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## **INNOVATIVE ENVIRONMENT AND INNOVATIVE ACTIVITY FOR SMALL AND MEDIUM-SIZE ENTERPRISES IN KAZAKHSTAN**

**Dina Aibossynova**

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### **Abstract**

The paper is based on a systematic literature review and examines the variety of approaches and different models of interconnection between the innovative environment and innovative activity of small and medium-sized enterprises (SME). As part of the institutional approach innovation environment is considered in two interrelated aspects. At first, as it is economically feasible organized space of life, ensuring the development of innovative resource company. Secondly as an integrated tool storage and realization of innovative potential of economic entities. The comparative analysis of innovative environment of SME in Kazakhstan and foreign countries is used. On the basis of case analysis and practical examples it is shown how the favorable innovative climate influence and help to facilitate the innovative SME activity. The system of environmental conditions which is favorable to the innovation development, as well as a system of internal factors increasing SME activity is proposed. The article also revealed the special role of government - education – innovative SME partnership for innovative SME development in Kazakhstan.

## **BUSINESS INCUBATORS IN THE CZECH REPUBLIC: WELL SPENT MONEY?**

**Michal Andera – Martin Lukeš**

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### **Abstract**

The aim of this study is to analyze business incubators in the Czech Republic using publicly available data. Business incubators are used worldwide to support creation and development of entrepreneurial ventures. In the Czech Republic, there have been many incubators founded in the last decade, visibly due to inflow of EU funding. Surprisingly, there is no public register of incubators. This study offers the first overview of business incubators in the Czech Republic. Due to instable terminology concerning business incubators, we took the support of new entrepreneurial activity as a defining characteristic of a business incubator and created a list of organizations that offers this kind of services. Result of our study is a list of 51 institutions offering support to new companies or teams with ideas. This support takes various forms ranging from office rental to funding. The highest number of venues are in Prague and majority have been financed from EU funds. There are 21 publicly owned venues, 23 privately owned and 7 privately and publicly co-owned organizations. Almost eighty percent of incubators offer office space rental. Results show that business incubators in the Czech Republic differ and we need to start monitoring their performance in order to understand their added value, not just for incubated companies, but also for the economy as a whole. It is surprising, that in relation to huge funding by public money, there has been no effort made to systematically analyze incubators in the Czech Republic.

## **ARTIFICIAL INTELLIGENCE AS A TOOL FOR DIAGNOSTICS OF PERSONNEL COMPETENCES**

**Andrey Andrunik – Galina Ostapenko – Sergey Kosyakin**

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### **Abstract**

Traditionally, quantitative and qualitative characteristics of human resources of enterprises are formalized in the form of structures, which reflect the ratios of these characteristics for different groups of employees. However, changes in the set and the nature of the competences are currently one of the key aspects of change in the qualification structure of the personnel, especially when it comes to the development of innovative industrial personnel. The structuring of personnel characteristics allows developing a model of key competences required for excellent innovative performance. In this paper, we consider the applicability of diagnostic indicators of personnel competences in self-developing, self-organizing systems in order to solve the problems of candidates' optimal selection for a specific senior position in the innovative industrial companies. Software with the built-in procedure that combines the competence model, active examination, cluster analysis and logit modelling, specially created by the authors, allows to realize in practice the idea of creating artificial intelligence, applied to the problem of optimal candidates' selection from a finite set of alternatives.

# **ANALYSIS AND EVALUATION OF THE INFLUENCE OF A NON-HOMOGENEOUS CUSTOMER OF AN INTERNATIONAL COMPANY IN LINE WITH THE PROJECT MANAGEMENT**

**Stefan Bader – Milan Fekete – Jaroslav Hul'vej**

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## **Abstract**

The increasing globalization of markets, permanently shortened innovation cycles and increasing competition pressure provoke companies to offer their products to an aspiring markets. Most companies use successfully the classic project management in order to conduct the orders within the company internally. But, what will happen if the classic applications related to project structure plan, milestone plan, etc. are influenced by parameters which cannot be foreseen? Which variables disturb this well-established instrument of the project management? The aim of this study is to ascertain specifically what kind of roles and behaviors the project manager needs to handle in order to successfully cope with two difficult cultures, namely an industrial company located in Germany and the United Arabic Emirates.

## **SOCIAL BUSINESS: PUBLIC AND NON-PUBLIC PROVIDER OF SOCIAL SERVICES**

**Ol'ga Bočáková – Darina Kubíčková**

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### **Abstract**

Nowadays, we meet with the correlating welfare state which is replaced by a private sector. This is reflected also in the field of social services. The private sector is increasingly expanding at the expense of the welfare state, the social services are becoming the subject of social entrepreneurship. The sample used in our paper is selected by a quota selection in terms of age, education and residence in particular regions. It is about 1250 respondents who have citizenship of the Slovak republic. In terms of used methods, we applied a questionnaire method, as well as analysis and comparison of results. The conclusions and results stemming from the paper will be directed to find out whether the citizens trust more the public or non-public providers of social services, whether the amount of income correlates with a view to the privatization of social services facilities, even if in case of need, they would choose public or non-public provider of social services for themselves or for their close relatives, where they see the strengths and weaknesses of public and non-public providers of social services. The importance for a practice is in a recommendation of what public providers of social services should do in order to be able to compete with the non-public providers of social services.

# **THE USE OF ELECTRONIC TOOLS IN PUBLIC PROCUREMENT AS A FACTOR SPURRING DEMAND FOR INNOVATIVE SOLUTIONS IN THE ECONOMY, ACCORDING TO CONTRACTORS**

**Arkadiusz Borowiec**

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## **Abstract**

By generating a number of economic and non-economic benefits, electronic procurement can act as an important tool for creating demand for innovation by the public sector, and thus raise the innovativeness of the entire national economy.

The purpose of this article is to gather information on the state of knowledge of the representatives of companies taking part in tenders regarding various electronic tools in the public procurement system, and to evaluate the image of public entities responsible for their implementation, and to gather opinions on the possibility of implementing such solutions in the process of spurring demand for innovation.

The results come from a questionnaire conducted among 176 companies in various industries that participated in the public procurement system as contractors. The survey was conducted electronically. The time range of the study covered the first half of 2015 and concerned the contractors located in Poland.

In the opinion of the surveyed companies the use of electronic tools in the Polish public procurement system is conducive to spurring demand for innovation. Contractors see broad prospects in connection with the computerization of the public procurement system in Poland. However, they are dependent on the actions of authorities.



**EMPIRICAL RESEARCH ON THE RELATIONSHIP  
BETWEEN KNOWLEDGE MANAGEMENT, MARKET  
ORIENTATION AND SMALL AND MEDIUM-SIZED  
ENTERPRISES PERFORMANCE – SELECTED  
PRELIMINARY RESULTS**

**Krzysztof Brzostek**

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**Abstract**

The article presents preliminary results of empirical research on the relationship between knowledge management, market orientation and the performance of small and medium-sized enterprises (SME). The literature analysis allowed designing a research tool /survey questionnaire/ for two groups – the SME owners/managers and SME employees. Both market orientation and knowledge management focus on the knowledge, both conceptions are considered to be determinants of the present-day enterprises increase. Both conceptions are considered to be required for effective performance of enterprises (Brzostek, Michna, 2014). The literature does not indicate unambiguously as regards the direction of the relationship between knowledge management and market orientation. Effective knowledge management creates conditions for processing, interpreting and using the knowledge on market trends. Integration of knowledge management and market orientation may be the key element of competence and improvement of competitive company position (Wang, Hult, Ahmed, 2009). The research will allow elaborating the practical guidance for owners/managers of SME, and thus increasing the effective performance and the possibility of development.

# **THE DEVELOPMENT OF THE INSTITUTIONAL CAPACITY MONITORING TOOLS IN THE STRATEGIC PLANNING OF THE INDUSTRIAL ENTERPRISES**

**Elena Bykova**

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## **Abstract**

In the context of high uncertainty of the possible directions of the development of political events is necessary to meet the new challenges of strategic planning at the industrial enterprises. In particular, the definition of how much strongly the rules of interaction with business partners can change in the nearest period of time and is the company ready for such changes. Solving the problem of evaluating the adequacy of existing policies expected changes is possible with the development of new assessment tools. The main focus is on the principle of forming the base of the prototype machine-building enterprises, including the full value chain and collaboration with stakeholders at all levels of the socio-economic hierarchy. We suggest using Atlas institutional development of industrial enterprise for this purpose. After the formation of the analysis tool the researcher will have an opportunity to assess the institutional capacity of business strategies and predict the "problem" institutions for tactical intervention.

## **THE SELECTED MEASURES OF INNOVATION**

**Jozef Chajdiak – Mária Glatz Ďurechová – Branislav Mišota**

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### **Abstract**

The introduction of new production and sales methods, use of the new materials and changes in the organisation of the market position, are closely connected to looking for the new approaches how to measure performance of innovation. Measurements of innovation referred in this document as the coefficients, are universal. They can be used not only at the macro and micro level, but also at different stages of innovation activities. The essence of the measurements is the pro rata indicator, which compares the volume of sales (production) of the innovative activities carried out in the overall volume of all sales carried out of the individual subject (production). The total volume of sales has a universal character. A particular problem constitutes a determination of innovative sales and even the importance of a variety of innovative sales innovation. Innovation coefficient has a universal use, it can be used on the macro and micro level.

## **EU FUNDING PROGRAMMES FOR RESEARCH AND INNOVATION**

**Lorenzo Costantino**

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### **Abstract**

Europe 2020, the medium term strategy of the European Union, hinges on research and innovation as the pivots for growth and competitiveness. The European Commission defines policies and develops regulation that converge towards the EU2020 ambitious priorities of smart, sustainable and inclusive growth. In addition, the EU provides funding for projects that support the achievement of EU2020 objectives. Funding is available at national level through the European Structural and Investment Funds and at European level through the centralised EU funding programmes, the focus of this paper. Small and large organisations of the private, public and third sectors from all over Europe are eligible for funding. EU programmes provide grant funding that cover only partially - typically 75% - the costs of international collaborative projects. Horizon 2020 is the EU programme in support of research and innovation for growth and competitiveness; with an almost € 80 billion budget for the 2014-2020 period, Horizon 2020 is the largest EU funding programme.

