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Methods of financial incentives for the innovative activity of business entities based on foreign experience

Abstract: The article examines and analyzes the innovative activities of enterprises with the help of foreign experience of financial incentives. The experience of various foreign countries on this issue was studied and the possibilities of their use in enterprises were determined and evaluated. Proposals on using foreign experience of financial stimulation of innovative activities have been developed.

Key words: innovative activity, incentives, industrial enterprises, financial incentives, efficiency, foreign experience, socio-economic development, globalization, economic growth, social and social infrastructure.

Introduction: Economic development is directly related to investments in science, human capital, the production of new products, and their implementation. Most foreign countries have achieved rapid economic recovery due to the development of innovative activities, competent and effective organization of the innovation process, and the sale of innovative products in domestic or foreign markets. On this basis, it is advisable for entrepreneurs, government agencies, and industrial enterprises to use the positive experience of organizing the innovation process in developed foreign countries to develop the economy.

The mechanism for stimulating the development of innovations is market competition. Therefore, entrepreneurs who are the first to adopt innovations have a significant advantage over their competitors. Innovations are the engine

of economic development, ensuring its efficiency and labor productivity[1]. Innovative activity is understood as the performance of work, the provision of services for scientific creation, the development at the enterprise and the practical application of new or modernized products, based on a new or developed technological process required by the market, the creation of scientific research or other scientific and technical achievements. At all stages of the implementation of innovative activity, its financing is of decisive importance. The following areas of innovative activity should be financed:

- organization of financing at all stages of implementation of innovative activities;

– implementation of a set of scientific research, development, and technological works aimed at creating new or improved products and technological processes intended for practical use;

– new or improved products and technological process testing;

– technological re-equipment and preparation of production for the production of new or improved products and the introduction of a new technological process;

- training of personnel in order to implement innovative activities and training;

– expertise, consulting, information, legal and other services for the creation or practical application of new or improved products and new and improved technological processes;

- creation and development of innovative infrastructure;

– granting or obtaining rights to the results of intellectual activity or confidential scientific and technical information;

[1]Шумаев В.А., Одинцов А.А., Морковкин Д.Е. Механизм инновационного развития // Научные механизмы решения проблем инновационного развития. Сб. ст. международной науч.-практ. конф. В 4 ч. Уфа: Аэтерна, 2017. С. 206–209

– measures to promote new products. Many foreign countries have created very effective schemes for the development and transfer of innovations, which ensure high competitiveness of products.

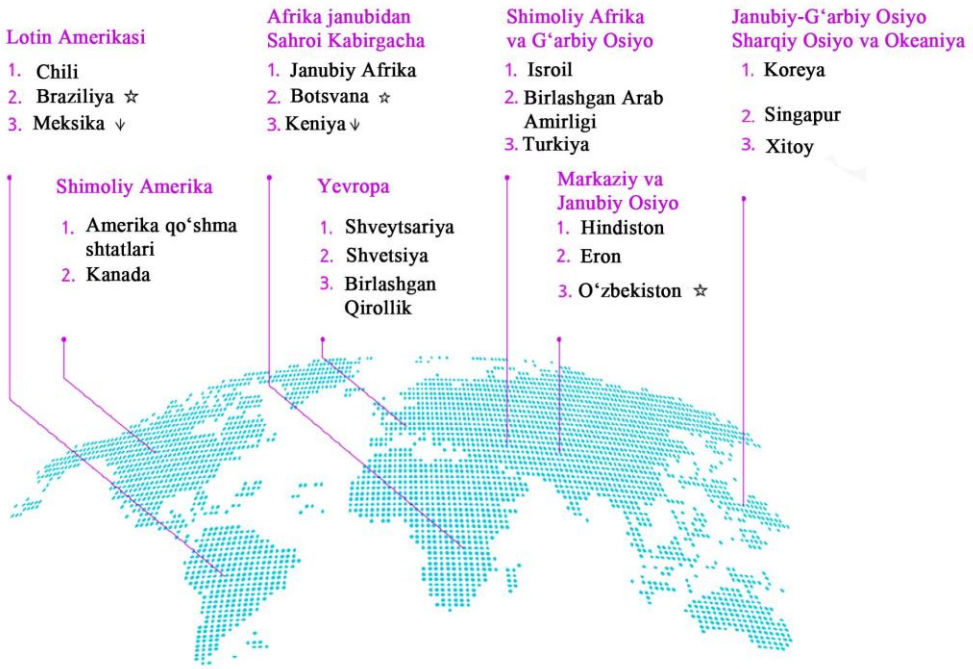
The main part: Based on the pace of development and nature of the innovative economy, we will study the world into three regions: America, Europe and Asia. (Figure 1)

Studying the experience of countries with developed science and technology, advanced technologies, in **American** practice, the main criteria for state support of innovative projects are the technological significance of the project and the risks associated with its implementation. At the state level, the strategy for reducing institutional risks is implemented by expanding the freedom of entrepreneurial decisions. In the US, universities have the right to issue local documents regulating the issues of shares of companies using university intellectual property. The practice of using this experience is distinguished by greater freedom of universities in terms of creating subsidiaries and allows them to attract large amounts of money from external sources of financing, which gives a greater commercial effect [2].

