

UDC 330.343

MANAGEMENT OF INNOVATION AND INVESTMENT ACTIVITY AT AGRICULTURAL ENTERPRISES**Kharchenko H.A., PhD of Economics
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The article highlights the issues of management of innovation and investment activity of agricultural enterprises. The company's success depends on the effectiveness of innovation implementation, as well the availability of the capital to ensure sustainable financing. Possibilities for promotion of the management process taking into consideration the implementation of innovation due to characteristics of the investments and relevant specific features of agriculture were pointed out. A set of measures aimed at more effective management of innovative and investment activity of enterprises was proposed. The sequence of stages of innovation is mentioned in order to ensure full understanding. Attention was paid to the strategic innovation management that is focused on defining and achieving objectives in a competitive environment and is directly reflected in the strategic plans. Data of the volume of investments in fixed capital and foreign direct investment according to the sector of economic activity of agricultural enterprises was presented and analyzed. Advantages of application innovative and investment activities in order to achieve long-term goals of the agricultural enterprise were mentioned.

Keywords: innovative and investment activity, agricultural enterprise, investment, management, strategic planning, capital

УДК 330.343

УПРАВЛІННЯ ІННОВАЦІЙНО-ІНВЕСТИЦІЙНОЮ ДІЯЛЬНІСТЮ СІЛЬСЬКОГОСПОДАРСЬКИХ ПІДПРИЄМСТВ**Харченко Г.А., к.е.н.
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Досліджено питання управління інноваційно-інвестиційною діяльністю сільськогосподарських підприємств. Успіх підприємства прямопропорційно залежить від ефективності впровадження інновацій, а також наявного капіталу у підприємства для забезпечення сталого фінансування. Зазначено можливості активізації процесу управління щодо впровадження інновацій з урахуванням характерних особливостей інвестицій та відповідних специфічних рис ведення сільського господарства. Запропоновано комплекс заходів, спрямованих на більш ефективне управління інноваційно-інвестиційною діяльністю підприємств. Наведено послідовність етапів ведення інноваційної діяльності для забезпечення повного розуміння. Привернута увага до стратегічного управління

інноваціями, що орієнтоване на визначення і досягнення перспективних цілей в умовах конкурентного середовища та безпосередньо відображається в системі стратегічних планів. Наведено та проаналізовано дані щодо обсягів інвестицій в основний капітал та обсяги прямих іноземних інвестицій за галузями економічної діяльності сільськогосподарських підприємств. Вказано переваги ведення інноваційно-інвестиційної діяльності з метою досягнення довгострокових цілей сільськогосподарського підприємства.

Ключові слова: інноваційно-інвестиційна діяльність, сільськогосподарське підприємство, інвестиції, управління, стратегічне планування, капітал

Actuality of the problem. Nowadays it has already become a common thing to focus attention on the effective management of innovation and investment activities at Ukrainian agricultural enterprises. Innovation is considered to be a pledge of effectiveness of the enterprise performance. In turn, investment security is source of funding and guarantee of the implementation of innovations directly into the process of the activity. Generally, a good combination of both innovative and investment software control can further ensure the successful functioning of the enterprise.

Analysis of recent research. Today, there is a considerable number of works on various aspects of innovative and investment activities. The theory and practice of investments and investment activities in the agricultural sector were highlighted in the works of such scientists and economists, as V. Andriichuk, I. Balabanov, O. Ermakov, S. Colatukha, N. Polischuk, P. Sabluka, V. Savchuk, V. Topikha, A. Chupis and others. However, despite the fact that issues of investment management is now receiving much more attention, yet some questions remain open or need improvement. Particularly the question arises whether strategic planning skills will be able to provide the enterprise with innovative and investment resources, paying considerable attention to specific features of the agricultural sector as well.

The purpose of the article. The article aims at identifying opportunities for the development of agrarian formations on the basis of enhancing the management of investment and innovative activities, taking into account characteristics of agriculture.

The main statements of the research. The activity of the enterprise is considered to be successful and effective providing achievement of the competitiveness of the offered products or services. It greatly depends on the efficiency of management of innovation and investment software.

