

# Developing a Supply Chain Subsystem to Manage the Process of Obstacle Elimination for the Innovative Development of Business Entities

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**Abstract-** The negative trend protests in economic development reflect the lack of a systematic approach to innovative development and innovative process management. An important feature of innovative development is to ensure the elimination of obstacles to innovative development, to avoid threats and crisis situations in the activities of business entities. Thus, one of the urgent problems is the prediction of crisis phenomena, events, situations, the search for their elimination or leveling trends, the formation of preventive measures for their prevention and overcoming, the increase of strategic management effectiveness by innovation development in general. The purpose of the article is to develop a supply chain subsystem to manage the process of obstacle elimination for the innovative development of business entities. In order to achieve this goal, the following research methods were used: analysis and synthesis, schematic and graphic representation, modeling and forecasting, formal-logical method. The goal, the properties and the structure of process management supply chain subsystem to eliminate the obstacles to innovative development were substantiated. It was proved that the innovation strategy of economic entities should be subjected to certain adjustments in accordance with the dynamic changes in environmental conditions and the features of business entity functioning in it. They developed the model of innovative development process for an entrepreneurial entity using the removal of obstacles to innovative development, based on creativity, leadership competence, the delegation of managerial powers, the coordination of activities and cooperation. The main characteristics and the obstacles of each stage of the model are substantiated in order to develop appropriate programs and activities for their overcoming. The scientific novelty of the research is the development of the classification set of phenomena, events and situations. These elements create the obstacles to the innovative development of business entities, as well as the ways to overcome the obstacles that threaten innovative development, which contributes to the improvement of the

decision-making process in the field of an innovative strategy development for business entities.

**Keywords:** innovative development, supply chain management subsystem, obstacle elimination, business entities, strategic management.

## 1. Introduction

The concept of "innovative development", "innovation activity" is connected in a certain way with the notion of "risk", which affects the methodology of any management decision development related to the innovative development of business entities. The growth of bankruptcy number, various types of crisis situations in the innovation sphere have become the features of the modern economy. Business subjects begin to talk about such phenomena and situations and think about their overcoming only when they have a catastrophic scale. In such cases, an organizational management structure is necessary that is sensitive to the changes in the external environment. In the management by innovation development, the attention is mainly focused on the resolution of the issues related to the unpredictability of actions, the lack of a clear delegation of authority, the distribution of functions among innovation process participants in the long run. Nowadays, economic literature describes the problems of innovative strategy development in the works by [1], [2], [3], [4], [5], [6], [7], [8], [9], [10], [11], [12], [13], [14], and others. The aim of the article is the development of the theoretical and the methodological foundations of management supply chain subsystem development for the elimination of the obstacles to the innovative development of business entities as the basis for an effective strategic management of innovative development.

## 2. Methodology

In order to obtain the research results, the following methods were used: analysis and synthesis (for the specification of scientific research categories, the principles of research problem solution), schematic and graphic images (for visual representation of obtained research results and analytical data). Moreover, modeling and forecasting (for model development and the construction of forecast for innovative development), formal-logical (for the development of a methodology to select an innovation strategy for business entities) were used as well.

## 3. Study results

The management of obstacle elimination process to innovative development is the combination of forms and methods to implement management procedures not only for a specific innovation project, but for all innovative activities of business entities in general to ensure the elimination of the threats and the obstacles to innovative development. Policy is the basis of any management. The policy of obstacle elimination management to innovative development is one of the main trends of business entity management, the set of principles, methods and forms of organizational impact on innovative update of economic entity technical and economic state, on a management system development that can respond to constantly changing market

conditions, taking into account the strategy. The strategy of obstacle elimination management to innovation development is the combination of actions and a sequence of managerial decisions that allow to analyze and assess the threats and the obstacles to innovative development and choose the necessary system of impact on the recovery of an enterprise in order to prevent its bankruptcy. It can be argued that the management of obstacle elimination process to innovative development is an organized management that is focused on the operational disclosure of obstacle signs for innovative development and the development of prerequisites for their continuous monitoring and timely overcoming to ensure the restoration of economic entity sustainable development on an innovative basis, and the prevention of situations leading to bankruptcy. In our opinion, the management of obstacle elimination process to innovation development can be identified with the relevant management and defined as an enterprise management system that has a complex systemic nature. It is aimed at phenomena, events and situations prevention or elimination that are unfavorable for innovative development by the use of modern management full potential. The development and the implementation of a special strategic program that makes it possible to avoid a possible temporary predicament preserve and increase market positions by developing innovative products and by an innovative development of an economic entity (Figure 1).

