

Conceptual bases of the Investment Mechanism of the Innovative Activity of Enterprises in the Context of Achieving the Tasks of Strategic Development

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Abstract

The authors of the study highlight the conceptual foundations of the investment mechanism of innovation of enterprises in the context of strategic development. Such indicators of investment attraction for the enterprise as investment attractiveness, investment activity of the enterprise, critical mass of investments, minimum sufficiency of investments and others are singled out. It is proved that the balance of investment resources is facilitated by the action of the investment mechanism of innovation activity at the enterprise in the context of achievements of strategic development tasks. Investment processes and their intensification have an impact on the expansion of production capacity of economic entities in strategic development and on improving the efficiency of existing capacities. The investment mechanism of innovative activity at the enterprise in the context of achievement of tasks of strategic development contains system of complex actions which provides: definition of the clear purpose and tasks for the mechanism and achievement of the purposes of the enterprise; assessment of the investment potential of the enterprise; definition of tasks of innovative development of enterprises and investment resources necessary for this purpose, etc. The tasks of the investment mechanism of innovative activity at the enterprise in the context of achievements of tasks of strategic development and its economic, organizational and information components are singled out, as well as levers of influence and regulators of the investment mechanism of innovation in the enterprise.

Key words:

investments, investment mechanism, investment resources, innovative activity of enterprises, strategic development.

1. Introduction

The turbulence of economic development is described by the high level and volume of investment flows on a global scale. Investment resources become a stimulus for economic development on an innovative basis, taking into account the paradigm of sustainable and inclusive development. Activation of investment processes, increase of efficiency of their attraction and use become a precondition of increase of

efficiency of functioning of economic systems of various levels. Investments that accompany the development of economic systems are a necessary condition for the effective organization of economic processes. Investment at the level of all economic systems plays an important role and performs a number of fundamental functions of economic development.

Investment processes are directly related to innovation. In turn, the innovative renewal of economic systems at different levels through innovation, production of innovative products and services, innovative management processes, etc. are the impetus for attracting investment, ensuring the transformation of potential into capital. Innovative development of economic entities becomes a source of promising investment opportunities and a source of increasing the investment attractiveness of the investment object. The outlined issues and interdependencies require more attention to the identification of the conceptual foundations of the investment mechanism of innovation of economic entities of different levels, including enterprises to achieve the objectives of their strategic development. Scientific substantiation of conceptual bases of the investment mechanism of innovative activity of the enterprises in the context of achievement of tasks of strategic development give the chance to reach desirable results of development and sustainability of economic development as a whole.

The purpose of the study is to identify the conceptual foundations of the investment mechanism of innovation of enterprises in the context of achieving the goals of strategic development. To achieve this goal, the authors solved a number of tasks, including:

- such indicators of investment attraction for the enterprise as investment attractiveness, investment activity of the enterprise, critical mass of investments, minimum sufficiency of investments and others are singled out;
- the expediency of the investment mechanism of innovation activity at the enterprise in the context of achieving the tasks of strategic development is substantiated;
- the tasks of the investment mechanism of innovative activity of the enterprise and conceptual provisions for their solution are singled out;
- the levers, regulators and economic, organizational and information components of the investment mechanism of

innovative activity at the enterprise in the context of achievements of tasks of strategic development are allocated.

2. Literature review

Scientific researches of leading scientists are devoted to the conceptual bases of the investment mechanism, activation of innovative activity processes, maintenance of sustainable development of economy taking into account modern development of the digitalization processes. Namely, among such scientists it should be noted: Bielińska-Dusza E. (2021) [1]; Collins J.D., Reutzel C.R. (2017) [2]; Dergaliuk M. (2021) [3]; Mashnenkov K. (2021) [4]; Girma S. (2009) [5]; Ihnatenko M. (2020) [6]; Khanin S. (2021) [7]; Kholiavko N., Besspalov M. (2021) [8]; Bazhenkov I. (2021) [9]; Khudolei V. (2021) [10]; Kiselitsa E.P. (2021) [11]; Kopytko M., Fleychuk M., (2021) [12]; Lazarenko I. (2020) [13]; Mohylova A. (2021) [14]; Nikulsheeva V.F. (2021) [15]; Dubyna M., Kholiavko, N. (2021) [16]; Popelo, O. (2017) [17]; Qu Y. (2017) [18]; Samiilenko H. (2021) [19]; Samoilyovych A., Marhasova V., (2021) [20]; Sheveleva O. (2020) [21]; Solodovnik O. (2021) [22]; Tkachenko T., Kostyunik O. (2021) [23]; Tulchynska S. (2021) [24]; Shevchuk N. (2021) [25]; Vovk O. (2021) [26]; Zalutskaya K. (2021) [27]; Zhuravlyov V. (2019) [28]; Zubko T. (2021) [29] and others.

