

Conceptual Approaches to the Development of a Strategy for Innovation and Investment Activity in a Food Enterprise

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Abstract. The variability and uncertainty of the external environment inherent in business activities determine a high level of risk and enhancing the role of strategic planning as a special tool for adapting to the external environment. The purpose of the scientific research was to form a conceptual approach to the process of developing a strategy for innovation and investment activity of a food enterprise. During the study of the study's theoretical basis, it was determined that the issues of strategic planning of the enterprise as a whole and individual economic functions, in particular innovation, were developed by many foreign and Ukrainian researchers. However, for the most part in the literature, innovation and investment strategies are considered separately, at the same time they are closely related, and the implementation of an innovation project can be considered as an implementation of an investment project. In recent times, the concept of innovation and investment activity has appeared in the literature, but the methodology for rational organization of such activity has not been sufficiently developed. In the course of the research, three main approaches to developing a strategy for innovation and investment activity were described, also our own fourth approach was formulated. The analysis of methodological principles that are the basis for building strategies for innovation and investment activity was also carried out. It was concluded that the effectiveness of the strategy development process depends on the creation of a system of its information support. At the same time, increasing the productivity of innovation and investment activities of individual enterprises will help to increase the number of enterprises engaged in such activities, which will have a positive impact on the country's economy as a whole. The practical significance of the study lies in the fact that the considered strategies of innovation and investment activity can be used in the activities of relevant enterprises

Keywords: efficiency, information support, work of the organization, economic development

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Introduction

The strategy of innovation and investment activity is a system of actions of an economic entity to achieve the goals of financing innovative developments in order to obtain the desired state of assets, personnel and market position in the long term. The strategy takes into account the existing innovation and investment potential and the existing prerequisites for its implementation and development. The combination of a system of goals and directions for achieving them in the strategy of innovation and investment activity determines the limits of potential innovation and investment activity of an enterprise according to the forms of its innovation and investment activity in the long term. The strategy of innovation and investment activity is based on a scientifically based concept, which includes a description of innovation and investment activity through a system of formalized criteria by which innovation and investment opportunities of the enterprise are evaluated and implemented.

Mandatory elements of the concept in economic research are: the issue that needs to be solved, the purpose and timing of the implementation of the concept, ways and means of solving the issue, expected results, the amount of financial, material and technical, labor resources. Mandatory elements of the strategy of innovation and investment activity are: the general part, analysis of problems of (industrial) development, the goal, strategic goals and principles, targets for implementing the strategy, priority areas for achieving strategic goals, the strategy implementation mechanism, monitoring and evaluating the effectiveness of strategy implementation.

The process of developing a strategy for innovation and investment activity is based on a system of strategic decisions, the main of which are: a strategic set of decisions that determine the dynamics of investment, the impact of market factors on it and the forecast of innovations; strategic decisions on ways to raise funds, accumulate investment resources, allocate funds for innovation and investment projects.

The role of the strategy of innovation and investment activity is as follows:

- providing a mechanism for implementing strategic innovation and investment goals;
- assessment of real innovation and investment opportunities of the enterprise;
- ensuring strategic changes in the company's activities (changes in the organizational structure due to reorganization, restructuring).

The development of the strategy of innovation and investment activity begins with the analysis of the strategic investment potential of the enterprise, which is based on the identification of the strategic innovation and investment level of the enterprise and includes an assessment of the levels of scientific and technological development, organizational development (compliance of the organizational structure of the enterprise with its goals and objectives of investment activity), resource support.

General issues of innovation strategy formation were studied in [1-3], investment strategy in [4-6]. The issue of evaluating the economic efficiency of the developed innovation strategy was considered in [7-8]. The issue of information support for the innovation strategy is covered in [9]. In [10], the innovation strategy is considered from the point of view of ensuring the competitive advantage of the enterprise. The description of the practical use of the innovation strategy tool by modern Ukrainian enterprises is given in [11].

The purpose of this scientific research is to form a conceptual approach to the process of developing a strategy for innovation and investment activity of a food enterprise.

Characteristics of Four Approaches to Developing a Strategy for Innovation and Investment Activity

The development of a strategy for innovation and investment activity is based on the methodology of strategic planning, which, as a separate process, is based on the provisions of project analysis [3]. In a generalized form, the process under study can be represented by four stages and sixteen phases (Table 1).