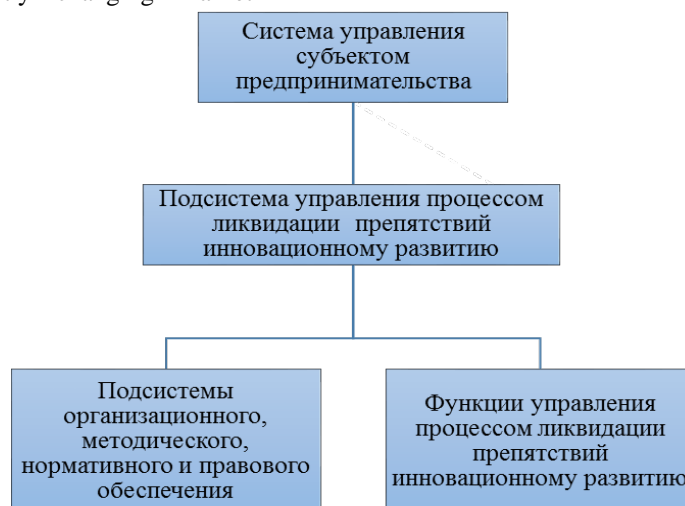


Figure 1 - The supply chain subsystem of obstacle elimination management process to the innovative development of business entities

The process of eliminating the obstacle to develop the innovation involves the allocation of these elements:

- 1) The analysis of macro - and microenvironment state, the choice of the best mission for business entities;
- 2) The implementation of economic activities, management actions to identify the obstacles to innovative development, the formation of a monitoring system for the environment of economic entities for the early detection of obstacles and "weak signals" in its innovation activities;
- 3) Strategic controlling of economic entity innovation activity and the development of measures to prevent the interference with innovative development;
- 4) Operative assessment and the analysis of economic entity financial condition in order to identify the possibility of the innovation process reduction;
- 5) The development of a policy in the context of the innovation process curtailment and the withdrawal of business entities from this state;
- 6) A constant consideration of innovation risks and the development of measures for their reduction.

The separation of such elements, in our opinion, reflects the essence of the management process by the

elimination of obstacles to innovative development, since attention is focused on the analysis of macro and micro environment state, the selection of the best mission for a business entity as the initial stage of innovation development management. At this phase, managers should recognize the potential opportunities, the obstacles that may arise in the process of business entity operation. The supply chain subsystem of obstacle elimination management to innovative development is an element of the management system as a whole and should include the provisional and the functional part. The first part consists of organizational, methodological, regulatory and legal support supply chain subsystems. The functional part combines the functions of obstacle elimination management. This part is the combination of economic and organizational methods and activities that ensure the solution of financial condition diagnosis issues for business entities, the control, and the prevention of obstacles and the overcoming of insolvency.

