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_____ *Кириленко О.М.*
“__”_____2020

КВАЛІФІКАЦІЙНА РОБОТА
(ПОЯСНЮВАЛЬНА ЗАПИСКА)
ВИПУСКНИЦІ ОСВІТНЬОГО СТУПЕНЯ
“МАГІСТР”

Тема: Регулювання та нагляд за Державним підприємством "Міжнародний аеропорт "Бориспіль" в Україні

Виконала: Аланно Рахаф Алі Абдулкарім

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MINISTRY OF EDUCATION AND SCIENCE OF UKRAINE
NATIONAL AVIATION UNIVERSITY
FACULTY OF TRANSPORT, MANAGEMENT AND LOGISTICS

Management of Foreign Economic Activity of Enterprises Department

ALLOW TO THE DEFENSE
Head of the Department
_____***O. Kirilenko***
"__"_____2020

Q U A L I F I C A T I O N W O R K
(EXPLANATORY NOTE)
GRADUATE OF EDUCATIONAL DEGREE
"MASTER"

Topic: Regulation and Supervision of the State Enterprise "Boryspil International Airport" in Ukraine

Performed by: Alanno Rahaf Ali Abdullkareem

Scientific adviser: DC's. in Economics, Professor Kirilenko Oksana Mykolaivna

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Kyiv-2020

NATIONAL AVIATION UNIVERSITY

Faculty of ***Transport, Management and Logistics***
Department of ***Management of Foreign Economic Activity of Enterprises***
Educational Level **Master**
Major ***073 «Management»***
Educational and Professional Program: ***«Management of Foreign Economic Activity»***

APPROVED
Head of the Department
_____ ***O. Kirilenko***
"___" _____2020

TASK
to perform Qualification Work by student
Alanno Rahaf Ali Abdullkareem
(surname, name, patronymic)

1. Topic of thesis: ***Regulation and Supervision of the State Enterprise "Boryspil International Airport" in Ukraine*** approved by the Rector order of ***01/10/2020, № 1848/CT***
2. Deadline of thesis: ***from 05/10/2020 to 31/12/2020***
3. Initial data for thesis: ***Accounting reports of boryspil airport, scientific works of domestic and foreign authors, Internet resources.***
4. The content of the explanatory note (list of issues to be developed):
Required: ***to examine the theoretical basis for improving the innovation in the technology sector of the enterprise; to perform the analysis of financial and economic activity of boryspil airport; to suggest directions of improving the innovation of the enterprise.***
The list of mandatory graphic material:
Theoretical Part: (Fig. – 5)
Analytical and Research Part: (Tables – 11)
Project and Advisory Part:(Tables – 14)

CALENDAR PLAN

№	Stages of Qualification Work Performing	Deadline of Stages	Comment
1.	Collection and analysis of necessary information according to the topic of the thesis	05.10.2020 - 10.10.2020	Done
2.	Conducting analysis of accounting and statistical reporting of International Boryspil Airport	10.10.2020- 15.10.2020	Done
3.	Design the references used in the analysis of the main directions of improving the effectiveness of Innovation in the Technology Sector	to 25.10.2020	Done
4.	Preparation and execution of analytical and research part of the thesis	to 29.10.2020	Done
5.	Preparation and presentation of the theoretical part	to 01.11.2020	Done
6.	Developing proposals for increasing the effectiveness of technological innovation of International Boryspil Airport in Ukraine (scientific justification of recommendations in the project section and calculations of the main economic indicators)	to 05.11.2020	Done
7.	Design of recommendatory section of the Qualification Work	to 25.11.2020	Done
8.	The final design of the Qualification Work (contents,	to 01.12.2020	Done

	introduction, conclusions, appendices, etc.)		
9.	Report and presentation preparation	to 05.12.2020	Done
10.	The signing of the necessary documents in the established order, preparing to defend the Qualification Work and preliminary Work defense on graduating department meeting	to 10.12.2020	Done

Student _____ (Alanno R.A.)
Scientific adviser_____ (Kirilenko O.M.)

LIST OF SIGNS, ACRONYMS AND TERMS

3D - Three-Dimensional
4 Ps - Price, Product, Promotion and Place
ACI EUROPE - Airports Council International Europe
Ad - Advertisement.
AI - Artificial Intelligence
AR - Augmented Reality
ARK - Active Research Knowledge
AWS - Amazon Web Services
CA Technologies - Computer Associates International, Inc.
CEO - Chief Executive Officer
DevOps - Set of Practices that Combines Software Development and IT Operations
DVD - Digital Versatile Disc
Etc. - Et Cetera
EU Countries - European Union Countries
EURO - Official Currency of the European Union
Fig - Figure
FOB - Free On Board
GPS - Global Positioning System
HBR - Harvard Business Review
HR - Human Resources
IATA - International Air Transport Association
ICAO - International Civil Aviation Organization
ICAO - International Civil Aviation Organization
IoT - Internet of Things
ISAGO - IATA Safety Audit for Ground Operation
IT - Information Technology
KLM - Royal Dutch Airlines (Koninklijke Luchtvaart Maatschappij N.V)
Km - Kilometer
Kwh - Kilowatt Hour
LED - Light-Emitting Diodes
M3 - Cubic Meter

Millennials - Generation Y, are the demographic cohort following Generation X and preceding Generation Z.
ML - Machine Learning
NETS - National Establishment Time Series
NLP - Natural Language Processing
OLED - Organic Light Emitting Diodes
PwC - Price water house Coopers
R&D - Research and Development
REO - Real Estate Owned
RFID - Radio-Frequency Identification
ROIs - Return On Investments
RPA - Robotic Process Automation
RPO - Recruitment Process Outsourcing
SaaS - Software as a Service
SAP - Systems Applications and Products in Data Processing
SQM - Square Meter
Thus - Thousands
TV - Television
UAH - Ukrainian Hryvnia, the National Currency of Ukraine
UATA - Ukrainian Air Transport Association
USD - U.S. Dollar, the Official Currency of United States of America
VAT - Value-Added Tax
VR - Virtual Reality
W-2 - Internal Revenue Service Tax Form
Wi-Fi - Wireless Fidelity

АНОТАЦІЯ

Кваліфікаційна робота присвячена вивченню ефективності інновації на підприємстві, розробці пропозицій щодо підвищення ефективності технологічних інновацій та оцінці економічної ефективності цих пропозицій на базі Міжнародного аеропорту Бориспіль в Україні.
Актуальність та практична цінність обраної теми дослідження, основна мета, завдання, предмет, об’єкт та наукові методи дослідження визначаються у вступі до кваліфікаційної роботи.
Перший розділ присвячений теоретичним засадам інноваційного процесу суб’єкта господарювання: розкриває суть основних складових інноваційної діяльності підприємства, визначає типи інноваційних стратегій підприємства, описує вплив технологічних інновацій на бізнес діяльність підприємства.
Другий розділ містить загальну характеристику досліджуваного підприємства, аналіз його фінансово-господарської діяльності. представлені фінансові результати підприємницької діяльності, проаналізовані показники підприємства, представлені результати прибутковості та результати розрахунку ліквідності.
У третьому розділі описані основні напрямки підвищення ефективності інноваційної діяльності підприємства.
Висновки та пропозиції узагальнюють результати дослідження.
Ключові слова: Таксономія інновацій, Матриця інновацій, Співпраця, Ідея, Впровадження, Створення цінності, Стійкі та руйнівні інновації, Проактивна стратегія, Пасивна стратегія.

АННОТАЦИЯ

Квалификационная работа посвящена изучению эффективности инновационной деятельности на предприятии, разработке предложений по повышению эффективности технологических инноваций и оценке экономической эффективности этих предложений на базе Международного аэропорта Борисполь в Украине.
Актуальность и практическая ценность выбранной темы исследования, основная цель, задачи, предмет, объект и научные методы исследования определяются во введении в квалификационную работу.
Первый раздел посвящен теоретическим основам инновационного процесса хозяйствующего субъекта: раскрывается сущность основных компонентов инновационной деятельности предприятия, определяются типы инновационных стратегий предприятия, описывается влияние технологических инноваций на бизнес. деятельность предприятия.
Вторая глава содержит общую характеристику исследуемого предприятия, анализ его финансово-хозяйственной деятельности. Представлены финансовые результаты хозяйственной деятельности, проанализированы показатели предприятия, представлены результаты рентабельности и результаты расчета ликвидности.
В третьем разделе описаны основные направления повышения эффективности инновационной деятельности предприятия.
В выводах и предложениях обобщены результаты исследования.
Ключевые слова: таксономия инноваций, матрица инноваций, сотрудничество, идея, внедрение, создание ценности, поддержание и подрывные инновации, проактивная стратегия, пассивная стратегия.

ABSTRACT

Qualification work is devoted to the study of the effectiveness of the innovation in the enterprise, development of proposals to improve the effectiveness of technological innovation and evaluation of the economic efficiency of these proposals based on the International Boryspil Airport in Ukraine.

The relevance and practical value of the chosen topic of research, the main purpose, objectives, subject, object and scientific methods of research are determined in the introduction of the qualification work.

The first section is devoted to the theoretical foundations of the innovation process of the business entity: reveals the essence of the main components of innovation in the enterprise, identifies the types of innovation strategies of the enterprise, describes the impact of technological innovation on the business activity of the enterprise.

The second chapter contains the general characteristic of the investigated enterprise, the analysis of its financial and economic activity. financial results of the business activity are presented, indicators of the enterprise are analyzed, profitability results and the results of liquidity are calculated.

The third section describes the main directions of improving the efficiency of innovation of the enterprise, Recommending proposals to improve the effectiveness of technological innovation and evaluation of the economic efficiency of these proposals based on the International Boryspil Airport in Ukraine.

The conclusions and proposals summarize the results of the research.

Key words: Innovation Taxonomy, Innovation Matrix, Collaboration, Ideation, Implementation, Value Creation, Sustaining and Disruptive Innovation, Proactive Strategy, Passive Strategy.

CONTENT

INTRODUCTION

Relevance of Research Currently, innovation is an active link in all spheres of society. It is impossible to imagine the modern world without the already implemented and become habitual innovations, and without future, contributing to further evolution. Most scientists agree that innovation has become the main driving force of economic and social development. Innovative activity has led the world community to a new, higher stage of development.

Ukraine is booming of innovation. Instead of single forms and methods of economic management come others. Under these conditions, innovation activities are literally forced to deal with all organizations and entities from the state level to control newly created limited liability companies in small business.

Modern businesses grow and succeed in today's corporate climate for a myriad of different reasons. Some are known for their products, others for their services, and others still for less easily-defined factors such as strong brand loyalty or captivating ad campaigns.

If we were to look at the organizations that truly stand out from the pack today as clear leaders within their industries, however, it would be clear that they all have one common factor: they all embrace innovation.

The purpose of this work is to study the Innovation in the technology sector of boryspil airport using a set of methods. This paper provides an analysis and conclusions on the assessment of the actual state and prospects for improving the technological innovation of the enterprise, taking into account the identified shortcomings.

The main technical and economic indicators of Boryspil Airport technology range of the enterprise and its characteristics were considered, the analysis of efficiency of the innovation was carried out, developed a system of measures to strengthen the innovation of the enterprise.

The information bases of research are domestic and foreign authors' developments. In the performance of work, the researches of following

scientists were used: Аверіна М.Ю, Базілінська О.Я, Косова Т.Д, Пітінова А.О, Тринька Л.Я, Черниш С.С, Шевченко Л.С, Шеремет А.Д, Яркіна Н.М, Dodgson, Mark, Gann, David and Salter, Barsh, J, Capozzi, MM and Davidson, J, Dodgson, M, Gann, D and Salter, A, Adair, J., Damanpour, F, De Bono, E., Dobni, C. B., Dodgson, M., Gann, D., SALTER, A., Frap Paolo, C., Gilbert, J. T., Hamel, G., Jackal, R., Johnson, J. Sholes, K., Lendel, V., Varmus, M., Mihok, J. et al., Sloane, P., Soviar, J., Vodák, J., Strecker, N., Tidd, J., Bessant, J., Pavitt, K.

The Research Object is the innovation in technology sector of international boryspil airport in Ukraine.

The Research Subject is a set of theoretical, methodical and practical approaches to the evaluation and development in the main directions of improving innovation activity of the enterprise.

Purpose of the Scientific Work is the determination of possible ways to improve the process of providing innovation activities based on analysis of enterprise's economic activity.

To achieve the set purpose the following objectives were identified:

- To examine the theoretical basis of innovation management;
- To explore the innovation process;
- To analyze the peculiarities of creating innovative strategies.

The Practical Value of the Work will be concluded in identifying areas of improvement staff development and facilitate the implementation of innovative projects at the enterprise, to improve the correlation of innovation activities level of enterprise activity to the requirements of innovative tech products market.

CHAPTER 1. THEORETICAL ASPECTS OF INNVATION IN THE TECHNOLOGY SECTOR OF BORYSPIL INTERNATIONAL AIRPORT IN UKRAINE

1.1 The Main Components of the Innovation in the Technology Sector of the Enterprise

Innovation, as a concept, refers to the process in which an individual or organization undertakes to conceptualize new products, processes, and ideas, or to approach existing products, processes, and ideas in new ways.

Innovation refers to creating more effective processes, products and ideas. For businesses, this could mean implementing new ideas, improving services, or creating dynamic products. It can act as a catalyst that can make your business grow and can help you adjust in the market.

By innovation we mean changing your business model and making changes in the current environment to provide better products or services. Successful innovation should be part of your business strategy, as you can create a culture of innovation and find a way of creative thinking. It can also increase the likelihood of your business being successful and can create more efficient processes that can lead to better productivity and performance.

Business innovation is all about creating new ideas and successfully applying them within your organization. This could be in the form of a major breakthrough like creating a new product or service and bringing it to market, or a series of smaller innovations like finding better or more efficient ways of working and making a bigger profit.

Innovation is more than just a good idea. Innovation is the transformation of new ideas and concepts into something that creates value. The value can be commercial, social or organizational.

Therefore, business owners need to be innovative and creative to find new things by adopting and creating new ideas that will help you outpace your competitors.
In the business world, there are many different types of innovation a company may pursue. They are often directly related to individual products, internal processes, workflows, or business models. Some companies are even embracing all three in an effort to lead growth while adapting to an ever-changing market.
Innovation will help you achieve success in business by:

- Solve problems easily
- Increase your productivity
- Marketing your business
- Beat your competition

Simply, companies cannot afford to stay afloat if they do not embrace innovation and change. Here are three critical factors about the importance of innovation in business:

- Innovation helps companies grow
- Innovation keeps organizations important
- Innovation helps organizations differentiate themselves

- Innovation can be Closed or Opened

In your work today, you probably have access to more information that you can use. You don't have to rely solely on inside knowledge or research. You can obtain (purchase or license) processes or inventions from other companies. You can also bring out any inventions that your business does not use internally (sold, licensed, or developed through a joint venture) to increase additional revenue.

The availability of information on the Internet has been a catalyst for open innovation. In the past, most innovative companies used closed innovation, making their discoveries top secret.

- Close Innovation:
  - The smart people in our field work for us.
  - To benefit from research and development it must be discovered, developed and shipped by ourselves.
  - External research and development can create significant value. In-house research and development is needed to claim a portion of this value.
  - If we create the most and the best ideas in the industry, we will win.
  - We must control our intellectual property, so that our competitors cannot benefit from it.
  - We will own all the results of contracted research with universities.

- Open Innovation
  - Not all smart people work for us. We need to work with smart people on and off the job.
  - Businesses that get innovation in the market first will win.
  - Building a better business model is more important than getting to the market first.
  - If we make better use of internal and external ideas, we will prevail.
  - We must take advantage of others 'use of our intellectual property (outside licensing), and we must license others' intellectual property as our business model progresses.
  - We will partner with universities to create knowledge and encourage its use outside of our field.

- Incorporate Innovation into your Business Strategy

It is important to develop an environment / culture that fosters innovation.

The innovation support framework includes integrating it into your business goals through:

- A holistic approach to innovation
- Create strong communication channels

- Promoting a culture of innovation.

Global surveys show that innovation occurs when leaders actively encourage and protect it and executives actively manage and drive innovation. Where executives talk about innovation but do nothing about it, innovation is prevented (Dodgson et al. 2008).

For an innovation strategy to be effective, it must be incorporated into the agendas of senior leaders. The use of performance measures and targets for innovation helps senior management integrate innovation into their regular business pattern and creates an environment in which employees feel comfortable with innovation and existing talent is better used.

- A Holistic Approach to Innovation

Innovation is not limited to product development but includes improvements in processes, organizational structure, business modeling, and marketing.

When developing your innovation strategy, look at the organization as a whole and its stakeholders, such as suppliers and customers. Look at your skills and those of your employees: Can more effective teams be developed by combining the right brain (imaginary) with the left mind (logical)

- Establish Strong Communication Channels

Your networks will determine the effectiveness of your innovation. Effective networks allow people with different types of knowledge and ways to address problems to exchange ideas. New ideas generate more new ideas, so networks can generate a cycle of innovation (Barch et al., 2008).

When developing your innovation strategy, think about how to create the conditions that allow innovation to become part of everyday discussions.

- Establishing a Culture of Innovation

A culture of innovation creates an environment in which employees ar18e encouraged to take risks and test their ideas. It can be as simple as acknowledging employees' ideas and encouraging them to pursue ideas that add value to the business.

- Creating Models

Developing a prototype is a great way to take an idea and develop a physical product inexpensively that can be tested more and accepted or disposed of at the lowest cost.

- The Main Elements of an Innovation Management System

The elements, or success factors, for effective innovation are organized into seven major areas: context, leadership, planning, support, operations, evaluation, and improvement. Recommendations are made to organizations in each area.