Key to the growth of competitiveness of agricultural products and ensuring the effective and efficient use of resources in modern conditions has been the willingness of agricultural enterprises to be innovative. Today, thanks to changes in the understanding of the role management system, agribusiness in Ukraine obtains more and more characteristic features of business mainly due to the application of innovation management.

In turn, the impact of innovation activities of enterprises is determined primarily by the availability of the necessary internal and external sources of financing in innovation, the possibility of their rapid mobilization, the interest of the investor in the support of innovative development [8, p. 77]. Therefore, the efficiency of innovative activity of agricultural enterprises in direct proportion depends on the possibility of investing in innovative projects.

Taking into consideration the specifics of investment, such as longer payback period during the time of innovations implementation, increased risk of implementation, uneven revenue from investments and changes in the conditions of functioning of enterprises determine the importance of further improvement of the principles, forms, methods, and sources of investment support innovation activities of enterprises. There is, therefore, a need in the formation of new scientific approaches to investment support innovation and the development of a practical framework for their implementation. This respectively determines the actuality of the research subject and its practical importance [6; 7].

It appears that investments are those economic resources, which are aimed at real capital maximization that is the expansion or modernization of production reserves. Investments in agricultural enterprises can be classified as follows in Fig. 1 [1].

Also this should include expenses on education, research study, staff training and retraining. These costs are known to be investments in «human capital» that become increasingly important.

In modern conditions agricultural sector faces the problem of the necessity of introduction of effective incentive mechanisms, ensuring a favorable investment climate to attract domestic and foreign capital and further development of an effective system of investment processes management. Taking the characteristics inherent to the agriculture into consideration, the investment requirement for the development of agricultural production is an objective conditional necessity. Agricultural production, as a

rule, occupies a central place in the Ukrainian agro-industrial complex and requires expanded reproduction, development on an intensive basis with the aim of ensuring economic and food security of the country.