Table 1. Stages and steps of developing a strategy for innovation and investment activity

Stages	Phases of planning an innovation and investment activity strategy
I. Preparatory	1.1. Initiation of the development of innovation and investment activity strategy 1.2. Generalization of existing experience, analysis of scientific and technological background 1.3. Designing the process of developing an innovation and investment plan 1.4. Formation of the innovation and investment planning process
II. Development of the strategy of innovation and investment activity	2.1. Setting goals and directions 2.2. Strategic analysis 2.3. Formation of innovation and investment activity strategy 2.4. Adoption of the innovation and investment activity strategy plan
III. Implementing the strategy of innovation and investment activity	3.1. Tactical analysis (assets, personnel, market status) 3.2. Marketing analysis 3.3. Financial and economic analysis 3.4. Monitoring (control) of the implementation of the strategy of innovation and investment activity

Table 1, Continued

Stages	Phases of planning an innovation and investment activity strategy
IV. Liquidational	4.1. Calculation of economic efficiency by stages, phases, generally 4.2. Preparation for utilization of innovation and investment project 4.3. Utilization 4.4. Determination of prospects for further development of innovation and investment activity

The result of the process of planning innovation and investment activity should be a strategic plan of innovation and investment activity, which should reflect the results of the phases of innovation and investment planning:

- formation of the mission and goals of the strategy of innovation and investment activity that is being developed;
- strategic analysis
- scenario analysis;
- mechanism for managing the implementation of the innovation and investment activity planning strategy;
- tactical analysis;
- marketing analysis;
- financial and economic analysis;

- monitoring of the implementation of the strategy of innovation and investment activity.

Thus, the actual strategy of innovation and investment activity includes a description of: strategic goals and priorities of development, areas of activity for the implementation of the set development goals, resources and ways to attract them [12-14].

The strategy of innovation and investment activity is part of the overall system of strategic choice of the enterprise and is in a certain correspondence with other elements of its strategic choice. Levels of such coherence can be represented in the general scheme of strategic planning, as shown in Figure 1.