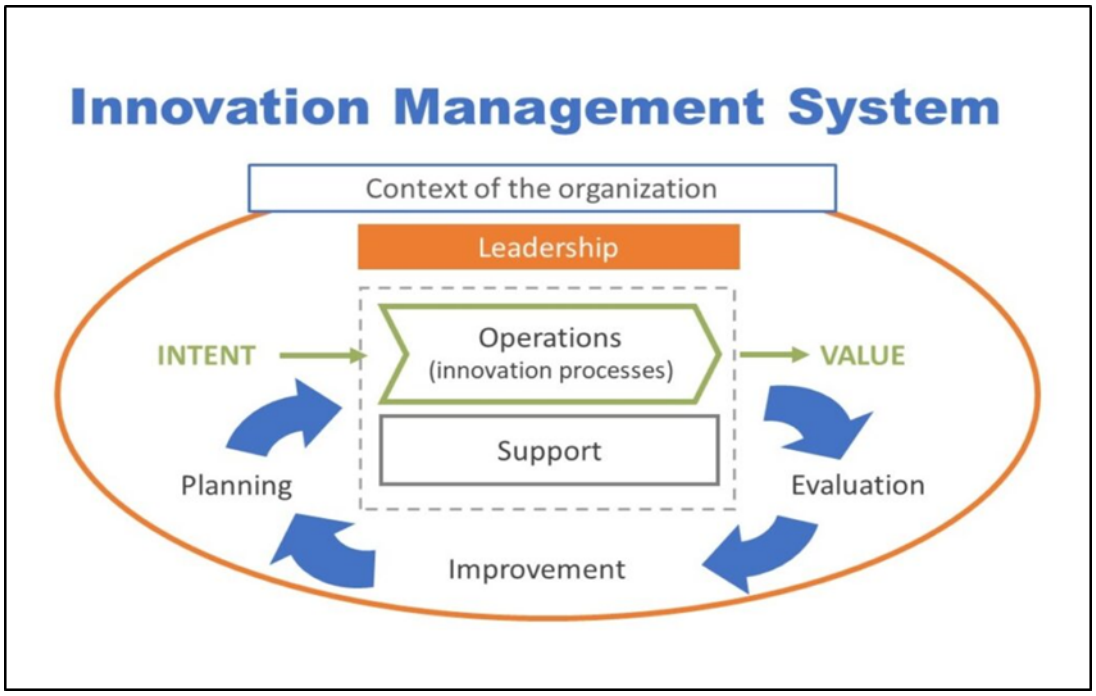


Fig.1.1 The Main Elements of an Innovation Management System

**Prepared by author*

A systems approach to innovation management recognizes that there are many interrelated and interacting elements or factors in an organization that must be in place to ensure the success of an innovation. The innovation management system guideline structure covers seven main elements, one for each title in the document. These addresses are the same for all management system standards.

- Context:

The organization must track external and internal issues and trends, for example user preferences, technical developments, and internal capabilities, in order to identify opportunities and challenges that could lead to innovation activities.

- Leadership:

Based on an understanding of the context, top management must demonstrate leadership and commitment by developing a vision, strategy and policy for innovation, including the necessary roles and responsibilities.

- Planning:

Innovation goals, organizational structures and innovation portfolios should be established based on the direction set by top management and the opportunities and risks identified.

- Support:

The necessary support must be provided for, for example, innovation activities. Persons with appropriate competencies, financial and other resources, tools, methods, communication and outreach activities, as well as approaches to intellectual property management.

- Operations:

Innovation initiatives must be created in line with strategies and objectives. Innovation processes must be configured according to the types of

innovations to be realized: identifying opportunities, creating and validating concepts, developing and disseminating solutions.

- Evaluation:

The performance of the innovation management system as a whole should be regularly evaluated to identify strengths and gaps.

- Improvement:

Based on the evaluation, the system should be improved by addressing the most important gaps in terms of understanding context, leadership, planning, support, and operations.

The guiding framework is based on the eight principles of innovation management and is applicable to all types of organizations, regardless of type, sector or size. An organization can determine the most relevant parts of the system to be implemented depending on its specific situation.

- Innovation requires collaboration, thinking, implementation and value creation. Community developers actively involved in innovation clarified each of these elements during breakout sessions. Share concepts, programs and initiatives that can be replicated and show real results.

- Cooperation

Teamwork is essential to get things done. In today's global and digital world 24/7, the challenges are more complex; It is becoming increasingly important to bring more diverse minds to the negotiating table and break down silos.

Cooperation is a common type of group activity for community development. There is no shortage of initiatives meant to be collaborative. Collaboration has never been easy, mostly because conflict and competition within and between groups dominate the scene. Since

everyone tends to avoid stress, what we may actually be left with in societies is peaceful coexistence (or less of a peaceful coexistence), not cooperation. This may be the time to rethink your collaboration.

The conference encouraged rethinking approaches to strategy. How might new methods of cooperation affect the economic transformation of a society, state, or nation. To start, collaboration includes three primary aspects: relationships, process, and outcomes. Collaboration means working together (relationships) toward (processing) something in common (outcomes).

There is a good chance that the community development needs will not be found in existing relationships. It is often repeated that collaborative relationships are important because they require more than one person, group, or organization to meet challenges. Now, relationships developed across sectors, disciplines, and fields of study and practice may yield greater returns. Interdisciplinary networks, particularly those involving young professionals and ethnic groups, can reveal answers to persistent challenges and new intersections where none was readily apparent.

Tangible goals of the cooperation include building affordable housing, supporting project construction, and bringing high-speed Internet to rural areas. Many collaborators seek to describe an issue or reach consensus. An important outcome of cooperation can be the establishment of new metrics for success in economic development. Rethinking collaboration means discovering how intellectual efforts, such as mobilizing the creative capital of each individual, can generate value for society.

The collaborative process is more than just working together. It means the ability to think together and work on complex projects. The traditional strategic planning process is not a model for the disciplines required to transform our economies. Instead, strategic “business” provides a framework for achieving results. Thinking together is an open innovation. Strategic action directs open innovation. Means strategic action:

- **Listen and Explore** - What Can We Do Together?
- **Learning and Adaptation** - How will we learn together?
- **Focus and Alignment** - What Should We Do Together?
- **Correlation and Leverage** - What Will We Do Together?

Strategic business relies on important design elements. Design requires us to be more conscious and deliberate about creating spaces for important conversations on topics of concern to society. Physical sites can be created in society to model and reflect new cooperative behaviors. The venue and space should be hospitable and intentional. This means that the conversations are open source and carefully managed. Fruitful conversations require good listening skills. How much do we listen to another person just thinking about what we want to say next. Good listening means curiosity and curiosity driving the conversation, not power, power, and political influence.

- Thinking

New and fresh ideas help your organization stand out. With intense competition for resources, organizations must differentiate in order to survive.

Mark Lange, Executive Director of the Edward Lowe Foundation, was the presenter of the side session, "Entrepreneurship Acceleration and Its Impact on Society and Economic Development".

The Edward Lowy Foundation uses the ideas to present the issue of entrepreneurship as a strategy for economic development. Lang says:

o Local companies have a much greater impact on job creation than companies based outside the country.
o The second stage business is very important for job growth and needs to be nurtured more effectively.
Business expansion has a greater impact on job creation compared to business relocation.

Lange says the traditional approach to economic development, economic hunting, emphasizes employment and retention. It's all about the movement. Expansion is secondary and associated with industry clusters. Services focus on infrastructure and incentives. Culture serves large companies and small companies. Business assistance focuses on business plans and process succession.

Lange proposes a new approach to economic development: economic horticulture. This approach includes strategies for developing businesses present in society. Balances employment and expansion. It's all about growing. Expansion is fundamental and concerns business stage groups. Services focus on a full range of growth tools. Culture nurtures entrepreneurs. Technical assistance focuses on business intelligence, market dynamics, strategy, and leadership. The idea of economic horticulture became a prototype of sustainable economic development as communities became aware that the big factory was not going to come. Florida passed its first economic parks legislation in January 2009.

Lange introduced YourEconomy.org, a new idea and tool he hopes will make his organization special. Most importantly, this tool will help community leaders and business supporting organizations to articulate the issue of entrepreneurship as an economic development strategy.

Edward Lowe has developed this free interactive search tool that allows users to explore business activity in their own communities and across the United States. It provides detailed and up-to-date information on business performance from a national perspective to a local perspective. YourEconomy.org uses the Dun and Bradstreet National Series (NETS) data to get a closer look at business activity over time. NETS is a large database, containing 34 million records for the United States.

The statistics are first sorted by categories of employers (non-commercial, non-resident and resident). Next, the resident organizations are divided into four phases that reflect the different problems that companies face as they

grow. Detailed information is provided from a variety of opinions, including composition, which illustrates how organizations and jobs are distributed by the three categories of employers and the four growth stages of growth, which includes openings, closures, expansions, contractions, moving in, and exiting; Industry, where enterprises are ranked and compared based on the information in the Formation and Growth section by industry; And classifications, whereby institutions in the 50 states and all urban statistical areas are classified by category and growth factors.

Organizations that support entrepreneurship can use YourEconomy.org to help communities realize the value of the shift from economic fishing to economic gardening. Lange listed the following ways to create an entrepreneurial climate:

- Inventory and understand the policies and programs that affect entrepreneurs in society
- Identify the contribution of the second stage work
- Ensure ample peer learning
- Serving the business in all its stages with expansion services
- Building and strengthening entrepreneurship support organizations
- Balancing "hunting" and "horticulture" resources.

- Implementation

Organizations must engage the best people to support their ideas and keep those great ideas moving forward.

There is no shortage of conversations about how technology is changing lives and how technological innovations are being implemented at lightning speed. In the world of community development, an example of this is the work being done in social agreement.

Technology and innovation are the main pillars of John Talmage's projects at Social Compact. Talmage is the president of the non-profit organization working to bring private investment to the inner city neighborhoods.

Under his leadership, the Social Compact uses technology and innovation to document the market strengths of societies across the United States. Working with local leaders, community organizations, and financial institutions, the Social Compact uses new tools and innovations to conduct market analyzes that "dig" and extract critical data often missed by high-level data collection processes.

To date, Social Compact has used this technology in 20 cities and 350 underserved neighborhoods to find an additional 1.2 million residents with an additional $ 36 billion purchasing power. Communities can use the data to:

- Proving that the neighborhood can maintain a grocery store and attract private investment to provide it;
- Identifying small businesses and private investment opportunities that cannot be justified using traditional data sources;
- Determining the optimal location for the bank branch or the desired product mix in the current bank branch;
- Conducting a "what if" to help communities define the best economic and societal development strategies.

By using the digging process, the social charter is able to document individuals not included in the census, as well as their "informal income". Informal income is income derived from a secondary, unreported source, such as tips or other sources that were not reported in W-2.

During the current economic crisis, the social compact has helped communities identify and map pre-foreclosures, foreclosed properties, and off-road properties. Communities use this data to implement intervention strategies that help stop neighborhood degradation. This data was useful for communities with high foreclosures. They were able to document the need and were prepared when funding sources, such as the Neighborhood Stabilization Program and the National Community Stabilization Fund, issued calls for proposals. With the short shift to applying for and sticking to these funding sources, communities that know which areas to target and

who have already identified projects have an edge over those that still struggle to determine how the funds will be used.

- Creating Value

Organizations must implement the ideas and programs identified as most effective in providing value to their stakeholders.
The failure rate of established companies has increased over the past year. However, there are still companies that are showing huge success despite the economic downturn. These companies thrive because they effectively deliver products that consumers appreciate.

The purpose of innovation is to create commercial value. The value can be determined in a number of ways, such as incremental improvements to existing products, creation of entirely new products and services, or cost reduction. Firms seek to create value because their survival, growth, and ability to compete in a rapidly changing market depends on whether they innovate effectively.

Many companies develop test brands, joint ventures, or co-brands. This gives them the freedom to test new ideas and create value without the risk of damaging an established brand. The Toyota Scion brand is an example of a test brand. During the "Creating a Culture of Innovation in Community Development Organizations" at the conference, Langdon Morris from the Scion Toyota Innovation Lab presented as a case study. Toyota's application of four innovation tools during the innovation process helped develop creative visions of value. These tools were: needs identification, framing, creative collection and prototyping.

Searching for need is the process of searching for new opportunities. To understand the customer experience, researchers look for loopholes in customer service as they may represent opportunities.

In these times of rapid change, companies cannot stay focused on only substance because the kernel can disappear quickly. Edge represents an opportunity for a company to target innovation in an emerging market.

Framing occurs when you collect a group of notes and look for patterns that matter. The term "framing" is derived from the process of selecting the most useful framework for understanding a customer's experience.

Creative amalgamation occurs when concepts are grouped together and the focus shifts to developing the best options to meet customer-defined needs. In this stage, the individual effort should expand to include a variety of perspectives.

Diversity is valued in discussions because a variety of perspectives tends to produce more robust concepts and solutions, resulting in stronger business opportunities.

Prototypes capture those insights that are worthy of more detailed study. The business wants to design a prototype as quickly as possible because it speeds up the process of determining whether an idea should be pursued or ignored. Every idea considered for further investment goes through this process several times and will go through several stages of refinement. The former is never the last, but as the process continues, the inquiring nature of the matter leads to finer levels of detail.

The business scene is developing rapidly. The dawn of the digital age has opened up opportunities for aspiring entrepreneurs to achieve feats previously available only to companies worth millions of dollars. Technological innovation allows companies to reach milestones at an unprecedented rate. And every new direction brings with it enormous potential to change the course and direction of your business in progress.

Along with developments in technology is the emergence of new and dominant consumer markets, particularly Millennials and Generation Z

(Generation Z). The unique lifestyle preferences of this new market pose new challenges for businesses and marketers alike.

For example, one of the distinct changes currently occurring in the market is the demand for new ways to offer value-added products and services. Producing premium products and providing exceptional services is no longer sufficient to ensure the success of your organization. Your business must - now, more than ever - be able to provide the right product to the right customer at the right time.

To respond to today's challenges in the consumer market, companies are moving to more innovative ways of taking a customer-centered approach to their business. And leveraging technology to achieve this feat. Using the latest innovations, organizations are working hard to improve the customer experience in a market that is constantly decreasing interest with increasing expectations of companies that cater to their needs - on their terms.

But believing that having a strong IT division will suffice is a fatal mistake that some companies make. In order to survive and thrive in a rapidly evolving digital economy, a company must also have these basic components in its arsenal:

- DevOps Culture

The term "DevOps" was coined in 2009 by one of its main supporters, Patrick Dubois of Belgium. It is a word cropped from two related terms "development" and "operation" and is used to describe culture, practice, and other technology-based disciplines to bring about unity, synergies and beneficial cooperation between software developers and operations personnel.

By essentially integrating the mission and vision of 'developing' and 'operating', companies that embrace a DevOps culture can experience tremendous benefits such as shorter development cycles, faster production of their software-based products, lower overall costs of production, and a

greater competitive advantage over competitors that do not Still working in traditional production models. All of these benefits influence customer satisfaction, as evidenced by a global study by CA Technologies.

- Mobile applications

The increasing dependence of consumers on their smartphones has prompted top brands and even small business owners to create mobile apps. It is believed that owning a mobile app helps a company deliver more value to its customers, strengthen its brand, build a stronger connection with its customers, and contribute to increasing its profits. Statistics show that more than 80 percent of business owners acknowledge that having their own customized mobile application contributes to an increased ROI.

- Data Security and Privacy

In fact, in the 2017 Consumer Privacy and Trust Survey, researchers discovered that 69 percent of consumers worry about security and privacy when it comes to their devices. 68 percent of survey respondents admitted that they don't trust brands to properly handle their data and information. Thus, a company that will invest in more robust policies to protect consumer data will reap the benefits sooner or later.

- Analytics Big Data

Huge chunks of data are generated every day - from the data generated by the subscribing users of social media sites to the data that organizations produce for their daily transactions. We live in a world where more than 2.5 quintillion bytes of data are generated every day. However, this data is meaningless unless the company is not going to use big data analytics. This is why so many organizations today are investing in big data and Hadoop training in order to equip their employees.

The goal of Big Data Analytics is to help an organization understand the data that is generated through different channels. This data is organized and analyzed to reveal patterns and trends that will be helpful in planning various aspects of the company's operations. One of the special concerns

of marketers is the information they can obtain when it comes to consumer behavior and the market in general. By analyzing these huge chunks of data, companies can create plans that will help them visualize their next cutting edge product, craft more effective promotions, and provide a more personalized customer experience.

- Artificial Intelligence (AI)

In a report published by PwC in 2017 on the global impact of AI and its adoption, it was revealed that 72% of senior business managers believe that AI will contribute to the competitive advantage of their companies in the near future. In the same report it was said that 63% of consumers believe that AI can help provide solutions to complex problems in modern society.

All these statistics point to the fact that awareness and expectation of the benefits of AI is constantly increasing. With the ever-changing needs of consumers and their demands for faster, more convenient and more personalized services, AI is at the forefront of options that should be explored for business owners.

Adopting and implementing these five critical IT components in your business is not optional. In today's economic landscape, this is indeed a must. In order to drive growth and provide a more customer-focused approach to your business, you must take advantage of these technological innovations and apply them in your organization as quickly as possible.

1.2 Types of Innovation Strategies of the Enterprises

Innovation can be a confusing topic because there are many different types of innovation and it seems that each person uses the term differently.
Although you often hear about innovation in terms of technology, and while it is true that technological innovation has been, and is likely to continue, the most obvious form of innovation, it comes in various other forms as well.
Most innovations are smaller, incremental improvements to existing products, processes and services while some innovations can be those

leading technological inventions or business models that transform industries.
As the environment and the needs of your customers change constantly, you need to be able to improve different areas of your business to solve emerging problems and continue to create new value for your customers.
Thus, knowing what types of innovations are available to the organization can help you discover which innovations are most suitable for your business. Not only does understanding and focusing on the most potential things help you respond to these changing needs, but it also allows you to improve your ability to grow a business.

- Innovation Taxonomy

Innovation can be categorized in a number of ways, and some of these classifications overlap to some extent.

- Innovation Matrix

One way to classify an innovation is to classify it along two dimensions: the technology it uses and the market it operates in. We can use the innovation matrix to visualize the most common types of innovation:

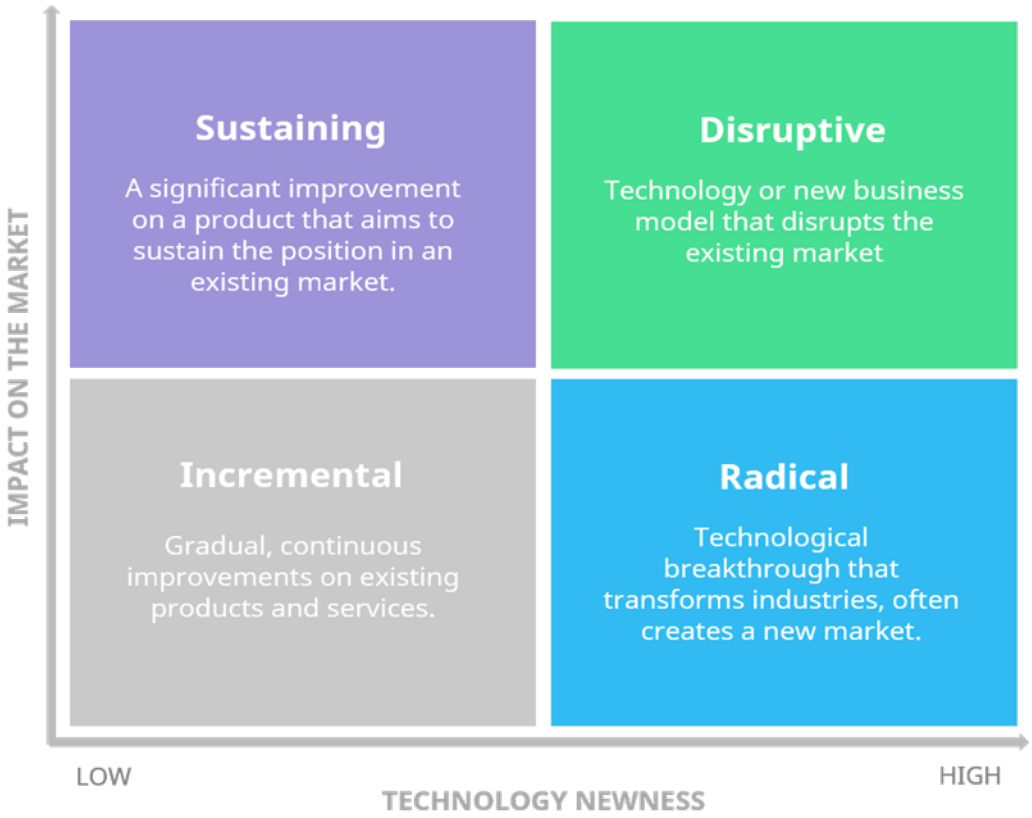


Fig.1.1 Types of Innovation

** Prepared by author*

- Incremental Innovation

Most innovations are incremental, incremental, and continuous improvements in concepts, products, or services found in the current market.