## **POLITICAL PARTIES AND SUPPORT OF BUSINESS IN SLOVAKIA IN 2016**

**Alexander Čemez**

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### **Abstract**

The given contribution deals with the relationship of politics and business. Concretely, it deals with programs of political parties, which entered into the National Council of Slovak republic in 2016. These political parties are: Smer-sociálna demokracia, Sloboda a Solidarita, Obyčajní ľudia a nezávislé osobnosti, Sme rodina, Most-Híd, ĽS Naše Slovensko and Siet'. We analyze election programs of these political parties in the issue of support of business. Concretely, we focus on four areas: administrative load, restructuring, investment aid, taxes and levies. Among methods, which we will use in our contribution, belongs the study of sources, analysis and comparison. To used materials belong election programs of political parties.

## **EVALUATION AND TREATMENT OF SELECTED RISKS IN THE SOLUTION MINING INDUSTRY**

**Peter C. G. Davids**

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### **Abstract**

Standard risk management systems are already researched on a pretty high level. Currently there is no special literature about those in the environment of solution mining of carnallite. These special risks (geological ones, risks arising in the processing plant due to its special design, financial risks) need to be addressed, evaluated and treated. DEUSA International GmbH is a potash mine situated in Thuringia / Germany, using the technology of hot selective solution mining of carnallite. Currently it is the only one in the world using this special process which is more and more going to be adopted in other projects around the world. One of the key issues is the energy intensiveness of the process. Purchase of natural gas currently accounts for approximately 60% of total costs. At first, this empirical case study will explore the existing risk management by documents study and by interviews, identify and evaluate selected risks and find approaches for treatment. It will be accompanied by a precursory literature review. Main goal is to contribute to improvement of the existing risk management system focussing on addressing the named special risks. The results should be useful for other carnallite solution mining projects as well.

## **INNOVATIONS IN PUBLISHING IN THE PERIOD OF DIGITALIZATION**

**Dana Dvořáková**

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### **Abstract**

The present paper deals with contemporary changes in the world of entrepreneurship and economics. It explains the difference between the traditional and current cognizance of the innovation process and the related necessity of innovation of the entire business model. It is particularly focused on the field of publishing practice where the explicit phenomenon is at present digitalization. An analysis is presented of the facilities available in our country and on a global scale and summarizes and presents comments on contemporary trends in the sphere of media.

The paper includes a case study of a publishing house which within the scope of the innovation of its business model introduced on the market in addition to a well-established print journal also its tablet version. On the basis of a questionnaire distributed among readers the paper presents the results of the survey which identifies reserves and shows the specific character of digital publishing.

The definition and addressing of the target group of readers and focusing of marketing activities is a very significant factor. Another significant factor of success is besides the high-quality content also a guarantee of the optimum technical parameters of the journal related with the size of files and adaptation of the content to individual types of reading devices (tablet vs. smartphone). A frequent mistake is an excessive volume of data in a single edition which can discourage a lot of readers from downloading the file and subsequently reading it. Owing to the different display of the journal on a tablet, smartphone and desktop, the production of a tablet journal must count with and invest in three different output versions optimized for individual devices. In conclusion the paper summarizes the advantages and disadvantages of digital publishing.

## **RELATIONSHIP BETWEEN UNEMPLOYMENT AND ENTREPRENEURIAL ACTIVITY: EVIDENCE FOUND AMONG VISEGRAD COUNTRIES**

**Ondřej Dvouletý – Jan Mareš**

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### **Abstract**

The following study is focused on the relationship between the registered business activity and unemployment rate in Visegrad countries over period of years 1998-2014. The aim of the research was to investigate whether in the periods of higher unemployment rate, individuals engage into entrepreneurial activity, no matter if they are opportunity or necessity driven entrepreneurs. Our data set consists of data collected from national statistical offices, World Bank, Eurostat and other sources. Panel regressions were employed and econometric models with dependent variable registered businesses per economically active inhabitant were estimated. Econometric models estimated with fixed effects and lagged variables confirmed positive relationship between the entrepreneurial activity and unemployment rate. The increase of unemployment rate led to increase of overall entrepreneurial activity. The positive impact on registered business activity was also found for GDP per capita, growth of share of population with tertiary education, growth of business freedom and growth of R&D expenditures. Negative relationship was confirmed for the amount of days required to set up business. Finally, the increase of registered business activity led to decrease of unemployment rate.



## **WHAT DID SAP CHANGE? A MARKET SHAPING ANALYSIS**

**Burak Erkut**

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### **Abstract**

The market for enterprise resource planning (ERP) software was analysed in the contexts of computer science, business models and history. However, the impact of SAP which has driven the ERP market was not analysed in the framework of economic theories. Especially a new direction within marketing which aims to re-connect it to markets, can be an interesting point of departure for the analysis. The analysis is based on the business history of the software firm SAP as well as a theoretical framework. The point of view of the study is evolutionary economics, which focuses on the role of innovation and knowledge generation in an open loop evolving, non-pre-determined economic system. Findings suggest that SAP's impact was mainly on agency costs, transaction costs and network effects. These three points suggest a similarity to the market shaping impact of internet economics, put forward by Dholakia and co-authors (2002).

## **EXPERT SYSTEM FOR WAREHOUSE STOCK OPTIMIZATION**

**Radim Farana – Ivo Formánek – Bogdan Walek**

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### **Abstract**

Currently, many companies try to optimize their system of warehouse stock management to minimize their production costs. The optimization means mainly optimization of processes like resources adjustment, resources planning, purchasing, deliveries, sales etc. The goal is clear – not to spend too much money for stock.

There are various information systems more or less successfully anticipating and predicting the quantity of resources that should be ordered. These systems usually apply prediction based on sales in the previous period. In most cases the managers can also adjust the prediction based on their knowledge and experience. But not every company has so experienced managers. Therefore it is advantageous to have something like expert system for this.

The paper will introduce an expert system which will use a knowledge-base based on managers' knowledge and experience and other influences affecting the prediction in order to predict and propose the quantity of necessary resources that should be ordered. Individual steps and parts of the expert system are described in the paper. The proposed expert system is verified on a particular example, i.e. in practical application.

## **INNOVATIVE APPROACHES TO STRATEGIC SOCIO-ECONOMIC PLANNING OF TERRITORIAL SUBJECTS**

**Maroš Finka – Vladimír Ondřejčka**

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### **Abstract**

The limitations of resources, increasing complexity and vulnerability of human systems, fuzzification of the space relating to the definition of belonging and uncertainty in it, increasing a number of decision-making actors are some of the crucial determinants of socio-economic development with a direct influence on all elements of economic systems. Innovation in the management of socio-economic development processes incl. planning seems to be needed reflecting “new conditions” in socio-ecosystems. In this context, the theory of commons represents an innovative approach with potential to face the challenges in conceptual, processual and also institutional level. This paper presents a new approach to the development of socio-economic spatial strategies underlining the role of cooperation and competition in the development processes with special attention to the processes of networking, clustering and development of fuzzy structures.

## **INNOVATIVE DIGITAL MARKETING OF SME HOTELS**

**Tamara Floričić**

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### **Abstract**

State of the art digital marketing enters into all the spheres of marketing positioning in the hotel industry. As opposed to large hotel companies, small and medium sized hotels are in a more disadvantageous position with respect to the size of marketing budgets; they, however, find new strength in proactive and dynamic tools of e-placements. They include search engine optimisation (SEO), search engine marketing (SEM), Metasearch, dynamic rate marketing (DRM), email marketing, as well as a strong social presence.

Description of research sample - for the purposes of achieving a synergic conclusion, the research was conducted on two levels: stakeholders - researched hotels and implemented digital marketing tools and market – tourists' response to recognition of the said tools.

Research methods – the methodology used includes quantitative, statistical and qualitative research methods, which include interview and creative thinking techniques.

Findings and outcomes of the research – the research results point to a recommendation for the implementation of an optimal mix of digital marketing components for the purposes of realisation of results and return on investment.

Application in practice - conclusions and recommendations are implicative and represent a new potential for application in practice, as well as support for new market recognisability and competitiveness.

# **ANALYSIS OF THE BUSINESS PROCESS MANAGEMENT AT THE AUTOMAKER ENTERPRISES IN RUSSIAN FEDERATION (USING STANDARD ZONES AT «GAZ» FACTORY AS AN EXAMPLE)**

**Ekaterina Garina – Viktor Kuznetsov – Alexander Garin – Anastasia  
Sevrukova**

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## **Abstract**

Business process management has been a basis for the scientific developments since 1990-s and Integrated adaptable production systems is quite essential for the domestic market. Business process management in Russia is at the stage of the theoretical search and carried out mostly in the area of organization design, engineering and manufacturing automation. The results of the scientific researchers can be also used in the condition of the home industrial enterprises and often they are contradictory and do not based on the systematic approach. Also debating points are connected with transferring from functional management to process management. Process managements is widespread in Russia nowadays. Objective of the research is to assess the process management effectiveness while the enterprise is transforming. The research is based on the systematic and comparative analysis, method of the expert assessment. The authors study the experience of the process management at the domestic enterprises, using «GAZ» as the particular example. Format transformation is possible in case of the operational effectiveness and with the usage of vertical and horizontal pressure.

# **IS LOGICAL THINKING THE LOGIC FOR INNOVATION? HIDDEN PATTERN OF INNOVATION AND DISRUPTIVENESS**

**Gunther Herr – André Nijmeh**

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## **Abstract**

Many tools and methods exist to foster innovation. Generally they can be distinguished in a set of analytical tools to clarify the situation and tools that inspire the creation of new insights. Based on more than twenty years of research, combined with practical experience of several hundred industrial projects this paper shows that innovativeness in disruptive environment requires a new approach and attitude for actively designing and shaping future strength.