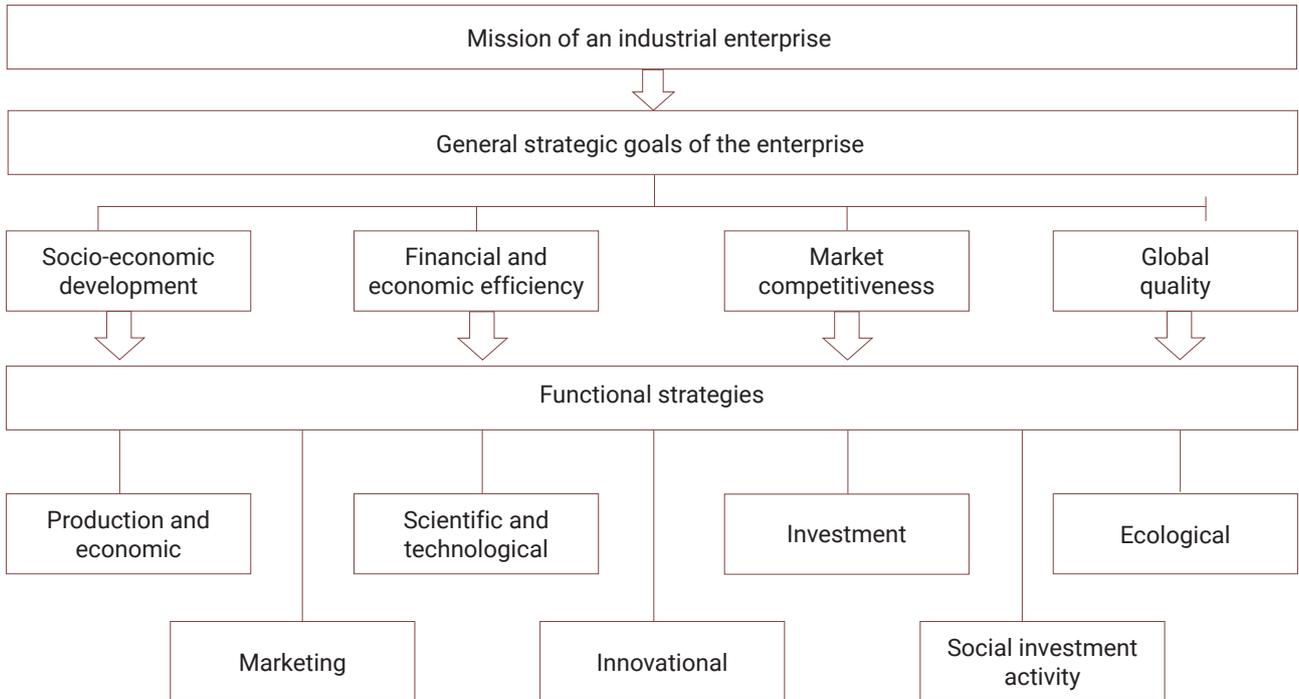


Figure 1. Levels of interrelated enterprise strategies

As can be seen from Figure 1, it is not advisable to consider the strategy of innovation and investment activity as the main one. This strategy, or rather its implementation, is a tool for achieving the overall strategic goals of the enterprise's development. Therefore, the strategy of innovation and investment activity of an enterprise should be defined as a coordinated set of relevant strategic decisions that have stable long-term consequences and have a decisive impact on the development of the enterprise [15-17].

Innovation and investment goals are closely interrelated with the main goal of production and economic activity of the enterprise and are implemented with it in a single policy. It is common to distinguish three approaches

in the genesis of this issue. The first approach, based on research in classical economic theory, states that the main goal of investing in innovation is to maximize profits. Later, this goal was seriously criticized, and profit maximization began to act as one of the main criteria for evaluating the effectiveness of investments, but not as the main goal [3]. The second approach is based on the theory of sustainable economic growth. The main goal is to ensure the financial development of the enterprise based on innovation, that is, to ensure a crisis-free state. This goal minimizes investment risks and limits the growth of return on investment, since this approach is weakly focused on tracking the situation of the commodity and financial markets, which affect the

reduction of parameters of the conditions for the formation of investment resources of the enterprise, as a result of which the approach was also criticized. The third approach, which is based on the coordination of financial interests of the owners of the enterprise, is expressed and supported by modern economic theory and interprets the main goal of investing in innovation as ensuring the maximization of the market value of the enterprise [6]. Maximizing the enterprise's market value involves and maximizes the welfare of business owners – the more investment in assets, the more products are produced, the more income can be obtained and, accordingly, distributed among the owners, etc. [18].

It is desirable to supplement the three existing approaches with a fourth one – an industrial enterprise's innovation and investment goals form the basis for implementing its strategy of innovation and investment activity for long-term socio-economic development. The listed general approaches to defining innovation and investment goals are specified and closely linked to the marketing strategy of this enterprise. Thus, the marketing strategy of an enterprise can offer such goals as growth, retention of positions, change of business, implementation of benefits and rejection of business (Table 2).

Table 2. Innovation and investment goals and development of marketing strategies

Innovation and investment goals	Marketing strategy			
	Innovative products	Nomenclature development	Product improvement	Cost reduction
Growing market niche	X	X	X	X
Holding market positions		X	X	X
Changing business			X	X
Implementation of market advantages				X
Business Exit				X

The innovation and investment goal of “growth” is linked to all marketing strategies, but, of course, most of all it is aimed at developing new products and services, new technologies [19]. Ensuring the survival of the enterprise can also be achieved by increasing new products, but more

often it is used to exploit excess production capacity, etc. The process of developing a strategy for innovation and investment activity based on an innovative approach can be represented by the following developed algorithm (Fig. 2).

