

Methods for Improving the Innovation Activity

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I. Introduction

Most of the contemporary state administrations declare that their countries must develop through active using of innovation technologies [6]. The several state administrations in Bulgaria which changed in the last two decades are not an exception of this trend [7]. In reality the hardships in the realization of this type of economy and technologies are too big. It is of essential importance they be exactly defined and effectively overcome. This is valid to the greatest extent for the present conditions in Bulgaria. An attempt is made in the following sections for such systematization [8, 9].

II. Organizational and management problems of the innovative companies

The problems for development of the innovative companies come mainly from three essential factors: insufficient qualification of the management staff, passive market behavior and lack of clear and exact strategy for innovative development.

The companies are very often managed by experts with general technical education who do not have the necessary training for managing the whole sophisticated innovative process which may prolong for 6-7 years. Most frequently they consider that the main problems in the innovations implementation are related to the lack of own funds and difficulties in drawing external investment. This is not true in most of the cases. Their problems are mostly related to the insufficient financial transparency of the company and difficulties concerning clarifying the real financial condition before the potential creditors. This is a consequence of the lack

of good financial accounting team, the responsibilities of the financial experts being appointed to normal accountants. As a result the overall view on the company's status is lost and this results in lack of perspective.

In smaller companies managing the innovation projects "en gross" is observed without well considered successive steps, and which is more important – without elaborated technical documentation for the implementation of the product or the technology. This raises the uncertainty in the investor and the loss of time and resources.

The lack of sufficient striving for elaborating of detailed and perspective business plans should be added to this and this reflects on the overall climate and working rhythm of the company. The financial turnover and marketing are not the strongest features of many of the small innovative companies. This important part of their activity is seriously underestimated. Even when such companies have in their hands innovative technology and products the lack of efficient marketing strategy hampers them from making the necessary marketing break. This is due to the fact that in many cases the marketing behavior is determined by the opinion of technical specialists and not by marketing professionals.

Due to the causes above mentioned the small innovative companies move to passive behavior and this can ruin the otherwise good innovative ideas. Very often the failure of an innovative project results in bankruptcy of the small company and buying cheap the same innovation by another more flexible and active company.

The disadvantages shown are also characteristic for the large companies in the cases when they insufficiently surely conduct the innovative projects.

If a non-flexible system for management and control is built then it may lead to loss of time and investment, thus making senseless some interesting innovative ideas.

Several approaches are suggested for overcoming the indicated disadvantages. The main one is the improvement of the company's management general level which results in increasing the efficiency both of the small and the large company. The general financial status is improved, and what is not less important – the strategic and marketing planning, the market behavior of the company is activated. Another essential measure is attracting specialists of narrow profile in the financial, accounting, and marketing areas of the company.

Using the services of specialized consulting organizations is very often recommended. This approach encounters obstacles in the contemporary Bulgarian situation because the companies do not trust these organization, do not believe in their professional capabilities; not all consulting companies are at the necessary level but some of them may be of invaluable favor for the small innovative companies for a moderate payment.

III. Problems of the research and technological infrastructure

The almost full destruction of the corporative science and the considerable reducing the science in the Bulgarian Academy of Sciences (BAS) and in high schools is a fact that reflects extremely negatively on the present Bulgarian innovation potential.

The lack of new corporate science renders particularly negative influence. The practice in the developed countries demonstrates that no middle or large innovative company may rely on market success if it has not at hand a research and development department.

Frequently a point of view is expressed, that the Bulgarian companies are still too limited and they do not dispose the necessary resource to carry out such teams. This is true but not completely. Presently in Bulgaria there exist enough powerful industrial-financial groups that can afford to support their own research and development base. Going in this easy way – by using bought technologies for production of already established products may lead to “floating” in the market stream but it has no perspective in the distant horizon.

The considered possibility for building state-private research groups may impose considerable influence for accelerating the innovation development but it evidently needs careful discussion and realization.

The universities in many of the developed countries play significant role for carrying out research and development activity (R&DA) on the base of contracts – in Japan 14.5%, in many countries of the EU – up to 25%. In our country this part is negligibly small. For this condition business might be rather reproached than the high schools, some of which still have at disposal not bad possibilities for R&DA. The situation in BAS is similar. Many of its institutes may carry out R&DA directed to innovations.