The US national innovation system is based on the interaction of business, science and innovation. After World War II, "recommendations were made to create a state agency to finance basic research in colleges, universities and research institutions." This led to the formation in 1950 of the National Science Foundation of the United States, whose main mission is "to ensure the development of science, increase national wealth, enhance the well-being of the nation and ensure national security [3]." The American national innovative of the system main participants state, universities and is a business. State research

[2]Секерин В.Д., Горохова А.Е., Лукашева Н.А., Андреев Ю.Н. Анализ проблемы особых рисков создания малых инновационных предприятий по сравнению с обычными рисками предпринимательской деятельности // Актуальные проблемы социально-экономического развития России. 2019. № 1. С. 46–51.
[3]About the National Science Foundation // National Science Foundation (NSF). 2021. URL: http:// www.nsf.gov/about/ (data obpashcheniya : 30.08.2021).

dominant directions determines and national laboratory base manages National laboratories national fundamental according to priorities research take goes In US law innovative activity in order tax, national innovative of the system to the development related ten more law documents there is They are financial, monopoly against, tax, customs and other mechanisms included economic of regulators almost all to the complex impact does.



Three leading innovative economies in each region of the world

Figure 1. Three leading innovative economies in each region of the world[4]

They are financial, monopoly against, tax, customs and other mechanisms included economic of regulators almost all to the complex impact does. The US national innovative of the system main from the features one its intellectual property protection to do orientation (active patenting incentive). Bay-Dole

[4]Global Innovation Index Database, WIPO, 2022

patent and trade stamp about law to universities and other non-governmental non-profit to organizations state funds with, as well as contracts or joint activity contracts according to research take to go permission gave. The law to universities paten and licenses to take made it easier . of Bay-Dole Law reception to be done in universities technologies transmission departments to the development take came and marketing and licensing of technologies to the development push gave Stevenson- Weidler's technological innovations about The law (Law Stevensona - Wydler "O tekhnologicheskoy innovatsii") is private enterprises and national laboratories by joint scientific research in the process created to inventions oh my god the right determines [5]Stevenson -Weidler To the law according to federal government in the composition technologies transmission fund organization. As a result, every a laboratory technology commercialization office opened.

The main functions of these funds are as follows:

- evaluation of the effectiveness of commercial use of federal laboratory programs;

- providing information about state intellectual property objects to state bodies, local authorities and the private sector of industry;

- participation in programs adopted by the federal government, state authorities and technology transfer to facilitate the process of local authorities.

Small businesses play a significant role in bringing innovations to market, and this is a tradition in the United States. Therefore, there are several federal programs that help small businesses develop. Universities conduct fundamental research that is funded by the state and private companies. The US National Science Foundation and the US National Institutes of Health fund research by universities. A distinctive element of the innovation system is the ability to provide consumers (businesses) with new developments and inventions.

[5] https://www.wipo.int/wipolex/ru/legislation/details/14782 .

Business in the United States is a consumer of the intellectual property of universities and national laboratories; a manufacturer of products based on intellectual property; a consumer of consulting services provided by university professors; a manufacturer and seller of new products.

It lays down the sequence of organization and implementation of innovative activities in the USA.

Phase One - Scientific research is funded by the US National Science Foundation, National Institutes of Health, corporations, universities, and private foundations. Work is underway to prepare for and participate in grant competitions. Fundamental research is conducted by scientists and engineers in national and corporate laboratories at universities and colleges.

The second stage is the development of hypotheses, ideas by scientists and engineers and the development of innovations in universities, national government laboratories, corporate laboratories and start-up companies. Financial support is provided by the US National Science Foundation, the US National Institutes of Health, private corporations, universities, government agencies and business angels. There are also small business innovative research programs. The results of this stage are inventions, hypothesis validation, patents.

The third stage is the creation of a prototype. It is carried out through start-up companies, small businesses, corporate product development networks. Engineers, production, finance and marketing specialists participate in this work. Financing mechanisms are business angels, small business innovative research programs, corporations, venture capital. The results of this stage are prototypes, patents, business plans.

The fourth stage is product development, and the product is implemented through start-up companies, small businesses, and corporate product development networks. In addition , venture capital, capital investments,

commercial loans and corporate capital are used . The result is a competitive product that is registered and ready for production and sale.