A comprehensive analysis of the current context and content of the business model is needed. Nevertheless, when trying to create new future attempts experience and analytical strength restraints the search field to mainly those opportunities that are visible based on current success criterion. A distinguished mind-set that is based on the strength of dialectic thinking can create the required freedom to develop the new insights required. The know how of creating business models that utilise new KPIs will round up the innomorphosis approach.

Our world is too complex to create relevant context without analysing the situation in depth. However: Expert knowledge limits visible solutions to the current foundations and basic rules of the competition basis of today. Within the same process, different thinking-modes are required, to create disruptive views.

## **INNOVATIONS IN THE INSURANCE MARKETING THROUGH SOCIAL MEDIA**

**Claudia Hilker**

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### **Abstract**

Social media have changed the requirements for the marketing seriously. Companies need to master new challenges that have arisen because of new media usage. This concerns the web 2.0 technologies, social media and the two-way communication between companies and customers. There are new opportunities for marketing, which require new approaches in handling, e.g. user-generated-content and risks like “shitstorm”. Solutions may be reduction of risks and monitoring. It is a major challenge for such a conservative sector as insurance to integrate social media in their marketing in order to maintain existing customers and win new ones. They instigate changes in marketing strategy, marketing mix and processes and require a great deal of creativity in implementing them within the phenomenon of social media marketing. The paper deals with different views on social media marketing in the insurance sector using case studies on design of new processes within the innovation management, and indicating benefits in insurance business.

## **DRIVERS OF SENIOR ENTREPRENEURSHIP IN VISEGRAD COUNTRIES**

**Marian Holienka – Zuzana Jancovicova – Zuzana Kovacicova**

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### **Abstract**

Senior entrepreneurship is an important topic in the context of current socio-economic challenges, such as unemployment, aging population, or low competitiveness of older generations on the labor market. Involvement in entrepreneurial efforts is a promising solution to these problems. However, Visegrad countries (Czech Republic, Hungary, Slovakia and Poland) traditionally exhibit low inclusion of senior (i.e. 55+) generation in early-stage entrepreneurial activity. Therefore, the aim of our study is to analyze the individual-level factors related to business start-up, considering the opportunity-necessity motive dichotomy. We base our analysis on Global Entrepreneurship Monitor Adult Population Survey data for V4 countries for years 2011 to 2014. Our findings identify the main drivers of seniors' involvement in early-stage entrepreneurial activity, with specific focus on common factors and differences between businesses driven by opportunity and necessity.



## **INNOVATIVE MEASUREMENT OF SOCIAL VALUE BLENDING THE PUBLIC, PRIVATE AND THIRD SECTORS IN THE UK**

**Jaroslava Hrabětová – John M. Daly – Marie Dohnalová – Steven McCabe**

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### **Abstract**

In contemporary society there is an increasing importance attached to measuring social value and social impact organizations in the public, private and third sector create. In particular public and third sector organisations as a result of ongoing austerity measures face persistent uncertainties in regard to revenues which impact upon services and need to prove quality, efficiency, purpose and transparency for varied stakeholders including commissioners, funders grant stipulations, oversight agencies, and community. This paper presents results of three social value analyses: a) Willmott Dixon a private company in the construction and property sector (2014), b) Made in Corby third sector arts project, Northamptonshire (2015), c) West Midlands Fire Service (2015) public sector procurement pilot. The chosen quantitative methodology for social value analyses is the Social Earnings Ratio (S/E Ratio) the fastest growing metric currently being adopted in the field of social value measurement, a disruptive, social innovative metric based on international General Accounting Principles (GAP) converting sentiment into financial value. The approach has been developed by the UK based Centre for Citizenship, Enterprise and Governance (CCEG) providing a low cost, high volume measure of social impact intangibles or social value providing a single benchmarkable metric of organisations across all sectors.

## **MODELING AND MODERNIZATION OF DISTRIBUTION ENTERPRISE**

**Natalia Izyumova – Anna Smirnova**

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### **Abstract**

The use of the logistical approach to traditional marketing involves marketing enterprise modeling system and its permanent improvement with the advent of new counterparties (customers and suppliers), changes in competitive conditions, technological progress and other factors. The article deals with the optimization of the functioning of the intra logistics customer service system (like enterprise marketing element), which improves service quality and thereby increases customer loyalty to the enterprise at minimal cost.

## **EVALUATION OF INNOVATIVE POTENTIAL OF SMES USING THE FUZZY LOGIC**

**Hana Janáková**

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### **Abstract**

In a changing business environment customer requirements are increasingly demanding supply and service growth, higher market competition and also technological developments and the globalization of business. The innovative capacity seems to be an ultimate condition for the competitiveness of all types of enterprises. The innovation potential of the company is essentially its internal characteristics. The measurement of innovation potential in SME and describe how to manage the companies innovation potential for reaching the business goals. To know how to measure innovation potential in SME by different approaches and methods using the artificial intelligence, for instance fuzzy logic can be applicable for innovation potential management. Fuzzy logic is a form of many-valued logic and it deals with reasoning approximate rather than fixed and exact. Because of human language response to questions fuzzy logic is useful for evaluating and transforming words or sentences to numbers for quantitative evaluation of certain human meanings. The paper focuses on a system for assessing the innovation potential of the manufacturing company using fuzzy logic. To meet the objective it is therefore necessary to identify criteria characterizing the sources of business, properly organize them and suggest ways of assessment so that it can be applied method.

# **A START-UP SUPPORT SYSTEM FOR CAPITAL INTENSIVE CLEAN TECHNOLOGY VENTURES: A CASE STUDY ON BARRIERS TO COMMERCIAL SUCCESS OF CO2 UTILISATION**

**Marvin Kant – Jan Kratzer**

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## **Abstract**

The topic of this paper is sustainable entrepreneurship focussing on ‘emerging Davids’ and their endeavour to bring clean technologies to the market.

The problem is that an often capital intensive proof-of-concept on a technically relevant scale is essential for clean technology start-ups in order to sustain their operations. This capital intensity often leads to the point that new technology ventures fail to successfully commercialise their products.

In order to design a support system for capital intensive clean technologies a better understanding on the barriers to those innovation is necessary. This work builds on a multilevel perspective from current barrier research to investigate all relevant barriers to commercial success.

An exploratory multiple case study approach with a total of 20 semi-structured interviews was used to investigate the CO2 utilisation start-up landscape worldwide.

As a result a multi-level barrier model for CO2 utilisation technologies was developed to shed light on specific external and internal barriers and to identify factors to overcome these barriers. Furthermore, this article contributes to the future success of CO2 utilisation technologies by providing clear advice how to design a dedicated support system and thereby bridging the ‘valley of death’.

## **CREATION OF START CITY IN LVIV AS A MODEL FOR REGIONAL DEVELOPMENT**

**Yuliia Kleban**

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### **Abstract**

The phenomenon of a smart city is studied in the paper. Based on the experience of other countries, the smart city is considered an innovative approach to the traditional view on the urban life. The European model of smart cities is taken as the main methodology, e.g. smart economy, smart governance, smart living, smart people, smart environment, and smart mobility. There were studied the smart cities in the Visegrad countries: Czech Republic, Hungary, Poland and Slovakia. The point of view of the smart city is motivated by the regional policy that is becoming a dominative one in Ukraine. The paper discusses the structure of the smart city and its main elements. The smart city may help to spur an entrepreneurship activity in the cities of Ukraine. Thus, the smart city framework is considered in the paper as a future for the Ukrainian cities, for instance, Lviv.

## **ON THE ISSUE OF THE MODERN PARADIGM OF THE MARKET STABILITY OF AN ENTERPRISE**

**Tatyana Klimenko**

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### **Abstract**

Under the modern crisis and intensification of global competition today, the indicator of efficient activity of an economy subject is the company's ability to meet the needs and requirements of consumers, i.e., its "marketing orientation". It can be stated that the characteristics of company's "market mobility", which are based on particular market indicators and can be described as an ability to promptly and safely transform under the market changes.

Basing on the abstract-logic and comparative-analytical methods, the theoretical approaches to the content of the notion "market stability" were analyzed; the concept of "market sensitivity" of an enterprise was formulated; the role of "marketing orientation" for determining enterprise's performance results was revealed. The author proposes criteria of conceptual approach to estimating the market mobility of an enterprise.

The existing approach to the "market stability" notion is broadened; the company's ability for transformation is viewed as one of the main conditions of the market stability of an enterprise; the necessity is proved to elaborate new approaches to combining and uniting the existing analytical models for estimating the enterprise's market stability; categories of the market indicators of market stability are formulated and systematized into groups.

## **INNOVATIONS AND REGIONAL ECONOMIC DEVELOPMENT IN RUSSIA**

**Elizaveta Kolchinskaya**

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### **Abstract**

To be competitive in the global economy Russia needs in production innovative products. According to the Government of the Russian Federation the innovative socially oriented model of development is the main method of long-term development of the country. The data for research were taken from Russians Federal State Statistics Service and portal of the State support of innovative development of business. The main method of this research is a production function which was constructed for the Russian manufacturing. Labour, capital, infrastructure indices (included innovations) were evaluated. I investigate 9 years (from 2005 to 2014) and almost all Russian regions. The coefficients for the selected function were obtained using the correlation-regression analysis approach. The result is that the coefficient of innovation in logarithmic production function is 0,1 and it's significant on the 1% level. One of the main factor except labor and capital is innovations that means that to increase manufacturing production in Russia the government should improve innovation infrastructure. And also two groups of regions were compared. The result is that regions with innovative clusters on their territory have a better economic indexes than regions without clusters.

## **USING DIGITAL TECHNOLOGIES IN SOCIAL ENTREPRENEURSHIP**

**Vojtech Kollár – Peter Polakovič – Jana Gasperová**

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### **Abstract**

The aim of this paper is to highlight the importance of e-learning forms focusing on education in the field of social entrepreneurship. Gradually it deals with fundamental elements of digital learning - describes the methodology of e-learning, preparation of multimedia training materials and the possibility of publishing electronic content through management systems of education. Education of employees is now becoming an important instrument of employment. Special emphasis on education of employees should be paid in the field of social business where employees have to eliminate their social disadvantage with knowledge and skills in order to compete in the competitive environment. Modern digital technologies bring significant changes to the education system of employees worldwide. Digital technologies help employees acquire knowledge by various senses which results in higher efficiency of education in comparison with traditional forms of learning. E-learning, blended learning, or Learning Management Systems are currently considered the effective ways of the staff training.