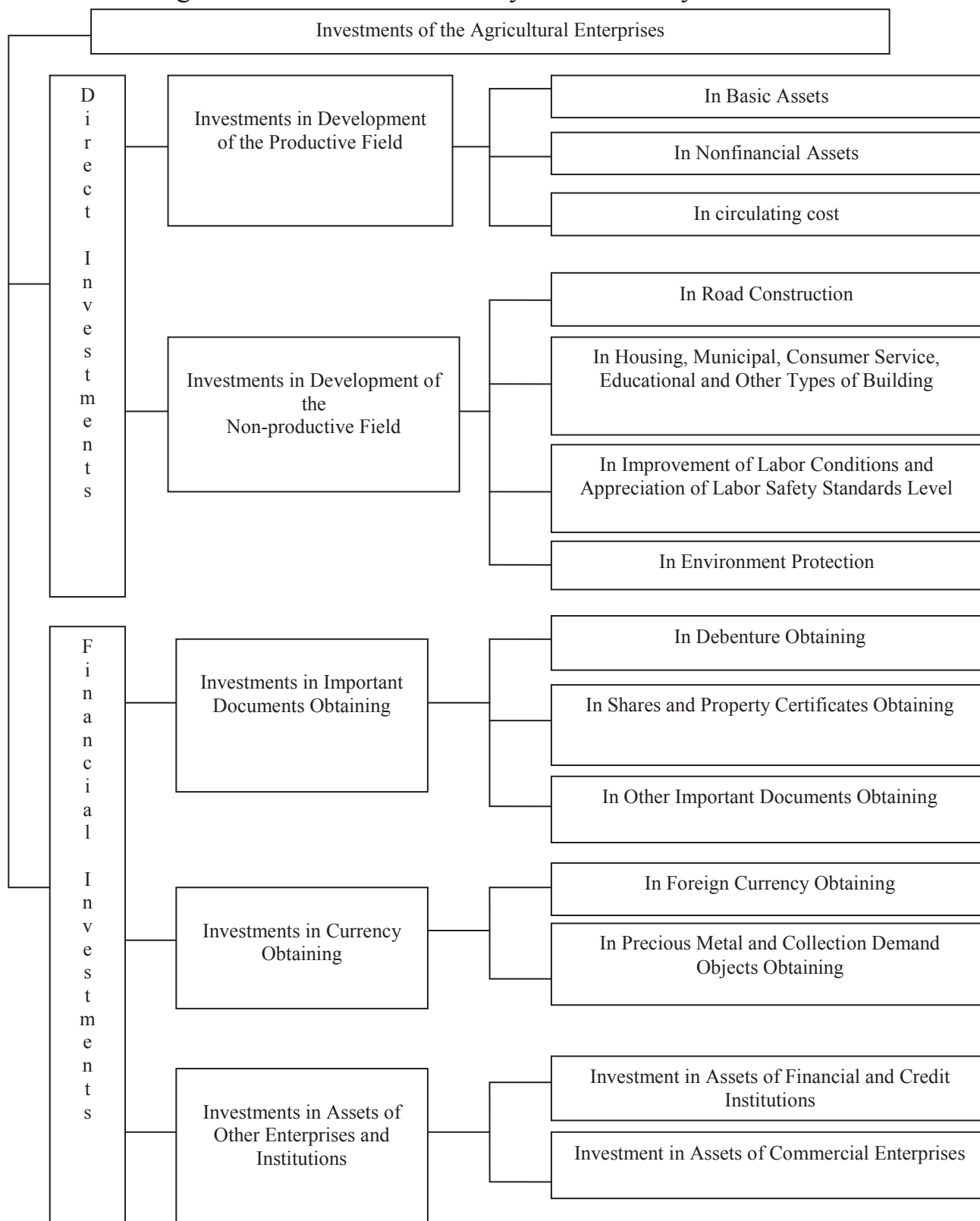


Fig. 1. Classification of investments at agricultural enterprises according to the objects of investments

Economic growth in the industry, as well as the accelerated modernization of material-technical base largely depends on the investment activity. Today raising capital in the form of loans, direct and portfolio investment is critical for economic growth and economic stabilization as a separate industry and country in general [10, p. 318].

As a result of the analysis it was revealed that agriculture has a steady tendency to growth of investments in fixed capital: in 2012 the volume of investments made to 293691 million UAH., that was 55516 million UAH. less compared with 2011, 122599 million UAH less compared with 2010 and 141914 million UAH. compared with 2009. In 2013 there was a decrease in investments and it leveled off 267728 million UAH (Table 1).

Table 1. The volume of investments in fixed capital by types of economic activity in Ukraine, mln UAH

Indices	Years						2013 in % to 2009
	2009	2010	2011	2012	2013	I half 2014	
Total volume of investments, in alt	151777,0	189060,6	259932,3	293691,9	267728,0	86860,0	176,4
from them in: husbandry, hunting and forestry	9382,0	11567,5	17039,0	19411,0	19059,0	6385,0	203,1
Husbandry, hunting and services connected with them	9295,0	11311,3	16702,7	19085,7	18639,7	6250,0	200,5
Forestry and services connected with it	87,0	183,0	286,9	282,3	385,6	131,0	443,2
Fishing	22,0	73,2	49,5	43,0	33,7	3,0	153,2

Calculated according to the State Statistics Service of Ukraine

At the end of the first half of 2014, the volume of foreign direct investments in agriculture, forestry and fishing of Ukraine decreased by 104,1 million dollars or 13.4% to 672,5 million U.S. dollars, compared with the amount of investment at beginning of the year. The rate of outflow of investments in agriculture was even greater than in the economy in general.

Thus, foreign direct investment in all types of economic activities of the state decreased for the first half of 2014 by 11.9% to 50 billion, and the share of agriculture, forestry and fisheries has decreased from 1.4% to 1.3%. Agricultural industrial complex took the sixth place due to the pace of reductions in foreign direct investment [3].

Having analyzing the structure of foreign direct investments in the Ukrainian economy in 2013 compared to 2011, it was found that there was a

slight but negative trend of decreasing share of investments in agriculture in the structure of revenues by 0.2 % (from 1.4 % in 2013 and 1.6 % in 2011). The volume of foreign investment in agriculture in total income in 2013 was 839,3 thousand dollars U.S. The largest investor countries in the agrarian sector are Cyprus, Denmark, Germany, the UK, however, foreign investors consider investing in agriculture be over risky.

