

INNOVATIVE PROCESSES – TOOLS OF DEVELOPMENT OF THE EXPONENT ENTERPRISE IN THE SPHERE OF THE EXHIBITION BUSINESS**Kyrylko N.***Senior teacher department of management,
Kyiv National University Technology and Design, Kyiv, Ukraine***Abstract**

The article deals with the concepts of "management of innovative development", "innovative infrastructure". The role of innovative infrastructure of the exhibiting companies is revealed. The main stages of innovative processes of the exhibiting companies are revealed. One of the most important stages is the implementation of innovations in the exhibition business at the exhibition and post-exhibition stages. The conducted research shows that effective distribution of innovative products during exhibitions of innovative orientation allows carrying out continuous commercialization, to receive additional profit and to activate innovative processes at the enterprise participating in exhibition events.

Keywords: innovative processes, enterprises exhibitors, management of innovation processes, scientific and technological progress, innovative scientific and technological development, competitive innovative infrastructure, exhibitions of innovative direction, exhibition business.

Formulation of the problem. Exhibition business is the basic condition and driving component of effective innovation activity of enterprises participating in exhibition activities of innovative direction. Determining the duration of the innovation process, prioritizing the innovation portfolio, promoting the desired results is a qualitative level of innovation infrastructure development and the efficient functioning of the innovation market.

The innovation infrastructure in Ukraine is underdeveloped and does not sufficiently cover all links in the innovation process (education and science - technology and technology - production and consumption). Only some elements of the innovation infrastructure have been formed – 8 techno parks have been registered and operating, several regional innovation centers and business incubators have been opened [1].

Problems of formation of innovative processes and functioning of innovative infrastructure are investigated in the works of Ukrainian and foreign scientists: Valdaitseva SV, Glazieva S. Yu., Antonyuk LL, Bazhala Yu. M., Denysenko MP, Kasych A.A [2], Mazuri A.A, Seminozhenko V.P, Fedulova L.I, Chervanyova D.M Galyuk I.B, Prozorova V.V and others.

It should be noted that the problems of formation of innovation development and exhibition activity were considered in the works of such domestic and foreign specialists: Alexandrova [5], A.V. Galchinsky, I.M. Gryshchenko [7], Yu.V. Goncharova, M.P. Denisenko, S.M Ilyashenko [12], N.A Krakhmalyova [7], A.O. Kazka [2; 14], V. Pekar [9], B. Twiss [10], I.K. Filonenko [5] and others.

The problems of activating the development of innovative infrastructure remain under-researched as one of the "engines" of innovative development of the exhibiting companies.

The purpose of the article (statement of the task). This research is aimed at exploring the general state of innovative infrastructure and innovation processes of exhibiting companies in the field of exhibition business, and finding tools for their activation.

Presentation of the basic material. The set of management, legal, scientific, political, information and economic institutions of the innovation market are an innovative infrastructure that creates the conditions for efficient implementation of innovative activity of industrial enterprises.

The compliance of the effective mechanism of functioning of the infrastructure of the innovation market should be in accordance with: 1) high scientific and technical potential of the subjects of the innovation market, 2) decentralization by region, 3) availability of a developed system of information support, versatility, which allows to ensure the solution of problems of innovation of companies- exhibitors, including interaction with their exhibition activities; 4) professionalism based on quality service to potential consumers; 5) full integration of the infrastructure component of the innovation market with financial secure and more.

It should be noted that the innovation infrastructure is conditionally divided into "soft", "semi-rigid" and "rigid" (fig. 1) [3, pp.163].