The proposals for detached re-organization separately for each of these tree branches in our country – BAS, high schools, and co-operative science will give no considerable result except to destroy what is still working. It should be finally decided whether we will really go on an innovative way of development and if so – a survey to be made whether the whole R&D structure corresponds to these requirements, and only then a total re-organization of this infrastructure to be made considering not only our but also the foreign successful practices.

It should be noted as a whole that the system of techno parks and incubators created up to now has practically no effect on the functioning of the Bulgarian innovative system. The causes for this are various. They are hidden in a series of disadvantages in setting up these techno parks and incubators.

a) Very often the techno parks turn into places where cheap production premises could be rented. The selection of the companies accepted in the Techno Park is not carried out by an effective contest with fixed essential criteria and very often it depends on the close relationship between the company’s management and the Techno Park. No periodical assessment is carried out and freeing the premises from the non-innovative companies, their current status being not evaluated concerning bringing up to market of the developed innovation. As a result no redistribution of the occupied areas is carried out depending on the results achieved. This in essence turns many of the Techno Parks in a cranky way of extracting public and private financing from various funds.

b) The incompetent management of a series of innovative projects may be considered a serious disadvantage of the techno parks which leads very often to

general inefficiency of the techno park and its encumbering with non dynamically developing companies.

c) Many techno parks suffer from other shortcomings: insufficiently good management, financial, marketing and juridical support; not good interaction with guarantee, venture and different innovation funds; lack of competent consulting support, etc.

The experience of the developed market economies shows that a not small part of these problems can be resolved if the main functions of the techno park management is appointed, on a contest base, to experienced management teams, whose payment is directly dependent on the obtained final results. A good testimonial for the techno park's management is its successful work with venture funds which can efficiently support the "sheltered" innovative companies.

The foreign experience shows that the business incubators operate best in university areas where they are provided with new ideas and young specialists. The experience in Bulgaria in this respect is more than modest.

If the road of the innovation development will be kept no matter of the existing nowadays difficulties, building of the necessary production-technological infrastructure has no alternative.

IV. Necessary financial and consulting infrastructure

As a difference from the developed countries Bulgaria is too far from building a thorough system of financial provision of the innovation processes at all stages of their development. There is only one fund for scientific research at the Ministry of Education, Youth and Science and one national innovation fund at the Ministry of Economy, Energy and Tourism, which as a whole have not more than 10-15 million BGN annually. There is, in essence, no operative guarantee and venture funds and they are the most efficient financial instruments oriented to innovations in the developed countries. Operating on a thoroughly market base and averaging in admissible limits arising risks they may turn into an effective instrument for accelerating the innovation processes in the country. Considerable expenses should be invested for ensuring their stable operation. As a rule this investment is reimbursable. Creating of state-private or fully private venture funds may lighten the procedures for their quicker building and increase their efficiency.

There is no lack of expert and consulting companies in Bulgaria, which are in a condition to provide services in the area of innovations. Many of them have the necessary knowledge to struggle with the vagarious market and to lead the company being consulted to success. For a pity many of the small innovative firms do not trust that specialists from "external" consulting firms can be of use due to which they rarely turn to their services.

Considerable efforts from both sides are necessary to go out of this situation. Increasing of the qualification of the consultants and the experts is needed so that they really are in condition to really develop and consult successfully innovation projects. Time and business culture is necessary so that the managing teams of the innovative companies to achieve the respective skills of using effectively consulting and expertise, to understand such type of business interaction.

It is evident that a normally operating national innovation system cannot be built without an effective enough expert-consulting one.

V. Conclusion

Overcoming the shortcomings above mentioned and moving to mainly innovative type of development requires considerable resources and time from the present-day state administration. First of all generally acknowledged priorities at national level are necessary for such development, as well as coordinating organ at the highest state level for realization of the national innovative programs. It is also important that the regional administrations create the necessary organizational, human resource, and financial conditions for the realization of the necessary innovative projects. These tasks are of particular importance under the conditions of the present global financial and economic crisis. Their resolving will create prerequisites to go out of the crisis in such a way that our country finds a merited place among the other European countries.

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Методы улучшения инновационной деятельности

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(Резюме)

Наступившие перемены в глобальной финансовой и экономической кризе вызвали большие проблемы в инновационных процессах в Болгарии.

В работе обсуждаются возможности улучшения инновационной деятельности в Болгарии при помощи организационных и управленческих активностей компаний с развитием исследовательской и технологической инфраструктуры, а также и с расширением финансовой и консультантской инфраструктуры.