The authors of the article [5] investigated that incoming foreign direct investment has a negative impact on innovation activity in state-owned enterprises on average. Scholars believe that foreign direct investment has a positive impact on state-owned enterprises that export, invest in human capital or conduct research and development.

The authors' research [27] is based on the study of the processes of providing methodological and practical recommendations in order to create and implement a system of strategic management of innovative activities of the enterprise. Scientists have identified the main stages of strategic management on the way to achieving the goal, namely: the stage of preparation for strategic management; stage of ensuring the implementation of the strategic management process; monitoring and control of the results of the strategy implementation.

The authors of the study [12] proposed the use of a rhombus of innovative activity. Its main 4 components include receptivity to the new, communication and organization of the innovation process, provision of resources, as well as a measure of competence. Scientists have proposed the structure of the management process of innovative enterprises, taking into account the impact of global risks and threats.

The main purpose of the article [29] the authors identified the justification of the methodology for

assessing the safety of the innovation environment of the country, which is based on the stimulation of innovative activities of enterprises in the context of European integration. According to the results of the study, scientists analyzed the innovative activities of enterprises in the study country.

The purpose of the study [22] is to develop recommendations for modeling the innovative development of foreign economic activity. The authors have developed recommendations for improving the innovative development of foreign economic activity of the enterprise by creating a department of foreign economic activity of the enterprise.

The article of scientists [14] is based on the development of tools for assessing the investment attractiveness of the enterprise in the context of innovative development. Based on the analysis, a method of integrated assessment of investment attractiveness of the enterprise is proposed, which is based on a comprehensive approach, coverage of a significant number of indicators and coefficients and is characterized by accurate mathematical calculation of the indicator.

The authors of the article [28] present proposals for improving the model of strategic management of the development and implementation of investment strategies of industrial enterprises. Scientists have developed a model that determines the interdependence of strategic management of investment policy and sustainable economic development of the company.

The purpose of the article [6] is to study the factors, risks, competitive advantages and search for resources and sources for the implementation of innovative and investment projects for the development of enterprises and organizations of rural green tourism. The authors identify innovation and investment projects of enterprises in the field of rural green tourism. Scientists outlined their structure, main components, implementation factors, analyzed competitive advantages and identified limitations.

3. Results

Attracting investment resources involves the formation of a comprehensive assessment of investment attractiveness depending on the objectives of investment, namely:

- receiving income from financial, economic and economic activities of the enterprise as a result of attracting investment in innovative renewal and modernization of production facilities of the enterprise. The evaluation indicators are the coefficients of profitability and reliability of the enterprise;

- receiving income from the acquisition and / or sale of the enterprise as a functioning business project or an

integral property complex. In this case, the main indicators for assessing investment attractiveness are tangible and intangible assets of the enterprise, the market share of the enterprise, the level of competitiveness of the enterprise and its products;

- vertical or horizontal integration of business activities. The basis of evaluation is a set of indicators of the internal and external environment of the enterprise.

The need to attract investment resources and the investment process itself are in constant conflict because there is a desire to obtain significant returns on investment with minimal investment and risk. The coordination of these interests is influenced by the action of the investment mechanism of innovation in the enterprise in the context of achieving the goals of strategic development. An important role in the investment process is played by the investment attractiveness of the enterprise for a particular investor.

The ratio of investment activity of the enterprise to the investment potential describes and characterizes the level of realization of investment attractiveness of the enterprise. The investment activity of an enterprise is determined by the intensity of attracting investment resources from various sources in innovative development in order to achieve the strategic goals of development of this enterprise.

Investment attractiveness is a qualitative assessment of the level of investment opportunities in the field of attracting and effective use of investment resources for innovative direction of the enterprise in the context of achieving strategic development goals.

When planning to attract investment resources, it is necessary to take into account the maximum allowable and minimum sufficient limits for attracting investment resources. The minimum allowable level is the so-called critical mass of investment, which is quantified through the performance of the operating activities of the enterprise. Reducing the amount of investment resources from below the critical mass of investment can lead to stagnation of the enterprise and increases the likelihood of bankruptcy. The critical mass of investment is the minimum amount of investment support for operating activities in the form of ensuring a minimum sufficient level and timely renovation of operating assets of the enterprise, for which it is possible to obtain a minimum net profit.