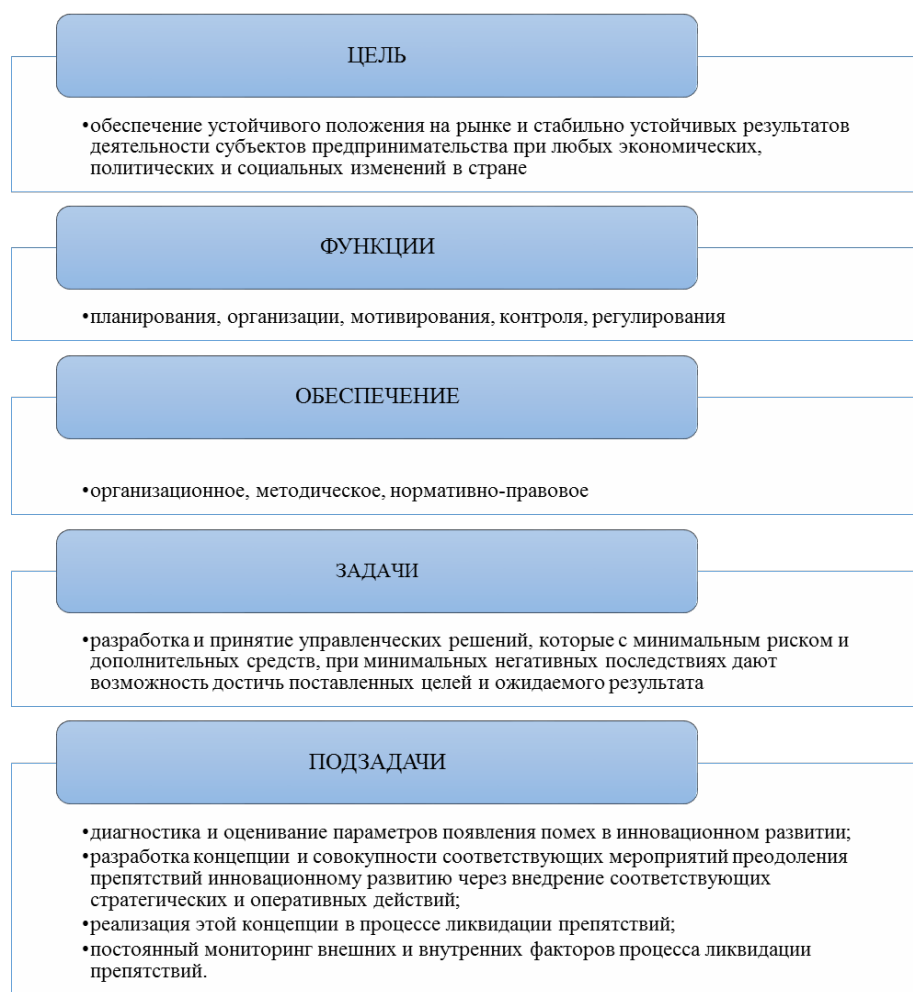


Figure 2 - Structural filling of process supply chain management subsystem to eliminate the obstacles to innovation development

**Purpose**

To ensure a stable position in the market and steady sustainable performance of business entities with any economic, political and social changes in the country.

**FUNCTIONS**

Planning, organization, motivation, control, regulation.

**PROVISION**

Organizational, methodical, normative, and legal.

**TASKS**

The development and the adoption of management decisions that make it possible to achieve the set goals and the expected result with a minimum of risk and additional funds, with minimal negative consequences.

**OBJECTIVES**

- Diagnostics and estimation of interference appearance parameters in innovative development;
- The development of a concept and a set of appropriate measures to overcome the obstacles to innovative development through the introduction of appropriate strategic and operational actions;
- The implementation of this concept in the process of obstacle elimination;
- The constant monitoring of external and internal factors of obstacle elimination process.

The main task of supply chain management subsystem for the elimination of obstacles to innovative development is the development and the adoption of management decisions which make it possible to achieve the set goals and the expected result with a minimum of risk and additional funds, with minimal negative consequences. The implementation of this task provides the following subtasks: diagnostics and estimation of interference appearance parameters; the development of a concept and a set of appropriate measures to overcome the obstacles to innovative development through the introduction of appropriate strategic and operational actions; the implementation of this concept in the process of obstacle removal; constant monitoring of external and internal factors of interference elimination process. The main goal of the obstacle elimination management is the provision of conditions to obtain and maintain a stable position at the market, stable financial performance of business entities under any socioeconomic and political changes in the state. The supply chain management subsystem for the removal of obstacles to innovative development should be formed from the moment of an enterprise creation, it should provide for the possibility of various types of interference appearance. We believe that the supply chain subsystem for the removal of obstacles to the

innovative development of business entities has the same functions as in the ordinary management: planning, organization, motivation, control, and regulation [22].

Planning, first of all, involves the development of a strategy and a tactics of set goal and objective achievement, the drawing up of plans and timetables for the implementation of individual activities aimed at a specific goal achievement for the removal of obstacles to innovative development, and a set of measures development for the financial recovery of the innovation process. In the case of obstacle elimination management, the role of operational planning and decision-making increases sharply, taking into account the current situation. The implementation of the planning function is based on the development of plans that can be classified according to the following characteristics:

- The subject of planning (the plan of measures to eliminate the obstacles to innovative development, the plan for the implementation of obstacle elimination);
- planning time (operational, short-term, medium-term);
- The scale of planning (in general for business entities, for its structural subdivisions, for the trends of activities);
- The planning sector (financial recovery plan, marketing plan, diversification plan for production activity, etc.).

