

INNOVATION AND COMPETITIVENESS OF ENTERPRISES

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Abstract : The most important strategic decision in a company is to determine the timing of the selection of a new technology that will replace the existing one. The life cycle represents the product and process innovations in the production unit. Timely identification, acquisition and adoption of new technologies will lead to coincide moment of maturity and decline of the old technology and a moment of growth of new technologies. The introduction of new technologies can significantly affect the former structure of enterprises, the production process, financial management, etc. The best example, which is just one of the biggest problems of today is the use of technology as a substitute for labor. By automating processes technology gradually replaces the human factor in all processes.

Keywords: innovation, enterprises, competitiveness.

I. INTRODUCTION

Innovation can be defined as a set of activities undertaken by the company, which is the source for new products or production processes. Enterprise development is mainly related to the existence of innovation. Innovation is the commercialization of new ideas and converting it into a specific product, process or service.

Modern business environment characterized by high volatility, uncertainty and risk, and to make the company survive in such an environment, it is necessary to continually invest in research and development and innovation activities. Firms aim to combine their existing resources and capabilities and to use them to the new, the best possible way. For those of their activity are derived and innovation are born innovative organization. Innovation is something that is related to the concept of the entrepreneur who seeks to always observe the changes, respond to them and accept a high level of risk, and used that as an option in their operations. But despite that, large companies are precisely the ones who have the ability and the necessary financial resources to implement innovations.

It is a process, which is like any other process necessary to manage it the right way. This is where the role of managers at all levels and their ability to create and optimize the balance between all the innovative activities of the company. In previous times, business strategies were defined and implemented most often in a reactive manner in relation to the processes in the region, but also within organizations. Today, most organizations act proactively, and noted possible events prior to their formation and to respond to them. Adjusting the numerous and varied changes, growth of competitiveness and continuous improvement of performance, is a basic condition for the survival and success of modern enterprises.

This paper will discuss how organizations implement their innovations, to guide them and that strategy in this use.

II. INNOVATIVE AND COMPETITIVE ADVANTAGES

The main and most difficult task of contemporary organizations is to create and maintain competitive advantage. Open question to be posed to managers of modern organizations is that in turbulent conditions become stable company that is able to create change, to overcome the instability that prevails in the market and ensure the success of a mess. The former traditional way of doing business has involved lengthy periods of "calm" and shorter periods of change in the environment that is needed to adequately respond. Today changes occur too quickly for managers to be able to indulge metaphor "stable water" business. Any organization that the changes seen as a temporary disruption in the stable world of business, is exposed to a high risk of survival

in the market. Managers must be prepared to manage change in an uncertain dynamic business environment in which increasingly dominated by information, ideas and knowledge.

Innovation and competitive advantage are words that describe different concepts, but they are connected. Competitive advantage in business is achieved by analyzing the business and research areas that can be entered and implement new ideas, and the company became better than its competitors. When a company makes a profit that exceeds the average for its industry, is said to possess a competitive advantage over its rivals. The goal of most business strategies is to gain a sustainable competitive advantage.