At the same time, it is wrong to think that the company needs to attract the maximum amount of investment resources, because the maximum limit of the formation of investment resources are the investment needs of a particular enterprise to ensure innovation in the context of strategic development. The investment needs of

the enterprise are determined on the basis of target standards and the strategy of innovative development of the enterprise. Attracting investment resources beyond the investment needs of the enterprise can provoke a loss of real value over time and have a negative impact on strategic innovation development.

Ensuring the balance of investment resources contributes to the action of the investment mechanism of innovation in the enterprise in the context of achieving the goals of strategic development.

Investment processes and their intensification have an impact on the expansion of production capacity of economic entities in strategic development and on improving the efficiency of existing capacities.

Achieving the goals of strategic development of enterprises is possible through the use of two ways to create competitive advantages in the market and increase efficiency, namely, due to the innovative way of development and investment activity.

The innovative direction of economic development for the company provides an opportunity to gain an advantage over competitors by reducing the physical loss of production per unit of output or production of new products with such characteristics and parameters that have hitherto been available in the market. The innovative activity of the enterprise is inextricably linked with risks and investments, because in order to obtain innovative ideas and developments it is necessary to attract financial resources to carry out research and development work, to establish innovative activities at the enterprise, etc. Investing in innovation is highly risky and long-term.

The investment mechanism of innovative activity at the enterprise in the context of achievements of tasks of strategic development contains system of complex actions which provides (Fig. 1):

- definition of the clear purpose and tasks for the mechanism and achievement of the purposes of the enterprise;
- assessment of the investment potential of the enterprise;
- definition of tasks of innovative development of enterprises and investment resources necessary for this purpose;
- development of alternative models of investment activity development;
- analysis of economic and technical characteristics of investment projects;
- risk assessment of investment projects and investments;
- planning measures to attract investment resources from various sources.