## **THE TECHNOLOGY START-UP SCENE IN SLOVAKIA: NO WOMAN'S LAND?**

**Janka Kottulová – Ľudmila Mitková**

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### **Abstract**

Low representation of women on the technological start-up scene is broadly addressed by both academics and policy makers. While academics focus on analysing the different causes of this phenomenon (varying from gender differences in abilities and behaviour patterns, through the role of education to the gender biased funding and support mechanisms, etc.), policy makers call for the better use of talents of the ever-increasing pool of highly qualified women. This paper contributes to this discussion by providing evidence from Slovakia. To collect this evidence analysis of the web-sites of the main start-up initiatives was carried out to investigate the level and forms of women's involvement in the Slovak start-up scene. Additionally, state funded programmes and tools promoting technologically oriented start-ups were evaluated to explore their potential to encourage or hinder higher participation of women in this type of entrepreneurial activities. The outcomes of the research confirmed assumption about low entrepreneurial activity of women in the technologically oriented start-ups and revealed mostly gender neutral (if not gender blind) character of existing funding and support measures. The last part of the paper therefore formulates a set of recommendations on how to make these measures more gender-inclusive.

## **CREATIVE APPROACH TO THE INNOVATIONS BASED ON THE PRODUCT BENCHMARKING RESULTS**

**Marcela Kovaľová – Zuzana Nogová**

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### **Abstract**

The article is aimed at the creative approach to the innovations based on the product benchmarking results. Benchmarking is the process of comparing the selected company's performance with the performance of the best competitor on the market and using the best practices to improve itself. The use of the benchmarking results brings many benefits to the company, e.g. lowering the costs, improving the quality, improving the products or the functions of it, increasing sales and profits, increasing customers' satisfaction or making better strategic decisions. The crucial issue when using a benchmarking is to utilize its results within the innovation process. It is very important to create an environment in a company which boosts the motivation of the employees in the field of creativity and innovations. Authors present the creative approach to the innovations in form of the Osborn's checklist application when making the product- and process innovations in a particular company. The main objective of the article is to outline the procedure of using creative approach within the innovation process in a particular company (which is based on the product benchmarking results) to improve the product and increase its success on the market.

## **ASSESSMENT OF THE DEGREE OF INVOLVEMENT IN THE IMPLEMENTATION OF THE COLLECTIVE ENTERPRISE DEVELOPMENT STRATEGY**

**Marina Krasnova – Marina Zemskova – Karina Nazvanova**

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### **Abstract**

The article deals with the factors affecting the involvement of the modern organization employees of all hierarchical levels in the implementation of the enterprise development strategy. There were determined the roles of the employees (officials, managers, specialists of the initial echelon) and the ways of realizing their activities in the increase of the results at the enterprise being analyzed.

The paper represents the primary assessment of the company workers' interest in implementing the company strategy. The assessment is based on the results of the surveys. There were analyzed such aspects as the correspondence of the team's idea of the company development perspectives and the strategy being implemented, the degree of the coincidence of the company mission and the goal of an individual employee, their coordination. There were described the realized at the enterprise measures (according to the assessment of the measures assumed) aimed at forming such skills which will enable the workers to effectively fulfil the plans of the company development and successfully solve business problems (the correction of personal actions within the limits of the formulated mission, a wide application of various types of visualization in the process of delivering business messages to the colleagues, the use of the methods of emotional involving the subordinates in the company development process).

## **THE INTEGRATION FUNCTIONS OF HUMAN RESOURCES THROUGH REPOSITIONING FOR BUSINESS ADVANTAGE**

**Laurencia Krismadewi – Kristianus Oktriono**

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### **Abstract**

The purpose of the study was to determine the effect of Integrating Human Resource Function in Repositioning to attain a competitive advantage in business. The method exerted is descriptive quantitative by using multiple regression. This study analyzed the influence of two independent variables, i.e. human resource development and repositioning of human resources function towards dependent variable, work ethics. The population sample involved about 240 people in the media industry in Indonesia. This study further recounted the complicity of human involvement in the process, company's vigor, and role implementation of human resources. The result expected is the ability in capturing and responding immediately to business dynamic alteration. It, moreover, is intended to transform the enterprise's discernment concerning the role of human resources that originally initiated 'people issues' to 'people related business issues'. The results indicated that human resource development and repositioning leavened positively and significantly on the work ethics of employees. Based on hypothesis testing using a technical regression and significance, it depicted that the two independent variables either jointly or partially impacted positively towards work ethics. It concluded that human resource development contributed a greater influence on the development in the employees' work ethics.

## **SUPPLY CHAIN COLLABORATION AS AN INNOVATIVE APPROACH OF WAREHOUSE MANAGEMENT: A CASE STUDY**

**Tomáš Kučera – Jaroslava Hyršlová**

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### **Abstract**

Supply chain management, especially supply chain collaboration is a very much discussed topic in the field of modern logistics in recent years. Supply chain management is the term for the systems, resources, activities and procedures that are used to coordinate the materials, products, services, finance and information flows from materials suppliers through manufacturers, transporters, warehouses, wholesalers and retailers to consumers. Effective supply chain management is an essential strategy for company success in global and e-markets to get products to market faster and at minimal total costs. Supply chain collaboration is a total coordination and integration function which enables company easier and more effective using of available resources, to successfully reduce total costs, to provide and sustain the sub-contracting relationships. The objective of supply chain collaboration is to achieve sustainable competitive advantage. This paper deals with supply chain collaboration issue as an innovative approach of warehouse management in a case study. The paper shows supply chain collaboration between supplier of logistic services and manufacturer of automotive parts and discusses options which can make a synergy effect in application to practice.

## **CSR AND SUSTAINABILITY REPORTING IN CR**

**Vilém Kunz – Štěpánka Hronová**

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### **Abstract**

Worldwide as well as in the Czech Republic, increasingly more attention is being concentrated on CSR and sustainable business activities. The paper focuses on the communication process of a company with its stakeholders and the society alike about the social and environmental impacts caused by the firm's economic activity. The main aim of this paper was to uncover the current state of CSR/sustainability reporting by businesses in the Czech Republic through an own research; yet another goal was to identify major developments in this area within Czech business environment. The research was conducted on a sample of fifty most significant Czech companies based on their revenues (Czech Top 100) through an analysis of their non-financial reporting (separate CSR reports, annual reports, corporate websites). A comparison was made with KPMG research outcomes, which depict a number of major current global trends in reporting of business entities' responsible behaviour.

# **LEAN PRODUCTION AS AN INNOVATIVE APPROACH TO THE MANAGEMENT OF THE ENTERPRISE IN ELECTRICAL AND THERMAL POWER INDUSTRY**

**Elena Labutina**

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## **Abstract**

Many Russian enterprises implement the lean manufacturing system but these companies face a number of challenges. The article describes the main aspects of introducing the lean production concept on the enterprises in the electric power industry, as well as issues related to changes in motivation systems. The basis for the sample of the research was the enterprises of electrical and thermal power industry of the Russian market. The basic research methods are analysis and synthesis, comparison, induction, interview, measurement. The result of the research is the evidence that the lean production concept is the basis of innovation management in the energy enterprise. Also the result of this research is a presentation of the main problems of implementing the concepts. In addition, the article will describe the basic methods of introducing the concept of lean production at the enterprises of electrical and thermal power industry.

## **INNOVATIONS IN MANAGEMENT OF SOCIAL ENTERPRISES**

**Katerina Legnerova – Marie Dohnalova**

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### **Abstract**

This paper analyses the implementation of personnel management methods and processes in social enterprises comparing to profit organizations. The main findings are based on qualitative research in the Czech Republic in years 2010 – 2015. Social businesses are economic entities, which combine market competitiveness, values, and procedures with the social goals and mission of the non-profit procedures. Among the advantages of social enterprises we can include the ability to find innovative solutions to the social problems on the intersection of the profit and non-profit world, or the ability to combine own revenues with grants, subsidies, donations and volunteering. The mixed nature of the social enterprises puts demands on their management, on the harmonization of the care for employees and volunteers. Therefore, it is important from the perspective of long-term sustainability in social undertakings, properly implement proven personnel processes. The mixed nature of the social enterprises can create tensions between democratic, participatory management and the requirements of the effective management of the enterprise. The research confirmed that it is possible to adapt personnel management rules and processes from theories for profit organizations, with some innovations. The outputs can serve as guidelines for implementation of personnel processes in Czech social enterprises.



## **INNOVATION IN SUPPLY CHAIN MANAGEMENT**

**Xenie Lukoszová – Lukáš Polanecký**

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### **Abstract**

This paper aims to introduce the latest innovative approaches to inventory management, which can be successfully implemented in both domestic and international supply chains. The basic scientific methods used in the preparation of this article include analysis, comparison and problem synthesis as a key source of information. Secondary research was conducted on the basis of studying domestic and foreign publications on the subject. Among the factors that were also taken into consideration by the authors was practical experience drawn from business. The authors of the paper first briefly characterize the supply chain and the concept of supply chains within the context of their development. Subsequently, an insight is given into inventory management with a key focus on innovations. Nowadays, supplies constitute a major problem in managing supply chains. Making improvements to the way supplies are managed significantly improves the quality of the overall supply chain management. The innovations investigated for this purpose include the application of advanced inventory management and the technological implementation of Vendor Managed Inventory (VMI) and Collaborative Planning Forecasting and Replenishment (CPFR). The aforementioned models and logistical management technologies are within the author's main fields of interest. An analysis of the proven advantages and disadvantages of each follows, and where relevant examples are given of companies in which these innovations have already been implemented.