Incremental innovations are slightly better than the previous version of a product or service and have only slight differences in the formulation of the current product or method of service delivery.

Products can be made smaller, easier to use, or more attractive without changing their primary function and services can be made more efficient through continuous improvement.

Although incremental innovation does not create new markets and often does not benefit radically from new technology, it can attract higher-paying clients because it meets clients' specific needs from their behavior or feedback.

The product or service may also attract a larger mainstream market if you are able to provide the same functionality and value at a lower cost.

The TV is a classic example of both of these scenarios as it is constantly being improved and there are new models available while the basic idea and components remain mostly the same. The average customer, for example, can get a 50-inch LED TV for only a few hundred dollars while the more demanding customers can easily spend thousands on a 75-inch OLED TV.
The catch about incremental innovation is that it's often easy to sell because you don't need to explain the basic principles of your product or service - people are familiar with the way it works.

A potential downside is that incremental innovations don't necessarily make a big impact because they are often a little better than what already exists.

There is also the risk of complicating the products and adding a lot of features that no one is willing to pay for. Thus, you should not ignore customers who only want a simple, low-cost alternative to your product unless you specifically choose to target the most demanding customer segment and provide them with premium products.

Another risk related to increased innovation is that the market may (and will change) at some point due to disruption. If this is the case, relying

solely on incremental innovation will not be sufficient to keep pace with the changes.

Hence, it is important to focus on improving the core business at the same time while also looking for new ways to create value by researching new business models and working on disruptive innovations.

- Disruptive Innovation

Disruptive innovation is a concept that professor and academic and business advisor Clayton Christensen first introduced in an article in Harvard Business Review and later in his book called The Innovator's Dilemma.
Disruptive innovation is a theory that refers to a concept, product, or service that creates a new value network either by entering an existing market or by creating an entirely new market.

Initially, disruptive innovations have less performance when measured with traditional measures of value but have different aspects that are valued by a small segment of the market. Often these types of innovations are able to convert non-customers into customers but do not necessarily meet the needs and preferences of major customers, at least not yet.

What makes disruptive innovation difficult, is that existing organizations are completely rational when making decisions about their current business. They fail to adapt to the new competition because they are too focused on improving the existing supply or business model that has proven successful in the market thus far.

Hence, the market in general is disrupted by the new entrant rather than the incumbent.

This phenomenon called the innovator dilemma makes perfect sense because the current market is often larger, and margins are better.

Disruptive innovation is where traditional business methods fail and require new capabilities. Although the stakes are high, there is enormous potential for growth if all goes well.

Once the job incumbents realize that disruptive new innovations are being used by the mainstream, it is often too late for them to catch up despite the amount of resources they have available.

At this point, the new entrants are already offering an alternative solution that requires new capabilities that traditional companies do not necessarily possess, and ultimately adding things that regular customers want.

Tesla, for example, has different capabilities compared to more traditional car manufacturers. Its software, battery technology, and fast repeatability are capabilities that traditional car manufacturers are not good at, and acquiring them will take time and resources.

Another example of disruptive innovation is Netflix, where the email movie subscription service was not attractive to Blockbuster's primary customers, but rather early users who were accustomed to shopping online.

However, Netflix only reached the mainstream after disabling itself from the DVD Mail Service to web streaming. There are now so many online movie subscription services available for customers to choose from and this model is slowly becoming the standard, gradually transforming the industry.

Although indicative, the disorder does not usually occur suddenly. The SaaS business model, for example, was not very successful when it was first introduced in the early 2000s but has gradually become the standard in the past 20 years.

To avoid getting disrupted, you have to keep an eye on the new entrants in the market and how they do things. Typically, turmoil always seeks to hit

unnecessary margins. For example, digitization severely affects all intermediaries and these companies and professions will mostly disappear in the coming years.

Therefore, instead of relying solely on your past success in serving the most profitable customer segment, you should also work on business model innovation to discover new profit centers that may not necessarily look attractive yet but may have significant growth potential in the near future. future.

- Sustaining Innovation

Sustaining innovation is the opposite of disruptive innovation as it exists in the current market and instead of creating new valuable networks, it improves and grows existing networks by satisfying customer needs.

Just like incremental innovation, the keep innovation product performs slightly better with each iteration, which reduces defects. The new, improved version of the product can be more expensive and have higher profit margins than the previous version if it targets more demanding and better-performing customers than was previously available.

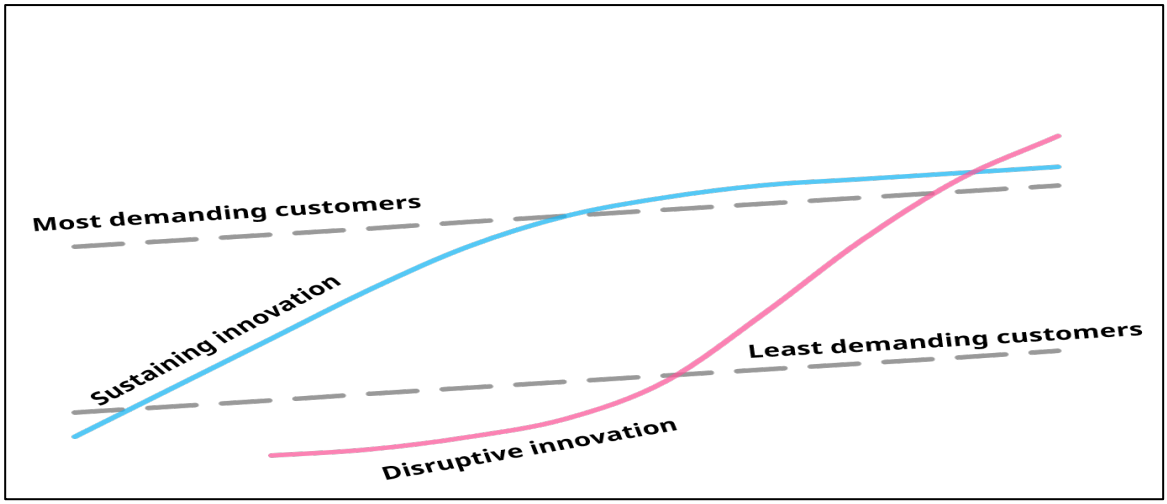


Fig.1.2. Sustaining Innovation and Disruptive Innovation
* *Prepared by author*

However, it may also be cheaper if it results in larger volumes and thus higher absolute profits.

Often, traditional business methods and sustainable innovations are sufficient because they are more profitable and have fewer risks. On the other hand, disruptions usually enable profit growth: significant market share growth or the creation of an entirely new market but it is not usually profitable for long because it makes sense for the troubled players to invest heavily in growth.

Sustainable innovations, in turn, continue to grow the market slowly, but no longer in the same proportion. At this point, the focus shifts to maximizing profits.

An example of previously fully profitable, sustainable, and profitable innovation is the iPhone, where the latest versions of the phone attract the

same customer segments and do not create new value networks. As criticism grew over the lack of innovation in the new iPhone device, the company's profits grew at the same pace.
New phone models support the current business model in the premium segment of the market to meet the needs of the most demanding customers who want to pay more for a newer and slightly better version of the phone.

"Some of the supportive innovations are the incremental annual improvements that all good companies grind out of. Other supportive innovations are breakthrough products, leaps out of competition. It doesn't matter how difficult an innovation is technologically, however, old competitors almost always win the fights of preserving the technology. Because This strategy entails creating a better product that they can sell at higher profit margins to their best customers. Entrenched competitors are strongly motivated to fight constant battles. They have the resources to win. " Clayton Christensen

- Radical Innovation

Radical innovation is rare because it has characteristics similar to disruptive innovation but differs in a way that it simultaneously uses revolutionary technology and a new business model.

Radical innovation solves global problems and addresses needs in completely new ways than we are used to, and even provides solutions to needs and problems that we did not know existed, or completely changed the market, or even the entire economy.

Although radical innovations are rare, there have been more and more of them in the recent past.

Technological innovations, such as the personal computer and the Internet are examples of radical innovations that have changed the way the entire world works and communicates with it. These disruptive innovations

provide our community with a platform to build on, resulting in extremely rapid economic growth.
According to ARK Invest, an investment management company, there is a new, bigger wave of drastic innovations that they consider to be close to mainstream. These are robotics, artificial intelligence (AI), block chain technology, energy storage, and genome sequencing.

Since radical innovation is very different from what people are used to, it usually encounters great resistance at first. These types of innovation usually require a lot of time and technological development before they are ready for major markets.

However, when implemented successfully, it often signifies the beginning of a new era affecting many sectors and geographies.

- Other Types of Innovation

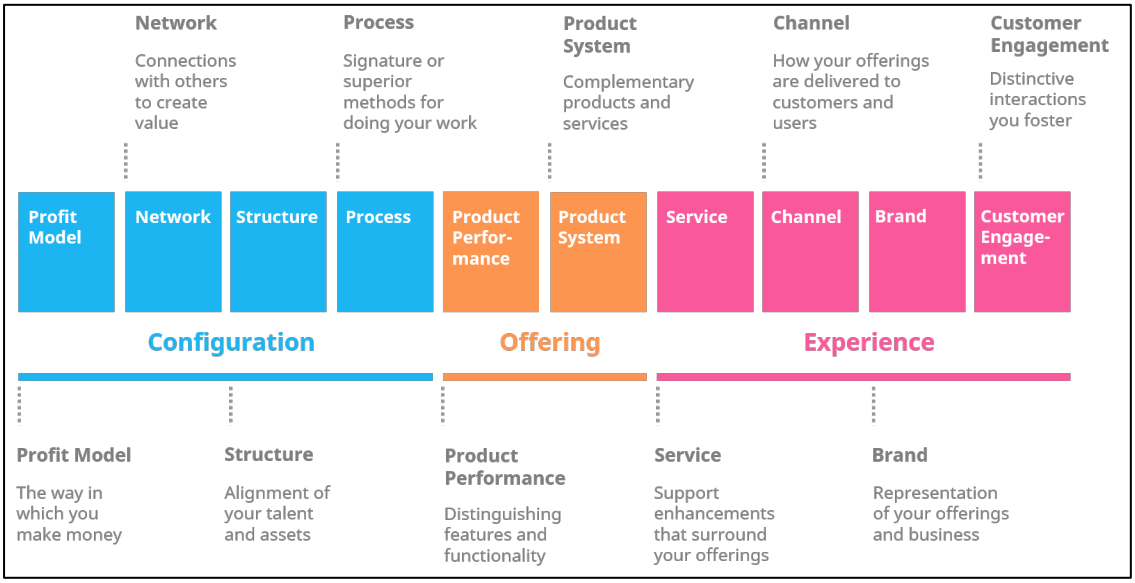
While the above four types of innovation in an innovation matrix are a common way of describing the technology that an innovation uses and its impact on the market, it is not the only way to classify an innovation.

- Ten Types of Innovation

Doblin's Ten Types of Innovation is a model that can be used to revisit current strategies to develop innovations that are applicable across all levels of your organization.
This framework can be used as a diagnostic tool to assess how innovation is approached internally and to assess what areas need to be improved and which do not focus solely on technological innovation.
This type of holistic approach can help you analyze your competitive environment, uncover potential gaps and opportunities for incremental improvement, as well as doing something completely unique.
Compared to the innovations mentioned above, the ten types of innovation framework approach innovation from a more practical point of view.

The Ten Types of Innovations model claims that all great innovations throughout history consist of a combination of the following categories of innovations:

Fig.1.3. Ten Types of Innovation Model



**** Prepared by author***

Within the ten types of innovation, the different types of innovations are divided into three main categories: formation, presentation and expertise. From a layman's perspective, business model, product, and marketing

The types on the left side of the framework are most internally focused and customer-focused. As you move towards the right side, the types become more visible and clear to end users.

- Product Innovation

Product innovation is perhaps the most common form of innovation and it refers to improvements in performance characteristics and product attributes. He can also use ingredients that differ from pre-manufactured products.

Product innovations are always tangible, and they can incorporate radically new technologies or can be built on the basis of combining existing technologies in a new way, although they do not necessarily need to include any technology at all.

Product innovation can be an entirely new product never seen before, like the fidget spinner, or it can be an enhanced version of an existing product, like wireless headphones or a second generation Amazon Echo. They could also be a new feature of an existing product, such as a car's dynamic recline indicator or foot massage shoe soles that take advantage of magnetic technology.

There are some clear drivers of product innovation, such as changes in customer requirements, the need to increase the product life cycle, the urge to take advantage of new markets or sectors, or simply to enhance the look, feel and convenience of using the product.

Product innovation is a great way to improve quality and product reliability to either gain a competitive advantage or maintain your position in the market. Additionally, it can help reduce processing and manufacturing costs.

- Service Innovation

Service innovation refers to the concept of a new or greatly improved service, product, or process in a new or existing market. It could be for example a new interaction with a customer or distribution channel, a system that improves the delivery process or new solutions in the customer interface.

The way you serve your customers is a great way to differentiate, create more value for them, and generate more revenue for your organization. A big part of a successful business is the ability to make the lives of your customers easier, and the better you are able to meet the needs and expectations of the customers you serve, the brighter your future will be.

Uber is an example of a service innovation company that has grown more outside of its core business. With UberEATS, it has used its unique strengths and capabilities, such as its brand, to enter neighboring markets. The fact that they were already using people's phones and that they were actually organizing transportation helped expand their offerings and provide their customers with new value.

- Process Innovation

The process combines the skills, techniques, and structures used to produce products or provide services.

Process innovation generally refers to implementing a new or greatly improved production or delivery method. It may also be indirectly related to the company's products and services, for example in the form of support function operations in human resources or finances.

Process innovation can be done by applying a new technology or an improved method to a process, and it is often done to save time and money or to better serve customers. It often includes new technologies, equipment, or programs, and it often requires cultural or structural change as well.

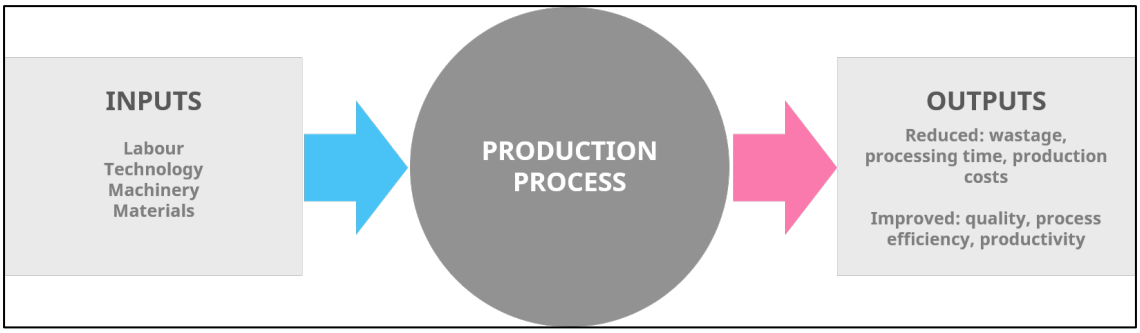


Fig.1.4. The Process of Innovation

** Prepared by author*

In process innovation, the final product usually does not change, but the way the product is output is improved.

An example of process innovation is a retail store automated renewal request. Previously, an employee had to manually go through all the products one by one in order to find out the quantity to order. Not only is this time consuming, but it easily leads to an increase or decrease in inventory, depending on whether the estimate is conservative or not.

A more recent method is to use statistical models to calculate a significantly more accurate prediction. If automated orders are created by a system, you can simply allow employees to check back previously calculated order proposals, for example if the order exceeds a certain threshold value. Not only can this save you a lot of time and money, but having better stock levels also improves your ability to serve customers.

- Technological Innovation

Technology can be identified as a source of innovation as a critical success factor for increasing market competitiveness.

Technological innovation includes new or improved technology, such as a new type of machine or a change in a form of technology in a product, processes, or methods of providing a service.

When it comes to integrating technology into the production process, for example, it enables automation that results in higher production rates, lower costs per unit of production, and allows for more efficient use of materials - which reduces variability and leads to more consistent product quality.

We use a number of technological product innovations every day all the way from smartphones and health devices to wireless home audio systems. For example, SONOS has created advanced technology to provide a multi-room wireless music experience. They initially intended to choose Linux as their technology platform, but there were no audio drivers at the time, so they had to design it themselves.

When it comes to innovating technology services, McDonald's has taken a holistic approach to digitization to create interactive customer experiences. Their main strategic goal was to use technology to improve the in-restaurant experience and create the next generation of deliveries and deliveries.

They had previously bid farewell to cashiers and exchanged them for self-ordering kiosks. They also provide you with an app that you can use to order and pay for your meal before receiving it to avoid the queue.

- Business Model Innovation

In all its simplicity, the business model is how the company operates and makes money. It consists of core values, resources, strategy, core channels, and target customers, just to name a few.
Business model innovation is a fundamental change in how a company delivers value to its customers or captures it from the market. In practice, this often occurs through the development of new pricing mechanisms, revenue streams, or distribution channels but are not limited to them.

What is challenging about business model innovation is that the capabilities and processes that are optimized to make the company succeed have become targets of transformation. To be able to create new and viable business models, you usually need to change the fundamental decisions that your business is working on. In other words, working on disruptive innovations.

Business model innovation often means higher risks for the company in the short term, but it is critical to long-term survival and non-disruption. On the other hand, business model innovation, especially digital services, may have higher operating margin growth, so these types of innovations are really worth pursuing.

Buying music, for example, has changed twice in the past two decades. ITunes is an interesting example of the segmentation model - a strategy that divides or subdivides something into parts or component elements. Before iTunes started selling singles, you either had to buy the entire album to hear your favorite song or sit by the radio just in time to be able to record it.

Later on, Spotify took the digital music business in a completely different direction with its free-to-air broadcast model by cutting out the middleman and engaging with customers directly online.

Some industries, such as manufacturing, financial services, logistics, and healthcare are more likely to be affected by the next wave of disruption than others. However, no industry will be completely safe.

If you aren't sure whether or not you want to focus on business model innovation, look for signs that your business is at risk of disruption:

- A saturated market
- Outdated technology
- An unwanted change in industry margins

- Unwillingness or inability to keep pace with global trends
- Decreased customer satisfaction

If you are experiencing more than one of these signs, it is definitely time to start innovating about your business model and the value of the promise and thinking about new ways to generate profits.