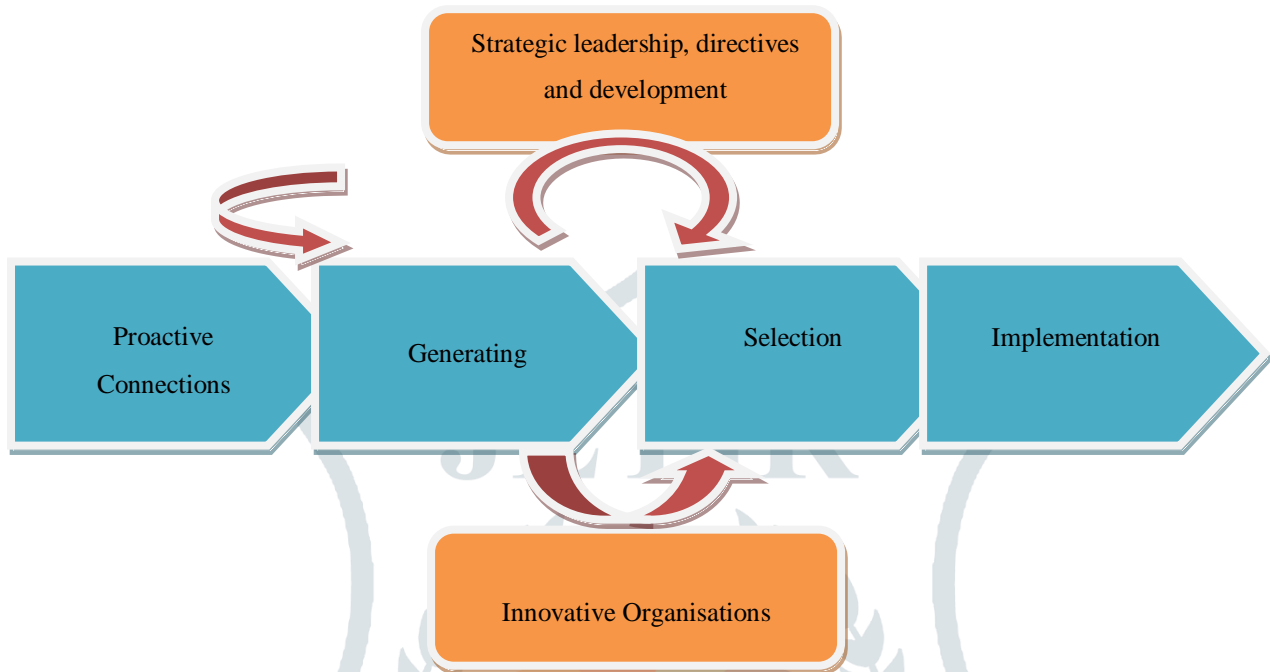


Figure 1. Model of innovative management

New ideas, implemented and exploited in a way to increase profitability, directly or indirectly lead to value creation. This qualifies them as innovation activities to the business better. Increased value may be reflected through higher profits, better positioning in the minds of customers, but also through more efficient business processes.

The first step in the process of creating a sustainable superior value is required to meet with environmental conditions or performance analysis of the industry, which is looking for answers to specific questions from the field seven powers - political factors, non-transferable costs, new entrants, rivalry, the resistance of consumers, consumer base and alternatives. New ideas do not come easily. Competitive advantage is a key to the survival of the company and it is necessary to include all employees - if the company finds the right people to bring these ideas, and use them to create superior value, will gain a competitive advantage, and become profitable in business.

Innovative approach always puts into operation all the potential resources that are available. Innovative companies accept the philosophy that there is always a better way of doing business and searching for new ideas that will increase their value and reduce costs. Innovation is a view of things, the process and a key element in creating competitiveness strategy. Innovation is a process that begins with an idea that is new, the idea turns into a proposal, the proposal in the plan, followed by a detailed presentation of the business plan as a basis for investment. An investment that is realized increased value of the company and make a profit. Innovation is not the same as creativity. The essence is not in possession, but in the implementation of profitable ideas.

Innovation is necessary in every company, from the smallest to those which innovation is the key driving force of development. Very few organizations can survive indefinitely without innovation. Innovative organizations is inversely proportional to the economies of scale: the bigger the company, the percentage less innovative solutions.

In small and medium-sized enterprises generate new ideas and seek prompt and effective economic solutions. Searching for opportunities and addressing risks belongs to small and medium-sized enterprises, which are, by definition, more flexible and more adaptable than the powerful economic system. In large enterprises, lack of invention and innovation of employees, partly compensated for by a mighty economic power, huge capital and number of employees.

Innovation can help companies in many ways:

- can offer goods and services that consumers believe they are better than those offered by the competition - *a strategy of distinction*
- reducing the cost structure of the organization - *the strategy of leadership in costs*
- new ways of selling products, brand or organization - *strategy of market position*
- can be found a new formula for the formation of business - *strategy changes*.