## **THE STRUCTURE OF VENTURE CAPITAL RAISING BY COMPANIES IN POLAND AND CENTRAL AND EASTERN EUROPE: SELECTED ASPECTS**

**Joanna Malecka – Teresa Łuczka**

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### **Abstract**

The ability to identify needs and accurately define ideas, willingness to take risks and the capability of taking up financing options available in the market are the features of every modern entrepreneur. Although capital market instruments are becoming increasingly popular, company owners still prefer classical money market instruments offered by the banking sector. Venture capital funds such as seed, start-up or later-stage venture funds are not a widespread source of development capital for most entrepreneurs in Poland and Central and Eastern Europe. This article outlines research results addressing the volume and number of funds raised in the countries of Central and Eastern Europe as well as their popularity among companies of different sizes. The results presented are based on source data from annual reports and publications that have been produced and made available by capital market institutions and from the authors' own research on Polish entrepreneurs. The scope and volume of venture capital used by companies for development are characterised, building on a linear regression analysis and comparisons. The article also attempts to determine the development trend of possible sources of financing through the capital market instruments (venture capital) and poses the research question about entrepreneurs' current awareness of opportunities to diversify companies' financial portfolios.

## **COMPARATIVE ANALYSIS OF LEADERSHIP STYLES IN COMPANIES**

**Milan Maly**

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### **Abstract**

Main aim of our research was to do comparative analysis of leadership style of top managers in different countries, in this case in Austria and Czech Republic, because it creates the necessary preconditions for the implementation of the managerial, as well as technological innovation of the process of the real decision making.

Almost 600 top managers of the companies in Austria and the Czech Republic were questioned in the framework of longitudinal data analysis and the data were computerized.

According to Vroom-Yetton methodology we divide decision making styles into autocratic, consultative and participative ones and strive for identifying managers with the particular styles.

Longitudinal data analysis starting in the beginning of 90ties of last century up to year 2014 shows that there are very slow changes in decision-making style of top managers in the Czech Republic, as the representative of the group of post-communist countries. Comparative analysis confirmed the tendency that top managers of Czech companies tend mostly to autocratic, partly consultative decision-making style and managers of Austrian companies to consultative, partly participative styles.

Faster changes and shifts for consultative or participative styles are recommended to Czech managers for improving their leadership style.

# **THE INTEGRATED MANAGEMENT (IM): NEW APPROACH FOR THE ADAPTION OF THE EDUCATIONAL PROGRAMS TO MEET THE LABOR MARKET NEEDS – AN INNOVATIVE MODEL**

**Mohamed Meri Meri**

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## **Abstract**

The integrated management, based on the balanced score cards, plays a key success role in the adaptation of the educational programs to meet the labor market needs because it combines the contribution of the partnerships between “stakeholders (managers of public and private sector, NGOs and civil society) of the labor market / educative management/teachers/ Scholars and practitioners “. This integrated management approach sets the priorities and objectives of each institution, prepares the strategies and plans, provides all means and resources required, implements all the activities and tasks, evaluates the results, and develops the operation or process for achieving the objectives and having the expected outcomes.

The importance of this approach is very decisive to succeed the operations which will be integrated to be achieved in a perfect way in all of the activities.

The outcomes evaluation and continuous improvement will be one of the most essential activities because it gives the legitimacy to the results and the official certificates to graduates and students according to the national or local development plans requirements.

In order to succeed the activity, it should be practiced in common by (the educative management / teachers with stakeholders of the labor market)\_because future graduates and students will benefit from it and they will know the real needs of Jobs profile (knowledge, skills and behaviors are required) and this will help in adapting the qualifications of graduates with the job profiles and real needs of the Labor Market.

This paper will present several practical Models used by the educational management.

The added value of the paper is to provide an innovative Model based on the integrated management using the Balanced Score Cards which includes the necessary components and techniques to engage all of the participants in the activities and to apply the proposed approach in practice. It combines (Innovative management /business Model / Social Entrepreneurships).

## **SLOVAK BUSINESS ENVIRONMENT IN THE CONTEXT OF THE SITUATION ON THE LABOUR MARKET**

**Petra Milošovičová – Paulína Stachová**

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### **Abstract**

The importance of the entrepreneurship for modern economies has been studied widely. This paper investigates the relationship between self-employment and SMEs and unemployment rate in Slovakia. The link between the labour market and the business environment is very close one. The researches made in this field found out that high unemployment rates may lead to start-up activity of self-employed individuals (the “refugee” effect), or on the other hand, higher rates of self-employment may indicate increased entrepreneurial activity reducing unemployment in subsequent periods (the “entrepreneurial” effect) (Thurik, 2008). The situation in the Slovak republic proves that small and medium enterprises, together with the self-employed persons, plays a crucial role in the employment, with their contribution of 69,6% to the total employment. The research based on the secondary statistical data allowed us to describe the situation of SMEs, hand in hand with the situation on the labour market. This analysis was strengthened by the correlation analysis. The relation between unemployed and start-up business motivation was proved. Only the group of long-term unemployed shows very low correlation. The findings of this paper may serve as a contribution to the discussion searching for the effective solutions to improve the situation on the Slovak labour market.

## **PROBLEMS AND ISSUES IN IMPLEMENTING INNOVATIONS: CASE OF THE SLOVAK AGRIFOOD SECTOR**

**Danka Moravčíková – Kamila Moravčíková – Izabela Adamičková**

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### **Abstract**

Support of innovations in agriculture, food industry and biotechnologies has been defined as one of key priorities within the *Smart Specialisation Strategy for the Slovak Republic for period 2014-2020* in direct relation to the *Europe 2020* strategy and the *Innovative Union* initiative. Importance of innovations in agrifood sector is underlined also by the fact that food security represent a contemporary global problem. The authors describe the situation of thirty five agrifood SMEs in Slovakia regarding the problems and related issues in the process of implementing innovations and innovation-driven entrepreneurship. The data from questionnaire survey and information from interviews conducted in 2015 are interpreted in a case study paper. Majority of responded SMEs identified a lot of barriers, particularly financial and institutional. On one hand, they declared willingness to manage the innovations but on the other hand they declared non-readiness to cooperate with R&D institutions and universities in the field of technology transfer. The research was realized within the project of *Establishing AgroBioTech Research Centre* and research findings have been used for purposes and activities of the Transfer Centre at the Slovak University of Agriculture in Nitra.

## **DESPARATE ENTREPRENEURS: NO OPPORTUNITIES, NO SKILLS**

**Monika Mühlböck – Julia Warmuth – Marian Holienka – Bernhard Kittel**

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### **Abstract**

Promoting entrepreneurship has become an important policy strategy in Europe in the hope to stimulate the crisis-shaken economy. In this paper, we caution against undue expectations. Using data from the Global Entrepreneurship Monitor, we find that a considerable proportion of the new entrepreneurs start a business despite a negative perception of business opportunities as well as lack of confidence in their own entrepreneurial skills. We extend existing entrepreneurship theories to account for this phenomenon. Testing the hypotheses derived from our model, we find that these people turn to entrepreneurship due to lack of other options to enter the labour market.



# **INNOVATIVE ENVIRONMENT AND INNOVATIVE INVESTMENT CLIMATE IN TERMS OF INDUSTRIAL- INNOVATIONAL DEVELOPMENT OF THE REPUBLIC OF KAZAKHSTAN**

**Dinara Mukhiyayeva**

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## **Abstract**

This paper deals with various definition and approaches to be applicable with the term « investment climate» and factors, affecting investment climate in micro and macro levels with focus on the industrial-innovational development of the countries. Experience of foreign countries concerning attraction of foreign investments into innovative development is studied. The empirical analysis of Kazakhstan's experience in implementation of new technologies and policies with the aim to improve the industrial and innovational spheres of the country is presented. It is worth to notice that Kazakhstan was one of the first countries of CIS that established the favorable conditions for doing business and introduced good investment climate for the industrial-innovation development. The external policy of Kazakhstan government and strategic decisions of President of the Republic of Kazakhstan are being capable to cope with global price changes without stressing the local economy. Pragmatism is chosen as a way of maintaining external policy what is resulted in political stability and good investment climate. With comparison of several CIS countries the paper clarify which governance measures as well as external and internal factors of industrial enterprises development could effectively attract foreign and local investments.

## **SOCIAL ENTREPRENEURSHIP AND SOCIAL ENTERPRISES: THE CASE OF SLOVAKIA**

**Ladislav Mura – Monika Orlíková**

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### **Abstract**

Social entrepreneurship is a new area of economic activity, which is characterized by linking economic and social objectives. It is such a new dimension of unconventional entrepreneurial dynamism that it is also the bearer of social innovation and social development, as well as a new impetus for economic growth. Social entrepreneurship is a response to the ongoing social and economic changes, incentives and challenges of social development. Experts perceive this type of business as an innovative form of business activity with added social value. So it is also a business, the primary goal is not profit, but a wider social mission with a permanent solution of social problems. Such business can be classified as a possible instrument of employment policy especially in relation to specific segments of the labour market. Social enterprises create an area for the realization of the disabled and marginalized groups. This paper focuses on the evaluation of social entrepreneurship and assesses the current situation in the field of social entrepreneurship and social enterprises in Slovakia with emphasis on comparative analysis at the international level and critical analysis of legislative definition. In solving the research problems, we use logical and cognitive methods with various procedures and critical analysis. Finally, the contribution results in suggestions and recommendations for further development of social entrepreneurship in Slovakia.

## **RISK MANAGEMENT IN THE EXTENSIVE DEVELOPMENT OF RETAIL SERVICE INDUSTRIES**

**Ildar Nasretdinov – Valeeva Ulia – Ruslan Kovalev**

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### **Abstract**

The paper is based on a systematic literature review and examines the variety of approaches and different risk management models. Research on the influence of management decisions in the field of risk management on the basis of comparative analysis and economic and mathematical modeling in retail sector of Tatarstan Republic was also carried out. It is proposed to expand the existing approach to the content characteristics of the concept of "risk management" through the prism of the integral activity index of retail services enterprises. A group of internal and external risk factors that affect the economic results of retail service industries and the group of indicators to assess the relationship of internal and external risks to the economic performance are formed. Developed interactive algorithm ensures the effective functioning of the risk management system, adapted to the retail system.