- Marketing Innovation

For any innovation to be successful, people must be able to find and then benefit from it. The main purpose of marketing innovation is to open new markets or increase market share.

An innovation is usually considered a marketing innovation if it makes significant changes to the "traditional" marketing mix (4Ps: price, product, promotion, and location) of the industry in question.

Being able to communicate with your customers is essential and there is always room for improving relationships and customer engagement. Due to the continuous development in technology and customer preferences, new marketing innovations are needed to promote both new and existing products and services.

Coming up with innovative marketing practices enables you to boost customer relationships in ways that they might not even expect. For example, L’Oréal cosmetics has developed the Makeup Genius app to reach a wider group of customers and to increase their interaction with the brand.

The use of such innovative technologies in marketing also has the added benefit of allowing them to enhance the online shopping experience by using data to suggest products that match a customer's personal preferences.

Although technology plays an important role in future marketing innovations, it does not always need to take advantage of new technology.

Marketing innovations are different from other innovations in the sense that they can also be used to promote existing products or services in a different way than was previously done. For example, a product that was initially used for one purpose can be promoted for another purpose.

Ski poles, for example, have been used by skiers and hikers for decades to provide them with balance and support in challenging conditions. Nordic walking is now a popular sporting activity that started with the use of ski poles marketed for off-season ski training as a smart way to increase energy consumption from regular walking.

- Architectural Innovation

Architectural innovation is a concept that Harvard Business School professor Rebecca Henderson and Dean Kim Clark introduced in 1990.

Architectural innovation is described as reshaping existing product technologies that create an improvement in the ways in which components are combined, some of which are not necessarily innovative together.

Some examples of architectural innovations include networked computer systems and flexible manufacturing systems, where the basic components of a product remain the same, but the relationship between these components and how they relate to each other changes.

From a technical point of view, architectural innovations are often less risky compared to other types of innovations because the technology has already proven effective. Hence, there is no need to spend time and money on testing how these technological components work in practice - you just need to make sure that they work together.

However, market risks still exist, which is why it is important to ensure that your product or service has a clear demand.

- Social Innovation

Social innovations are new practices or technological inventions that aim to meet social needs in a better way than current solutions. These types of innovative solutions can be provided or funded by either public or commercial entities.

There are many reasons why social innovations are important, such as improving working conditions, providing more education, developing society, or making a healthier population. Hence, it can be argued that social innovations are essential for expanding and strengthening civil society.

Clean water technologies and innovations, such as drinking water generators that capture air moisture and convert it into drinking water, are examples of social innovations that can help mitigate the uneven distribution of clean drinking water now and in the future.
A Finnish startup called Gubbe.io has successfully combined technology service innovation with social innovation by providing a platform that connects students with seniors who need help with housework, technology, transportation, or simply staying active.
The most ambitious innovators find the right mix of the above elements and apply them as widely as possible within their organizations. Instead of relying on one R&D process, or one type of innovation, they use and manage different types of innovations comprehensively and systematically.
The innovation approach mainly depends on your unique capabilities and strategic goals. Ultimately, managing innovation is no different than managing any other major change, and roughly the same principles apply. To avoid unnecessary ruin, you want to go through different aspects of your business and:

- An assessment of your current condition
- Give priority to areas that need improvement
- Divide your strategic goals into smaller parts that are easier to implement
- Commitment to the process

If your strategic priority, for example, is to improve the efficiency of your operations, you can start by monitoring and analyzing existing processes.
Once you discover and prioritize the most important areas for improvement, let's say, information flow, you can then create an actionable plan to remove any obstacles that might stand in the way of information sharing.
This may mean making changes to the organizational structure or implementing a new technology that helps improve coordination and communication between the various businesses and support functions.

Innovation strategies differ from many business strategies, due to the difficulty in predicting the steps, time and impact of innovation.

Innovative strategy guides decisions about how to use resources to achieve business goals to innovate, deliver value, and build competitive advantage.

- Strategies should include:

- Analyzing the competitive and technological environment of the business
- External challenges and opportunities
- Its distinctive features.

There are many different types of innovation, and the type of innovation will be determined by the innovation strategy. The strategy will be influenced by the stage your company is at, where it is headed, and the intended outcome of innovation.

- Your innovation strategy should reflect what you want to achieve from the innovation process, for example:

- New product development - you may see an opportunity to drastically change the type of products offered in the market.
- Market share protection - In a dynamic global environment, continuous innovation is needed in many cases only to maintain market share.
- Expanding its market share - for example, offering products that are in a different market.
- Selling or licensing to another organization - You may look at an exit strategy. Once the innovation is developed you can sell or license the innovation.
- Retaining more employees - a commitment to innovation can motivate and retain skilled employees by providing an environment full of challenges and creativity.
- Improve operational efficiency - You may want to reduce costs by simplifying your operations.
- Increase market recognition - You may want to increase your market profile with an innovative marketing strategy.

The type of innovation and the level of risk that you attribute to that innovation varies depending on whether you are looking to expand your business or maintain your current revenue or profits. A firm may strive to achieve multiple results and thus will require multiple strategies.

- Innovation strategies can be classified as proactive, active, reactive and passive (Dodgson et al. 2008).

- Proactive

Firms with proactive innovation strategies tend to have strong research orientation and first-mover advantage, and to be leaders in the technology market. They access knowledge from a wide range of sources and take big

bets / high stakes. Examples include: DuPont, Apple, and Singapore Airlines.

The types of technological innovations used in a proactive innovation strategy are:

- Radical - breakthroughs that change the nature of products and services
- Incremental - continuous technological or process changes that improve the performance of products and services.

- Active

Active innovation strategies involve defending existing technologies and markets while preparing to respond quickly once the markets and technologies are proven. Firms that use this approach also have extensive sources of knowledge and are exposed to medium to low risks; They tend to hedge their bets. Examples include Microsoft, Dell, and British Airways.

These companies mainly use incremental innovation with in-house applied research and development.

- Reactive

Companies use the interactive innovation strategy:

- Who are the followers
- Have a focus on operations
- Take a wait-and-see approach
- Look for low risk opportunities.

They are copying proven innovations and using absolutely incremental innovators. An example is Ryanair, a low-cost airline that has successfully copied a no-frills service model for Southwest Airlines.

- Passive

Firms with negative innovation strategies wait for their customers to demand that they change their products or services. Examples include

automotive suppliers while they wait for their customers to demand a change of specifications before implementing them.

1.3 The Impact of the Technological Innovation on the Business Activity of the Enterprise

Technological innovation is a new or improved product or process whose technological characteristics differ significantly from the previous one. Implemented technological product innovations are new products (product innovations) or processes in progress (practical innovations) that have been introduced to the market. A product or process is considered an innovation if it brings specific advantages to the organization in question; These don't have to be new from the point of view of other companies or the market.

- The Role of Technological Innovation in Business Management

- Helps improve enterprise management efficiency. Application of scientific and technological innovation can suggest more diverse management methods of managing projects on the traditional basis. These management methods are simpler and more convenient, and they can make the organization's internal management function systematically. At the same time, the use of technological innovation can also lead to more streamlined management. On the one hand, it can improve the efficiency of safety management, personnel management and file management, and on the other hand, it can also improve the level of enterprise management. Digital information management technology is widely used according to the actual situation of business management. In this way, it can effectively reduce employee needs and improve internal management efficiency, which plays an indispensable role in the future development of enterprises.

- It is beneficial to improve the operational efficiency of enterprises. Under the influence of the development of the market economy, in the present stage of the market, different firms show more and more intense trend. In order to occupy a dominant position in this fierce competition, the advanced management position is very important. To improve management efficiency and business efficiency for enterprises, this method can effectively improve enterprises 'competitiveness in the market on the original basis. In addition, companies that use technological innovation to manage business can enhance their market reach. In addition, more human and financial resources are invested in the business to create more opportunities for running the business and improving business efficiency.

- It helps in the long-term development of institutions. The market economy is constantly changing. In this context, companies will face some new problems during their development, which will affect future development. In order to solve these problems quickly and efficiently and achieve long-term development, companies must adapt to the changes of society and the market economy, and make scientific and technological innovations to support the business management of enterprises. It also brings a new impetus to the development of business management in enterprises through the application of scientific and technological innovation, so that companies gain new survival and development to achieve their sustainable development in the changing market economy.

Technology is changing a lot of the world as we know it. From medicine to industry to the military, technological applications are starting to take hold. Barring any disturbing Earth events, it seems the technology is here to stay. The effort of mankind is to make the world work efficiently.
Business is the area most affected. Technology has almost completely changed the business landscape today. Small businesses especially benefit from affordable technology innovation. Here are 8 tech innovations that are changing businesses for the better:

- Management Reporting Systems

Management reporting systems have been around since the early days of computers. But the editions we have today are more advanced than their predecessors. Management systems make it easy for managers to assign work to their subordinates. They also make it easy to manage job queues, reports, and make business decisions.

Many management systems are comprehensive solutions for small businesses. Others are scalable to your needs as your business grows in size and operations. Management reporting systems also reduce the amount of paperwork your business generates. All your business data and information at hand.

- 3D Printers

3D printers have been around long enough for some new products to fade away. But it is still one of the most important inventions of our time.

It is also much more affordable for companies now than it was a few years ago. Some innovative 3D printers can be a solid investment for a small business. Many printers produce great 3D prints using plastics or inks. Others print in 3D using other materials such as metals.

With a 3D printer, you can print almost anything if you have the right plans and materials. Small businesses can use them to print anything from souvenirs to repair parts to tools.

- Remote Collaboration

In the digital age, physical distances are virtually non-existent. Technology has made the world a much smaller place. Companies can access international markets. This is possible through the power of the internet and logistics companies.

Companies also have access to human resources and talent outside of their country. They can expand the areas in which they work. Thanks to the remote collaboration software, you can efficiently manage your global team. Most of the time, you can do this much more efficiently than you could manage the old way.

Cloud-based remote collaboration software is the way for various teams to take. It reduces the need for expenses like equipment as well as travel costs. It also makes it easier for companies to operate outside their physical boundaries.
Remote software makes physical distances irrelevant. You can manage all your business devices, networks and servers with ease. You can track remote teams as well as provide support to your field clients. You can collaborate and communicate with employees who are in different physical locations.

- Artificial Intelligence

Artificial Intelligence, as it is known around the world, remains the most noticed technology direction. Artificial Intelligence these days directly affects the work we do and the way we live. Although it is still in its infancy, including machine learning (its most popular offshoot), it is being advertised as the technology that will change human lives forever. Artificial intelligence are computer systems designed to mimic human intelligence and perform tasks such as recognition of images, speech, and patterns, as well as decision-making. Artificial intelligence provides the advantage of doing these tasks faster than humans. People use AI on a daily basis, in various forms such as navigation apps, broadcast devices, personal assistants for smartphones, ride-sharing apps, personal assistants at home, and smart home devices. Other uses of AI include train scheduling, business risk assessment, maintenance forecasting, energy efficiency improvement etc. The bad thing, for people worried about employment, is that studies reveal that it will eliminate 73 million jobs by 2030. This is definitely something to watch out for.

- Machine Learning

Despite being a subset of AI, ML is, as it is widely known, a subset of Artificial Intelligence. Using ML means that computers are programmed to learn to perform a task that it was not programmed with. ML enables them to learn how to discover patterns and insights from data through supervised and unsupervised learning. Just like ML is a subset of AI, ML

also has subsets like Neural Networks, Natural Language Processing (NLP), Deep Learning, etc. Each of these opens up a career field that will only grow over time. Studies have revealed that the machine learning market will grow by 2022 to $ 8.81 billion. Moreover, ML applications are used for purposes such as data analytics, data mining, and pattern recognition. Ml supports web search results, real-time ads, and network penetration detection. Going forward, machine learning jobs will pay well with the average salary for someone who knows machine learning is $ 106,225 with jobs for engineers, developers, researchers, and data scientists.

- Data Integration

Robotic Process Automation: RPA, as it's known, automates jobs like ML and AI. RPA is the use of software to automate business processes such as interpreting applications, processing transactions, responding to emails, and manipulating data. Repetitive tasks that connect people to time and productivity are automated by RPA. It is not only possible to automate medium tasks, even if they are as large as those of CFOs, clinicians and executives with the help of RPA. Overall, RPO enables to automate up to 45 percent of total tasks. The flip side of this is that studies have revealed that the RPO threatens roughly 230 million jobs, or nearly 9 percent of the global workforce. Some of the jobs available in RPA include those for developers, project managers, business analysts, solution engineers, consultants, etc. It ranks number one for technological innovations that change businesses for the better.

- Edge Computing

What was previously just an emerging tech trend being now mainstream, evidence of this being Microsoft Azure, Google Cloud, and AWS (Amazon Web Services). Their market dominance is second to none and companies are rushing from pillar to pillar to transition to a cloud solution. However, cloud computing has a disadvantage. As the amount of data increases, it becomes a bit difficult to accommodate everything on the cloud. Edge computing is the solution to these storage problems. Latency is easily

bypassed. Advanced computing makes it easy to transfer data to data centers for processing. It has the ability to 'be on the edge'. Advanced computing is the key to processing time-sensitive data in remote sites that do not provide any connection to a central site. In such cases, advanced computing functions like small data centers. The jobs for those interested in advanced computing primarily will be those of software engineers. The good news is; The market is expected to reach $ 6.72 billion by 2022.

- VR / AR

Virtual reality and augmented reality are another technology trend set to change the business. Virtual reality immerses the user in an environment and augmented reality enhances that environment. Virtual reality has only been experienced so far in the gaming sector, and it has also been used to some degree in training. An example is Virtual Ship, which is the simulation software used in the Army, Navy and Coast Guard in the USA. On the other hand, AR is better distinguished by Pokémon Go. Both AR and VR offer enormous potential in terms of training, entertainment, marketing and education. Both are able to use them to train doctors to perform surgery, and museum visitors to have a deeper experience, to have a better theme park experience and to do better marketing as noted in the case of Pepsi Max Bus Shelter. To get started with VR or AR, all one needs is good programming skills and a forward thinking mindset.

- Block Chain

Block chain technologies are mostly associated with cryptocurrencies like Bitcoin. The security it provides is beneficial in many ways. Perhaps the best way to describe the block chain is with data that can only be added, not dragged or changed. This is where the suffix "string" comes from, since what is created in the process is a "string" of data. The main advantage of block chain is that previous blocks of data that have already been created cannot be altered, which makes it a very safe option. Also, block chains are consensus driven, which means that no single entity controls the entire data. In Block chain, there is no need for a third party to oversee or validate transactions. Studies reveal that Block chain-related jobs are some of the

fastest growing, with 14 opportunities for every block chain developer in the near future. Block chain developers use block chain technology to develop and implement architecture and solutions, with an average salary of $ 130,000.

- Internet of Things (IoT)

Wi-Fi connectivity is used to build a lot of things these days, which means they can be both connected to the Internet and also to each other. This concept took the name "Internet of Things". This is undoubtedly the future, allowing devices like home appliances, cars, etc. to stay connected and share data over the Internet. This is only the beginning. In 2017, the number of IoT devices reached 8.4 billion. The number is expected to reach 30 billion by 2020. Here are some of the most popular benefits of the Internet of Things. We get our doors locked remotely even when we have to hurry up. We get our ovens preheated on our way home. We get to track our fitness levels on Fit Bits. Since IoT works on the concept of data collection and analysis, it ensures security, efficiency and better decision making. It also enables predictive maintenance. But the thing is, for IoT to start creating jobs, an additional 200,000 IT workers will be required who are well versed in IoT security, cloud computing, data analytics, automation, embedded systems, etc.

- Electronic Security

Although it has been around for a while, cybersecurity is still evolving like other technologies. The reason is that new threats keep emerging. Hackers are still trying to access data illegally. They are still trying to get through the toughest security measures. According to Cybersecurity Projects, there will be 3.5 million vacancies in the field of cybersecurity by 2021. The fact of the matter remains that these jobs provide a six-figure income with roles ranging from ethical hacker to security engineer and chief security officer. These are the latest technical innovations that will definitely change the business in the coming times.

- Technology's Main Positives and Negatives

- Positives

  - Improves Business Efficiency

The best feature of any technology is that it increases the efficiency of the business process such as performing more tasks in less time. From shared drives to emails, the communication, coordination, execution and execution of many business processes is fast and hassle-free.

  - Save Time

An obvious advantage of technology is that it saves time. Since we are able to complete a task in less time, we can take advantage of the time saved for other important activities. With the help of technology, a lot of activities like cooking, cleaning, working, and commuting get done faster.

  - Better Communication

In earlier times, communicating with a person from a different part of the world was difficult. Think about a time when people had to communicate using the bathroom or messages, which took days or weeks! However, today the world has approached and one can easily communicate with a person sitting in another corner of the world.

  - Reduces the Risks of Cybercrime

The biggest benefit of technology is the internet world. Artificial Intelligence (AI) algorithms are qualified to detect change in unique patterns from the normal pattern.
The application of artificial intelligence to detect cyber-attacks is still at an early stage, but with advances in technology, one can expect to prevent it. Hence, the chances of a cyber-attack decrease.

- Negatives

Besides the advantages discussed above, there are also some disadvantages of technological advances:

- Severe Dependence

With each passing day, we become increasingly dependent on technology for almost every task without realizing it. A common example is the use of a cab service. Another example is using GPS to find directions for any desired location. Many people today are not bothered by learning or memorizing directions because they rely on Google Maps for it.

- Expensive

Although technology is already a part of many people's lives, there are still some people who simply cannot afford some technologies. Many of the technologies used by organizations are very expensive. As a result, one of the biggest downsides of the technology is that it can only be used by those who can afford it.

- Lack of Jobs

With technology, the task efficiency has increased tenfold which is why the technology may be able to replace humans soon. The increase in technology will ensure that the tasks that humans could earlier can now be accomplished by machines and technology. Hence, creating a job shortage. Nowadays, even organizations prefer technology that is able to perform tasks more efficiently than humans. Thus, with the advent of technology, humans could be replaced by algorithms and robots.

- Malfunctions

The biggest drawback to the technology is that it is automated. And a slight malfunction can lead to an uncontrollable situation. Therefore, a minor malfunction may cause a complete failure which can also cost a human life.

- Advantages and Disadvantages of Innovation

- Advantages

  - Firms can initially charge higher prices for new products before placing competitors' products on the market
  - Being an innovator is good for the company’s reputation
  - If they are the first ones in the past - people naturally interested in future products
  - Process innovations add value to existing products / services
  - Firms with a lot of innovative products can benefit from economies of scale

- Disadvantages

  - Very expensive and time consuming
  - Companies can run out of money if they invest too much and don't get products in the market quickly enough
  - Ends up wasting resources by developing something that doesn't sell
  - Firms are unable to mass produce a new product at sufficiently low cost - no guaranteed return on investment
  - Firms risk reputational damage if the new product is of poor quality

CHAPTER 2. ANALYSIS OF FINANCIAL AND ECONOMIC ACTIVITY OF BORYSPIL INTERNATIONAL AIRPORT

2.1 General Characteristic of Economic Activity of the Enterprise

Boryspil International Airport State Enterprise is the largest and busiest airport in Ukraine. It provides 62% of Ukraine's air passenger traffic, and after the results of 2018, it handled 12.6 million passengers.
Boryspil International Airport is a state commercial enterprise in the field of civil aviation, founded on state ownership and subordinate to the Ministry of Infrastructure of Ukraine.