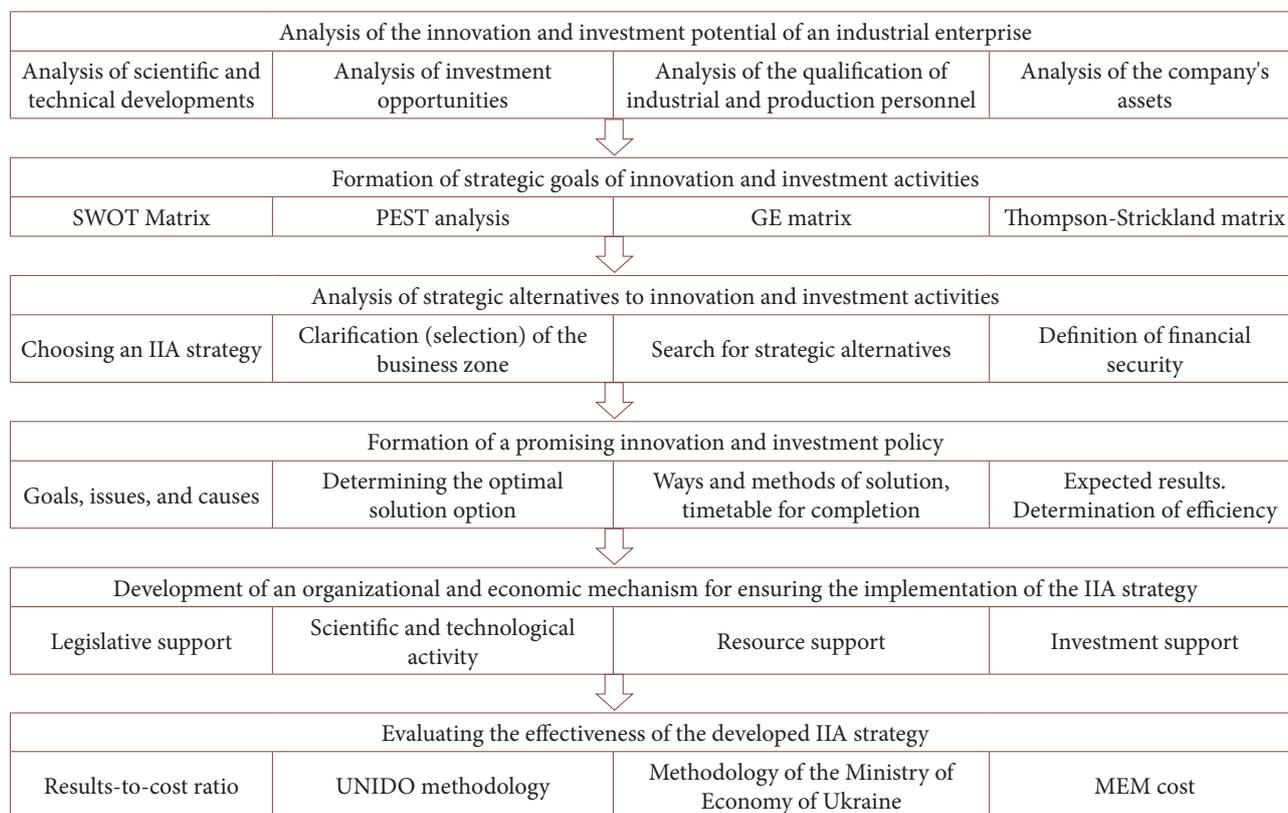


Figure 2. Algorithm for developing a strategy for innovation and investment activity compliance of the conditions of innovation and investment activity with prospective requirements, dynamics of factors of the external investment environment

Note: in modern economic conditions special attention is paid to analysing the enterprise's scientific and technological improvements

The implementation of the principles of flexibility and adaptability of entrepreneurship, which ensure the rational use of investment in innovation, dictates the need to apply a strategy for updating resources, which primarily concerns production resources and personnel. The renewal strategy is based on the desire to keep all the resources of the production and economic system up-to-date through technical re-equipment cycles, which are repeated periodically. When developing this strategy it is necessary to distinguish:

- frequency of re-equipment or reconstruction, due to the rate of physical and moral deterioration of all elements of the production system;
- possible start and completion dates for each cycle of the transformation process, which depend on resource constraints;
- amount of funds required to implement various upgrade strategy options;
- the most rational (optimal) version of the strategy, selected in accordance with the efficiency criterion.

Analysis of the System of Principles that are the Methodological Basis for Building Strategies for Innovation and Investment Activity

The principle of complexity is implemented in several areas. It provides for the integration of external and internal investment sources, the analysis of scientific and technological developments and the development of a holistic innovation and investment policy of entrepreneurship. It is reflected in the systematic unity of functional management strategies, which ensures the achievement of a synergistic effect. It also manifests itself in integrating the interests of all participants in the innovation and investment market and creating conditions for their coordination or reaching various compromises [20; 21].

The second extremely important principle of forming strategies for innovation and investment activity is the principle of multivariate strategic decisions. This principle is adequate to strategic management in general, and its application in the framework of innovation and investment policy is one of the modifications of the process of finding the most rational solutions using the optimization modeling method.

As the third principle that needs to be taken into account in the process of developing innovation and investment solutions, it is necessary to highlight the principle of timeliness. It lies in the need to take the time factor into account. This factor (along with others) determines the possibilities of effective implementation of the marketing approach, since an entrepreneur operating in a market environment and implementing marketing functions always meets with the dynamism of market processes, which can change in different periods of time [22].