Fifth stage – serial production. It is carried out by start-up companies, small enterprises, using the production capacities of large corporations. Financing: venture capital, equity investments, commercial credit, corporate capital, shareholders. The result is mass production of innovative products that are brought to the market. The probability of an invention becoming an innovation (innovative product) is small - in the USA, only 10% of inventions are implemented in production. Accordingly, few investors are willing to take risks, and many inventions do not receive further development due to lack of funding. The invention must be presented to potential investors in terms of its economic benefits, i.e. it must be sold and bring profit to investors.

Thus, the American national innovation system: dynamically developing, responsive to changes, efficient, entrepreneurs and business-oriented, system that transfers and uses knowledge created by its main participants.

An analysis of existing national innovation systems around the world allows us to identify three main models of innovative development. The first of them can be conditionally called "Euro-Atlantic", the second "East Asian", and the third "alternative".[6]

East Asian model The innovative development model characteristic of the countries of the East Asian region (Japan, South Korea, Hong Kong) differs significantly from the "traditional" model. The East Asian innovation cycle does not have a stage of formation of fundamental ideas. Innovation systems based on this model are almost completely devoid of the component of fundamental science (and partly applied sciences). East Asian countries, oriented towards the export of high-tech products, as a rule, borrow technologies from countries that follow the "traditional" model.

[6]Нехорошева Л.Н., Богдан Н.И. Инновационные системы современной экономики. — Мн.: БГЭУ, 2023.

European Union (EU). In Germany, universities are the source of knowledge. There are 346 universities in the country, 170 of which are engaged in teaching and research in the field of applied sciences. Universities are designed for research, they cannot simultaneously engage in marketing and business. Out of 5,000 innovations, only one becomes a real product. A simple example is the mp3 player developed at the University of Nuremberg. The company patented a certain product from it, which was eventually manufactured by American and Korean companies.

For success, the product must be launched effectively, that is, companies and universities must work together and jointly create new products. Another criterion for success is the use of technology transfer services. Both parties must work together. The two main providers of technology transfer services are Fraunhofer and Steinberg. Fraunhofer is mainly engaged in research and development, and Steinberg works with customers. Steinberg and Fraunhofer work closely with the strongest companies in the business: they know how the market is developing, what trends are emerging in it, and have production planning systems. The Fraunhofer Society is one of the largest technology transfer organizations on a global scale. It includes 40 structures located in 74 cities in Germany, employing about 29 thousand people. The organization's activities are focused on customer needs: it participates in the creation of prototypes, announces final solutions for customers. Thus, there is an active cooperation between universities and companies. Research is conducted in a variety of disciplines. The budget is 1.25 billion euros per year and is constantly growing. About a third of the funding is intellectual sponsorship, but there are also external resources. They also operate on an economic basis, concluding contracts with industry and companies to ensure their activities are successful.

The Fraunhofer Society is also adopting Stanford's experience in America. Steinbeck is a 100% private foundation, that is, third-party funds are

used. In Germany, this company has more than a hundred institutes. Steinberg uses a very interesting approach, because it is a completely self-financing research organization based on the motivation of professors and the entrepreneurial spirit of the professor. University professors can reduce their teaching load and use this time for entrepreneurial activities through the Steinberg institutes and the corresponding foundation, which has financial resources. Over the past 20-25 years, more than 700 small Steinberg companies have been created, employing more than 4,000 people. Steinberg operates in different countries. Recently, new institutes have been opened in Turkey, Romania, Bulgaria, etc. That is, they are also expanding internationally, which is important. One example of the use of Steinberg's new developments is the creation and development of a company in the field of ICT - GFT Technologies AG. GFT is a company with more than 1,000 employees and annual revenues of more than 200 million euros. The company has 9 organizations in 20 countries. The company cooperates with universities in Germany, Brazil and Spain in various fields, which allows it to attract specialists to this organization [7]. Fraunhofer represents radical thinking and research and is a catalyst for innovative developments. Steinberg is directly involved in product development. Steinberg is in very close contact with enterprises, including small and medium-sized businesses. Working with various institutions, these companies are well aware of the specifics of the market, trends in technology transfer (which is very important) and have the opportunity to use the results of university research in technology transfer.

Conclusion: In conclusion, it should be noted that studying the experience of developed foreign countries and applying it to our country will lead to the development of innovative activities of industrial enterprises and, as a result, to the growth of the country's economy.

[7] Нехорошева Л.Н., Богдан Н.И. Инновационные системы современной экономики. — Мн.: БГЭУ, 2023.

Using foreign experience in innovative development, the Uzbek economy can become one of the most competitive in the world market for goods and services.

Therefore, we believe that in the future, the most appropriate way to form innovative potential in our country's industrial enterprises and ensure high efficiency of innovative activities is to use the experience of foreign countries.

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