Due to the active policy of attracting the air carrier, more than 60 national and foreign airlines operate flights to the airport on more than 120 routes around the world.

Boryspil Airport is the only airport in Ukraine, successfully competing with major European hub airports. According to the Airports Council International (ACI EUROPE), in 2018, the city of Boryspil was ranked first among the major European airports (first in the European group of airports, handling 10-25 million passengers).

The airport is a full member of the main international and national associations, such as Airports Council International in Europe (Airports Council International; ACI EUROPE); Ukrainian Air Transport Association (UATA), Ukrainian Chamber of Commerce and Industry, Ukrainian Association of Quality, Transport Employers Organization, Taxpayers Association of Ukraine etc., are guided by standards and practices of the International Air Transport Association (IATA), International Civil Aviation Organization (ICAO).
Boryspil is the largest and busiest airport in Ukraine, providing most air passenger transportation and a lot of freight transportation.
The demand for airport services is maintained by the advantageous location at the intersection of many international transport routes (connecting Asia

to Europe and America), proximity to the capital, availability of modern infrastructure and the introduction of the hub development strategy.

The airport's infrastructure includes two runways (4 km and 3.5 km long), allowing accommodation for all types of aircraft, without restrictions under weather and visibility conditions, in addition to two full-time operating terminals (D and F). Boryspil is the only airport in Ukraine, where regular intercontinental flights operate.

Boryspil Airport is constantly striving to improve. The airport develops infrastructure, attracts new airlines, and enhances service quality. In 2019, the Ukrainian Cabinet approved the concept of developing Boryspil International Airport for the period up to 2045, the main priorities of which are the development of infrastructure and the introduction of contemporary services.

- ISO 9001, ISO 14001 integrated management system

The Integrated Management System (ISM) has been operating within the organization since 2005. In 2017, a re-certification audit of the Quality Management System (ISO 9001) and Environmental Management (ISO 14001) was performed. Through the results of the audit performed, Boryspil International Airport State Enterprise is certified in accordance with the requirements of new versions of ISO 9001: 2015 and ISO 14001: 2015 standards.

- Safety of ground handling operations

In 2018, Boryspil International Airport State Enterprise successfully completed the ISAGO Ground Handling Safety Certification Compliance audit (IATA Safety Audit for Ground Operations). As a result of the successful audit, except for the receipt of the certificate, Boryspil Airport has been included in the Register of Global Handling Companies as a supplier of ground handling services, and operates in accordance with international quality and safety requirements issued by the International Air Transport Association.

- The strategic objectives of Boryspil Airport

  - Reaching the standard of the leading European transport airports through:
    - Enhancing airport attractiveness, comfort, reliability and safety levels for both airlines and passengers;
    - Developing the airport's infrastructure and technical capabilities.
    - Increase the level of qualification and motivate individuals.

  - Preserving natural systems and resources and maintaining their integrity to provide environmental safety through:
    - Reducing the harmful impact on the environment, especially water, soil and atmosphere resources;
    - Applying modern technologies for the rational use of natural resources and energy.

- Management responsibilities:

- Provide the resources required for the enterprise process.
- Implementing the necessary procedures to prevent the corporation's negative impact on the environment.
- Ensuring the quality of services while maintaining standards and recommended practices from IATA, ICAO, ACI, flight safety, aviation security, airline requirements, legislative provisions in the areas of aviation, environmental protection, regulations of local government environmental protection organizations and company guides.
- Analyzing risks and possibilities for the purpose of assessing the ability to meet passengers' requirements and implement their future needs.
- To provide efficient operation, analysis and continuous strengthening of an integrated management system in full compliance with the requirements of ISO 9001 and ISO 14001 standards.

- Nation Formation: A New Era Begins in Boryspil

The Ukrainian aviation industry is undergoing a transformation. A massive development is underway at airports across the country, where tourist popularity has blossomed since it hosted the EURO 2012 tournament, and continues to flourish as visitor's lure visitors with the abundance of mountains, beaches and spas just a short distance from its cosmopolitan capital. The expansion of the industry is fundamental to the continued growth and independence of the country, and although obstacles still stand in the way of fully liberalized operations, its airports and airlines are on a mission to increase competition, educate passengers, and amend the regulatory hurdles that are limiting its expansion around the world.

Not only do its airports keep up with the standards set by the rest of the world, but they also implement industry-leading innovations and ingenuity, with the new modern D Building at Kiev Boryspil International Airport serving as a shining symbol of the glass and steel potential of the nation's hubs. The state-owned airport currently handles around 60% of the country's air traffic, and with its updated infrastructure providing a modern platform for ever-increasing passenger numbers, airlines are advocating for establishing bases in Boryspil.

"Ukrainian civil aviation has great prospects. Boryspil airport has tremendous potential because it has a great deal of capacity available within the newly created infrastructure. The new Terminal D is close to twice the size of its predecessor, which is 60,000 square meters and has ample space. And the most innovative industry features for 8.5 million passengers a year at the airport. I have spent all my life working in aviation, and now I see a lot of unrealized potential that I will try to make the best of, and work with the Ministry of Infrastructure and the government. The past few years have seen the continuous build-up of a number of the new terminals here - in Kiev, Lviv, Donetsk, Odessa and Kharkov, as well as Boryspil - we now have all the infrastructure to accelerate the development of aviation in Ukraine," Kochanov said.

- New Game-Changing Terminal in Kiev

2012 was a significant year for Boryspil International Airport; The unveiling of the cutting-edge Terminal D opened up countless new and blessed opportunities for the Center

Terminal D is one of the most modern terminals in Europe. We have implemented the latest systems, such as climate control systems, check-in and customs technologies, and safety systems," Kochanov said.

The terminal complex of 107,000 square meters is the largest in Ukraine, and is able to handle more than 15 million passengers per year. The airport has 60 check-in desks and spacious reception areas, while 11 new boarding bridges maximize the airport's unique dual-runway infrastructure capabilities, and have been developed with long-term expansion in mind. The bridges are equipped with an automatic docking system to reduce docking time, and there is also a visual guiding system to enhance efficiency in bad weather.

The passenger has been at the heart of the development of the new building, and one aspect of it is the implementation of an automated electronic gate system with RFID technology, which enables passengers to pass through customs in 20-30 seconds, reducing the time spent on immigration by -80%.

"By working with customs and border services in Ukraine, we are developing a work schedule that takes into account the peak times for work at the airport. Together with many airlines we have put in place initial registration plans that allow travelers to check-in online without entering the airport. Today we are making great efforts to reduce The time passengers spend in the check-in area or wait for registration so that they can spend more time in the airport's restaurants and cafes." Kochanov said.

The airport has also installed multi-use kiosks for self-check-in for passengers flying with KLM, British Airways, Air France, Lufthansa,

Austrian Airlines, Russian Airlines and Turkish Airlines, with three more airlines to join the system before the end of the year.

"We have free Wi-Fi too. The system is very popular, and we have about three million connections every year. We try to be as modern as possible, think ahead and put a lot of effort educating our employees so that we don't lag behind the current state of aviation." Kochanov said.

Opened in May 2012, weeks before the EURO 2012 Championships in Kiev, it was the station's first impressive experience ensuring safety and speedy handling of hundreds of thousands of tourists, and the tournament also brought with it a more competitive industrial environment, with the opening of the newly redeveloped Kiev airport, Kiev Airport International. Despite the competition, Boryspil's passenger traffic continues to double, and with its new infrastructure nearly complete, its focus is now on developing connections with more and more airlines, and further growth.

- Continuous Growth

In his previous position as CEO of the nearby Odessa International Airport, Kochanov attracted more than 15 international airlines to the airport, raised its productivity to become the country's third-highest airport, and began developing the building that is currently underway. A few weeks after assuming the position of General Manager at Boryspil Airport, he applied his foundation and command of operations in the Kiev Center.

“Before I came to Boryspil, a lot of useful projects had already been completed, and the airport was greatly developed. However, previous management efforts were focused on building the new terminal before EURO 2012, and there was no final picture created of how the airport would operate upon the completion of the terminal building. D. As a result, Boryspil received a new, state-of-the-art complex that is in no way associated with other existing terminals and in no way can it cooperate with it. " Kochanov said.

Kochanov's goal now is to create a connection between the new and existing stations.

“In the first three weeks of our work, my team and I were able to create an improvement program approved by the Ministry of Infrastructure and the major carriers at the airport. According to the scheme, all domestic flights in Ukraine will be transferred from Terminal B to Terminal D. We have also established Also, transportation capacity is for those traveling from Ukrainian to international flights and back,” said Kochanov.

Meanwhile, Terminal B will be converted into a specialized terminal for low-cost airlines and charter flights, while Terminal F will be converted into a cargo terminal.

“As with any other airport, the ultimate goal of Boryspil is to serve more and more passengers. Our main goal is to increase productivity by + 15% compared to the current figures. We expect eight million passengers to use the airport by the end of 2013, and in the following year we expect more. Out of a little nine million passengers, with the goal of increasing the number of passengers by more than 20% in the next two to three years, Kochanov said.

- New Horizons

Boryspil's improved infrastructure has captured the interest of a fortune from carriers. From 27 November, Swiss Airlines will resume regular flights from Zurich to Boryspil, while starting January 14, Emirates will offer daily flights from Dubai to the Kiev center.
“The airline’s decision to start this flight was due to our modern new facilities and it will be the first airline to offer first class service to travelers from Ukraine. We are currently in negotiations with about 50 international carriers regarding the establishment of Boryspil as a base. I think as a result of our efforts we will see a lot of new airlines. And flights, and I hope we will be happy to soon introduce a set of new directions and routes to our passengers. " Kochanov said.

Despite this, the pioneering growth and development of the airport was not without its challenges. In certain regions, legislative restrictions posed barriers to network and infrastructure development.

We have witnessed the steady development of the Ukrainian economy in recent years. We have seen stability in the exchange rate and as a result we are seeing an increase in the mobility of Ukrainians - more and more people are starting to use airlines. However, the presence of many restrictions such as visa regulations related to many European countries, and many other countries internationally, contain further development of Ukrainian aviation. How quickly Ukraine can integrate into the European environment on a large scale will determine how quickly the Ukrainian aviation industry is allowed to advance. Kochanov said.

It is hoped that by the end of this year the European Union will reach an agreement with the Ukrainian aviation authorities in signing the open skies agreement, which will give a renewed impetus to the aviation industry in the entire country.

The signing of this agreement will open new horizons for both Boryspil and Ukrainian aviation in general. Moreover, we pin our hopes on our national airlines. At the beginning of the year the situation with AeroSvit raised some doubts about the prospects for Ukrainian aviation. But the positive changes later this year have made experts somewhat optimistic. Ukraine International Airlines expanded its fleet and flight geography; RozaVetrov (Wind Rose) reinforced its fleet with a long-range aircraft; The new airline Kharkov Airlines was registered and acquired a wide-body aircraft. Kochanov concluded that all these events had opened up good prospects for Ukrainian aviation in general and our airport in particular.

"Boryspil Airport will buy infrared thermometers to check passengers' health," said Vladislav Krikli.

Boryspil International Airport will purchase non-contact infrared thermometers to screen passengers arriving from countries where coronavirus cases have been detected. This was announced by Minister of Infrastructure of Ukraine Vladislav Krkeli after the cabinet meeting today, 11 March 2020. The Ukrainian Cabinet adopted the corresponding resolution drafted by the Ministry of Infrastructure.

“Boryspil International Airport is the gateway to Ukraine, through which thousands of arriving travelers arrive, including from those countries with confirmed cases of Coronavirus. Preventive measures must be taken to prevent the spread of the Coronavirus. Vladislav Krikli confirmed that Boryspil Airport will buy working devices. Infrared enables passengers to be checked.

It should be noted that following the results of the February 25, 2020 meeting of the Operations Headquarters on prevention of the introduction and spread of acute respiratory diseases caused by the COVID-19 Coronavirus, the Ukrainian Ministry of Infrastructure has invited international airports from Ukraine, including the state-owned enterprise "Boryspil International Airport" To ensure the introduction of pre-medical examinations at airports, that is, to conduct temperature checks for passengers coming from countries where cases of Coronavirus were detected.

At Boryspil Airport, all international flights are accepted upon arrival at Terminal B, as ongoing work is organized for epidemiologists.

At Boryspil International Airport from 17:00 Kyiv time, March 22, 2020, all international flights were transferred on arrival from Terminal F to Terminal B. Minister of Infrastructure of Ukraine Vladislav Krikli.

The official stressed that the Ministry of Infrastructure continues to strengthen measures to combat the epidemic:

“Starting at 17:00 Kiev time on March 22, 2020, at Boryspil Airport, all charter, health, evacuation and other international flights on arrival have been transferred from Terminal F to Terminal B. This improvement gives greater effectiveness to prevent the spread of Coronavirus. Epidemiologists work in Terminal B, checking the health of passengers and warning against self-isolation. Such measures are urgently needed.” Said the Minister of Infrastructure of Ukraine.

2.2 Analysis of Financial and Economic Activity of the Enterprise

The analysis of the economic literature shows that there are different interpretations of the essence of the financial condition, the definitions of financial stability and the financial position of the enterprise, and the lack of a common opinion about the compilation and the method of calculating the financial position indicators.

Financial analysis includes studying the important aspects of monetary circulation and adopting measures to unify the financial and economic condition of a business entity. The stable financial position of the enterprise means the timely fulfillment of obligations to its employees, partners and the state, which means financial stability, normalization of payments, creditworthiness, profitability of assets, property rights and sales.

In the process of financial analysis, define and evaluate standard indicators, and use them to make sound financial and investment decisions, taking into account the individual characteristics of the business entity. The parameters obtained as a result of the analytical work must be evaluated from their point of compliance with

Recommended (benchmark) values, as well as conditions for the activity of a particular organization.

The indicators (financial ratios) obtained as a result of the current (operational) activity analysis are used for the purpose of financial planning, forecasting and control.

There are often five groups of indicators for the following areas of financial analysis:

- Analyze the property situation. The ownership status of the enterprise is characterized by the use of assets (assets) and sources of formation (liabilities). The source of information for assessing the condition of ownership is the credit of the foundation. In the process of analyzing the balance of assets and liabilities, indicators of structure, equilibrium dynamics and structural equilibrium dynamics are determined.
- Liquidity analysis. Indicators in this group allow us to describe and analyze the organization's ability to meet its current obligations. The basis of the algorithm for calculating these indicators is the idea of comparing current assets (working capital) with short-term payments.
- Financial sustainability analysis. Using these indicators, the composition of funding sources and the dynamics of the relationship between them are assessed. The analysis is based on the fact that sources of funds differ in terms of cost, degree of reliability, level of reliability and degree of risk.
- Profitability analysis. The indicators of this group assess the overall efficiency of the investment in the enterprise.
- Analysis of the business activity of the institution. A business characterizes the level of efficiency in using production and financial resources that affect the financial outcome of an enterprise.

Indicators of the property status of the enterprise are depreciation of fixed assets ratio and renewal of fixed assets ratio (**Table.2.1**).

Depreciation of fixed assets ratio in 2015 was 0.57, in 2016 it was 0.59, and in 2017 it decreased to 0.58.
Reducing the indicator indicates an intensification of the processes of updating irreversible productive assets, which increases the competitiveness of the enterprise.
Renewal of fixed assets ratio increased significantly in 2017 compared to 2016 and amounted to 0.052. In 2015, the ratio was 0.002, in 2016 – 0.003. Such a significant

increase is characterized by an increase in the level of physical and moral renewal of fixed assets of the enterprise.
The group of liquidity indicators include: cash ratio, quick ratio, current ratio and accounts receivable and payable ratio (**Table.2.2**).

Table.2.1

Property Status Indicators of Boryspil Airport, 2015-2017

Indicators	Formulas	Normative Value	Years		
			2015	2016	2017
Depreciation of fixed assets ratio	Depreciation of Fixed Assets/ Initial Cost of Fixed Assets	Decreas.	0,57	0,59	0,58
Renewal of fixed assets ratio	Initial Cost (rep) - Initial Cost (pr) / Initial Cost (reporting)	Increase.	0,002	0,003	0,052

***** *Compiled by the author according to airport reporting*

Table.2.2

Liquidity Indicators of Boryspil International Airport, 2015-2017

Indicators	Formulas	Normative Value	Years		
			2015	2016	2017
Cash Ratio	Cash + Short - Run Investments / Current Liabilities	0,2 – 0,35	0,68	0,49	0,36
Quick Ratio	Current Assets - Inventory / Short - Term Liabilities	0,6 – 0,8	1,19	1,11	0,89

Current Ratio	Current Assets / Short - Term Liabilities	1 – 2	1,31	1,23	1,03
Accounts Receivable and Payable Ratio	Accounts Receivable / Accounts Payable	1	2,35	1,73	1,31

** Compiled by the author according to airport reporting*

As we can see, the Cash Ratio exceeds the normative value, in 2015 – 0.68, in 2016 – 0.49, in 2017 – 0.36, indicating an extremely high liquidity of the enterprise. In 2016, the Quick ratio was 1.19, in 2016 it was 1.11, in 2017 it was 0.89. This value indicates that the company has fairly liquid working capital for timely settlement of
liabilities. The Current Ratio is within the regulatory range (2015 – 1.31, 2016 – 1.23, 2017 – 1.03), indicating a normal solvency state, since current assets are sufficient to meet current liabilities. Accounts receivable and payable ratio was 2.35 in 2015, 1.73 in 2016 and 1.31 in 2017. The indicator is approaching a normative value, which indicates that in this case the company can lend to its buyers at the expense of suppliers. This means that equity is not distracted by customer lending, and these funds may be aimed at intensifying the company's activities.

Table.2.3 shows the indicators that characterize the financial sustainability of the enterprise.

Own working capital – this indicator indicates that part of the business assets of the business that can be financed by its financial resources. The financial independence (autonomy) ratio indicates which part of the assets an entity can finance at the expense of equity. Maneuverability of equity ratio allows you to determine the share
of equity, which is aimed at financing working assets.

Financial ratio – indicates the ratio of own and borrowed funds, and the normative value is a unit. The financial stability ratio allows to specify which portion of the assets is funded by long-term financing sources – equity and long-term borrowed financial resources.

According to calculations from **Table.2.3**, we can conclude that Own working capital decreased significantly in 2017 compared to 2015 (2015 – 303 506, 2017 – 35 524).