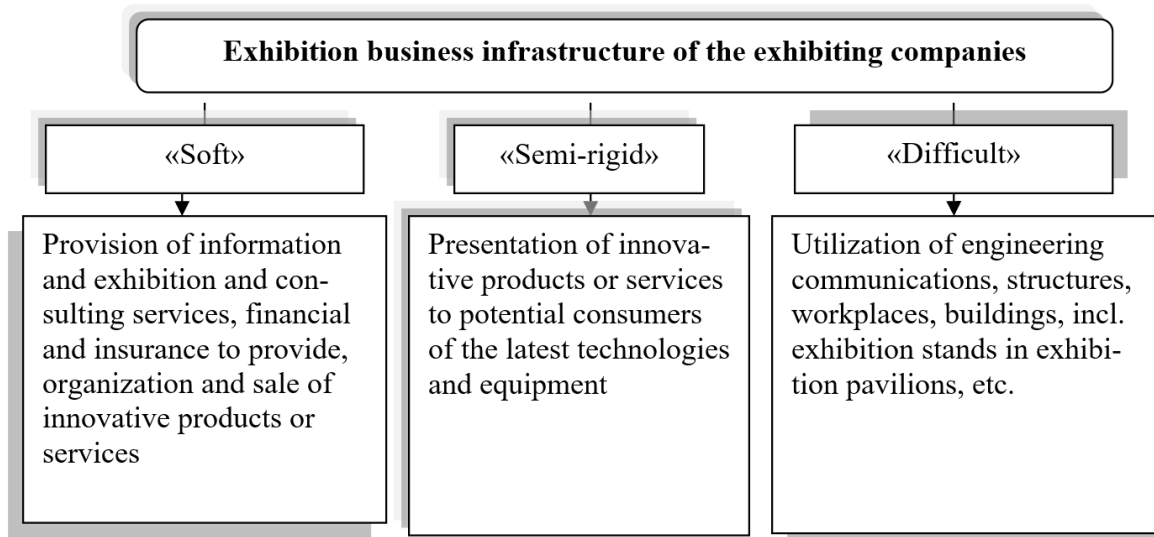


Fig. 1. The components of the innovative infrastructure of the exhibiting companies

Source: Developed by the author on the basis of [3, 4]

For the formation of a full-fledged innovative infrastructure of the exhibiting companies it is necessary to fulfill the following tasks: development of a project of the regional innovation system, search and attraction of resources necessary for the development of exhibitions of innovative direction, in particular in the textile industry, improvement of skills of labor resources in the innovative sphere of the exhibiting enterprises. Also, fulfillment of the following principles: adequacy of the exhibition business infrastructure to the level of development of the region; compliance with real needs; rational territorial location; focusing on the main problems of innovative activity of the exhibiting companies; availability of services for entrepreneurs (cost; information), in particular the concentration of efforts on exhibition activities; territorial; attraction of state and non-state resources.

To support the innovative development of the exhibiting companies, it is not possible to create and develop all the components of an innovative infrastructure at the same time. Among the exhibiting companies, in particular the textile industry, consistent steps and measures are needed to implement mechanisms to stimulate and support innovation. To share the results of innovative activities of the exhibiting companies, it is necessary to have a developed scientific and technological infrastructure, the labor market and financial market, which creates the necessary conditions for synergistic effects in cluster structures, reproduction of innovations. Improvements in infrastructure elements and dynamics are provided, at a minimum, by production and technological, financial, information, personnel, consulting and legal subsystems of innovative infrastructure.

The transition to new economic relations implies that the exhibiting companies (producers of innovative products) must find potential consumers on their own, focus their activities on, meeting their needs and requests, improving the business reputation and image of the exhibiting companies. The need to adjust the traditional views on the directions and ways of development

of the exhibiting companies is determined by the following factors: 1) acceleration of the rate of STP, which leads to rapid updating of the range of products and offering innovations; 2) reduction of prices in order to increase the competitiveness of the exhibiting companies; 3) the processes of market transformation of the economy occurring in Ukraine, cause constant changes in consumer needs and requests, characterized by a sharp increase in demand differentiation, which is caused by the stratification of consumers by income level; 4) observation of a sharp change in the proportion between the COSTS of Production and the cost of its sales in favor of the latter; 5) growth of the share of innovations (new technologies, new innovative products, ways of their realization, organization of production and marketing); 6) the need to adapt their activities of the exhibiting companies to the new conditions and changes of management, taking into account the global development trends.