Indicators such as investment climate, economic mechanism of investment and agricultural performance peculiarities have a great impact on and directly form the process of investment management in agriculture. The agricultural sector differs with seasonality of production, the presence of living organisms, increased risks, local productions location, relatively high capital intensity and slower turnover that require significant investment to ensure high performance. Innovative potential stimulates the ability of agricultural enterprises to compete on the domestic and foreign markets and helps to avoid economic crisis.

Having analyzed innovation and investment processes in Ukraine, it was determined that the lion's share of investments in agriculture, hunting, forestry, accounts for the acquisition of means of production. In 2013 716,4 thousand dollars was spent on the acquisition of fixed assets from the total volume of investments, which amounted 980.0 thousand dollars. U.S.

The capital of epy enterprise and obtained loans in this case are priority investment sources of innovation. Today, there is limited support for investment by the state taking notice of the political, legal and economic situation in the country. Moreover, decline in interest of foreign investors in the field of innovation of the agricultural sector is observed for the last period.

The company must be prepared for the fact that the growth of investments consequently can jeopardize the existing management structure in case of impracticality of innovative and investment activity task solution. This is usually the case for linear-functional structures, which ultimately can lead to reduced efficiency of the management of innovation and investment activity of the enterprise.

Agriculture is that food sector in the national economy, the effectiveness of which is directly proportionally depends on the investments in its development. It is worth noting that the investment activity of the enterprises in agriculture is the guarantee of their sustainable development and effectiveness. Material-technical base of the enterprise, the availability of resources, professionalism of human

resources, the volume of manufactured products, as well as the level of profitability depend on the volume of investments.

As far as innovative activities of enterprises has a progressive direction, it allows to achieve long-term competitive advantages, improve the technological level of production and resource use efficiency, accelerate the growth of labor productivity, cut costs and reduce production costs, increase agricultural production, therefore it is advisable to offer a complex of measures aimed at more effective management of innovative-investment activity of enterprises:

1. The main thing of the key events is considered to be finding and evaluating the sources of investment innovation application . The own capital of the enterprise, access to investment resources for innovation financing, investor interest in innovation are the primary activities in the innovative development of the enterprise. Despite the significant potential profit from the innovation implementation, innovative performance investment activities of enterprises is quite problematic. The reason can be considered to be the specificity of innovation. Investment and innovation activity are characterized by a longer payback period and high risks associated with the uncertainty of the result of the innovations implementation.

2. Not less important event on the way of achieving a high level of innovative and investment processes at the macro and micro level is the state support of innovation and investment activities of enterprises.

3. Each agricultural enterprise depending on their specialization, size and the actual innovative capacity has various opportunities for innovation. Therefore, one of the priority activities aimed at promotion of innovation and investment activity of enterprises is the real ability of the company to invest the implementation process of innovation. The company's ability to implement investment due to the innovative potential of the enterprise within the chosen strategic direction.

Innovation in agriculture should be seen within four stages: development of innovations, their testing and validation, playback of innovations, as well as their implementation into production [10]. To ensure the effective management of agricultural enterprises coordinated functioning of all four stages should be provided. Strategic innovation management is focused on defining and achieving long-term goals in a competitive environment, which is reflected in the strategic plans system. Among them innovative performance plans take an important place [5].

Problems connected with credit support for the agricultural sector cause the necessity of improvement of the credit mechanism. Differentiation of lending through the use of interest rate for credit use can promote improved credit conditions for farmers.