This indicates that in the enterprise, part of the funds is reduced to ensure uninterrupted activity at the expense of constant financial resources. This creates a risk of loss of liquidity and stability. The financial autonomy ratio in 2015 was 0.61, in 2016 it was 0.64, in 2017 it was 0.96 and is within the regulatory range. An increase in the indicator indicates that the part of the assets that the company is able to finance at the expense of its own financial resources is increasing. The financial dependency ratio is also satisfactory and decreases – in 2015 the figure was 1.64, in 2017 – 1.44. Maneuverability of equity ratio is positive: 2015-2016 – 0.03, 2017 – 0.01. In 2017, the indicator dropped significantly compared with 2016, indicating that equity and funds raised on a long-term basis are aimed at financing non-current assets, therefore, to finance working assets, it is necessary to turn to borrowing sources of financing. This leads to a reduction in financial stability. Therefore, we can see that the financial ratio has decreased significantly in 2017 (2015-2016 – 0.08, 2017 – 0.01), low value of the indicator indicates the presence of financial risks in the long run. The concentration of debt capital ratio in 2015 was 0.39, in 2016 it was 0.37, in 2017 – 0.31. Reducing the indicator may indicate an incomplete use of financial and production potential of the enterprise. The financial stability ratio is within the regulatory range as in 2015 – 0.89, and in 2017 – 0.85. The high value of the indicator speaks of good prospects of the company's development, low risk of bankruptcy.

Table.2.4 shows airport profitability in 2015-2017.

Table.2.3

Financial Sustainability Indicators of Boryspil Airport, 2015-2017

Indicators	Formulas	Normative Value	Years		
			2015	2016	2017
Own Working Capital	(Equity + Long-Term Liabilities) – Non-Current Assets	> 0	303 506	291 551	35 524
Financial Independence (Autonomy) Ratio	Equity / Total Assets	0,4 - 0,6	0,61	0,64	0,69
Financial Dependence Ratio	Liabilities / Total Assets	< 2	0,39	0,37	0,31
Maneuverability of Equity Ratio	OWC / Equity	> 0,1	0,03	0,03	0,01
Financial (Accounting) Ratio	OWC / Debt Capital	1	0,08	0,08	0,01
Financial Stability Ratio	Equity / Long- Term Liabilities	0,7 - 0,9	0,89	0,86	0,85

** Compiled by the author according to airport reporting*

Table.2.4

Profitability Indicators of Boryspil International Airport in 2015-2017

Indicators	Formulas	Normative Value	Years		
			2015	2016	2017
Return on Assets	Net Profit / Assets (average annual)	> 0, Increasing	0,075	0,153	0,191
Return on Equity	Net Profit / Equity (average annual)	> 0, Increasing	0,131	0,245	0,288
Net Profit Margin	Net Profit / Revenue	> 0, Increasing	0,276	0,413	0,447

** Compiled by the author according to airport reporting*

According to the calculations in **Table.2.4,** we see that all profitability indicators doubled in 2017 compared to 2015. High Return on Assets shows that the whole process of enterprise management has become more effective, since the rate of return on assets is formed under the influence of all the company's activities. Return on Equity also has a tendency to increase: 2015 – 0.131, 2017 – 0.288, which means increasing the company's ability to generate profits to its owners. Net Profit Margin has a high value in 2017 – 0.447 compared with 2016 – 0.276, this indicates a strong market position, value of the service or product of the enterprise, good management.

Below, in **Table.2.5** are presented calculations of coefficients characterizing the business activity of the enterprise.

Total Asset Turnover indicates the efficiency of using all assets of the company. Return on capital indicates the effectiveness of using fixed assets. Indicator indicates how many services or goods were provided or made with the use of each hryvnia of fixed assets. Inventory Turnover indicates the effectiveness of the current stock management policy. Accounts Receivable Turnover indicates the intensity of the turnaround of debtors' debts before the enterprise. Accounts Payable Turnover – is an indicator of business activity that indicates the number of revolutions that made payables during the year. Equity Turnover indicates the efficiency of the use of capital owners and shows its performance.

Table.2.5

Business activity indicators of Boryspil Airport, 2015-2017

Indicators	Formulas	Normative value	Years		
			2015	2016	2017
Return on Capital	Net Income / Fixed Assets (average annual)	Increasing	0,61	0,48	0,63
Total Asset Turnover	Net Income / Assets (average annual)	Increasing	0,36	0,28	0,37
Inventory Turnover	Prime Cost / Inventories (average annual)	Increasing	9,29	8,19	8,13
Accounts Receivable Turnover	Net Income / Accounts Receivable (average annual)	Increasing	3,86	5,18	5,24
Accounts Payable Turnover	Prime Cost / Accounts Payable (average annual)	Decreasing	11,15	10,61	11,87
Equity Turnover	Net Income / {Equity (rep) + Equity (prev)} / 2	Increasing	0,47	0,59	0,64

** Compiled by the author according to airport reporting*

Based on the calculations in **Table.2.5**, we conclude that Return on capital increased significantly in 2017 (0.63) compared to 2016 (0.48). Indicator indicates an increase
in the number of services or goods that were provided or made with the use of each hryvnia of fixed assets. Also, the total increase in Total Asset Turnover in 2017 was
0.37, indicating that the company is using its limited resources more efficiently. In 2015, the figure was 0.36, at 206 – 0.28. Inventory Turnover has a tendency to decrease: in 2015 the figure was 9.29, in 2017 – 8.13, indicating inefficient inventory management of the company.

Accounts Receivable Turnover increased significantly in 2017 – 5.24, in 2016 the figure was 3.86. This high value of the indicator indicates an effective policy of managing relations with suppliers. The Accounts Payable Turnover exceeds the Accounts Receivable Turnover, which indicates that the company uses the funds of the creditors as a source of financing their debtors, while the rest of the money is used by the firm to finance its other operations.
Equity Turnover in 2015 amounted to 0.47, in 2017 –0.64, an increase in the indicator indicates continual optimization of the company's activities in its field.

The financial position of an organization is a complex concept resulting from the interaction of all elements of the financial relations system of the enterprise,
It is determined by a set of factors of production and economic factors and is characterized by an indicator system that reflects the existence, allocation and use of financial resources.
An analysis of an organization's financial position provides qualitative and quantitative information about its activities, which is essential for many market players.

2.3. Analysis of Performance Indicators of the Enterprise

The main source of revenue from sale of services is revenue from aviation activities, which amounts to 86% of total net income, excluding other operating income, which includes income from rental assets, interest accrued on account balances, etc. The share of revenue from providing aviation services in total Revenue is 82%.
The financial position of enterprises should be understood as the ability of the enterprise to finance its activities. It is characterized by the availability of financial resources necessary for the normal functioning of the institution, suitable for its effective use and development, financial relations with legal entities and other individuals, financial solvency and financial stability.

The financial condition of an organization can be stable, unstable and crisis. The ability of enterprises to make payments in a timely manner, finance their activities, and meet the increasing demand for production proves their stable financial position.
To develop in a market economy and prevent the bankruptcy of an institution, you need to know how to manage finances, what should be the capital structure in terms of composition and source of education, what should be the share of private funds, and which - borrowed, borrowed.
The main purpose of the analysis is the timely detection and elimination of defects in financial activities and the search for reserves to improve the company's financial position and its ability to fulfill financial obligations.
The financial condition is analyzed not only by the managers and related services in the enterprise, but also by its founders and investors in order to study the efficiency of resource use; Banks - to assess lending terms and degree of risk; Suppliers - to receive payments in a timely manner; Tax inspections - to implement a plan for receiving funds for the budget, etc.
The financial condition of an enterprise determines the ratio of its asset and liability structures, that is, the institution’s means and sources. The main tasks of analyzing the financial condition - defining the quality of the financial condition, studying the reasons for its improvement or deterioration during a certain period, and preparing recommendations to improve the financial sustainability and solvency of the enterprise.

An analysis of the structure of financial results of the Boryspil airport for 2017-2019 is presented in the **Table.2.6**

Table.2.6

Financial results of the Boryspil airport in thus, UAH

Indicator	2017	2018	2019
Net Profit	3 870 048	3 930 861	4 481 183
Cost of Sold Products	1 350 288	1 774 770	2 678 007
Gross Profit	2 519 760	2 156 091	1 803 176
Other Operating Income	151 694	109 242	100 810
Administrative Expenses	95 627	152 965	229 110
Selling Expenses	5 504	9 587	12 009
Other Operating Expenses	209 761	77 767	90 437
Other Financial Income	10 787	13 627	13 500
Other Income	64 015	53 120	56 487
Financial Expenses	283 270	301 721	401 422
Other Expenses	37 803	62 366	68 879
Income Tax Expense	382 871	312 457	205 275
Net Financial Result	1 731 420	1 415 177	966 841

** Compiled by the author according to airport reporting*

Analyzing the data presented in the table, we can calculate the relative performance indicators. Such as:
- Profitability of products
- Gross profitability of implementation
- Operating profitability of implementation
- Net profitability
- Return on assets
- Return on equity
- Profitability of working capital

Defining these indicators, we will allow to draw conclusions about the strengths and weaknesses of the company and will show where you need to pay attention to further development of the enterprise. We see the profitability results in the **Table.2.7**

Profitability results **Table.2.7**

Indicator	2017	2018	2019	Normative Value
Cost-effectiveness of Products	1,65	2,06	1,86	Increase.
Gross Profitability of Implementation	0,62	0,67	0,65	Increase.
Operating Profitability of Implementation	0,66	0,63	0,6	Increase.
Net Profitability of Implementation	0,27	0,41	0,44	Increase.
Return on Assets	0,07	0,15	0,19	Increase.

** Compiled by the author according to airport reporting*

We can see the tendency that all indicators are getting better every year. Thus, in 2017, the figures in comparison with the normative indicators did not quite correspond to the norm, but the dynamics of development shows that some indicators all show positive results, and some only positive dynamics. Analyzing the table, we can confidently say that the profitability of the enterprise Boryspil State Airport becomes more profitable every year due to the fact that after 2014 the company restores its potential and produces customers.

Equally important for the indicators that characterize the financial result are indicators of financial sustainability of the entity. The algorithms of their calculation involve lines from the Balance Sheet and the Financial Results Report. For a detailed analysis of the liquidity of a business entity, a number of relative coefficients is used. The source of information for them is Balance. The basic information from balance is presented in the **Table.2.8**

Table.2.8

Special Capture from the Balance Sheet for the Period 2017-2019 in UAH

Indicator	2017	2018	2019
Stocks	177 504	201 645	261 304
Current biological assets	7 254	8 252	8 481
Money and their equivalents	479 146	527 826	556 721
Total for section 2	1 381 493	1 274 843	1 376 647
Total for section 3	1 345 944	1 473 637	1 537 372

** Compiled by the author according to airport reporting*

The table shows us a special capture of the balance sheet indicators for the period 2017-2019. The values of the data presented in the table are needed by us in order to calculate:

- The absolute liquidity
- The quick liquidity
- Total liquidity ratio
- Accounts receivable and payback cost

The results of calculation of the absolute liquidity, coefficient of quick liquidity, total liquidity ratio show us the **Table.2.9**

The Results of Calculation of Liquidity **Table.2.9**

Indicator	2017	2018	2019	Normative Value
Absolute Liquidity	0.67	0.49	0.35	0.2-0.35
The Quick Liquidity	1.19	1.11	0.89	0.6-0.8
Total Liquidity Ratio	1.3	1.22	1.02	1-2
Account Receivable and Payback Cost	2.34	1.74	1.32	1

** Compiled by the author according to airport reporting*

Regulatory liquidity indicators are somewhat different from those shown by Boryspil airport, but the dynamics of these indicators shows positive results. For example, the normative indicator of absolute liquidity is 0.2-0.35, and the airport index in 2017 is 0.67, which does not meet the set standards, however, in 2019 this same indicator in the enterprise is all 0.36, which demonstrates the above words about the positives trend. The same with other indicators of liquidity like total, **etc.**

Since the financial status of the business entity depends to a certain extent on the correctness of investing financial resources in the property, it will be worthwhile to revise the algorithms for calculating the relative indicators used to analyze the property **(Table.2.10)**

Financial Status of the Business Entity **Table.2.10**

Indicator	2017	2018	2019	Normative Value
Constant Rate	0.85	0.83	0.84	Decreas.
Mobility Ratio	0.14	0.16	0.15	Increase.
Coefficient of the Ratio of Current and Non-Current Assets	0.16	0.2	0.18	Increase.
Factor for Depreciation of Fixed Assets	0.56	0.58	0.58	Increase.
Fixed Assets Ratio	1.75	1.69	1.71	Decreas.
Permanent Asset Index	1.4	1.3	1.21	Decreas.
Coefficient of Consolidation of Current Assets	0.51	0.46	0.35	Decreas.

** Compiled by the author according to airport reporting*

Consideration of the above indicators allows us to conclude on the expansion or narrowing of the airport Boryspil. Analyzing the results of the table it is fashionable to say that the company has made a major push in expanding its activities in 2017. But in 2018, the pace of development declined, as can be seen from the table. It cannot be said that the company ceased to develop or began to narrow, just the development of somewhat lowered its active. It is difficult today to reach the figures for 2017 due to the huge increase due to the fact that the airport Boryspil lost many achievements in 2014. It is precisely because of the return of the developments that we see a frenzied development in 2019.

Equally important for the indicators that characterize the financial result are indicators of financial sustainability of the entity. The algorithms of their calculation involve lines from the Balance Sheet and the Financial Results Report. Calculations of indicators that characterize financial sustainability are shown in the **Table.2.11**

Table.2.11

Indicators that Characterize Financial Sustainability

Indicator	2017	2018	2019	Normative Value
Coefficient of Financial Independence (Autonomy)	0.6	0.63	0.69	0.4 - 0.6
The Coefficient of Financial Dependence	1.64	1.57	1.44	< 2
Coefficient of Financial Risk	0.64	0.57	0.44	0.6 - 0.5
Interest Coverage Ratio	1	1	1	< 1

** Compiled by the author according to airport reporting*

We see that an autonomous enterprise grows with each passing year.
We also see that financial dependence is rapidly falling-it is a positive factor in the development of the enterprise. The coefficient of financial risk has also decreased in the period from 2015 to 2019 and to this day is declining, which says that the company is able to independently exist on the market every year. However, since the enterprise belongs to the state and is a state enterprise, it will not succeed completely out of dependence.

After analyzing the airport development strategy, we can conclude that the strengths, weaknesses, opportunities and threats are different.

- Airport Strategy Capabilities:

- Field flight opportunities (runway No. 1 provides long-haul service).
- Base airport for the leading Ukrainian airlines.
- Opportunities to expand infrastructure at no cost.
- A significant proportion of international air travel.

- The existence of a network of intercontinental flights.
- The monopoly position among Ukraine's airports, regarding the approval of long-haul flights.

- Weaknesses of the airport strategy:

- The high level of official procedures while crossing the country's borders, which prevents the increase in passenger traffic.
- The transportation infrastructure is not well developed.
- The relatively high cost of airport services.
- Insufficient development of easily accessible commercial infrastructure (shops, food outlets, transportation).
- The human factor (the incompetence of airport employees).
- Low level of aviation security.
- Failure to connect to a "railway station - airport".
- Low development of cargo movement

- Airport Features:

- The geographical location that contributes to the development of the road network.
- Enhancing the airline's primary position (increasing the volume of transport and connecting flights).
- The visa regime with European Union countries is possible.
- Signing of the SAP agreement for Ukraine with the European Union countries.
- The demand for air transport is delayed, which will be satisfied after the stability of the situation in the country.
- The emergence of low-cost airlines.

- Threats to the airport's strategic development:

- Ukraine's reduced attractiveness to potential passengers as a result of hostilities, which is a difficult social and political situation in the country.

- The economic crisis and the decline in the purchasing power of the population.
- High prices for jet fuel.
- More successful and dynamic development of competitors' airports.
- Increasing the foreign exchange rate.

When analyzing the chosen strategy of the company, we can conclude that if the management of the enterprise in question leads to improvement in technological processes,
It improves the efficiency and experience of the employees, will allow the use of (better competitors) the planned growth of the service group (the opportunity), and will provide a higher competitiveness in light of the increasing threat of customer demand).

The Matrix Development Strategy provides a pivotal (large nodal airport) model for implementation the airport management must develop an infrastructure capable of serving the passenger transport.

The airline hub is a large international airport that serves as a transportation hub for passengers and goods. A major component of the airline's network that connects indirect airports.

When it comes to prospects, around 15-20 years, Boryspil is seen as the main air gateway to Ukraine, a powerful hub, and airport serving well-known airlines and providing a European level of comfort for both passengers and airlines. It is planned to take a good place among the powerful airports of Eastern Europe. This requires the possibility of full use.

One of the simplest ways to use analysis is to identify areas for improvement in your own business. Of course, it would be better to eliminate all weaknesses and strengthen strengths. Only in conditions of limited resource it is always unreal. The analysis identifies the most

important factors (in terms of capacity building and protection against threats) that require change. It:

- Financial problems;
- Poor quality of service.
- Unskilled and inexperienced staff.
- Airport disturbances.
- Insufficient range of non-air services.
- High prices;
- Corruption leadership.

We have received a list of the most important internal factors that require the airport management's attention. It is this list to the change plan - hand to file.

The analysis helped formulate a promising strategy and identify factors requiring change. Now the task of management is to choose what will be sent for work, what will be sent to the landfill, and which fall within the set of strategic options about inventory, because the resources are not infinite.

CHAPTER 3. GROUNDS FOR IMPROVING INNOVATION STRATEGY OF THE STATE ENTERPRISE BORYSPIL INTERNATIONAL AIRPORT

3.1 New Directions in Enterprise Innovation Strategy of Boryspil International Airport

Nowadays, many businesses are using a diversification strategy. Diversification strategy - development of production of new goods, commodity markets, and types of services, which includes not only diversification of product groups, but also the expansion of entrepreneurial activity to new and not related to the main activities of the firm of the region. It is a system of measures that is used to ensure that the enterprise does not become too dependent on one strategic business unit or one product group. The diversification strategy envisages the development of new products at the same time as the development of new markets. In this case, the products may be new to all enterprises operating in the target market, or only for this enterprise. This strategy ensures the profit, stability and resilience of the firm in the distant future. It is the riskiest and costly. There are a number of reasons for diversifying an enterprise, one of the main ones being the desire to reduce or distribute risk, as well as the desire to leave the stagnant markets and gain financial benefits from working in new areas. The last two factors - the stagnant market and the desire to explore new areas of activity - are the main reasons for the diversification of Ukrainian enterprises. Diversification involves identifying exactly the type of activity in which the most competitive advantage of the enterprise can be realized.

Diversification has its positives and negatives. The main danger of diversification is related to the dispersal of forces and the problems of managing diversified enterprises. This problem has led to the development of portfolio analysis methods. The diversification strategy is implemented when the firm cannot continue to develop in the given market within the

given branch. The main factors behind the choice of diversification strategy are the following:

- Markets for business are in a state of saturation or decline in demand for products due to the fact that the product is dying.
- Current business provides exceeding cash flow requirements that can be profitably invested in other business areas.
- New business can have a synergistic effect, for example through better use of equipment, raw materials, etc.
- Antitrust regulation does not allow further expansion of business within the industry.
- Tax losses can be reduced.
- Access to world markets may be facilitated.
- New skilled employees may be hired or the potential of existing managers better utilized.