It should be noted that the actual importance for determining the level of innovative development of exhibiting companies is precisely participation in exhibitions of innovative direction. When participating in such exhibitions, there is an interconnection between exhibition and innovation activities that provides a further perspective on the development of exhibiting companies. Exhibition activity is one of the main means of presenting your own innovative developments and positioning on the market for enterprises participating in exhibition activities of innovative orientation. This makes it possible to express oneself, attract the attention of potential consumers, and attract investors. Problems of development of innovative processes in the conditions of exhibition activity were considered in the works of Ukrainian and foreign scientists: N.V. Alexandrova, V. Pekar, I.K. Filonenko, V.G. Petelin and others.

The peculiarity of the level of innovative development of the exhibiting companies in market conditions is, first of all, its orientation to the requests of potential consumers. In a competitive environment, a strong position will be held by an exhibiting company that is

flexible in responding to the demands of the exhibit business and able to meet new consumer needs or offer new innovative products. That is, innovation is a key factor in the competitiveness of the exhibiting company. The economic interest of entrepreneurs in innovation is explained by the increase in labor productivity by 28% due to the developed and implemented innovations.

In Fig. 2 shows the directions of innovative development of the enterprise-participant of exhibitions and the innovative orientation and its feedback with the exhibition activity.

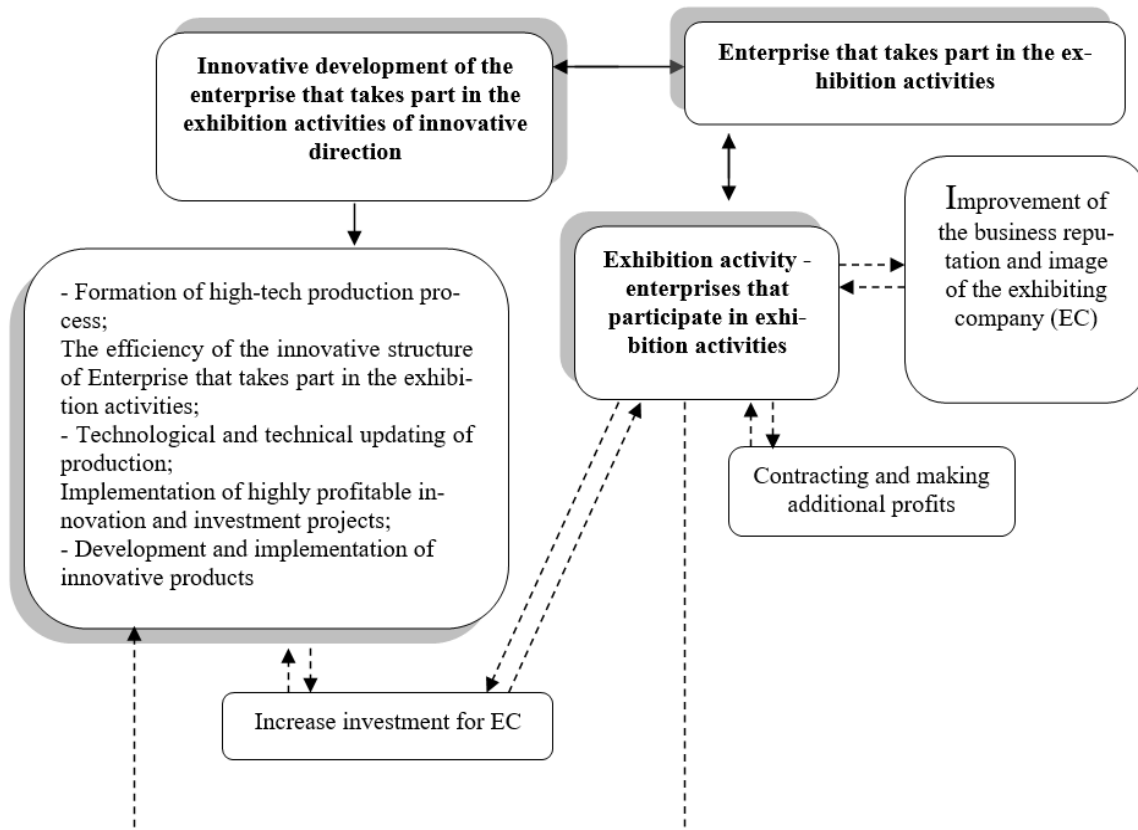


Fig. 2. Feedback system «exhibition-exhibitor-innovations»

Source: Developed by the author on the basis of [14, 17, 18]