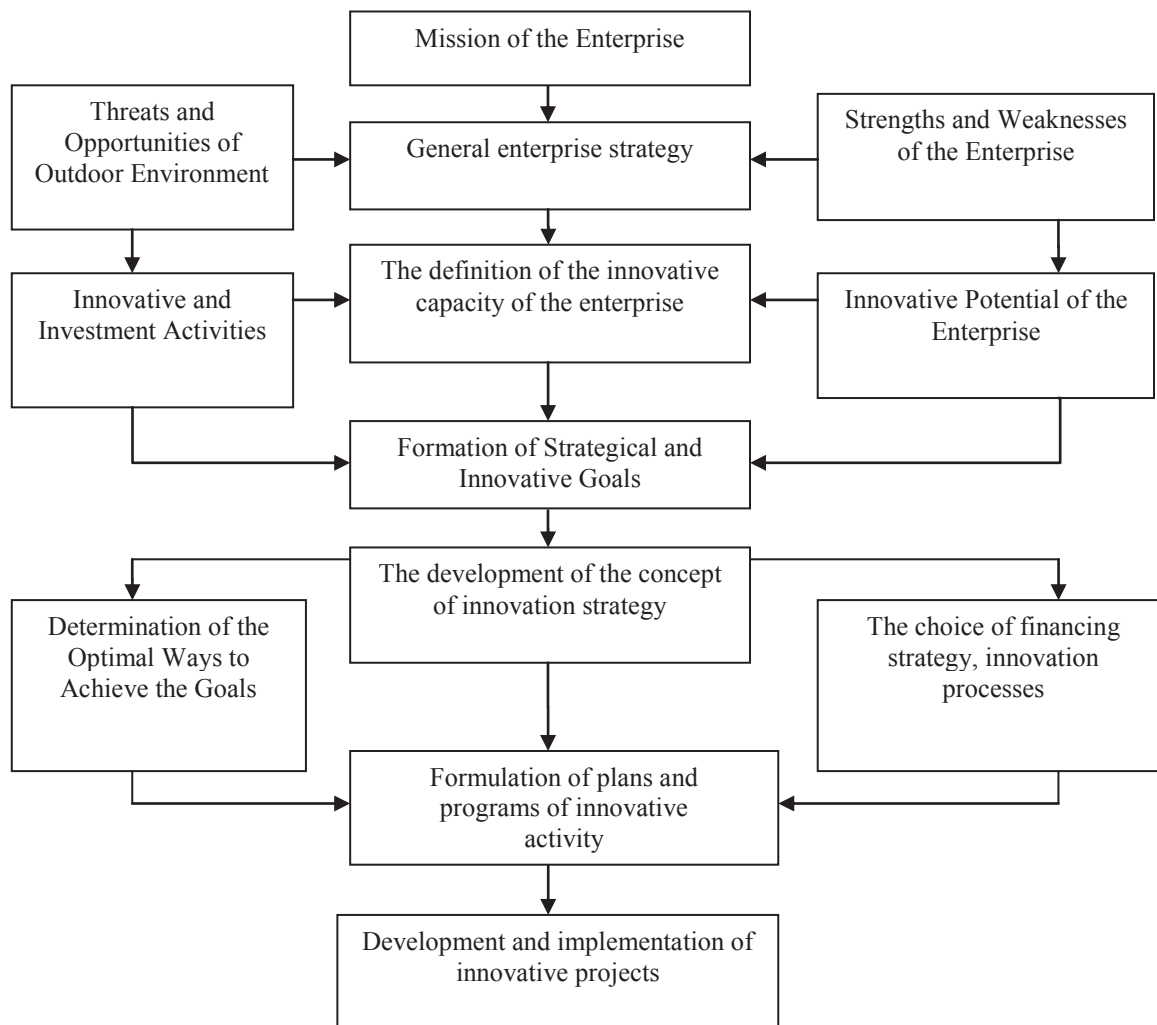


Fig.3. The basic steps of strategic planning of innovative activity of the enterprise

Thus, the banking sector has a possibility to affect on improvement of the company performance.

Conclusions. Thus, management of innovation and investment activity of the company involves the management of investment provision, aimed at the introduction of scientific and technical innovation, continuous improvement of manufacturing technology and enterprise desired niche in the domestic and global markets.

Effective management of the process of investing in innovative development contributes to a qualitative shift in scientific and technological production base of agricultural enterprises and improvement of the final economic results. It worth evaluating the role of the state in the sphere of

innovative-investment activity, creation of favourable conditions for sustainable development of agro-industrial enterprises, development of competitive products on the world market, which should maximize the use of all levers of influence for regulation of innovative-investment processes.

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