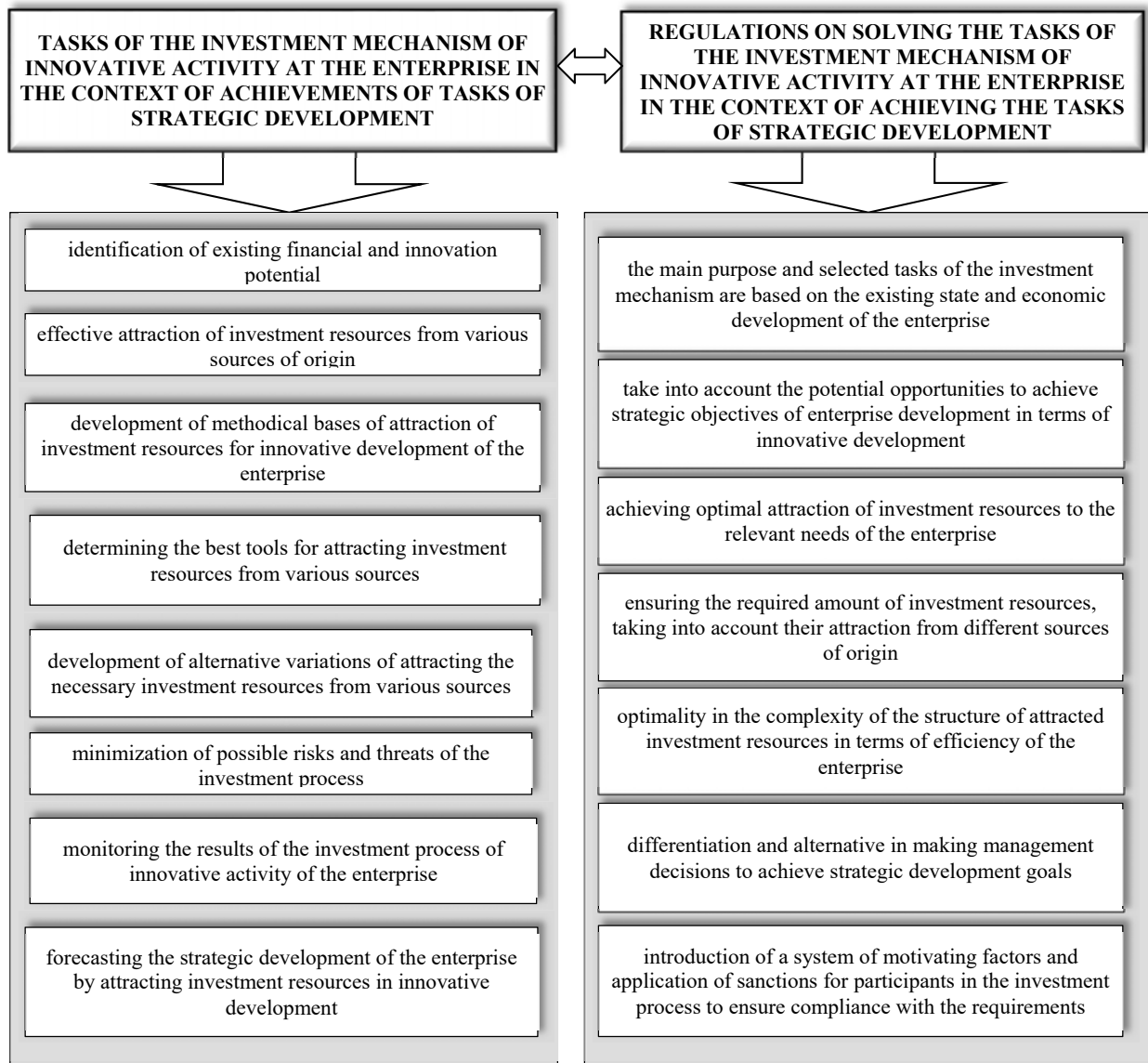


Fig. 1 Tasks of the investment mechanism of innovative activity at the enterprise in the context of achievements of tasks of strategic development. (Source: developed by the authors.)

The tasks of the investment mechanism of innovation in the enterprise in the context of achieving the objectives of strategic development are (Fig. 2):

- determination of the existing financial and innovation potential of the enterprise;
- effective attraction of investment resources from different sources of origin with ensuring the minimum cost of their attraction;
- development of methodical bases of attraction of investment resources for innovative development of the enterprise;
- determination of the most optimal tools for attracting investment resources from various sources;

- development of alternative variations of attracting the necessary investment resources from different sources;
- minimization of possible risks and threats of the investment process;
- monitoring the results of the investment process of innovative activity of the enterprise;
- forecasting the strategic development of the enterprise by attracting investment resources in innovative development.