## **NEW INNOVATIVE BUSINESS MODELS: CIRCULAR ECONOMY CASE**

**Valentinas Navickas – Akvilė Feiferytė**

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### **Abstract**

The concept of circular economy is receiving increasing attention worldwide as the way to reduce the demand for primary resources focus on urban and industrial waste to achieve a better balance between economic growth, environment and society. Circular economy prompts innovation for reuse, manufacturing and recycling activities. The importance of circular economy implementation is seen by many politics, scientists and manufacturers. Today's business must adopt principles of circular economy in their business models to improve production, reduce pollution and stimulate continuously economic growth. The purpose of this paper is to present theoretical business model incorporating the concept of circular economy. A literature review and data analysis covering the issues how circular economy will affect business models and economic structure. Main contribution (the novelty) of this paper is our proposed circular economy business model for the economy and natural environment.

## **DEVELOPMENT OF PRODUCTS PROMOTION PROGRAMS OF OWN BRANDS BY RETAIL NETWORKS BASED ON DEFINING LOYALTY INDEX**

**Ksenia Nefedova – Olga Yares**

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### **Abstract**

Nowadays the Russian audience loyal to its own brands of retail networks and hypermarkets is only being taken shape, the given products market is unstable and demand subjects to significant fluctuations. Further market development will, for the most part, depend on the policy of retailers and measures taken by them in creation of trust relationship to these products.

The given article deals with the analysis of the empirical data collecting at large trading enterprises of the main trends that enable to develop customer loyalty to the products of own brands found in retailer networks of the city.

A portrait of a potential buyer of own brand products has been created as a result of carried out analysis. This portrait enables to evaluate prospects of private labels development at the territory of specific region. The qualitative characteristics of the given products necessary for positioning in their promotion and competitiveness on the market relating to more well-known brands have been developed. The obtained results lay the foundation of methods and programs of own brands promotion at regional markets.

# **INNOVATION-BASED MODEL OF ECONOMIC DEVELOPMENT AS A STRATEGY FOR SUSTAINABLE GROWTH IN RUSSIA**

**Ekatarina N. Panarina**

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## **Abstract**

The necessity of profound changes in many areas of innovation system is the primarily goal for a new economic model in Russia. For Russian reality the implementation of the tools of strategic innovation management, sustainable development, and entrepreneurship is highly important. However, lack of finance, the superimposed narrow strategic focus, the rigidities of local business networks, the weakness of external infrastructure for innovation and the absence of state support of innovative enterprises seriously impede attempts to implement radical changes.

In this article we specify our understanding of innovation-based scenario of economic development where innovations are directly associated to the sustainability that moves from exploitation to exploration, from corporate environmental management to sustainable entrepreneurship, and from efficiency to innovation. We indicate the need for radical innovation via entrepreneurial start-ups or new ventures connected to science and educational institutions within existing corporations. Presenting conceptual research, this article addresses the theme of how we can create economic sustainability and produce innovative businesses. The article brings a broad discussion of the intersection of sustainability, innovation and entrepreneurship.

## **ASSESSMENT OF INFLUENCE OF HUMAN CAPITAL QUALITY ON THE INNOVATIVE DEVELOPMENT OF THE TERRITORY**

**Ilya Panshin – Maria Tobien**

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### **Abstract**

**BACKGROUND:** Nowadays the prospects for the socio-economic development of territories are largely determined by the level of innovation development, which is based on the use of high technology and information technology, intellectual resources, factors of production. Human capital is becoming one of the major resources required for the innovation development of economy, the foundation for economic growth.

**METHODS:** This paper observes and predicts the territory innovative development relying on the econometric modelling and on the correlation and regression analysis, depending on the parameters that determine the quality of human capital.

**RESULTS:** A new interpretation of "human capital" category was suggested and its structure, features and form factors were considered. There were singled out the unique properties of this category including such the characteristic of capacity with respect to the knowledge, intelligence, information, mobility, innovation, creativity, self-learning, etc., which determine the ability of a person to perceive and create innovations. There was developed the model of innovative advance of the territory on the basis of the indicators which characterize the ability of the region economy to reproduce innovation: the efficiency of the research and educational spheres, the population cultural and moral potential, the efficiency of the public health system. The indicators also take into account the size of the financing these spheres. The results obtained enable to define the degree of influence of the above parameters on the innovative development of the territory and also to determine the efficiency of investments in these areas.

# **DISSEMINATION OF SUSTAINABILITY IN MULTINATIONAL CONSTRUCTION COMPANIES: EVIDENCE FROM THE CZECH REPUBLIC**

**Jaroslav Pašmik**

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## **Abstract**

The construction industry is one of the most greenhouse gas producing industries in the world. For corporate sustainability science it is therefore crucial to deal with the industry to find solutions towards sustainable governance and management to lower its negative impact.

This inductive study of four multinational construction companies examines how organizations manage sustainability of its operations in its central locations and subsidiaries. Drawing from literature reviews, interviews, observations and company reports I have developed insights into how the companies disseminate sustainability tools and best practices within multinational operations and what are the main drivers and obstacles for a higher level of sustainability.

During the research I discovered there are significant barriers to sustainability dissemination. The best sustainability practices remain limited to a small number of projects. The levels of sustainability performance remain heterogeneous among subsidiaries. On the other hand: rotation of managers and sustainability experts, product premium opportunities, brand reputation as well as level of regulation, subsidies and public awareness are identified as main drivers.



## **KEY PRINCIPALS OF FAMILY BUSINESS COMPREHENSION WITH HELP OF THE HISTORICAL ANALYSIS**

**Anastasia Petlina**

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### **Abstract**

Family business is the most extended and permeant form of business over all the history. The issue of family business started to pay attention of scholars relatively a while ago, thus there are some non-clarified points. The purpose of the paper is to investigate definitions of family business and define tendencies in specification of that. For insight into that phenomenon, it was decided to study the historical sources of the family business concept development during the twenty and twenty-thirst century, after evaluate them with the help of Vallone's three key principals of determination of family business. The paper was prepared on the basis of research of the most cited scientific papers relating to the definition of family business with help of general theoretical scientific methods, in particular analysis, synthesis, analogy, comparison, generalizations, deduction and methods of expert estimates. As a result, it was found, that majority of family business definitions were created based on ownership criteria, the second most popular criteria is family members' involvement in the business. The third offered criteria "intention to the succession" was used the least, despite that, criteria contributes to investigate the small and micro-family-owned enterprises. Although, for facilitation the identification of a family business with the help of the third criteria, it was suggested to examine a family ties of family business. The results of this study have allowed the finding of a definition for the family business, thereby, the structure of family ties of the biggest Czech family companies was determined.

## **SENIOR ENTREPRENEURSHIP IN CENTRAL AND EASTERN EUROPEAN COUNTRIES: GEM EVIDENCES**

**Anna Pilková – Ján Rehák – Zuzana Jančovičová**

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### **Abstract**

The paper examines level of the senior entrepreneurial activity at Central and Eastern European countries (CEE) based on regional comparative analysis of the senior inclusivity indices in Europe, USA and CEE countries and senior and youth inclusivity indices in Europe, USA and CEE countries both at early entrepreneurship stage entrepreneurial activity (TEA) and at stage of established business (EstBu). Further, based on Pearson's correlation matrix, we analysed at which extent differences exist at the key drivers of the TEA of seniors in CEE countries and Europe. We exploit the Global Entrepreneurship Monitor (GEM) datasets for 2011-2014. The results show on one side much lower senior entrepreneurial activities in both stages of entrepreneurial process at CEE countries, and on the other side much higher early stage entrepreneurial activity of youth in CEE countries in comparison to Europa and USA. We also found out that there are no significant differences between key drivers of senior's TEA at CEE countries and Europe.

## **MANAGEMENT MECHANISM FOR IMPLEMENTATION OF « QUICK RESPONSE MANUFACTURING » CONCEPT IN THE ENTERPRISE**

**Viktor Popov – Galina Ostapenko**

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### **Abstract**

The article presents the results of research in the field of change management approaches for production systems. The changes in the effect of resource and process approaches in the management of production systems as they evolve are defined; emphasized five types of production systems and their main features are characterized. The authors present a way of developing the mechanism of organizational change management, which can be applied to improve production systems through the use of the modern concept of "Quick Response Manufacturing (QRM)". Practical examples of QRM implementation mechanism in Ural region's manufacturing enterprises producing in small quantities are shown. The structural model and clear logic of implementation process of QRM concept could help industrial leaders and specialists in majority of sectors of the Russian economy.

## **FORMATION OF THE INVESTMENT PROJECT CAPITAL IN THE PRODUCTION SECTOR**

**Yaroslav Potashnik – Sergey Semenov – Natalia Andryashina**

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### **Abstract**

This article is devoted to the different aspects of the industrial enterprises investment projects formation. The main requirements to the capital structure of the investment project are formulated. Different scientific methods are used, for instance systematic approach, logical analysis and synthesis, statistical analysis, expert evaluation method. We offer to consider the requirements of the financial excitability, minimize the cost of the project's capital concerning the necessity of the additional investments and changing the shares in the participants' property. The proposed methods allow to determine the cost of funds from the different sources taking in the account all the risks of the project and their influence on tax payments flows. The approach to determine the correspondence of the probability to the enterprise inability to pay while a structure of the capital is maximum close to the limited level. Methodic examples of the main calculations are introduced.

## **ENTREPRENEURSHIP AND REGIONAL DEVELOPMENT IN RUSSIA: FACTORS AND TRENDS**

**Irina Prosvirina – Galina Ostapenko**

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### **Abstract**

In this article the authors examine the performance of socio-economic development of Russian regions in conjunction with a large number of factors. At the level of hypothesis it is a link between the level of socio-economic development of regions and the level of entrepreneurial activity. The hypothesis is based on systematization and analysis of published studies on the nature of entrepreneurship and the factors affecting it. In order to test the hypothesis was treated a large array of objective statistical indicators of Russian regions (N=89) development on the basis of correlation and regression models. The findings revealed that there is a negative correlation between the growth of the Russian regions and the level of entrepreneurial activity. The authors made assumptions about the reasons for this relationship and of indicators and discuss the conditions enhancing entrepreneurial activity in Russian economy. The findings might be relevant in the conditions of economic recession and numerous attempts of the government to increase the level of entrepreneurial activity.