All this requires fundamentally new approaches to: preparation, management and organization of supply and sale of new products based on a comprehensive multifactor analysis of the market, forecasting directions and rates of its development, including under the influence of STP factors. The purpose of such analysis is to identify the existing market opportunities for innovative development of the exhibiting company. The innovative development of the exhibiting company is a process based on the constant search and use of new ways and spheres of realization of the potential in the environment in the framework of its mission and the chosen motivation of activity and connected with the modification of existing and formation of new markets. The innovative way of developing an exponent enterprise is associated with problems: a very high level of

One of the main components of long-term exposure to exhibiting companies is the ability to offer, develop, manufacture and sell and promote innovative products with new consumer qualities, but new non-traditional ways (including the process of "pulling").

It should be noted that the exhibitor should be presented with traditional products and a range of activities, which include: presentation of new innovative products, pre-sales and after-sales services, consulting services (consultations) and consumer training (mainly to study technically complex or fundamentally innovative) products, which are elements of exhibition activity.

risk and the difficulty of finding sources of financing for innovation, especially with a general shortage of financial resources. Almost all successful exhibit company is bound by the success of innovative processes, but not all industrial enterprises are successful (mainly due to high risk to uncertainty in consumer behavior, unpredictable actions of competitors).

In Fig. 3 proposes a strategy for developing a participant in exhibitions of innovative direction. In the face of tough competition, exhibiting companies need innovative transformations. The innovative nature of providing the exhibiting companies is a dominant trend in the development of the Ukrainian economy. The development of innovations is accompanied by a change in the old structure of production to the latest technologies and modernization of equipment.

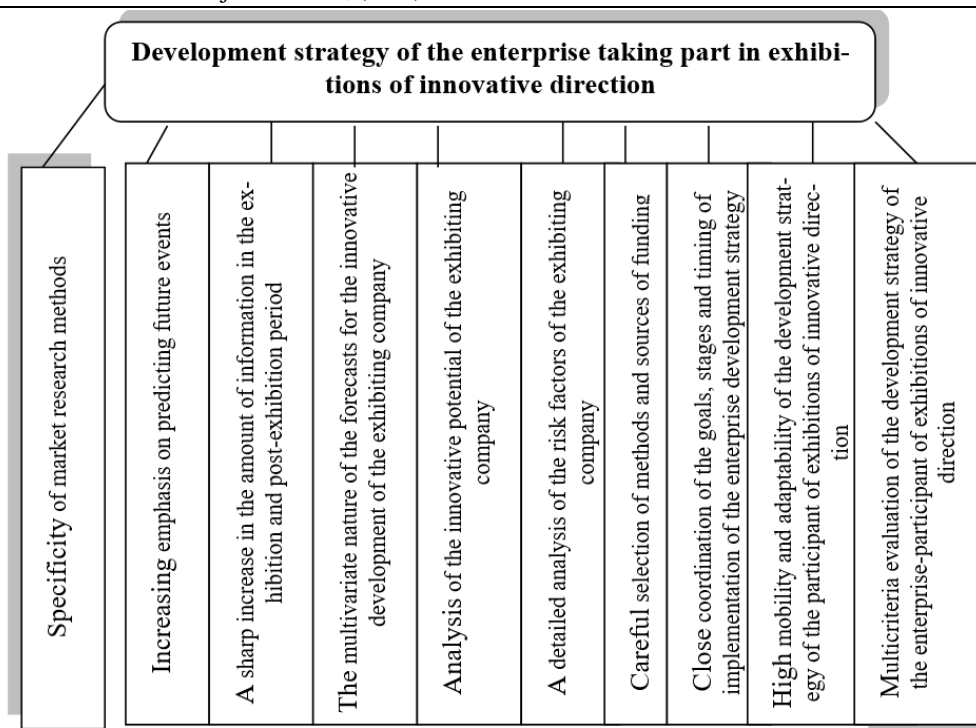


Fig. 2. The system of relations "exhibition – enterprise-exhibitor-innovations"

Source: Developed by the author on the basis of [14, 17, 18]

In the process of improving the level of innovative development of the exhibiting company, the volume of production of traditional products is reduced and the emphasis is placed on the creation of brand new innovative products.

