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## **MANAGEMENT OF INNOVATIVE DEVELOPMENT IN THE CONDITIONS OF DIGITAL TRANSFORMATIONS**

The main challenges of today are digitalization, the latest technologies, innovative orientation of business, science and practice. The implementation of any innovative technologies, in particular digital ones, is certainly a long process and carries a lot of unknown challenges for humanity. Thus, it can be considered an unheard-of triumph of science in the 20th century that humanity, using modern information and communication (ICT), expanded the importance of information as a resource for its development, and the importance of the intellectual capabilities of citizens increased. In the 21st century, the Internet and other interconnected networks of the global information and communication space strengthened its importance and determined the value of meaningful information generated by science and education. Today, they have become extremely important for the life of a person, region, and country, stimulating their innovative development.

The problems of managing innovative development, as well as digitalization, were studied by such scientists as Akoff R., Verkhoglyadova N.I., Grynko P.L., Ryabokon N.P., Lyashenko V.I., Hicks R., Vishnevskiy O.S. etc.

The purpose of the study is to develop recommendations for managing the innovative development of business in the conditions of digitalization by revealing their essence and importance for the development of humanity.

The topic of innovation has captured the corporate and political discourse of the planet over the past few years. The dynamic external environment encourages the reorientation of the economy to the value orientations of business development, where active innovation is the key to success. The development of the economy has now entered the era of digitization and ecology. Businesses have wider opportunities to find potential customers, interact with partners, and the process of activity is better and cheaper. That is, the development of enterprises, regions, and the country depends on innovative factors. This is confirmed by the fact that at the beginning of the 20th century. the contribution of science and technology to economic development was estimated at the level of 33%, then at the beginning of the XXI century. – at the level of 70–80% [1]. But in order to achieve and implement the outlined prospects, a number of tasks must be solved, including measures to encourage the use of knowledge in all sectors of the national economy, recognition of the priority of education and stimulation of the comprehensive development of intellectual capital as a source of competitive advantages and the basis for their preservation.

The issue of innovative development was considered by various scientists, as was mentioned above, so let's consider its interpretation. Thus, in the paper [2], the following interpretations of the concept of innovative development are considered - "the formed trajectory, along which the qualitative and quantitative parameters of the organizations' activities are improved, their competitive positions on the market are strengthened, which are achieved through innovation, the global scale of which is determined by the formation of the information and communication paradigm of development digital economy"; "complex socio-economic development of the state through the prism of the intellectualization of capital, the globalization of economic processes, the formation of society's knowledge, the achievements of the NTP using such mechanisms as cloud technologies, large databases, the latest computer technologies" and other definitions. That is, the management of innovative development is a continuous, complex process of qualitative changes in the enterprise based on innovation and digitalization. Therefore, there is a need to determine which innovations will lead the enterprise, region, country to economic development, radical or incremental. Thus, 25% of enterprises focus their efforts on the creation of improving (incremental) innovations. 21.83% of innovation-oriented companies are engaged in the generation of pseudo-innovations (those that differentiate products on the respective markets, products with marketing dominance); radical innovations (new products for new markets) are created by 37.5% of companies; finally, breakthrough innovations (those that create new markets) are generated by 5.67% of enterprises [3].

The concept of disruptive innovation was first explored by Clayton Christensen as a strategy for creating and sustaining successful growth. It can undermine existing markets by expanding and developing new markets and providing new functionality to existing goods and services [4]. That is, these are innovations - redistribution of resources, changes in preferences, consumers, changes in technologies, and thanks to this we get affordable goods and services at lower prices. But for most countries, the creation of such innovative systems was difficult due to the lack of opportunities to improve existing technologies. That is, we can consider that disruptive innovations are promising, even mandatory, but insufficient for the innovative development of business, science, and the country.

In addition, innovation should revolve around three main points, namely: business innovation - this helps to check whether the business is already fully operational; transformation and growth – one must always formulate growth paths based on current market trends, and also understand that the transformation process must be gradual but safe, while maintaining balance.

Therefore, the choice of a specific innovation is important in transformational processes, and it is equally important to take into account the architecture of the innovation system. The architecture of the innovation system is a multi-level organization that necessarily creates an organized environment necessary for the innovation system of business to form, function and develop, in

accordance with the existing opportunities in the aspirations of the country's economy. It is architecture that is essential for sustainable innovation. And the main goals of digital transformation are obtaining new data and using data to reorient old processes. So we can contribute to a better sustainable future for all of us. Because traditional innovations can lead to the creation of profitable goods and services for the enterprise, but can also harm workers and overexploitation of natural resources. Constant innovations are aimed at eliminating negative social and environmental consequences. Innovations aimed at sustainable development are not only the creation of new goods or services, but also changes in the operating system, for example, these processes may relate to design, marketing, etc.

The main advantages of sustainable innovations over traditional ones are:

- ensure the sustainable development of enterprises, i.e. satisfy the needs of consumers without harming the future generation, thanks to long-term activities, investment in technology and people;
- need systemic thinking;
- are a mandatory component of corporate culture.

So, businesses succeed when they are focused on sustainable development. Since such enterprises attract talented employees. Focusing on sustainable development will eventually lead to even more innovations and better quality. But, of course, creating such types of innovations requires time and effort, but the development of digitalization as one of the factors in the development of innovative activities will contribute to this. And the key to this, of course, should be the digital literacy of citizens, enterprises, the government, as well as effective mechanisms of their interaction.

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