

**Lytvynenko O. D.,**  
**Candidate of Economics, Associate Professor**  
**Kharkov Trade and Economics Institute of**  
**Kyiv National Trade and Economics University**

## **DEVELOPMENT OF INNOVATIVE ENTREPRENEURSHIP IN UKRAINE**

Orientation on the formation of an innovative economy in Ukraine causes the need to intensify innovation processes both at the state level and at the level of entrepreneurship. The practice of the most innovative-active countries of the world convincingly testifies that small business is the driving force of innovative transformations [1]. In the domestic business environment start-up identified with the beginning of a new business aimed at commercialization of any innovations.

The Research of innovative activities features in the small business sector as well as search for ways of its financing were occupied by scientists such as: V. Anshin, N. Baldich, T. Vasilkov, T. Vihot, O. Datsko, V. Zakharchenko, O. Ilyash, O. Kornukh, I. Matvey, L. Makhanko, M. Merkulov, O. Mokia, V. Nagorny, M. Petryuk, N. Khodko.

A distinctive feature of start-up is a significant scalability of the project for a short time period. Characteristic features of a start-up project:

- a presence of business model ability to become scalable, repetitive and expanded;
- a high speed of project development and the most effective promotion of the company in the market;
- minimal costs of resources from the authors of the start-up project;
- a brief history of operating activities;
- an ability to adapt;
- a certainty in the project and its flexibility, taking into account the needs of the market;
- a new enterprise (project) may not be registered with the relevant authorities;
- unique and originality of an business idea [2].

Cabinet of Ministers of Ukraine on July 10, 2019 approved the strategy of innovation activity development for the period up to 2030 [3].

Now a difficult situation emerged in Ukraine. On the one hand, there is the emergence of numerous interesting start-up projects, the authors of those ideas stand in need of investing for their development [4].

The main sources of financing for any start-up project are projecting own and attracted funds, but sometimes own funds of entrepreneurs are not enough, and obtaining a traditional bank loan is impossible. In view of this, there are several alternative options for financing innovative projects.

Firstly, there are institutions for the financing of community development. Local development Institutions act as a tool to implement the concept of local economic development.

The second alternative source of funding for start-up projects is venture capitalists. The Ukrainian market of venture capital in the next few years will show rapid growth.

Another alternative source of financing for small business innovation is partnership financing. With a strategic partner financing, one firm finances another (usually from the same industry) it gets special access to your product, staff, distribution rights, profit rights of final sales or some combination of these products [4].

Another alternative source of financing for start-up projects is factoring.

A relatively new type of startup financing is crowdfunding. Crowdfunding is a collaboration of people who voluntarily pool their money or other resources together, as it has been the case through the internet, to support other people or organizations' efforts [5].

Consequently, it can be concluded that innovation activity in Ukraine is at the stage of development. The investor, before invest into the project, analyzes possible risks and tries to minimize them. Therefore, a new product or service, that are offered by startup founder, must solve a particular problem, propose customers something unique, without which they can no longer do. In addition, innovations must be protected so that competitors cannot copy them. It is also desirable that the intellectual property rights for the development be regulated or a patent application submitted. It is also necessary to pay attention to the market, where the startup entering is planned.

Also an important factor for venture innovation is scalability of business. Only in case of account and compliance the start-up project with all the above criteria, it can claim the attention of investors and have chances for a successful implementation.

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