III. INNOVATION IN COMPANIES

The term innovation is often identified with the concept of creativity. Innovation is not the same as creativity. Innovation is the realization of profits from ideas that are new to the organization. The essence is not in possession, but in the realization of profitable ideas. We should not forget that innovation in the company, always resulting in improved competitiveness and competitive advantage means increasing profits.

Intuition, experience, knowledge and reality are the best components in the realization of entrepreneurial ideas. One without the long not creating chances, does not solve problems, we do not anticipate danger and does not look undertaken a range of business decisions. Innovative organizations is inversely proportional to the economies of scale: the bigger the company, the percentage less innovative solutions. The real fact is not understood in the long velikm businesses, which, with its powerful economic strength, tremendous capital and number of employees, compensate for the lack of invention and innovation of its employees.

In small and medium-sized enterprises generate new ideas and seek prompt and effective economic solutions. Searching for opportunities and addressing risks belongs to small and medium-sized enterprises, which are, by definition, more flexible and more adaptable than the powerful economic system. Entrepreneurship as organizational skills here is a form fit.

IV. THE CORE COMPETITIVE ADVANTAGE

Potential sources of competitive advantage are everywhere in the company. Each department, plant, branches or other organizational units play a role must be defined and understood. All employees, regardless of their distance from the process of defining strategy, must recognize their role in helping the company to achieve and maintain competitive advantage.

Today's economy is different from the previous economy, because of globalization and rapid changes occurring in technology. Monitoring changes in technology is of strategic importance for increasing the business of a company, and to analyze and monitor the current situation. The technology is seen as a means to achieve competitive advantage and to identify and locate promising niche. Technology is one of the most important elements that enables companies to obtain significant revenue in a competitive environment. Even when a company dominates the market by virtue of its technological advantages, should continue to develop the technology, in order to continue to provide the dominant products or services by adopting technological changes in the environment. Therefore, companies that are in a competitive environment and require the development of new products or services, must constantly gather information about new technologies.

The services sector contributes to the economic competitiveness of a country, because services generally complement factors of production to produce goods in the most efficient manner and at competitive prices and costs. The service sector, highly complex and heterogeneous, covering a number of services from IT (Information technologies) and ITES (Information and Technology Essential Standards), high technology, such as software production, export talents through educational institutions, consulting services, etc. ICT has significantly contributed to the development of the service sector in recent years.

Management is conditioned by culture, tradition, values and habits of society, and also defines differently. It is a hierarchical top - a group of senior managers on which depends the survival, development and success of the company and it is not surprising that the director (manager) as an exponent of management has become a profession. Innovation is the transformation of ideas (inventions) in a new or improved product or process technology. Innovation process includes research, technical, organizational, management, financial and commercial phase, melamine personnel ingenuity in embedded technology parts. The process of innovation accelerates technological changes that lead to changes in the structure of production, then to the competitiveness of the market and to increase efficiency. Businesses that do not have a vision, motivation and are without ideas can not survive in today's competition. Therefore, companies that want to operate successfully and who wish to develop must at all times be offensive, defensive or innovators.

V. CONCLUSION

Large organizations in order to survive in a turbulent environment must constantly innovate its products, processes and services. The realization of innovation must be implemented very organized and with constant monitoring of Management responsible for innovation. Management must constantly be listening for the impulses of the market, primarily refers to the demand for innovation.

All organizations today should strive for an innovative organization that is flexible, creative, offers the possibility of participation in decision making and the ability for individuals to prove themselves in the organization. Each organization in modern conditions, must be a learning organization and continuously, and having specific mechanisms and tools for the application of their knowledge of the business.

Companies that do not innovate, rapidly decaying or disappearing from the market. Even small companies have to work very hard to make an effort so as not to be swept away by the big giants. Strategies that will thereby apply depend on the size of the organization, its activities, business objectives, mission, vision. There is a wide range of strategies, but the essence to adapt to current developments in the region, because only companies that succeed in this, they can expect a positive result in the long term.

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