- The Main Diversification Strategies are:

- A strategy of concentric (or vertical) diversification based on finding and utilizing additional opportunities to produce new products that are embedded in an existing business; that is, existing production remains at the heart of the business, and new arises out of those opportunities that are encapsulated in the developed market, technology used, or other strengths of the firm.
  - The advantages of vertical diversification are the combination of coordination of actions with high control capabilities, stability of business ties within the enterprise, guarantee of supply of logistical resources, close contact with end consumers.
  - The disadvantages of this strategy include: the interdependence of enterprise units, which in the case of negative external changes worsens the position of the company; a limited market leads to a reduction in the impact of competition, the need for improvement requires significant costs, which ultimately leads to an excess of the cost of resources at the average market price. As a result of these

shortcomings, a decrease in the level of vertical diversification is observed.

- Horizontal diversification implies entering new business areas that are related to meeting the needs for existing clients (consumers) of the firm. An enterprise that manufactures a particular type of product or service may obtain information from its customers about the need for other types of goods and services and the use of this opportunity. This is the advantage of horizontal diversification, which allows to take into account the needs of consumers in various ways, while achieving the effect of synergism - a set of activities gives a greater effect than individual activities. An example is a company that performs passenger transportation, goes into the tourism business, and can provide its passengers with tourist services.

- The strategy of conglomerate diversification is that the firm expands to produce technologically unrelated goods that are sold in new markets; it is one of the most difficult to implement development strategies; very often this strategy is implemented through the acquisition of businesses rather than the creation of new businesses to operate in an unfamiliar market.

In my diploma thesis I propose to Boryspil Airport to follow a diversification strategy, which will be used for non-aviation activities. The basis is a non-aviation component that can provide the following ways of enterprise development:

- Ensuring the loyalty of passengers to the airport (lounges, Internet (free of charge), electronic registration, smoking booths, playgrounds for children, etc.).
- Expansion of infrastructure for transit passengers.
- Increase in the area for shops, restaurants.
- Creating a car rental system.

- Lease of commercial space and office premises.
- Rent of commercial space and office premises.
- Rent of commercial premises and office premises.
- Rental of advertising space.
- Completion of the parking lot.
- Development of freight transportation and creation of a separate terminal.
- Development of intermodal transportations
- Improvement of the transportation system with other transport nodes.

Following the analysis of the diversification strategy and the current state of the enterprise activity, the following strategic goals and measures for their realization are determined in the **Table. 3.1**.

Strategic Goals and Measures **Table.3.1**

Strategic goals	**Activities**
1. Integration into the system of leading European airports	Encouraging airlines to open new flights and preserve existing routes
	Collaboration with airlines to increase transfer traffic
	Creation of infrastructure for transfer passenger service
	Introducing new services to increase revenue
	Benchmarking at European airports
	Compliance with the applicable airline and passenger service standards at the enterprise
2. Development of infrastructure to ensure	Increasing passenger comfort through the development of commercial areas (shops, food outlets, etc.)

the satisfaction of airport customers	Ensuring the operational readiness of machinery and equipment
	Parking construction and commissioning
3. Reduction of cost of services	Increased productivity
	Outsourcing implementation
	Reducing the cost of procurement and establishing transparent competitive bidding conditions, implementing a transparent e-procurement system
	Avoiding duplication of structural unit functions
4. Increasing the level of corporate culture, creating conditions for the development and professional growth of each employee	Corporate training
	Promoting the professionalism of employees through compulsory vocational training
5. Reduction of harmful effects on the environment	Implementation of energy saving technologies
	Ongoing environmental monitoring and action.

Considering the data, we have in the table, we can say that there are many ways to develop non-innovative activity of the enterprise, which in turn can lead to an increase in the economic efficiency of the enterprise due to the diversification strategy.

3.2 Proposals for Innovation Strategy of the State Enterprise Boryspil International Airport.

Analyzing the financial indicators and strategies of Boryspil Airport, we can conclude that the diversification strategy is the most optimal for the economic growth of the enterprise.

It is widely known that the main (aviation) activity of airports is the maintenance of runways, air navigation, security services, passenger, cargo, aircraft and others. That is all that allows airplanes with passengers and cargoes to take off and land safely and accurately. In air tickets, the reflection of aviation activities can be seen in the line "airport charges". However, airports are engaged in non-aviation activities, which is the most important revenue item for most airports in the world. According to foreign experts, it averages 15-20% in the structure of airport revenues, and in some cases reaches 30-40%.

At the same time, the profit from such activities can amount to 60-70% of the total profit of the airport. In Ukraine, this percentage is much lower, which is largely due to the fact that in our country the receipt of non-aviation incomes has not been given due importance for a long time. However, it should be noted that the airport, which transports more than 60% of all passengers in the country - has all the prerequisites and significant potential to significantly improve over time in this new direction.

So what is non-aeronautical activity? Non-aeronautical activity is a non-core commercial activity of airports, which allows them to improve the quality of services and receive additional revenues. It includes:

- Renting for use of premises belonging to the airport, land or equipment (for example, check-in desks, ticket offices and administrative premises).
- Restaurants, bars, cafeterias and the supply of onboard food.

- Duty-free shops; - concessions for the supply of aviation fuel and oils.
- The right to sell or sell aviation fuel and lubricants at the airport.
- Parking lots.
- As well as other concessions and other commercial activities of the airport (rent for motor vehicles, charges for the right to conduct banking operations and currency exchange, entrance fees for access to areas of special interest, for example, the air terminal observation posts).

At the Boryspil airport, the profit from non-aeronautical activity is low. The **(Table 3.2)** shows how much the airport earned in 2018.

Income of Boryspil Airport **Table.3.2**

	Income in thus UAH	**Percentage**
Aviation activities	2.749.000	69,9%
Non-aviation activity	598.000	15,2%
Additional Services	582.000	14,8%
Total	3.929.000	100%

***** *Compiled by the author according to airport reporting*

We see that the amount of proceeds from non-aviation activity of the enterprise is only 15 %. This is the problem not only of Boryspil airport, it is a problem for all airports of the post-Soviet period. Because at that time, almost nobody was engaged in non-aeronautical activity and did not know how it works correctly.

From the point of view of commerce, the airport is a unique economic space, which is characterized by a special mode of operation, a special category of consumers of goods and services, which thus provides a wide opportunity to generate income. In accordance with the Airport Economics Manual, the major revenue streams from airports are revenues from air

travel and ground handling, as well as non-aviation (according to the **ICAO** terminology, non-aeronautical) activities.

Current trends show that airports become centers of commercial activity, attracting a large number of enterprises from different sectors of the economy. At the same time, for the purpose of engaging in non-aeronautical activities, airports use all their capacities: both external and internal areas of terminals.

Income from non-aeronautical activities includes, in general, payments of various structures for the right to conduct commercial activities at the airport, payments for the transfer of concession or lease of land plots and premises, as well as proceeds from commercial activities carried out by the airport as its territory, and beyond, but not related to the satisfaction of the needs of airlines, passengers and shippers. The types of concession services and rental which are areas for improvement of non-aviation activity at the airport we can see in **Table 3.3**

Areas of Non-Aviation Activity **Table.3.3**

Consumers	**Location**		
	Airport Terminal	**Airport Territory**	**Territory Outside the Airport**
Passengers Customers Visitors Airport staff Airline personnel Concessionaires Tenants Shippers	Trade Power Information Advertising Banking operations Postal and telephone communication Service services	Trade Power Advertising Taxi parking Private car parking Filling stations Hotels Vehicles	Hotels Motels Pensions Private apartments Supermarkets Travel Agencies

Consignees Airline Clients Concessionaires Tenants	Leisure Security Medical services and other types of consumer services		

From the table, we see that there are a lot of ways and areas for improvement. We also see that the Boryspil airport has a fairly large base of clients that can be relied upon and analyzing everyone can understand what an increase in non-aviation activity of an enterprise can be at times.

The determination of the size of rental rates and concession fees is made taking into account the potential demand for services rendered in the course of diversifying their kind, the location of facilities in the airport or inside its facilities, the degree of technical equipment and comfort of the allocated premises, the conditions of their operation, the duration of the lease, the size of the required investments **etc**.

The amount of payments is established on a contractual basis with the use of competitive mechanisms. When selecting applicants, not only the proposed price is taken into account, but the company's image and its ability to provide the corresponding service with an orientation towards international quality standards are taken into account. This is what makes Boryspil Airport possible to earn due to the fact that the company will pay for the provision of a place on the territory of the airport and also outside the airport.

The terms of the contracts for leases or concessions are usually from one to five years, if this does not require large capital outlays from the applicants. This also contributes to the development of non-aviation airport operations because the long-term contract allows you to confidently negotiate with new companies to enter the territory of airport. Also long-term contracts give a signal to other companies that they are dealing with serious organizations and this cannot positively not affect the relations between the parties.

In some cases, when it is difficult to assess the prospects or effectiveness of work in a particular direction of diversification, the airport management can conclude a "management contract", which retains the right to own property, and the manager is paid a certain percentage of the income.

State companies in their activities do not take care of the profitability, since they do not experience the pressure necessary to seek out new sources of income. The reason for this is the fact that in the case of the need for the sake of equality, we will all be provided with state subsidies. In order to develop non-aviation activities and, in particular, concession activities in Ukraine, there are objective assumptions and block-based laws. The fact that the Ukrainian ports are insignificant compared to the West's concessionary receipts (if only the general situation) is due to the fact that the legal institution of the cession is a new one for the Ukrainian legislation, so there is not enough practice for its use.

Also, you do not have to invent a bicycle when it already exists. Referring to the experience of foreign airports we can conclude what percentage of the profitability of what services they receive. The **Table 3.4** shows how the average revenue structure in European airports looks.

The Average Revenue Structure in European Airports Table.3.4

Aviation Activity	Non-Aviation Activity

Takeoff landing operations	21%	Car parking	2%
Passenger service	20%	Retail	4%
Places of parking of air transport	1%	Coming services	4%
Ground handling of air transport	13%	Concessions	16%
Other aviation incomes	1%	Lease of premises	8%
		Other non-accrual income	10%

Analyzing the table, we see that the percentage reaches average airports in Europe is in the middle of up to 50%. In the case of the Boryspil airport in **Table 3.1**, we see that the percentage of profitability from non-aeronautical activities is just over 15%. This means that, by analyzing the experience of the European airports, we can take as a basis the concept of attracting non-aeronautical activities and introducing them into the enterprise.

First of all, it can be argued that Boryspil airport lacks parking. To date, work on the construction of multi-storey parking is underway, which will raise the income from parking fees by 2-4%. But due to lack of funds and constant delays on the part of the state, this project is still not implemented.

The next problematic issue is the issue of terminals that are not involved in receiving and dispatched passengers. In order to keep the terminals in good condition, not a small amount of money is spent. Also, during the cold period, the temperature of the terminals that do not function at least 5 degrees Celsius is to be temporarily intact, for this the airport spends a lot of money, especially in the winter period of time.

There were a lot of thoughts about the fact that terminals that are not used for the reception of passengers, you can open exhibitions or other

entertainment events for guests. Especially for those who spend a lot of time on their flight. You can also rent offices as offices. Especially for the airlines with which Boryspil airport cooperates. You can also rent office premises for companies located in the nearest cities, in our case Boryspil city.

This will save you money spent on maintaining terminals in a decent condition. And also to earn enough money for the development of other non- aeronautical activities, for example, to redirect funds for the construction of parking.

We should not forget about advertising. Advertising is an audio or visual form of marketing communication that employs an openly sponsored, non-personal message to promote or sell a product, service or idea. Sponsors of advertising are typically businesses wishing to promote their products or services. Advertising is differentiated from public relations in that an advertiser pays for and has control over the message. It differs from personal selling in that the message is non-personal, i.e., not directed to a particular individual. Advertising is communicated through various mass media, including traditional media such as newspapers, magazines, television, radio, outdoor advertising or direct mail; and new media such as search results, blogs, social media, websites or text messages. The actual presentation of the message in a medium is referred to as an advertisement or **"ad"** for short. And most importantly, the airport does not need to spend anything to attract advertising. Boryspil will only be profiting from companies that will use premises and a special place to advertise.

Shops duty-free (duty-free) exist in most of the international airports, although the range of these can be limited by alcohol, tobacco products and fragrances. The increase in the number of passengers is widening the range of duty-free shops. In addition, there are also hours, cameras and other optical equipment, radios and portable players, various electronic devices (computers, laptops, laptops, game consoles), and expensive incompatibilities.

As for the income of the household, and in addition to the registration of sub-stores and the provision of public services, the airport may be located on the site of the site in the vicinity of the terminal. The main arrendators here are the companies and state enterprises. This kind of aeronautical activities will develop European airports, much better than concessional activity. Perhaps it is connected with the system, that in Ukraine, the most developed direction is the inclusion of contracts in the lease, rather than the contracts for concessional activity.

The main ways to improve the efficiency of a state-owned enterprise Boryspil International Airport I consider attracting non-working terminals and facilities at the airport and improve the infrastructure for passengers. The first one can be attributed to the leasing of offices for companies located close to the airport (Boryspil city) or the best one will be leasing terminals that do not work for the airline with which the airport cooperates. If the firms located in the city of Boryspil will withdraw offices from their employees, then the Boryspil airport has the opportunity to offer its services for moving workers from the city directly to the airport, which cannot be a positive factor in the future negotiations.

The costs of such operations will be minimal, as the airport also provides non-working terminals, as well as transporting their employees from the city of Boryspil by buses that belong to the airport. This suggests that the expenses of the enterprise will be limited to monitoring the usefulness of the existing equipment.

On the other hand, there is a huge client base of airlines that have been cooperating with Boryspil airport for years and can open their representative offices in Ukraine. Representatives can also be located directly in premises that are not operated by the airport for various reasons. Another important issue for improving the efficiency of Boryspil airport is the infrastructure for passengers. To date, there are many shortcomings on

this issue. First of all, this is a combination of the airport with the cities, and especially with the capital of Ukraine, the city of Kiev.

The second problem is parking at the airport, which prevents all people from staying in their vehicles before the airport or airport. Since the airport is outside the city, it creates great inconvenience to passengers, and those who expect relatives, friends, **etc**.

However, in my opinion, the most effective way to increase economic efficiency is to lease premises that are not involved in the operation of the airport. Succeeding in profit in this case is increasing. There are many options for renting a room. The first is the delivery of office space. You can also trade, warehouses and invest in a museum. There were also suggestions for rebuilding the old terminal in the museum. This may be the first museum in Ukraine that can bring a small profit to the airport. Or we can upgrade an existing museum in the airport and move it to more room. Old resources will allow you not to invest a lot of money and not build everything from scratch. However, such thoughts have little to do with managing the airport because of the costs that the company must bear. But, since the airport is state-owned, it's possible to try to hold this idea into the ministry and get money from the state.

3.3 Assessment of Economic Efficiency of Innovation Strategy

During the study of the organization of the Boryspil airport, it was found that the investment program is being created in a small circle of the enterprise, which does not allow to follow the observance of the planned indicators to ensure the appropriate level of development quality. Cost planning and service offerings are based on objective necessity. Such parameters are established on the basis of the results of the previous year and the setting of goals aimed at increasing the efficiency of the use of available resources, increasing the supply of different types of services and profits.

In the thesis, the development of non-aviation activities is proposed, in particular, the offer of services for leasing premises that do not use airport. At the moment, three terminals (A, B and F) of the airport are in a state of conservation. But in calculating the expediency, we can say that the benefits from the operation of these terminals in the non-aeronautical industry is very high.
For comparison, in **(Table 3.5)** cost data for opening terminals for activities.

Calculation of Costs for Opening **Table.3.5**

Statue of Expenditures	**Amount in UAH**
Materials for cosmetic repair of terminals A, C	500 000
Replacement of furniture	200 000
Transportation of existing materials from warehouses	30 000
Transportation costs	50 000
Purchase of stillage in terminal C	150 000
Purchase of exhibits and transportation of existing ones	60 000
Breakdowns for new employees(per month)	100 000
Wages for workers	300 000
Total	1 390 000

After the opening, the company will bear constant and variable costs. We can see the result of their calculation in the **Table 3.6**

Calculation of Costs After Opening **Table.3.6**

Costs	Amount in UAH Per Month
Constant	
Care of the territory of the terminals	80 000
Transportation of workers (as agreed)	25 000
Salary to employees	100 000
Cleaning costs	50 000
Variables	
Wear of communications	100 000
Repair of equipment and machinery	50 000
Advertising	50 000
Other payments	120 000
Total	575 000

In order to better understand the economic evaluation, it is necessary to trace how much time, resources and money spent will be developed to develop a strategy for implementing the proposed changes. In **(Table 3.7)** we see a plan of measures for the adoption of proposed swept regarding the lease of premises.

Table.3.7
Plan of Measures to Implement the Project of Activities for Leasing

Event	Time limits
Drawing up business concept, tariffs and possible risks	June 2018
Development and implementation of advertising for attracting partners	July 2018
Signing an agreement with partners on the long-term lease of premises	August 2018

We can see from the table that for the developments, the company does not need to attract new frames and pay for it. The airport is able to cope with its own forces and skilled personnel, salaries of which enterprises pay for work.

Also, the plus of such work is that additional costs for signing contracts, advertising and business concepts are also not needed. The airport has all the necessary departments to develop all the tasks. For example, at the airport there is a marketing department that can take on the development and implementation of advertising. And so with each of the tasks.
One more plus of such measures is that they can be developed very quickly. According to the plan shown in the table, it is only three months from the development, before the signing of the contract, which will be profitable.

