innovation is a prerequisite for maintaining the achievements as well as acquiring new markets, attracting additional capital for expansion. Wide variety of products and services that meet in a similar or a different way the specific need, leads to faster saturation among consumers and search for something new. In this regard, the ability to innovate the business is very important for business organizations.

To support the activities of organizations and institutions dealing with scientific research and discoveries today create scientific, technical and high-tech parks, incubators, innovation clusters and more. They allow focus together various specialists and provide an environment to develop their ideas. They facilitate access to costly modern technologies necessary for the development of innovation.

4. Innovation and operational programs in the EU

The importance of innovation and innovative activities for the favorable functioning of organizations in particular and the economy in general is extremely high. The development of innovative activity is associated with the smart growth of economies, which has drawn attention for recent years. Between innovation (especially technological) and competitiveness of organizations and national economy there is a direct connection. The low level of innovation leads to low

productivity and limited opportunities for national and international markets. Therefore, the promotion of innovative development should be a priority of governments. On the other hand the implementation of scientific research and development is characterized by high capital intensity, making it impossible for smaller organizations. In this regard, the European Commission has developed the Operational Program "Innovation and Competitiveness" (OPIC) 2014-2020 In accordance with the objectives of the strategy "Europe 2020" Priority axes1 of the operational program is Technological development and innovations. Thus OPIC 2014-2020, is oriented to contribute directly in order to achieve the objectives related to the promotion of innovative activity in enterprises that have taken place in the Innovation strategy for smart specialization (Operational Program "Innovation and Competitiveness 2014-2020"). The use of the opportunities, provided by the operational program for financing in the field of innovations, is an appropriate way to increase the competitiveness of organizations, moreover, the transformation of scientific discoveries into workable products, technologies and processes is an activity requiring significant resources - time, financial, human, material, etc. In this regard, international cooperation in the field of technology has proven extremely useful. Those business organizations that do not have the potential to independently develop scientific and technical research may use various forms of technology transfer, which is divided into commercial and non-commercial (Georgiev et al., 2013, p. 130; Panteleeva, 2013, p. 226; Varamezov, 2013, p. 199). Widespread forms of commercial technology transfer are patents, licenses, know-how, engineering, reengineering, consulting services, industrial cooperation, joint venture, leasing, franchising. The non-commercial transfer includes scientific and technical information exchange through: scientific, technical and educational literature; company catalogues and brochures, scientific journals; technical standards and guidelines, technical documentation etc.; improvement of professional skills and retraining of personnel; conducting basic research with the participation of university laboratories and corporate research units; global information network and others. The presence of all these in recent years enables the practice to increase the share of innovative enterprises. The renewal of the product portfolio, the use of new technologies and working methods are elements of innovation process and enable organizations to generate competitive advantages. In this regard, in recent years a growing interest has to "exit" the innovation process beyond the individual organization/institution. The degree of openness allows for the sharing of the risks to which they relate innovation. It enables faster time to market and a better competitive position and possible consumer preferences to be met to a greater extent.

5. Conclusion

Innovations are one of the most important factors necessary to ensure the sustainable development of business organizations and the economy as a whole. In this respect, they are identified as the key driver of social development and a decisive factor in human progress. Orientation of the business organizations to continuous search for new ways and means of satisfying consumer preferences is a prerequisite for increasing their competitiveness on the basis of the development of research, development and innovation.

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