## **NEW WAYS TO INNOVATION FINANCING FROM PUBLIC RESOURCES IN THE CZECH REPUBLIC**

**Marcela Příhodová – Miroslav Špaček**

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### **Abstract**

The paper deals with new approaches to innovation financing in the Czech Republic. Inasmuch SMEs are considered the key driving force of the Czech economy the government places emphasis on the development of financial instruments which would ensure an ongoing financial support of innovation. The Ministry of Industry of the Czech Republic followed up on the Europe 2020's strategy in terms of "mobilising the financial instruments" and executed several programmes aimed at innovative financing for SMEs. These programmes differ in their nature, such as subordinate bank loans provided by the state owned banks, goal-directed subsidies provided through the government institutions. Moreover The Czech government arranges financial support for institutions which is provided through the EU and national budget. The paper evaluates pros and cons of various types of government financial subsidies with respect to payback periods.

## **IMPACT OF THE INNOVATIONS ON REGIONAL GROWTH OVER TIME: DYNAMIC ECONOMETRIC MODELING**

**Svetlana Rastvortseva**

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### **Abstract**

Technological change leads to the rapid growth of the knowledge-based economy and service industries, allowing those regions to increase their total factor productivity and to become more competitive in the global economy.

Innovations are key determinant of regional development but their impact becomes noticeable often over time. For regional policy it is important to understand in what period of time the results of innovative projects can affect on the social and economic indicators.

The role played by the innovations in economic growth was recognized and introduced into the neo-classical approach and R&D theories. We used a pooled regression model for panel data to look at the affects of innovations on regional growth over time. The empirical analysis based on a large sample of Russian regions from 2002 to 2014 supports the hypothesis that innovation can impact on economic development in just a few years.

The aim of the paper is to reflect the nature of innovation influence on economic growth in the region taking into account time factor.

It was determined that influence of patent activity on regional economic growth is positive and statistically significant with lagged value of two years, a share of highly educated employees has positive influence on the rates of economic growth after three years.

The findings of the research are useful for policy applications and policy-makers by providing them with a better understanding of the impact of innovation factors of regional growth and length of time needed for the general development.

## **SUSTAINABLY RESPONSIBLE LEADERSHIP AND INNOVATION**

**Mathias Schüz**

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### **Abstract**

Innovation is more than invention and creativity. Most importantly, it should refer to responsible leadership since it creates wealth that might serve parts but not the whole economic, social and ecological environments. Moreover, responsible leadership is linked to the dimensions of sustainable corporate responsibility. It manifests itself in the three main types of leaders: the doer, the coordinator, and the visionary. Each type has different capabilities such as “managerial skills” of the “Knowing-How”, “interpersonal skills” of the “Knowing-Whom”, and the “reflective skills” of the “Knowing-Why”. Ideally, a responsible leader expresses all types, but can also cooperate with others complementing his/ her deficiencies in the one or the other capabilities. Thus, responsible leadership comprises technical skills (cognitive intelligence: IQ); ethical competencies (emotional intelligence: EQ); and esthetical insights (spiritual intelligence: SQ). An empirical pre-study underscores the importance of all the three aspects of responsible leadership. However, it verified them only by surveying 41 leaders and their importance for successfully taking steps of their career ladder. Other empirical studies should verify the importance of the complementing capabilities of sustainably responsible leadership.



## **MARKETING PECULIARITIES OF THE NEW PRODUCT CREATION AT THE INDUSTRIAL ENTERPRISE**

**Eugene Semakhin – Viktor Kuznetsov – Ekaterina Garina**

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### **Abstract**

Involving customers to the brand new production is the most important tool to stimulate innovations. This way is the most widespread in the industrial sector of the economy almost in every country. Ways how to change the system and create the products that are based on the marketing approach and exploits the example of Russian enterprises. In the article the author conducts the comparative and economic research how to create a new product at the industrial enterprise, taking into the account a customer-oriented approach. The authors of the article reveal the peculiarities of the new product. They offer the methodology how to create a new product using the marketing approach. To bring this method to life, it is necessary to transfer to the modular method of designing and production the car with the usage of engineering and marketing capacity of the corporation and suppliers of the elements. To unite all the offered changes we need transformation of the industrial system according to the customer's needs that allows increasing the effectiveness of the production with the minimal expenses.

## **FEEDBACK MECHANISM APPLICATION IN EMPLOYEE ENGAGEMENT MANAGEMENT SYSTEM**

**Natalia Shahova**

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### **Abstract**

In this article the authors examine the importance in any organization of such mechanism as feedback, the way how in appropriate way and competently to inform manager of his subordinates. The number of procedures for feedback, such as: budgeting, improving the work of staff, motivating talk are described and analyzed. The different situations in the workplace, where the use of feedback is not only appropriate but necessary, are considered. The article presents the expected results from the proposed method of using a feedback mechanism.

## **CUSTOMER-ORIENTED APPROACH IN RETAIL NETWORKS MANAGEMENT**

**Natalia Sharafutdinova – Lilia Shargu – Yulya Valeeva**

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### **Abstract**

**Background:** Despite the diversity of theoretical and methodological approaches to the formation of customer focus in the management of companies, theoretical and methodological provisions are necessary, including approaches to the management of consumer value of trade service, assessment of efficiency of trade networks, personnel management system, which allow us to implement customer-oriented approach in the trading networks taking into account specifics of trade service.

**Methods:** In this article, based on comparative analysis and sociological study, the analysis was carried out as to 5 trading networks in Russia and Moldova.

**Results:** The customer value of trade service, including the value of goods and the terms of its acquisition are identified; the key benefits and costs for the buyer are disclosed, when purchasing the trade service; the strategies of retail network development are determined in application to each level. The problems constraining the development of customer focus are identified in the Russian and Moldavian trade organizations, including the weak awareness and lack of understanding the customer focus from management and staff, lack of qualified personnel, high turnover of line personnel, lack of necessary knowledge and experience of the staff. The organizational and economic support has been developed to assess the efficiency of retail networks on the basis of customer satisfaction. The new method for negotiations in services is based on meeting the most individual needs of potential buyer.

**THE STUDY OF INNOVATION IN TOURISM  
DEVELOPMENT IN A TOURIST-RECREATIONAL CLUSTER  
(ON THE EXAMPLE OF THE LIPETSK REGION OF THE  
RUSSIAN FEDERATION)**

**Olga Skrobotova – Raisa Ivanova – Irina Polyakova**

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**Abstract**

The tourism industry is considered as a condition of the economic growth and the society development in modern Russia. The level and direction of the innovation process become a factor of competitiveness in a tourism industry. The problem of innovations on the level of a regional tourism development is very important in this context. The Federal Target Program “The development of the inbound and outbound tourism in the Russian Federation (2011-2018 years)” is being realized since 2011 in Russia. According to this program the tourism and recreational clusters and automobile tourist clusters were established in the different regions of the country. This article focuses on the studying of the practice of the innovative approaches to the tourism development in the Lipetsk region of the Russian Federation. The relevance of the present studying is determined by the necessity to analyze the experience and results of realization of cluster approach in tourism in the region mentioned. Nowadays there are five clusters established in the Lipetsk region. The innovative approach to the tourism development in the tourism and recreational cluster “Yelets” becomes the object of studying. The different types of innovations and conditions of the innovative process as well as the innovative business activity are described in this article.

## **ETHICAL RESPONSIBILITY OF SOCIAL SERVICE MANAGER**

**Peter Slovák – Angelika Dudžáková**

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### **Abstract**

Ethical responsibility we perceive as a moral responsibility manager in social services and counseling, which is necessarily required for the application of professional management. Preserving ethical aspects in the context of professional intervention in client care at facility, means respecting the individuality of the individual, specific personality traits and behavior. Our research investigation were focused on learning about awareness and actual enforcement of moral responsibility of managers of social services. Based on comparison of theoretical approaches to solving real issues and implementing approaches the object of this paper identify important factors determining the behavior of manager in terms of respect for ethical responsibility. In addressing the issues set we use logic and cognitive methods and various procedures that allow to understand the specific aspects of the management of social services. Through semi-structured interviews, we complement the important informations to research issues. Based on the transcription and segmentation we created categories that according to the results of research investigations have meaningful interpretation value given to research objectives. The conclusions are applicable in the context of continuous monitoring of the implementation of the rules of ethics in practice managers of social services and counseling, as well as in the training of future professionals.

# **E-GOVERNMENT: FOR THE INNOVATIVE EUROPE 2020 IS NEEDED MORE INNOVATIVE AND BETTER COORDINATED MANAGEMENT AND GOVERNANCE**

**Dusan Soltes**

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## **Abstract**

Since its inception by the Lisbon strategy 2000 on e-Europe strategy and then its continuation through i2010 strategy and now with the Horizon 2020 in support of the Innovative Europe 2020, the applications of smart ICT in the EU has passed a rather complex and sometimes also a quite controversial development process. In general, the original Lisbon strategy has been adopted by then only 15 EU member states while very soon the EU has been enlarged by 15 (2004) and then by another 2 (2007) mostly less developed CEECs and then by another one new member i.e. Croatia up to current EU 28. In the paper we are dealing with the current status as achieved in the development of the future EU as the e-Europe in one of its key subsystem i.e. e-Government wherein many inconsistencies have occurred in the EU member states and especially in the most of the EU NMS. In the paper we are going to analyze twelve selected e-Government subsystems and also to find the ways and means how to accelerate the entire and more efficient development for the needs of the future innovative e-Europe of which the e-Government is one of the key factors.

