

## **IMPORTANT ASPECTS OF INNOVATION MANAGEMENT IN INDUSTRIAL ENTERPRISES**

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Organizing activities based on modern technology in industrial enterprises and organizations and increasing the volume of research in this field are the main directions of modern research. In order to use new technologies in industrial entities, it is required to determine their social and economic effectiveness, as well as to correctly choose the methods of efficient activity management.

The modern direction of development requires the intensive organization of production at the enterprise level. This means that investments in innovative activities should be increased.

In order to apply innovations to the production process of industrial enterprises and for efficiency in management, the following factors should be focused on:

- implementation of innovation in production should be planned as a continuous process;
- there should be a managed innovation process so that the enterprise has the opportunity to influence the process at the right moment;
- environmental factors of the enterprise and the interdependence of innovative activity conditions should be taken into account.

Determining the effective factors for the purpose of innovation management and assessment of relevant opportunities lays the groundwork for developing the foundations of innovation-based economic activity in industrial enterprises.

Effective management and correct evaluation of the process will ensure the proper functioning of the enterprise in the competitive process, will allow to quickly determine the level of the enterprise's capabilities for the application of innovations, and will create conditions for mobilizing the

unused capabilities of the enterprise in order to increase the efficiency of production and sales activities.

If we look at the strategy of strategic innovation management and financial guarantee mechanisms of the enterprise's activity, the optimal selection of the strategy according to the product in the market, that is, the strategy of management and financial guarantee, is of great importance [3, p. 116]. To carry out long-term innovative production programs of enterprises, it is necessary to update the existing equipment and tools for the organization of their innovative activities by correctly analyzing environmental factors, identifying modern opportunities, as well as perspectives, including introducing a modern approach.

Adaptation of strategic innovation activity to all aspects of the enterprise depends on the analysis of the constituent elements of enterprise innovation management and the determination of the possibilities of reconciliation of innovative production in Azerbaijan with international innovation trends.

If we look at the expenditures on technological innovations according to the types of innovations in the industrial sectors of the Republic of Azerbaijan, it can be determined that the amount of expenditures in 2021 was greater than in other years. Investments in both product and process innovation are higher in the mining industry than in the manufacturing industry (Table 1).

**Table 1 - Expenditures on technological innovations according to the types of innovations in the industrial sectors of the Republic of Azerbaijan, thousand manats**

<b>Parameters</b> <b>Years</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
The whole industry	<b>34353,6</b>	<b>48037,1</b>	<b>35919,8</b>	<b>5848,3</b>
Product innovations	23298,7	38343,5	20059,2	1986,3
Process innovations	11054,9	9693,6	15860,6	3862,0
Mining industry	<b>1386,0</b>	<b>378,6</b>	<b>1001,1</b>	<b>529,8</b>
Product innovations	679,3	290,0	638,2	117,4
Process innovations	706,7	88,6	362,9	412,4
Processing industry	<b>32967,6</b>	<b>47658,5</b>	<b>34918,7</b>	<b>5318,5</b>
Product innovations	22619,4	38053,5	19421,0	1868,9
Process innovations	10348,2	9605,0	15497,7	3449,6

Source: [1, p. 77]

Product innovations include the creation and production of ecologically safe products suitable for mass production, the development and production of products intended for special groups of the population, baby food. Process innovations, resource-saving technologies, improvement of technological processes, packaging and transportation methods to reduce production cycle time [2, p. 7].

The high amount of investment allocated to innovations in the processing industry indicates the prospective growth of development in the country's non-oil sector.

Modern economic activity despite the economic achievements achieved in recent times, indicators in the economic indicators in Azerbaijan remain low in other industries except the oil and gas industry. It is mainly characterized by low competitiveness of goods and services in the country compared to similar goods and services of foreign origin, and production by industrial enterprises is lagging behind in terms of innovation. The transformation process, which will create conditions for the continuous improvement of the quantitative and qualitative indicators of production in enterprises, is possible with the application of innovative equipment and tools referring to industrial reproduction. The relevant aspect is the creation and effective use of the intellectual potential of economic subjects, surrounded by technological possibilities of development at the expense of their own capabilities in industrial enterprises.

Innovative production activity is the main direction for the prospective development of enterprises.

Progress in this direction provides an opportunity for the industrial enterprise to increase its competitive advantage [4, p. 31].

The competitive advantage of industrial enterprises in new economic relations depends mainly on the ability of human resources to work with innovation and the interest to implement innovative solutions, not on the level of capitalization and having material resources. This factor is characterized by the increase of investments in human capital, including the basis of economic development.

In the implementation of numerous activities resulting in the improvement of efficiency in innovative production, i.e., it is necessary to reconstruct the innovative management of enterprises taking into account the following:

1. Building a dynamic growth plan based on innovation.

2. Modernization of innovative equipment of the enterprise.

3. Implementation of innovative solutions in partnership with various enterprises in the production process.

The innovative development of enterprises requires analyzing the external factors of economic subjects when determining the main elements of management in the industrial field, as well as when establishing the effective connection of those elements.

Improving the management of innovative development in industrial enterprises involves the formation of a new market infrastructure that stimulates and supports this mechanism, as well as directly controls it. Thus, the problem of efficient use of innovative products is of particular importance in the current socio-economic conditions in our country. It also requires the latest approaches to building a management system of innovative development in enterprises, improving the innovation process in enterprises and increasing their investment and innovative attractiveness.

When analyzing innovation management in industrial entities, it is necessary to identify important areas of activity. Relevant areas will allow to improve the organizational and management aspects of innovative management of enterprises in the following directions:

1. Increasing the evaluation indicators by the shareholders who are the owners of the goods and services produced with innovative capabilities, as well as by the final consumers;

2. Increasing the quality of innovative goods produced in a competitive environment.

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