The organization is the stage where the practical implementation of the adopted plans on the financial support of the innovation process and the removal of obstacles to innovative development is provided. The organization function necessitates the creation of a unique staff of economic entities from the experts who want to preserve the organization and the process of innovation development. Thus, there the need arises for the documentary approval of an adopted order (an action plan), its provision for the staff, the distribution of clear tasks between performers and the establishment of an integrated control process.

Despite the properties, the distinctive characteristics of innovative measure implementation and the implementation of measures to remove the obstacles that require certain competence, an important condition is the prediction of motivational factor system for the groups that deal with the detection of obstacles, crises, their pre-warning and response. At the control stage, the innovation process is checked for compliance with the established indicators of the financial recovery plan and the development of standards for its implementation is provided in the form of a certain system of quantitative indicators that allow to check the effectiveness of individual measures to remove the obstacles and make adjustments in time. In addition to the above-mentioned functions of management, a great importance is given to the diagnosis of obstacle and threat appearance state to the innovative development of a business entity. Diagnosis is the basis for the promotion of hypotheses,

new ideas about phenomena, patterns in the changing financial and economic state of a business entity. It can bring a particular usefulness in the course of obstacle removal to innovative development, which may have different properties, occupy a wide range of financial and economic problems arising from business entities, and be explicit and hidden ones. Diagnostics consist of the following stages: monitoring, rapid diagnostics and fundamental diagnostics [15]. Monitoring is carried out for the early detection of characteristics, the signs of obstacles, the threats to innovative development, a constant accumulation of data, the obtaining of information from "weak signals", which are needed to perform rapid diagnostics. The frequency of this diagnosis determines the quality of information preparation for timely and effective management decisions and obstacle removal. The purpose of express diagnostics is the visual assessment of financial security, the dynamics of innovation development and implementation, the emergence and the removal of obstacles. It is complemented and specified with the fundamental diagnostics, which specifies the level of obstacles, and the reasons for their appearance are revealed.

Diagnostics is the means of reliable, qualitative information obtaining about real opportunities at the

initial stage of obstacle emergence and the basis for the introduction of special management methods and mechanisms [16]. Taking into account all the results of the conducted diagnostics, preventive measures are formed, the owners and the top managers begin to develop the so-called reflexive management model by the removal of obstacles to innovative development. Thanks to the diagnosis, it becomes possible to identify the cause-effect relationships in the management functions. Besides, it contributes to the formation of the explanatory and predictive model of innovative development for economic entities, preventing the appearance of interference and their bankruptcy simultaneously. In the process of supply chain management subsystem by the elimination of obstacles to innovative development, it is important to determine the functions that have the general nature (forecasting, planning, coordination, motivation, analysis, accounting, control, organization and regulation) and the dependence on specific types of supply chain subsystems and systems [17], [21]. The functions of the supply chain subsystem by the elimination of obstacles to innovative development and its relationship with an innovative development management subsystem are reflected in Figure 3.



Figure 3 - Functions of innovation development supply chain management subsystem for business entities

Characterizing the subsystem of obstacle elimination management to innovative development as a system of a specific type of management, we shall single out its main typical characteristics:

- Adaptability and flexibility, such features are inherent mostly in the matrix, project management systems;
- The ability to develop an informal management style, the motivation of creativity, enthusiasm, creativity, and cooperative spirit;

- Diversification of management, the development of effective ways to strategic management with innovative development in difficult situations;

- The strengthening of decentralization in management to create the conditions and timely response to situations and problems;

- The strengthening of integration phenomenon and process role that allow to consolidate all efforts in

organizations and use their innovative potential more effectively.

The essence of obstacle elimination management to innovative development is expressed in the following signs:

- An obstacle can be foreseen, expected and called;
- An obstacle can be accelerated, outstripped and removed to a certain extent;
- It is possible and necessary to prepare for an obstacle to innovative development;
- An obstacle to innovation development can be mitigated;
- The management in the conditions of obstacle elimination to innovative development requires special approaches, special knowledge, experience, and art;
- The processes of obstacle removal can be controlled up to a certain limit;
- The management of obstacle removal processes can accelerate these processes and minimize their consequences.