Since all the facilities in the airport are in a satisfactory condition, then there is no need to do a head repair.
We can calculate that in a month an enterprise will spend 575 000 **UAH** after attracting customers. That is, in the year of opening 575 000*12=6 900 000 **UAH**. Also, these expenses are covered by the repair and opening of terminals, as shown in **(table 3.6).** We can calculate how much money is needed for the planned year:

1) Find the expenditures for the planned year:
Expenditures for the planned year= The money for the opening + Costs after opening
Expenditures for the planned year= 6 900 000**UAH** + 1 390 000**UAH**= 8 290 000**UAH**

Also, it must be taken into account that the terminal F does not require any repair, since it is relatively new and that it has taken flights very recently.
After calculating the costs that the company will incur in case of implementation of the proposed measures for the lease of premises, it is necessary to calculate how much enterprise will receive.
Consider the indicators of terminals, their characteristics and the average price for Boryspil for the rent of warehouses and office premises in **Table 3.8**

Table.3.8

Characteristics of Terminals and the Average Price for the Rent Per Month

	The Area of the Premises	**The Average Office Price in UAH for 100 Meters Square**	**The Average Price in UAH of the Warehouse for 100 Meters Square**
Terminal A	400 meters square	25 000	15 000
Terminal C	400 meters square		

Terminal F	20 685 meters square		

Using the data of **(Table 3.8),** you can calculate how much profit per month can bring rent in the condition of full loading of terminals. Calculation is omitted in **Table 3.9**

Calculation of Lease of Premises in UAH Per Month **Table.3.9**

	The Average Office Price	**The Average Price of the Warehouse**
Terminal A	100 000	-
Terminal C	-	60 000
Terminal F	5 171 250	-
Total	5 331 250	

The table shows the maximum profit that the company can get from leasing premises. However, you need to make an amendment to the fact that in fact the company will be able to hand over only half. Because you need to find customers, sign a contract and much more.
Therefore, net profit calculation will be made taking into account the loading of terminals:

2) Find the net sales - total revenue of the entity all activities:
per month =5 331 250/2=2 665 625 **UAH**
per year= 2 665 625*12=31 987 500 **UAH**

3) Find the company's gross profit after implementing the proposed changes:
Gross profit: 31 987 500- 8 290 000= 31 158 500 **UAH**

4) Find the profitability of the proposed measures:

Profitability: 31 158 500/31 987 500= 0.97

The proposal to improve services of non-aviation character will help to improve the financial situation of the airport and increase income from non-aeronautical activities by 5**%** or by 31 158 500 **UAH** annually. In particular, rendering services for rental of airport premises will bring additional funds. Transactions for lease and concession of airport areas can bring 40 million hryvnias. Thus, the total value of non-aviation activity increase is estimated at more than **UAH** 5 million a year. Given the small percentage of non-aeronautical proceeds throughout the entire Boryspil airport - about 15**%** of all revenues, proposals for the development of non-aviation activities at Boryspil airport will help raise non-aviation activity. Thus, the measures proposed in the thesis on further development of the state enterprise "Boryspil International Airport" will contribute to improving the efficiency of its activities and improving its financial condition.

Also, visitors who will arrive outside the Boryspil airport, and the firms that will be located in the airport will leave their cars at toll-free parking places located near each terminal. Including terminals, A, C and F. Also, customer's warehouses that will come for goods will leave cars at the parking lots. This is another way to improve cost efficiency through rental of premises. As the firms will themselves attract new customers to the airport. Not for flights, but for non-aeronautical activities of the Boryspil airport.

For today the airport receives profit from parking in the amount of 2**%** of the total profit. At this stage, Boryspil airport has created a pricing policy that satisfies the demand of consumers.

Potentially parking is a very beneficial area of earning money. There are two types of parking services. Hourly fee, when the customer does not need to leave the car for a long time (who visit the company), and customers who leave the car for many hours

As a result of these measures, it is expected to increase the volume of revenue from parking for 35**%**, while the growth of expenditure is expected at 10**%**.

We see that the proposed measures will increase profit by 43**%**, which suggests the expediency of the proposed measures. Also, the table does not take into account income from people who will be able to arrive in Boryspil by train in just 30 minutes. What will bring a stable passive profit to the company in the amount that will be indicated in the long-term.
The analysis of the data presented in the tables and the fact that for the implementation of these measures almost no funds are required due to the fact that our company is a state-owned enterprise and almost all the implementation takes place at the expense of investments and loans it can be said that the proposed measures are positive and positively evaluated. will affect the situation in the enterprise as a whole. It is necessary to pay attention only to the political and legislative situation. Because almost all the failures of introducing a new one in Ukraine are stopped due to the bureaucracy of officials and legislation. It is these two non-economic factors that may hinder the implementation of the proposed measures to improve the economic efficiency of the Boryspil airport. Just in economic terms, the measures that were proposed in the preceding paragraph have a rather high potential. Also, it will not be superfluous to calculate the economic impact on the company and the forecast indicators of innovations. Also, last year, capsule hotels, which have been popular in the world for several years, were opened at the Boryspil airport. They are popular with airport visitors. But due to the fact that the passenger flow is increasing every year, the capacity of the hotel is not enough. Given this, in my thesis I propose to open a room for a new type of rest. Which will combine the capsule hotel and the usual relaxation room. It is possible to produce special bed, using foreign technologies and domestic specialists or order them abroad with a possibility of further domestic production. As the most important side of any commercial project is finances, most popular special bed are Chinese, due to their price, which starts from 500 **$** for 1 capsule. For better understanding of variety of special bed and their

peculiarities the comparative analysis was done and is shown in the **Table 3.10** below.

Comparison of Different Types of Equipment **Table.3.10**

№	Name	Producer	Characteristics	Price FOB, USD
1	Transformer bed	Foshan Fusin Furniture Co., Ltd	Single Horizontal special bed. Size and color can be customized (dimensions around 2000x1400x1400)	1100
2	Pengheng Sleeping bed	Shenzhen Pengheng Capsule Hotel Equipment Co., Ltd	2-tier Horizontal. Dimensions 2260x1340x2260	750-850
3	Tiangong bed Hotel	Anyang Tiangong Color Plate Steel Structure Co., Ltd	Example of "classic room". Metal construction. Dimensions 6000x3000x2800мм	1500-2000
4	M-861 Sleeping Pod	Guangzhou MI cane Technology Co., Ltd.	Single Horizontal Plastic/Metal bed. Dimensions 2090x1300x2470	550

Developed by the author on the basis of **[104, 108]*

The configuration of all “shelf” type bed is similar, their appearance usually can be customized, for some of them size can be too, they come with light, ventilation systems and need minor additional investments. Tiangong bed Hotel **№3** looks like a metal container, which can be turned into a room, but needs significant investments (construction materials, furniture, **etc**.), the advantage of such hotel would that it is closer psychologically to Ukrainian consumer. Another advantage of such capsules is that they can be transported disassembled and it will be much cheaper. Although the major point would be that it needs a lot of place and has to be put outside, while compact capsules can be situated directly in the airport, which will make them closer to the passengers. And as main consumers will be transit passengers, psychological closeness of Ukrainian to the project is not an issue. Among the remaining options it is obvious that Pengheng Sleep box is the most optimal choice, as a place for 1 person will be 375-425 **USD**. It is important to add that it is difficult to foresee the popularity of such project due to lack of experience in our market. Even though sleeping special bed are popular in Europe and even Ukraine has couple hotels, there are no distributors in Ukraine and the project foresees purchasing capsules directly from a producer in China. Thankfully we have developed marine transport and the supplier of chosen works with shipments from Shenzhen port. Pengheng transformer bed of classical model comes in several configurations, which affect the price: Standard, Comfortable, Luxury, Extreme, Platinum **[104].** Mainly they differ on internal configuration. Comfortable configuration is optimal for the project as it is not expensive and allows to avoid additional investments. “Comfortable” transformer has a mattress, regular **TV**, hook for clothing, cosmetic mirror and safe box, which leaves us to purchase only accessories additionally for the project (linens, towels, **etc**.). **FOB** price of such capsule will be 800 **$**, 20800 **UAH**, by the exchange rate 1 dollar = 26 **UAH**. For starters it is recommended to create a hotel with 10 bed (20 sleeping places), it will take 31,64 **sq. m**. Price of delivery of goods from China to Ukraine varies and starts from 350 **$** for 1 **m3**. We will calculate the price of 1 **m3** of shipment as 500 **$,** which is above average and will for sure cover all expenses for transportation. So that the price of delivery from

China to Ukraine will take 35 – 45 days and will equal 889743,9 **UAH** for 10 transformers. By Ukrainian classification of goods of foreign economic activity constructions of this type come under the code 9406 00 11 00 – mobile houses, and have 5 % of customs duty **[3].** With **VAT** and customs duty the price of 10 capsules will be 1383157,339 **UAH**. For transportation of transformers from Odessa to Boryspil 2 trucks with 25-60 **m3** volume are needed, the price for such transport starts from 11 **UAH/km**. We will calculate as 15 **UAH/km** and it will be 7125 **UAH** for 1 truck, also loading (in Odessa) and unloading (in Boryspil) are included and cost approximately 4000 **UAH** for 2 trucks (120 **UAH**/hour +additional fees for heavy load). Initial investments also include accessories: linens, pillows, towels, etc. We will calculate the costs of accessories for 1 sleeping place, based on the average price of 1 bedding set as 1000 **UAH**, set of towels – 400 **UAH**, a pillow and a blanket – 1000 **UAH**, cosmetic accessories – 100 **UAH.** All initial investments are shown in the **Table 3.11** below.

Initial Investments for the Project **Table.3.11**

Expenses	**Sum**
Price of special bed	1,383,157,339
Transportation to Boryspil/ Installation	18250
Accessories (linens, towels, etc.)	50000
Total	1,451,407,339

**Calculated by the author*

To support the work of the hotel it is needed to hire cleaners and administrators, who will manage the hotel: register clients, keep track of the occupancy of the hotel, manage cleaners. Labor costs of the project are shown in the **Table 3.12**

Labour Costs of the Project **Table.3.12**

Position	Salary	Number of Employees	Total Salary Fund
Administrator	8000	3	24000
Cleaner	7000	3	21000
For a year	540000		
Income tax (18%)	97200		
Military tax (1,5%)	8100		
Social charge (22%)	118800		
Total salary fund	764100		

**Calculated by the author*

Personnel will work for 24 hours in turns, so every administrator and every cleaner will have the schedule of 1 working day for 2 free days.

To stimulate the demand for the hotel some advertising activities will be implemented. Advertising on the electronic scoreboard and billboards will be located in different places of the investigated enterprise and on the billboards on the way to Boryspil from Kyiv and will complement each other. Costs of billboards outside the territory of the airport will be 4000 **UAH** for 1 billboard for a month. It is planned to engage 8 billboards around the way **M03** and Boryspil for 4 months. Further advertising measure are planned using the advertising space of the airport. So the cost of advertising will be 128000 **UAH**.

Energy consumption of the hotel is following: assuming 1 transformer will fully function 8 hours a day with all appliances turned on, it will consume approximately 38 **kWh** (lighting, ventilation, sockets, **TV**) and costs 34,2 **UAH** (0,9 **UAH/kWh**). Water consumption calculation is following: assuming every client will take a fast shower and wash his hands couple of times, 1 person will need 45 liters of water (20 cold and 25 hot) and the optimistic congestion of hotel is 70 **%**, we have 14 clients a day and 630 **l**. of water, which costs 28,45 **UAH**/day for a hotel.

Also the project includes some variable costs that include minor repair of the furniture and equipment, maintenance, **etc**.

All costs for the project during first 5 years of functioning are shown in the **Table 3.13**

Fixed and Variable Costs of the Project **Table.3.13**

Year	1	2	3	4	5
Salary	764100	863433	975679,3	1102517,6	1245844,9
Depreciation	69157,9	78148,4	88307,7	99787,7	112760,1
Advertisement	128000				
Communal services	10241,5	11572,9	13077,4	14777,5	16698,5
Total fixed costs	971499,4	953154,3	1077064,4	1217082,8	1375303,5
Variable costs					
Minor repairs	40000	45200	51076	57715,9	65218,9
Other	20000	22600	25538	28857,9	32609,5
Total variable costs	60000	67800	76614	86573,8	97828,4
Total costs	1031499,4	1020954,3	1153678,4	1303656,6	1473131,9

**Developed by the author*

Expenses are calculated for 5 years as it is expected time of work of capsules without major repairs. Expenditures are indexed according to projected inflation rate of 13 **%**.

Calculations of the price of 1 hour in a capsule are following. We calculate costs to achieve payback period of 1 year. Costs that lie down on 1 sleeping place in a year equal 124145,3 **UAH** (both initial investments and costs in **1st** year), according to pessimistic prognosis (30**%** of congestion) there will be 2628 working hours for 1 sleeping place, there we go to return the

costs, 1 hour should cost 47,239 **UAH** and we establish the price of 50 **UAH**/hour.
Forecasted revenue for the period of project implementation is presented in **table 3.4.** The methodology for calculating revenue is indicated below
Table 3.14

Forecasted Revenue for the Project **Table.3.14**

Year	**1**	**2**	**3**	**4**	**5**
Income, UAH	2628000	3325996,8	4239359,08	5422464,6	6927230,1
Price, UAH	50	56,50	63,85	72,14	81,52
Congestion	30%	33,6%	37,9%	42,9%	48,5%
Working hours a year	2628	2943,36	3320,04	3758,04	4248,6

**Calculated by the author*

Increase of prices is explained by the expected 13 **%** inflation rate and the rise of congestion by 12 **%** each year corresponds to the projected increase of passenger traffic in the airport according to the strategy of development of the airport **[9].**
All rooms have the same price and are suitable for 1 person to spent time in it; minimal duration of rent is 2 hours.

CONCLUSIONS

Creating a business innovation strategy, especially services, is a complex process that requires detailed knowledge of the business environment. The failure of formulation and subsequent implementation may be due to several reasons which may have a different nature. For example, it is an initiative aimed at the field of marketing or production, the investment in research and development has been made without supporting the infrastructure of the related business, looking at opportunities for existing business innovation, analyzing potential innovation processes and restructuring, to ensure effectiveness, working with innovation, innovative ideas and knowledge, And not to motivate employees to create and implement creative ideas without supporting lateral thinking, without encouraging the use of unconventional methods and techniques to solve business problems and in particular the absence of links to the company's strategy as a building block for the effective use of innovative potential.

On the other hand, it should be noted that the reason for failure to implement innovation strategy in business may be faulty innovation strategy formulation and analysis of firms' innovation potential, as well as a lack of support and attention from top management of the business. Another important factor that affects Successful implementation of the innovation strategy they themselves are employees of the company if they

wish to build and enhance the innovative capabilities of companies to use the capacity for innovation.

The work has to be in place, so that the process of creating and implementing an innovation strategy brings a number of risks.
Otherwise, the creation of an innovation strategy is doomed to failure. It is essential for success in this area to early identify risk areas and then make appropriate decisions to increase the likelihood of success
Implement innovation strategy in business.

On the basis of a detailed analysis and identification of different approaches in the lateral orientation of the business, the elements and the innovation process have been developed as a model for the effective implementation of innovative strategies within the business. The innovation strategy implementation model consists of four basic stages to pursue one another: ensuring the information base, achieving organizational changes, moving to lateral thinking and managing innovation processes.

- Ensure the Information Base

The first stage of the implementation model highlights the need to ensure the information base that will provide critical information and knowledge to manage innovation activities in a business.
The first step is necessary to create the optimal storage for storing information and knowledge respectively. This means ensuring that inventions, opportunities for innovation, innovation and knowledge are preserved. If the information structure is well defined, it is possible to define the information needs in the next step and then strictly according to the principles of effective work with information to ensure access to information for everyone who needs this information. Ensure access to information is possible by creating an available area for sharing using IT applications. After determining the evaluation criteria and criteria, a test system must be established.

- Achieving Organizational Changes

If a company secures the information base, then it can move smoothly to the second stage, the main goal of which is to make the necessary organizational changes. When implementing an innovation strategy, they need to review and change their business strategy to reflect the plans of top management in managing the innovative activities, and then support them with the business innovation strategy. This change may affect the roles of more employees.

To create a vision for organizational change, it is imperative that you are fully aware of corporate relationships, the organizational structure, and requirements setting. In preparation for organizational change, it is necessary to have the required knowledge, financial resources and human resources then to create the organizational change plan. For the smooth progression of organizational change, communication with employees and constant monitoring and Evaluate the progress of these changes.

- Transition to Lateral Thinking

The work must move to lateral thinking. Companies wanting to be successful should not focus on traditional methods only, but should consider using a wide range of non-traditional practices, methods and technologies, based on achieving business goals.

Defining strategic tasks is an essential step to transition to lateral thinking. Only through the use of a wide range of non-traditional practices, methods, and techniques, and creating a space for generating ideas can we move to the application of unconventional procedures. Thus, based on continuous evaluation of innovative security operations leads to effective management of innovation processes.

- Innovation Process Management

If the necessary information base is provided in the business, the organizational change is made and lateral thinking proceeds, the business will be ready to enter the fourth most important stage.

This stage relates to managing innovation processes based on proposed practical recommendations.

The most important part of this stage is to define all innovation processes in the business. Only thorough identification can discover missing or unrelated processes that in the future could cause failure not only in implementation but also in performance of innovation strategy. The business reveals a lack of operations above all on the basis of opinions of key employees. Understanding and describing (defining) processes is the basis for continuous improvement of innovation processes.
The next step is to create maps of innovation processes. Its simplest form is to represent the operations of a total chart. In some (especially large) companies it continues after a detailed description of the selected processes - up to the level of chains of operations, which are activated by a specific event and produce tangible outputs.
Optimizing innovation processes is an important part of managing business innovation processes. This requires re-engineering innovative processes, implementing reorganization, introducing innovative process performance and then ensuring continuous improvement.

Innovations must be understood as changes in all areas of business: production, marketing, financial, organizational, and social, by introducing, developing and using new or improved solutions based on scientific and technical achievements, in order to meet the ever-increasing needs of society and the competitiveness of the enterprise. Thus, the innovation process is a gradual activity that is managed by highly qualified employees.

The entire path of the innovation process must be monitored and adjusted based on market information about innovations: the achievements of competitors, potential customers' requests, etc. On the basis of this decision, an innovative strategy must be developed.

The process of creating an innovative strategy is a complex process consisting of six main parts. This is the vision and mission set for the organization, setting strategic objectives, detailed analysis of the business

environment (internal and external), strategy formulation and implementation and ex post evaluation related to control.

It is identified to successfully implement the innovation strategy and further potential problems should be avoided. Insufficient development of an innovation program is a common problem when implementing innovative strategies in an organization. Managers depend a lot on technology. In order to successfully implement an innovation strategy, it is imperative that the organization has an adequate foundation for its innovation processes, innovation potential, innovative resources and information flows.
Nowadays, most companies realize the importance and importance of innovation strategy. Almost every business is forced to engage with innovation, not just products and services, but most processes. effective Innovation Process Management encourages innovative activities in business and will deliver results expected in the future.

Innovation strategy represents an innovative approach based on selectively of goals, methods and methods to fully develop and exploit the innovative potential of business. It integrates new strategic approaches to managing innovation activities in business, and creates a common platform for recording and using essential information and knowledge related to innovation processes.

Based on the analysis (literature, empirical research conducted) the facts that helped create the model were discovered and indicated problem areas affecting the creation and implementation of an innovation strategy in business.

The combined theoretical aspects of the innovation strategy with reference to the relationship to the concept of lateral methodological assumptions as well as the methodological assumptions prepared showed the absence of an integrated model development

Implement innovation strategy in business. The diversity of innovation strategy models and structure indicated that innovation strategy is the subject of research and its definition is constantly evolving. Therefore, it is possible to create a global model that will ensure successful creation and implementation of innovation strategy in business.

The model created is based on the security of interconnected activities (knowledge of the vision and mission, setting of strategic objectives, environmental assessment, strategy formulation, implementation and evaluation). To successfully establish and operate an innovation strategy model in business, it is necessary to analyze the following elements of innovation strategy and their application in doing business and create links between them: work with innovation and knowledge, the organizational structure that supports innovation and the formation of the advocate - innovation environment, lateral thinking, pro-innovation environment, And innovative management and managers, and innovative capabilities of strategy.

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