## **INCREMENTAL INNOVATION, PERFORMANCE AND FINANCING AS KEY ELEMENTS IN LOGISTIC CONTROL OF CONSTRUCTION COMPANY**

**Adam Sorokač – Branislav Mišota – Eduard Hyránek**

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### **Abstract**

Currently, there is constant pressure to increase efficiency of company in construction sector, as in other industry. One of lesser-used methods for increasing efficiency in the construction companies is control of logistics with respect to its performance. These methods can be identifying by incremental innovation with an interdisciplinary approach, which uses correlation of incremental innovation and efficiency of logistics via gradual introduction of information and communication technologies (ICT). This is meant, increasing efficiency of traceability of material flow (logistics information system) at construction. Incremental innovation will be identifying by formulating innovative model with a central model Stage-Gate® Xpress and described the methodology to entry additional methodologies from various disciplines of the construction.

Modular application was designed with initialization innovation and next increment based on outcome of 3I model. The application is in this paper verified by simulation model of one technological operation. This process operation was simulated before and after upgrade. Application suitability has been verified by an expert evaluation.

Application was designed by means of industrial automation and technology with contactless reading of information - Radio Frequency Identification (RFID). We point to connection financial effects in the logistics segment by incremental innovation.

## **CROWDFUNDING AS A CAPITAL SOURCE FOR REAL ESTATE PROJECTS**

**Paulína Srovnalíková – Donatas Ditkus**

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### **Abstract**

This paper aims to present the conception of crowdfunding and its application to real estate projects. Real state crowdfunding is still in its infancy therefore is very important to understand it in order to properly prepare for possible opportunities and threats. Results of the study are obtained through qualitative research methods, such as content analysis, open and axial coding and sentiment analysis of scientific literature also cases of most promising crowdfunding campaigns were studied. Findings of this study provide a deeper understanding of the abilities and limitations of the crowdfunding usage as an alternative capital source for real estate projects. The Authors have summarized that crowdfunding might become significant and attractive way to invest in real estate at the same time providing with capital new real estate projects.



## **MOTIVATION TO START-UP A BUSINESS IN RELATIONSHIP TO INNOVATIONS: DOES “GOOD” MOTIVATION REALLY MATTER?**

**Jarmila Šebestová – Zuzana Palová**

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### **Abstract**

A motivation to start up could affect all near future of the business unit. This situation is described on case of Moravian-Silesian Region. These results are based on field survey study between 215 entrepreneurs in the Moravian-Silesian region in 2015, where we found a significant relationship between start up motivation and innovations, then affected by company location. The paper argues that level of innovative behaviour is higher in SMEs which have owner-managers who were pull motivated in start-up and lower in those which have owner-managers who are not satisfied with local entrepreneurial conditions. Product innovations are closely connected with opportunity seeking motive to start up (52%). Some start-up entrepreneurs only begin because they would otherwise remain unemployed (5%). In final part of the paper, factor analysis is made to find out main factors, which lead to innovations as stress on size, willingness to participate in education process, strategic thinking or start-up motivation.

# **PUBLIC-PRIVATE PARTNERSHIP IN THE NATIONAL INNOVATION SYSTEM OF KAZAKHSTAN: THE INSTITUTIONAL AND LEGAL FRAMEWORK OF DEVELOPMENT**

**Ayapbergen Taubayev – Talgat Khanov – Lyazat Talimova**

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## **Abstract**

In modern conditions of Kazakhstan, issues of public-private partnership in the innovation sphere are solved through the functioning of the specialized state institutions and the establishment of appropriate modern international practice of the legal framework. The modern theory of the development of public-private partnership in the whole national economies, including in innovation activities of Germany, France and Israel have been used as a theoretical and methodological basis of the research. On the basis of the use of statistical analysis of qualitative and quantitative indicators of the development of public-private partnership in enhancing scientific and innovative processes in Kazakhstan, as well as on the results of the strategic analysis is formulated main hypothesis of the study. Following the international practice, the further development of public-private partnership in the innovation sphere in Kazakhstan requires the establishment of a national system commercialization of high innovation technology products, development of tax system preferences for individual innovators, as well as the development of a system of venture financing of innovation on the Israeli experience. In addition, it is necessary to develop a regional industrial and innovation infrastructure based on free economic zones, which in the world recognized as the leading form of support for industrial innovation.

## **DRIVERS FOR CORPORATE SUSTAINABILITY: AN EXAMINATION OF POLISH FIRMS**

**Maria Urbaniec**

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### **Abstract**

Sustainable development is widely perceived as a key trend of global environmental policy and socio-economic development. From the microeconomic point of view, the concept of sustainable business development assumes that the company should strive to achieve broad benefits for all stakeholders, local communities and the environment, and not just care about its economic interests. Many companies are already undertaking a number of different actions associated with sustainable development, in order to promote greater environmental and social responsibility. There are a number of factors that influence the environmental and social responsibility of enterprises. This paper aims to examine the relevant influence factors for the implementation of corporate social responsibility in Polish companies. The research question is: what are the principal drivers for the implementation of sustainable development in Polish companies? The paper addresses key implications for corporate managers and other affected decision-makers. It concludes that corporate social responsibility is becoming increasingly important as an instrument for the implementation of sustainable development in Polish companies and contributes to environmental and social changes.

## **SOCIO-ECONOMIC ASPECTS OF INDUSTRY 4.0**

**Jiří Vacek**

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### **Abstract**

Recently, the number of publications about Industry 4.0 has been steeply increasing. However, the concept of “Industry 4.0” is primarily being explored from a technical point of view – robotics, Internet of things, big data, smart objects, smart factories. There has been very little inquiry into the question of what it means for people and the society as a whole. Increasing digitisation will not only have an enormous impact on machines, factories and sectors, but on societies, economics and management as well. That is why we must look more closely at these aspects. Where are the risks – but also where are the opportunities for social innovation and progress?

Industry 4.0 still has not entered the mainstream academic research, it is much more frequently treated in reports of leading consultancies as McKinsey, Deloitte, Accenture, BCG, World Bank and recently it became one of the main topics of discussion at the WEF 2016. However, as it can profoundly affect the future of jobs, management, education, and social systems, academic research in related disciplines should not stay aside and supplement the activities of technically oriented colleagues

# **TOP MANAGEMENT TEAMS DIVERSITY AND FOREIGN MARKETS ENTRY MODES INFLUENCE ON COMPANY'S PERFORMANCE: EVIDENCE FROM RUSSIAN MULTINATIONAL CORPORATIONS**

**Emil Velinov – Igor Denisov**

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## **Abstract**

The paper tries to explain how the level of diversity in the senior management of the top Russian companies and their foreign markets entry modes are interrelated. Furthermore, the study aims at demonstrating that the Russian multinational corporations, which are more orientated on foreign direct investments are more successful than those which are prioritizing the local market. The dataset of the study is based on over hundred multinational companies-listed and non-listed on the Moscow stock exchange. The paper has drawn extended preview of the theoretical aspects as theory of internationalization and theory of foreign markets entry modes and it suggests that the diversity itself does not affect company performance while foreign markets entry modes have significant impact on company's performance. The paper hypotheses are tested in three different models and the limitations of the study are stated as well. Authors suggest that when it comes to investigating culture's impact on company performance it is also critical for the company performance. The paper has twofold contribution- to the academicians in terms of deepening of theory and to the practitioners in terms of recommendations for increasing company performance.

## USING NEUTRAL NETWORKS TO DETERMINE THE FINANCIAL PLAN

**Marek Vochozka**

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### **Abstract**

Planning of financial statement is annual and one of the most important activities of financial managers of all companies. The well assembled plan is the first step to the success of a company in the following period. There exist several methods how to do it: intuitive method, statistic methods, causality or combination of all of them. The aim of this paper is to utilize artificial intelligence for planning financial statements of a concrete example.

Data of a company founded by ČEZ were used – ČEZ renewable resources. Complete financial statements from 2004 to 2014 are available.

The following networks were used: a linear network, a probabilistic neural network, a generalised regression neural network, a radial basis function network, a three-layer perceptron network and a four-layer perceptron network.

The analysis resulted in a concrete model of an artificial neural networks usable for planning financial statements. The neural networks should be able to determine with more than ninety per cent accuracy of predictable variables. The text also includes the basic statistical characteristics of the examined sample and the achieved results (sensitivity analysis, confusion matrix, etc.).

The model can be utilized in practice by financial managers for planning financial statements of their companies.

## **FACTORS SUPPORTING GROWTH OF ADDED VALUE, PERFORMANCE AND COMPETITIVENESS OF SMES AND SELECTED EU COUNTRIES**

**Marek Vochozka – Mariana Psárska**

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### **Abstract**

Added value, as a default quantitative and qualitative indicator of performance, is one of the most monitored variables in all SMEs. It describes not only the growth of the value of goods and services in all phases of production from the microeconomic point of view but also the growth of value in all phases of production from the macroeconomic point of view (where it is expressed in the form of GDP).

The objective of this paper is to find key factors which support growth of added value and its possible changes in selected countries in the context of potential positive development of the added value. The pattern consists of data about SMEs interested in production in the fields with the highest added value in the country. The methodology includes an economic analysis of the given data. The data make it possible to obtain detailed information about creation of added value. The results are important because they can be potentially applied in practice, i.e. in the Czech Republic, Slovak Republic and in other EU countries.

## **MIT ENTREPRENEURSHIP ECOSYSTEM WITH FOCUS ON START-UP DEVELOPMENT**

**Marian Zajko**

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### **Abstract**

MIT entrepreneurship has become a renowned term due to the impressive results of MIT alumni and students in innovation and entrepreneurship. It is an outcome of specific university culture of excellent research and pedagogy but also close collaboration with industry and entrepreneurship among MIT students and teachers within the unique MIT entrepreneurship ecosystem. The intention of this paper is to show the positive impact of leading entrepreneurial university (MIT) on its environment in relation to the key driver of this success - its entrepreneurship ecosystem. Particular attention will be devoted to the framework „Disciplined Entrepreneurship“ for development of innovation-driven start-ups playing a substantial role in their development and survival. This may serve as an inspiration and impulse for leading Slovak and Czech universities with ambition to adopt a more entrepreneurial model of operation.