

THE ROLE INNOVATION ON STRATEGIC ORIENTATIONS AND COMPETITIVENESS OF ENTERPRISES

Dragisa OBRADOVIC

UNION University in Belgrade, Serbia

dragishaobradovic@yahoo.com

Dragan OBRADOVIC

Agricultural School of Pozarevac, Serbia

stashabre@hotmail.com

Abstract

The most important strategic decisions related to technology in a company related precisely to determine the timing of the election of a new technology that will replace the existing one. By monitoring all the new features will be prevented that the existing technology comes a phase of maturity and obsolescence, and that previously have not been introduced in a timely manner the necessary changes and substitution/replacement of new technologies.

The life cycle (already) technology represents the absolute frequency of 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 and patents can significantly affect the former structure of enterprises, the production process, method of delivery, financial management, etc. The best example, which is just one of the biggest problems of today, the use of technology as a substitute for labor. By automating processes and using artificial intelligence gradually replaces the human factor in all processes.

Key words: *innovation, strategic orientation, the company, competitiveness.*

JEL Classification: *L23, M11, O31, O32, O33*

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 ASPECTS 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.

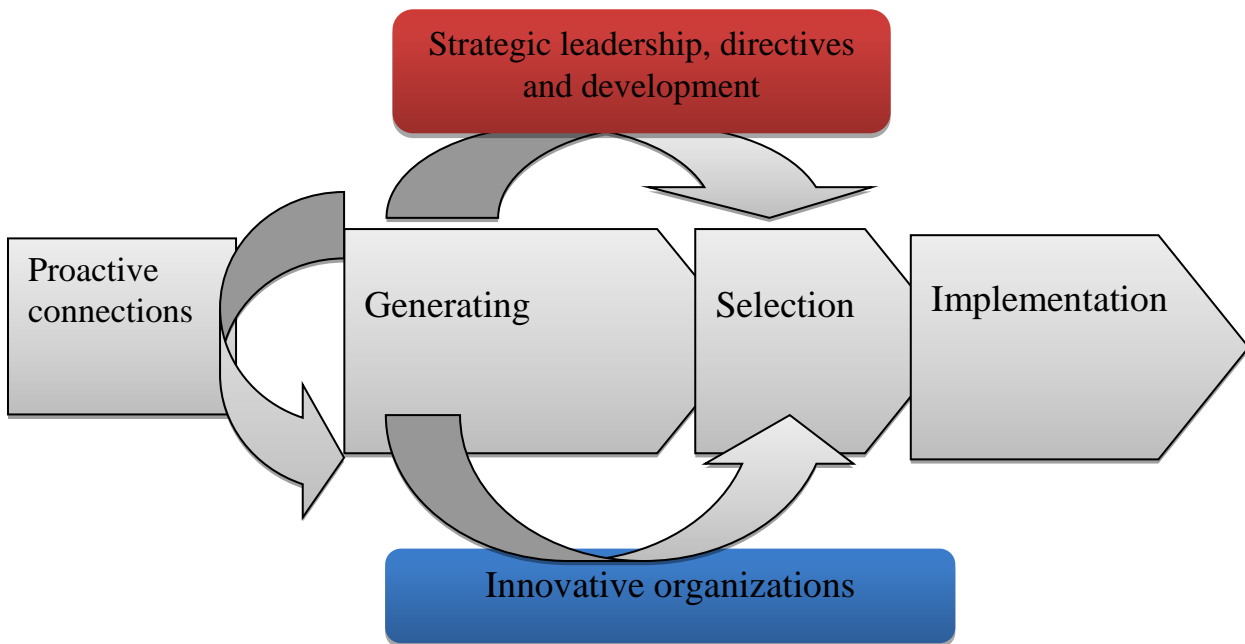


Figure 1. Model of innovative management

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 (more competitive). 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 (and remain) profitable in business. (Porter M. 2007).

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. (Forbes, N., Vield D., 2002).

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*
- processes within the company and within the supply chain can be reliable and that the delivery is faster - *a strategy agility*
- 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. (Regodić D. 2011.)

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. (Lajović D. 2004)

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.