The principle of timeliness of marketing investment decisions is related to the need for an implementation principle. This principle reflects the readiness of the strategy of innovation and investment activity for practical application. As a methodological tool that ensures the appropriate use of the implementation principle, we can recommend:

- using problem-oriented methods and approaches;
- specification of innovative developments;
- application of monitoring methods, which makes it possible to get expanded information about the state and trends of the innovation market.

The generalizing principle that aggregates the above-mentioned ones is the principle of target orientation of the strategy of innovation and investment activity of an industrial enterprise operating in a competitive environment. Being a transformation of the target orientation, which is inherent in a single process of strategic management, this principle implies the need to form a system of goals that should be implemented through strategic innovation and investment decisions that are being developed.

In conjunction with the strategy of innovation and investment activity, a financial strategy is developed that covers two main areas:

- managing the movement of financial resources;
- managing relationships related to cost-performance comparisons, material incentives, and responsibility for efficient use of financial resources.

The financial plan, based on the application of these methods, ensures transparency of the financial and economic state of the business structure of owners, investors, innovators, creditors and is the main element of strategic financial management of the enterprise. The development of a financial plan makes it possible to combine the interests of enterprise development, the availability of a sufficient level of financial resources for the implementation of functioning, development and solvency programs. It contains the following sections:

- income and expense plan;
- cash receipts and disbursements plan;
- plan for sources and use of funds;
- evaluation of alternative financial sources;
- opportunities for optimizing cash flows.

Each of these sections of the financial plan is developed using a number of methods and techniques that are widely tested in the practice of financial justifications, and is based on key indicators that reflect the relevant aspects of financial activity. From a strategic point of view, financial performance indicators as elements of the “resources – strategies – goals – results” chain deserve special attention.

Conclusions

The interpretation of the strategy of innovation and investment activity of a food enterprise as an inseparable whole gives an advantage in the form of increasing the validity and facilitating the practical implementation of innovation activities, directing investment funds of the enterprise to ensure its sustainable development in the long term. To ensure the effectiveness of the strategy development process, it is necessary to create an information support system for it. Increasing the efficiency of innovation and investment activities of individual enterprises can lead to an increase in the number of enterprises engaged in innovation and investment activities, which is necessary to ensure the economic growth of the country as a whole and gain more favourable positions in the world trade.

Methods for developing a financial strategy should reflect the idea of consistency and harmonization of the resulting and cost components. Being a limiter of innovation and investment activity, which directs it in the direction of financial validity, this strategy implements an extremely

important function of strategic management-ensuring the expediency of innovation and investment activity in the current market conditions, based on the rational use of innovation and investment potential.

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Концептуальні підходи до розробки стратегії інноваційно-інвестиційної активності на харчовому підприємстві

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Анотація. Мінливість і невизначеність зовнішнього середовища, притаманні підприємницькій діяльності, зумовлюють високий рівень ризику й підвищують роль стратегічного планування як особливого інструменту адаптації до зовнішнього середовища. Метою наукового дослідження було формування концептуального підходу до процесу розробки стратегії інноваційно-інвестиційної активності харчового підприємства. Під час дослідження теоретичної бази дослідження було визначено, що питання стратегічного планування підприємства загалом та окремих економічних функцій, зокрема інноваційної, розроблялося багатьма зарубіжними й українськими дослідниками. Однак здебільшого в літературі інноваційна й інвестиційна стратегії розглядаються окремо, водночас вони тісно пов'язані, та можна говорити про здійснення інноваційного проекту як здійснення й інвестиційного проекту. В останні часи в літературі з'явилося поняття інноваційно-інвестиційної активності, однак методологія раціональної організації такої активності не набула достатньої розробки. У процесі дослідження було надано характеристику трьом основним підходам до розробки стратегії інноваційно-інвестиційної активності, а також сформульовано власний четвертий підхід. Також було зроблено аналіз методологічних принципів, що є основою побудови стратегій інноваційно-інвестиційної активності. Було зроблено висновок про те, що ефективність процесу розробки стратегії залежить від створення системи її інформаційної підтримки. Водночас підвищення продуктивності інноваційно-інвестиційної діяльності окремих підприємств сприятиме збільшенню кількості підприємств, що здійснюють таку діяльність, що буде позитивно впливати на економіку країни загалом. Практична значимість дослідження полягає в тому, що розглянуті стратегії інноваційно-інвестиційної активності можна використовувати в діяльності відповідних підприємств

Ключові слова: ефективність діяльності, інформаційне забезпечення, робота організації, економічний розвиток