In order to make a business entity succeed in innovation activity performance, a manager must be able to foresee the possibility, the likelihood of various obstacle appearance, be ready for them and act adequately in the circumstances. The main task of a manager in the situation of obstacle appearance to innovative development is the prevention or the mitigation of shock stage from advancing obstacles, as well as an accelerated adaptation and a situation stabilization [18].

Proceeding from the foregoing, the system of management activities in the situations of obstacles to innovation development should contain the following:

- A constant monitoring of external and internal circumstances and the conditions for carrying out innovation activities;
- The development of measures to reduce the external vulnerability of business entity innovation processes;
- The increase of flexibility within the structures engaged in innovative activity;
- The development of preparatory plans to prevent situations of obstacles to innovative development;
- The development and the implementation of preliminary measures to prevent the situations of obstacles to the innovative development.

Since the appearance of obstacles to innovative development manifests itself in constant shocks, periodic

changes and phenomena, the laws of nature (alive and lifeless), therefore, there are certain benefits in regularities, periodic phenomena and changes, although the obstacles have different sides and are quite diverse. It follows from this that managers solve three interrelated tasks in the process of obstacle elimination management to innovative development:

- The recognition of phenomena, events and situations that create the obstacles to innovative development;
- The elimination of the reasons preventing the improvement of innovation activity and innovation process;
- The application of non-standard administrative measures in the solved tasks to remove the obstacles to innovative development.

The management of obstacle elimination to innovative development should ensure strategic orientation, since the development process of a business entity that does not have a clearly formulated innovation strategy is from an evolutionary nature, whereas a business entity that is subject to management in accordance with the strategic plan, develops revolutionary. The innovation strategy should be periodically adjusted depending on dynamic changes in environmental conditions, functioning and business entity development [19]. In other words, there may be the obstacles, namely, a crisis - the ways of economic entity functioning and development and the conditions of the external environment. So, the statement, which was formulated by L. Greiner is important for business entities: an inflexible strategic management gives the vector for business entity development, but it can lead to organizational crises periodically [20]. Revolutionary internal changes arise in the state of organizational crisis to innovative development of economic entities, which in its turn lead to their elevation to a qualitatively new, higher level of development [14]. The graphic model of innovative development process for business entities has the following form depending on their size through the sequence of obstacle elimination to innovative development (Figure 4).



Figure 4 - The model of innovative development process for business entities

Let us study each stage of the model.

1. Innovative development based on creativity. This is the stage from the moment of a business entity emergence to its first organizational crisis - the leadership crisis. The main characteristics of development:

- A business entity is born and developed thanks to its founders;
- The attention is focused on the process of a product idea development and its marketing.

Main obstacles:

- An organizational structure is not formalized, it is based on the intention of the founders;
- The development of a business entity does not correspond to the level of knowledge and skills that the leaders have.

2. Innovative development based on the principles of management competence. Main development characteristics:

- Organizational growth after the elimination of management crisis;
- Well-planned and regulated organization of works;
- Professional management is involved.

Main obstacles:

- The bureaucratic management structure and a rigid centralization of power limit the creativity of the lower and the middle links;
- The management system becomes a source of contradictions.

3. Innovative development based on the principles of managerial power delegation. Main development characteristics:

- A business entity develops to a size when it is impossible to manage it from one center, therefore, the delegation of managerial powers takes place;
- Structural reorganization of a management system based on the decentralization of functions;
- The delegation of decision-making powers;
- The increase of a business entity innovative potential.

Main obstacles:

- The absence of resource support for delegated powers;
  - The loss of an enterprise as a whole by top managers.
4. An innovative development based on the principles of action coordination.

Main development characteristics:

- The change in the system of unit functioning coordination through an automated management system;
- The allocation of strategic units that have a high level of autonomy and which are authorized to make innovation development decisions;
- Resource support for decisions taken in relation to innovations.

Main obstacles:

- The emergence of contradictions between the functional units and the coordinating center;
- The increase in the duration for the implementation of strategic innovation solutions.

5. Innovative development, based on the principles of cooperation. Main development characteristics:

- Strategic maneuverability increase;
- The uniting of a team into a team of like-minded people;
- Determination of common interests and values;

- The emergence of a new impetus for innovative development.

Main obstacles:

- The threat of psychological fatigue crisis, when the collective cannot work as a single team;
- Informational uncertainty in the process of strategic innovative solution adoption and implementation.