Innovative companies are adopting the philosophy that there is always a better way of doing business and are searching for new ideas that will increase its value and reduce costs. Regardless of the standings, mostly prevalent among us, innovation is needed by every enterprise, from the smallest to those where innovation is the main driving force of development. Innovative enterprises can be reflected through the sale of products and services, mode, organizing their own business and so on. In addition to the innovation necessary to develop and many other skills that would be managed successfully mastered. Very few organizations can survive indefinitely without innovation. The urge to explore the latent potential of new ideas is not a privilege only commercial enterprises. (Boljević A, Strugar M. 2008).

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. (Porter,1985)

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. (Kurtić, 2011). 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.

Today, in a world of globalization, technological readiness is the key enterprises in the battle for competitive advantage. Among the many sources of foreign technology, foreign direct investment often play a key role, especially in countries with a lower level of technological development. It should be noted that, in this context it is necessary to distinguish between the level of technology in the country and the possibilities of the

country to create new technologies. The increasing importance and benefits of technology, have led to an increase in the number of scientific papers and studies devoted to the study of technological predictions. The aim of this research is monitoring the development in a particular area that can be used for the implementation of technology foresight; setting research priorities; Tracking technological trends; the integration process of technological management; identifying technological opportunities; visualization of process data. Only through interaction and collaboration of the private sector, and universities, with their different objectives and incentives can create a foundation to support an optimal level and pace of technological development and deployment of the technology.

The role of technology as a resource for building competitive advantage is important, not only in manufacturing industries but also in the service. Services are located in the center of economic activity and companies are closely linked with other sectors of the economy. The exponential growth of services at the international level not only intensified the competition but also represents a challenge. Advances in information technology has reduced product life and opened new possibilities for managers of services. Moreover, the nature of business today requires companies to build relationships with customers and partners, using technology to deliver services instantly, across international borders. Advancement of technology has directly influenced the growth and importance of the services, in terms of self-service offerings, as well as component products and service packages. Services have become a factor that helps primary industry in achieving global competitiveness.

"Information technologies are at the heart of technological change in the service sector."

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.

"Technological change is one of the main generators of competition and one of the most important factors that could change the rules of competition. They play the most important role in changing the structure of existing and creation of new industries. In addition, technological change, equating the company, since they reduce the competitive advantage of each, even the best-positioned and stand out of the other. Many large companies today are due to the fact that they were able to take advantage of technological change."

"In order to use technology in order to gain competitive advantage, the company is aware of the role of technology in business strategy. Only after that can be planned and financed technological efforts, but also to measure the contribution of technology growth, development and profitability. When a clearly established role of technology, it is much easier to improve its utilization, allocating resources and managed in order to achieve the desired strategic objectives. "Predicting the future is a significant area of strategic management, which provides the basis for the strategic management of the company or future management actions and activities.

V. THE ROLE OF GOODWILL IN COMPETITIVE ADVANTAGE

Strategic competitiveness is, as noted above, under the direct or indirect influence of company managers. They are the ones who make the key decisions in the field of investment in human resources. Regardless of the costs of this investment nose, it will be considered that it is now very much contribute to the achievement of competitive advantage (Hitt et al., 1991). Investments in personnel training lead to improvements in their productivity and increase their job satisfaction, and long-term adherence to the company for which they work. Building successful relationships with employees based on establishing two-way communication. Employees are one of the key stakeholders in the company of which depends critically on the success of its business. Therefore, in the literature in the field of marketing management increasingly emphasizes the importance of the introduction of the internal marketing (Varela, 1995), as well as the need for positioning the employer as Brenda (Segal and Malati, 2013). The authors define the brand as an employer image that you have about a particular company Employees (current and potential), and other important stakeholders. They also point out that employer branding, which is an integral part of internal marketing, adverbs commitment to the company's employees contribute to its operations, which further leads to better business results, measured through higher productivity and profitability. The company acquired a better reputation among internal, and external stakeholders, and thus, investments in employees actually leads to an increase competitive advantage.