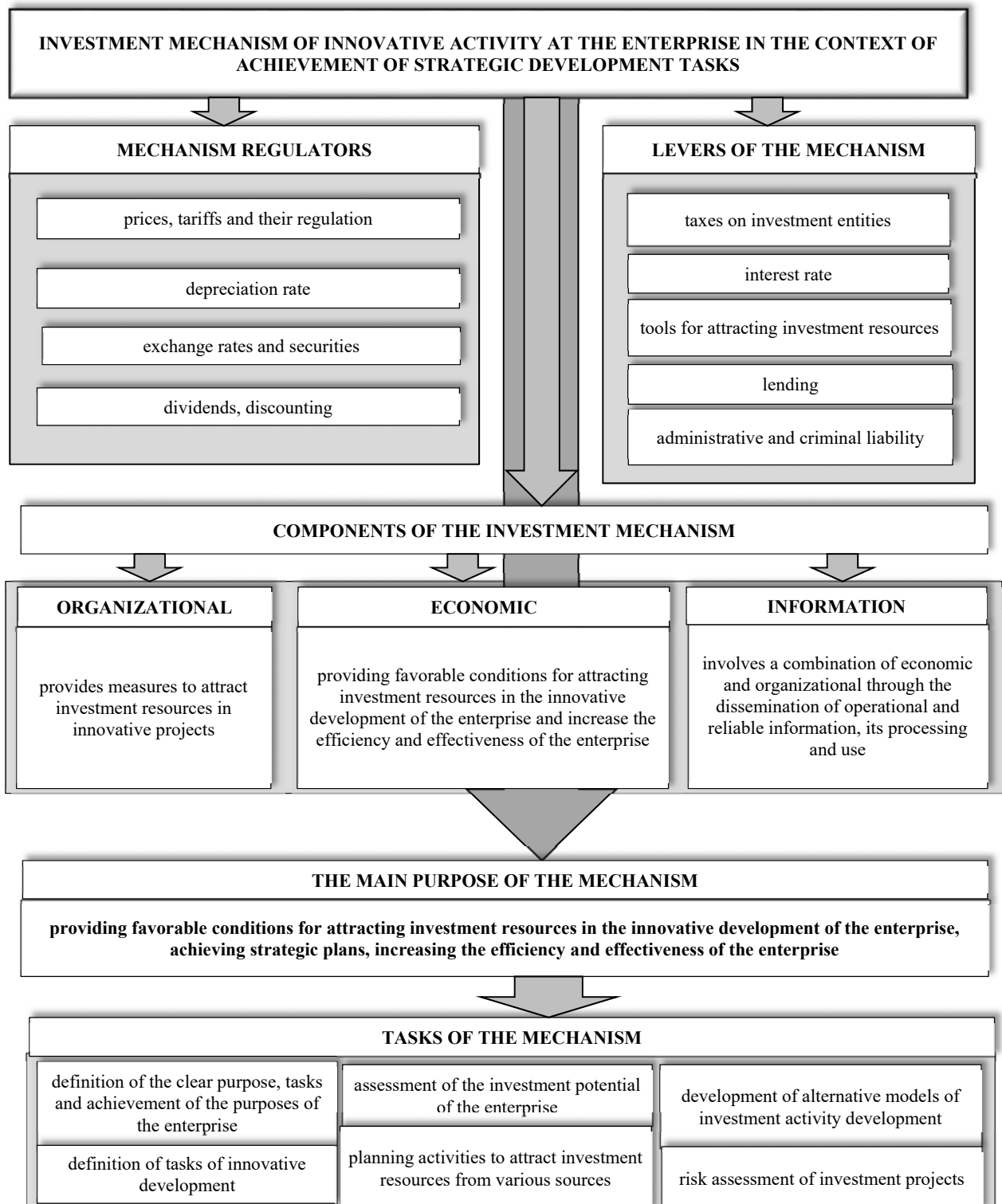


Fig. 2 Conceptual bases of action of the investment mechanism of innovative activity of the enterprises in the context of achievement of tasks of strategic development. (Source: developed by the authors.)

The solution of the tasks set before the investment mechanism of innovative activity at the enterprise in the context of achievement of tasks of strategic development demands observance of the following conceptual provisions:

- the main purpose and objectives of the investment mechanism to attract investment resources should be based on the existing state and economic development of the enterprise;
- take into account the potential opportunities to achieve strategic objectives of enterprise development in terms of innovative development and attract investment resources;
- achieving the optimal amount of investment resources to the relevant needs of the enterprise;
- ensuring the required amount of investment resources, taking into account their attraction from different sources of origin (own funds, borrowed money, borrowed money, budget allocations);
- optimality in the complexity of the structure of attracted investment resources in terms of efficiency of the enterprise and its focus on achieving strategic goals through innovative renewal;
- differentiation and alternative in making management decisions to achieve strategic objectives of enterprise development through innovative renewal and use of controlling in attracting investment resources;
- introduction of a system of motivating factors and application of sanctions for participants in the investment process to ensure compliance with payment requirements and implementation of innovative projects of innovative development.

The investment mechanism of innovation in the enterprise in the context of achieving strategic development is influenced by levers which include: taxes on investment entities, interest rates, tools for attracting investment resources to innovation projects using public-private partnerships, lending, administrative and criminal liability for misuse of investment resources and non-performance of investment contracts, etc.

Regulators of the investment mechanism of innovation activity at the enterprise in the context of achievements of strategic development tasks are: prices, tariffs and their regulation, dividends, discounting, depreciation rate, exchange rates and securities, etc.

The components of the investment mechanism of innovation in the enterprise in the context of achieving the goals of strategic development are economic, organizational and information components.

The economic component of the investment mechanism provides for the provision of favorable conditions for attracting investment resources in the innovative development of the enterprise and increase the efficiency and effectiveness of the enterprise. The organizational component includes measures to attract

investment resources to innovative projects, establishing close partnerships with investors, ensuring their interaction.

The information component of the investment mechanism of innovation in the enterprise in the context of achieving strategic development objectives involves a combination of economic and organizational through the dissemination of operational and reliable information, its processing and use as a resource for investment and innovation. The combination of these components makes it possible to increase the efficiency of the investment mechanism of innovation in the enterprise in the context of achieving the goals of strategic development.

4. Conclusions

Thus, attracting investment resources for enterprises are the main basis for:

- conducting a policy of expansion and development of production;
- modernization of economic and production activities;
- increasing the technical level of production;
- prevention of physical and moral depreciation of fixed assets;
- improving product quality with a possible reduction in production costs;
- ensuring the competitiveness of products in both domestic and foreign markets;
- acceleration of innovative development and introduction of innovations, etc.

The scientific novelty of the study is to identify the conceptual foundations of the investment mechanism of innovative activities of enterprises in the context of achieving strategic development goals, based on a systematic approach to justifying its structure and components, tasks, levers and regulators.

It is substantiated that the action of the investment mechanism of innovative activity at the enterprise in the context of achievement of tasks of strategic development provides balance of volume of investment resources of the enterprise and directs on attraction to innovative development.

Further scientific research in the field of action of the investment mechanism of innovative activity of enterprises in the context of achieving the tasks of strategic development requires the assessment of the effectiveness of its action on the strategic development of the enterprise.

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