It should be noted that innovation does not bring instant economic effect. The managers of the exhibiting companies are primarily responsible for the gross income indicators. Every effort is made to prevent a decline in current production volumes.

Therefore, it can be stated that the planning of production volumes contradicts the innovative nature of the enterprise development of a participant of exhibition activities of innovative direction.

Continuous stimulation is needed to develop innovative processes. Problems of managing innovation processes necessitate changes in the development of the exhibitor company, in particular in exhibition activities. Effective management of innovation processes is one of the most difficult tasks for managers of exhibiting companies.

In particular, B. Twiss [10] identified the development of novelties with innovation, stating that: "innovation" is a process in which research or an idea take on economic value; scientific and technological innovation is the materialization of new ideas and knowledge, discoveries, inventions and scientific and technological developments in the production process for the purpose of their commercial implementation to meet the relevant needs of consumers in the market.

The work of F. Nixon [8] proposed the content of the concept of "innovation" as a set of technical, production and commercial measures that cause the emergence of new products in the market, the improvement of industrial processes and equipment modernization.

In the Law of Ukraine "On innovation activity" the issue of innovation is defined as follows: "these are newly created and improved competitive technologies, products or services, as well as organizational and technical solutions of industrial, administrative, commercial or other nature, which significantly improve the structure and quality of production and social spheres" [11]. Pursuant to the above-mentioned Law of Ukraine, the following are distinguished among the objects of innovation activity: 1) raw materials, means of their extraction and processing; 2) commodity products; 3) the mechanism of formation of the consumer market and marketing of commodity products; 4) organizational and technical solutions of industrial, administrative and commercial nature, which significantly improve the structure and quality of production and social sphere.

Thus, the listed objects have a significant impact on the management of innovative processes of the exhibiting company; in particular the processing of raw materials contributes to the production of new products, which contributes to the formation of the consumer market, the decision of organizational and technical decisions on commercialization of products during exhibition events.

Innovative scientific and technological development of the enterprise is a process of development, which relies on a constant search for new ways and spheres of realization of its potential in the conditions of a changing environment and associated with the modification of markets for products.

Modern innovative-active enterprises-exhibitors are enterprises that spend considerable financial resources on innovations, simultaneously implement a number of innovative projects, and constantly increase the personnel potential of innovative activity.

The research revealed that innovation processes consist of the main stages: 1) scientific preparation of production; 2) conducting applied research developments; 3) conducting research and development work; 4) preparation for production; 5) development of production; 6) output of the enterprise on the capacity and production of the created products in accordance with the order portfolio; 7) dissemination (realization) of innovations in the market; 8) consumption or exploitation of the innovation by the potential consumer.

The stage of realization of innovations in the market is considered one of the constituent elements of organization of exhibition activity of the enterprise-participant of exhibitions.

The life cycle of innovation is directly related to the exhibition activity, as evidenced by the activity or passivity of the development of innovative processes at the enterprise participating in the exhibitions of innovative direction.

The peculiarity of managing innovation processes in market conditions is, first of all, in its orientation to the needs of the potential consumer [17, p.150-151]. In a competitive environment, a highly competitive enterprise will participate in exhibitions that are responsive to market needs and able to meet new needs of potential consumers. An enterprise can offer innovative products or services that will improve its commercialization in the exhibition business. In the face of constant changes and commercialization of most exhibitions, some of the fairs and exhibitions remain non-commercial. This enables businesses that have decided for the first time to become exhibitors to promote the opportunity to participate in propaganda and advertising and image exhibition events. Appropriate measures provide an opportunity to showcase innovative developments. The weak or rapid development of innovative processes at the enterprise makes it possible to state the active or passive participation of the exhibiting company in exhibition activities of innovative direction.

Conclusions and suggestions. Thus, for the exhibiting companies, an effective effective system of innovation process management (IPM) is required at all stages of participation in exhibitions of innovative orientation.

The need to increase the level of innovative development of the exhibiting companies should be directed to reorientation of production potential, modernization of equipment and creation of competitive industries.

Further research requires the development of the innovation market as a system of events related to the participation of the company in exhibitions.

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