Before making related to attracting, developing and retaining top employees, managers make decisions about investments in research and development. Although due to increased costs in the short term may affect the decrease in profitability, investment in research and development in the long term contributions building competitive advantage. The results of these investments are innovations, which are linked with market success, but also better position the company on the stock exchange. Innovations attract consumers, but also created expectations among investors, on the basis of which is determined by the price of their shares. Innovation in

itself carries a certain message to the company that affect its reputation among the relevant stakeholders, and above all: customers and consumers, investors, media and employees, as well as representatives of relevant institutions. This means that when you decide to invest in innovation, enterprise managers contribute to building the reputation of communicating with important stakeholders, which in the long run leads to strengthening competitive advantages.

Last but not least strategic management decisions and tensions are building the appropriate corporate culture which in turn can contribute significantly to achieving adequate success in a given market. As well as investing in employees and research and development, corporate culture is also significantly associated with building the company's reputation. Flatt i Kovalczik (2008) found a link between corporate culture and reputation, as well as their impact on competitive advantage. The corporate culture that implies a set of values and norms that determine the behavior of an organization also supplements the construction of identity which is simultaneously the basis of its reputation (Flatt and Kovalczik, 2008). Communicating cultural values and norms and the company's identity as within it the same, and in the outside world significantly approached the building reputation indicates that the corporate culture and reputation strongly linked. In my work, i Kovalczik Flatt (2008) have also been empirically proved that corporate culture directly and indirectly approached the financial success of the company. The indirect impact of culture was founded precisely on the basis of the influence which itself has a reputation in the competitive advantage of companies.

VI. STRATEGY INNOVATIVE-ENTREPRENEURAIL MANAGEMENT

Development market economy receives a major part manager. Management responsibility is assigned to the top, while the management of privileges delegated below. Management refers to the entire management process - from planning, hiring, directing, coordinating, executing to control. On the other hand, leadership is the ability to efficiently influence the opinions, attitudes and behavior of associates for fulfilling the requirements of the organization. To be a successful business it is necessary to establish an appropriate successful team. Successful management depends on the adequate formation of the team, in which the members complement each other with the characteristics of team leaders. Leaders are not elected but are revealed in educational training programs, and differ from other executives subordination of individual power, personal characteristics, by navigating in difficult situations, the nature of organizing its own potential characteristics and traits of leaders. This form of training is often called ethical management because it is based on cooperation with the people and the team. (Grin B., Hamel G., 2009).

Economics and management is usually equated. As part of the management to the economy so the management of the economy, which is showing a good style of management skills and the way to making profits. From the perspective of science and practice, management is extremely complex discipline and skills management processes and management organization of the company. Management also includes the science of professionalism and entrepreneurial strategy of doing business. Highlights scientific management make up at least 23 scientific disciplines: economics, technology, engineering, law, staffing, psychology, organization, information, communication, ethics, ergonomics, Educology, adult, aesthetics, ecology, sociology, geography, demography, anthropology, occupational medicine , mathematics, logistics and strategy planning. Because of all these different sciences and scientific disciplines, we can say that the management itself is very specific. That is why in recent times for the management uses the term scientific management. He again has its own specific functional parts with new specificities - marketing management, personnal management, technological, financial, etc. (Tosović Stevanović A., 2009).

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. The management director determines business objectives, directions and development strategy, organizing and directing resources, integrates all available forces and create conditions for greater productivity and success, he decided, coordinate, delegate, control and corresponds to the general trend of growth and development and thus contribute to the development of enterprises . These are one of the main reasons that all civilizations and social systems contributed great importance to managers and organizers of affairs. It is known that decisions about innovations can not make a routine even partially - is less and less decided on the basis of improvisation changes, and more and more related to simulation kom-plex factors of the innovation process. 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. Drucker, P., (1991).

Partly classification technological and innovative development depends on the intensity of scientific research and application of an organizational function, or the appropriate development model that is created on the basis of harmonized technical and market as a result of the adoption of new business goals require numerous quantitative and qualitative indicators at the company and at the level of each function in the company, who have the task to quantify the level of its quality and to facilitate the positioning of the company on a path of their own growth and development in relation to other companies. It promotes the integration of financial and non-financial criteria with aspects of strategy and production efficiency.

VII. CONCLUSION

Based on the above presented, we can conclude that innovation occurs as a necessity today. 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. He must control the process, evaluates, corrects errors that come in his way. 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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