The last stage characterizes the logical end of a business entity innovation development cycle. The next step may be its restructuring and reorganization, but in the end, there is a direction to the initial stage of development as the result of the cycle, which is based on creativity. The general characteristics of each stage of a business entity, innovation development process and the sequence of obstacle removal are reflected in Table 1.

Table 1 - Organizational characteristics of the stages for a business entity innovative development

<b>Characteristic</b>	<b>Innovative development of a subject, based on creativity</b>	<b>Innovative development based on the competence of management</b>	<b>Innovative development based on the principles of managerial power delegation</b>	<b>Innovative development based on the principles of action coordination</b>	<b>Innovative development based on the principles of cooperation</b>
<i>Management priority</i>	Product development, marketing	Clarity, planning, regulation of works	Innovative development potential increase	Coordination system increase; consolidation	Strategic maneuverability, problem solution
<i>Main obstacles to innovation</i>	Absence of formalization; absence of correlation between organization scales and the level of knowledge and skills	Bureaucratization, rigid centralization of power; limited creativity; controversy	Lack of resource support; control	The emergence of contradictions between departments and the main center; the increase of time for decision implementation	Psychological fatigue; information uncertainty; untimely adoption of innovative solutions
<i>Organizational component</i>	Informal organizational relations within management subject	Centralized functional elements of an organizational structure	Decentralized organizational relations in the middle of the organization	Formation of groups, line-staff units	Team interaction
<i>Management style</i>	Entrepreneurial	Authoritative directive	Democratic	Paternalistic, strict	Participatory management
<i>Control system</i>	Market results	Standards; cost centers	Reports; profit centers	Plans; investment centers	Strategic landmarks
<i>Motivation system</i>	Joint ownership	Wage increase	Bonus reward system	Profit sharing	Teamwork reward

In order to overcome the obstacles to an innovative development of economic entities, it is necessary to understand the nature of a particular obstacle and its causes deeply, with the aim of appropriate programs and activities development for their overcoming. It happens quite often that business entities are ready to collide with

the obstacles and are able to react adequately to the received signals of such situation, phenomenon and problem occurrence. The system of obstacle appearance in the process of a business entity innovative development is presented on Figure 5.





Figure 5 - The system of causing obstacles to the innovative development of business entities

Let us consider each of them.

**Wonder.** The need for innovative development, the development of innovations arises suddenly mainly. This can happen on the basis, for example, because of a crisis situation emergence in the process of economic entity functioning, the emergence of a new product on the market from a competitor, the loss of traditional sale markets of own products, and the loss of resource support. **Concern.** To develop by yourself, to order from someone else, or to purchase a ready-made innovative project? A number of various questions arise, which need a reasoned answer, before making an administrative decision on the choice of business entity activity trend. **Lack of information.** Simultaneously with the search for answers to the actual questions, many events occur, situations arise that affect the tracking of information. The information about the events and the situations that arise on the path of innovation development, the creation of innovations are characterized by uncertainty and asymmetry. It is difficult to identify the main data in the accumulated information, which influences most of all on the innovative development of business entities. **Dynamics of events.** Events appear, they are changed, it is rather problematic to establish their sequence and relationship. The development of events attracts the attention of the external environment (partners, competitors, regulators, and the public), there are the influences to which it is difficult to find adequate answers, creative ideas are destroyed and the actions to innovation creation and attraction are disorganized. **Loss of control.** Low quality of management is the reason for the appearance of obstacles to innovative development, which entails a certain loss of control over

a situation. At the same time, not only uncontrolled events can occur, but also an intensive accumulation of information on the course of the innovation process. External control increase. The loss of internal control leads to the loss of confidence and an increased external control over the resource supply for innovative intentions. The involvement of external experts, independent auditors, and the strengthening of control by regulatory bodies take place. **Blocking of work.** There are the moments when everyone is opposed to any innovative work. **Despondency and panic.** There is a state of despondency in the innovative breakthrough of a business entity, which gradually develops into the panic of a possible bankruptcy. In this case, it is not easy to convince someone to use at least some constructive actions to remove an economic entity from the state of decline. **Bankruptcy or obstacle elimination.** At this stage, either the liquidation of a business entity occurs, or the program of its innovative recovery is implemented and it has a chance to "survive". A successful overcoming of phenomena, events and situations that create the obstacles to innovative development is possible only on the condition that the main factors are taken into account fully:

- 1) The use of manager knowledge and competences who are able to remove the obstacles in a short time and provide a full analysis of the causes and situations;
- 2) Step-by-step implementation of measures to improve the innovation culture, primarily in innovation process management at the current and strategic levels;
- 3) The improvement of employee incentives, their involvement in obstacle removal management at all stages of innovation development to ensure cooperation;

- 4) Rational and effective application of insurance reserves to remove the obstacles to innovation while keeping the balance of business entity long-term interests;
- 5) The avoidance of business entity innovative potential destruction as an important factor in its livelihoods;
- 6) The creation of a culture to fight obstacles, the development of an innovative culture;
- 7) The creation and the growth of goodwill (reputation) of a business entity.

One of the conditions an effective management of obstacle removal to innovative development of activities is the promptness of response to signals about possible obstacles and threats. Therefore, in our opinion, it is necessary to adhere to such principles of process management concerning the elimination of obstacles to innovative development:

- 1) the management of obstacle removal must be based on the development of strategic programs that are aimed at economic activity stabilization, the increase of innovation pace, the introduction of various types of innovation, a quick response to the changes that occur in the environment with the minimum of financial and material losses;
- 2) The monitoring of external and internal environment of economic entities, the activation of constant monitoring state, and the waiting for signals about possible threats to innovative development;
- 3) Any delay in the introduction of appropriate measures by business entities, which under the conditions of innovative renovation threaten to create a crisis;
- 4) The implementation of any action to remove the obstacles to innovative development should be strictly focused and ensure the possibility of a given level of efficiency achievement;
- 5) The development of management decisions should be carried out based on prompt and reliable input information, an adequate information and analytical support;
- 6) The management system should provide the prediction of event development with a given level of reliability;
- 7) There are no universal strategies, programs, activities or the recipes for obstacle removal in management;
- 8) Strict prioritization of problem solution that has arisen because of the time and resource constraints of innovative activity provision;
- 9) The implementation of management by the removal of obstacles should be handled by competent experts with the modernized management hierarchy in accordance with the requirements of innovative development for a business entity.

Therefore, the basis for the management of obstacle elimination process for the innovative development of business entities is the process of weak signal and

interference continuous monitoring, which indicate the possibility of the appearance and the development of negative anti-innovation trends and threats to innovative development.

#### 4. Discussion and summary

The analysis made it possible to determine the essence of process management concerning the elimination of obstacles to an innovative development of business entities, to identify its purpose and functions. The emergence of obstacles for business entities arises at different levels, so this feature calls for the development of a variety of preventive measures for their elimination, which correspond to each stage of the innovation process. A special feature of business entity strategic management in the context of obstacle removal to innovative development is the need to form and implement the management tools that differ from traditional management. The management of obstacle removal should not be narrowed to classical management tasks: the change of product lines or nomenclature, the increase of labor efficiency, the reduction investment search costs and capital markets, the restructuring of liabilities and assets, etc. Such tasks are subject to constant expansion and do not depend on the state of a business entity activity. The management by the removal of obstacles to innovative development requires from managers to conduct unusual and unconventional events for a normal state, the choice of which is associated with certain causes and errors that are entailed financial and economic difficulties. However, the main difference from effective innovative programs is the growth of risks and related operations, which are unacceptable under usual conditions.

Summarizing the mentioned above, the following conclusions can be drawn based on the performed study of obstacles to the innovative development of business entities:

- The obstacles that are a natural phenomenon and they must be taken into account during the management by innovative development and a business entity activity. On the basis of this, the classification of phenomena, events and situations is proposed hindering the innovative development, as well as the systematization of the causes for these obstacles;
- The development of an innovative policy and strategy by business entities should occur on the basis of obstacle identification to innovative development;
- The selected elements of management by the process of obstacle elimination for innovative development provide an opportunity to understand the essence of this phenomenon and contribute to the development of

effective innovative strategies with their subsequent introduction into the practice of business entities;

- The subsystem of supply chain management by the process of obstacle elimination to innovative development should occupy an important place in the practice of business entities during the justification of actions and measures for management system implementation as a whole. The tasks, the functions and the features of the supply chain management subsystem are examined for the elimination of obstacles to innovative development in the framework. The study is practically importance to solve the problem of organizational and economic instrument development to create an innovative strategy for the development of economic entities based on the adoption of optimal strategic management decisions.

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