



THE ROLE OF EXACT SCIENCES IN THE ERA OF MODERN DEVELOPMENT

INNOVATION AND COMPANY GROWTH IN CIS COUNTRIES

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Abstract: *Innovation is important for the growth of businesses in CIS countries, which are moving from nationally arranged to economy-based markets. Innovation can assist nations in the Commonwealth of Independent States (CIS) in dealing with problems like old facilities, low funding, and a shortage of competent employees. Companies in the CIS may utilize innovation to create new goods and services, enhance the quality and effectiveness of the ones they already have, cut costs, access new markets, and achieve an edge over competitors. The authorities of CIS nations can also help encourage creativity by spending on it and making it a part of their society.*

Keywords: *company growth, innovation, CIS countries.*

Introduction

The significance of innovation in the expansion of companies holds particular importance in the Commonwealth of Independent States (CIS) countries (Sinaga, 2021). These nations are currently undergoing a transition from centrally planned economies to market-based economies. These nations confront several difficulties, including deteriorating infrastructure, low levels of investment, and a lack of qualified employees. The implementation of innovative strategies and practices has the potential to assist the countries in the Commonwealth of Independent States (CIS) in surmounting the obstacles they face and attaining a state of sustainable economic growth.

There exist multiple avenues through which innovation can effectively contribute to the growth of companies operating in Commonwealth of Independent States (CIS) countries (Ferraris et al, 2020). Innovation can assist businesses in the development of novel products and services that effectively cater to the demands and requirements of their esteemed clientele. The countries of the Commonwealth of Independent States (CIS) possess a substantial and continuously expanding population, which encompasses a wide range of diverse requirements and demands. Businesses that could create and innovate new products and services that effectively cater to these needs are in a favorable position to experience significant growth and expansion.



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Woltjer (2021) states that innovation may boost a company's productivity and product quality. CIS businesses may also use innovation to improve product and service quality and effectiveness. This might help organizations decrease costs, boost customer satisfaction, and beat the competition.

Furthermore, the implementation of innovative strategies has the potential to effectively decrease operational expenses within a company (Kurpayanidi, 2021). Innovation has the potential to assist businesses operating in the Commonwealth of Independent States (CIS) in effectively reducing their expenses. As an illustration, businesses could utilize emerging technologies to automate various tasks, enhance their management of the supply chain, and decrease their overall energy consumption (Ferraris, 2020). This can assist them in enhancing their competitiveness and profitability.

Plus, CIS companies that embrace innovation have a better chance of entering new markets. For instance, firms may take advantage of emerging technology to generate goods and services that are adapted to meet the requirements of certain markets (Bendak et al, 2020). They also could employ new technology to access new markets via various web platforms.

Outperform competitors. In the current highly competitive global marketplace, it is imperative for businesses to possess a competitive advantage to thrive and succeed (Udriyah et al., 2019). The utilization of innovation can greatly assist businesses in the CIS region to attain a competitive edge. This is achieved through the facilitation of the development of novel products and services, as well as the enhancement of the quality and efficiency of their current offerings. Furthermore, innovation enables businesses to effectively minimize their costs and explore new markets, thus expanding their reach and potential for success.

In CIS countries, innovation is a key part of how companies develop (Pinto et al., 2019). By coming up with and putting into action novel thoughts, goods, and services, companies can boost their performance, become more competitive, and enter new markets. Innovation may also aid CIS countries in dealing with problems like old infrastructure and a shortage of skilled workers, which were not listed above.

In addition, the process of generating and executing new ideas, goods, or services on a consistent basis is what we mean when we talk about persistent innovation (Bitkowska, 2020). It is a significant factor in the expansion of the company. Businesses have the potential to grow into new areas and raise their market standing while also enhancing their overall productivity by continually developing new products and services.



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The governments of the Commonwealth of Independent States (CIS) have the potential to actively contribute to the promotion of innovation as well. By making investments in innovation, countries in the Commonwealth of Independent States (CIS) have the potential to generate employment opportunities, stimulate economic expansion, and enhance the overall well-being of their populations.

Literature Review

The entire procedure of creating and putting into practice new concepts, goods, or services is referred to as innovation. It is one of the most important factors contributing to economic expansion and development. Companies may enhance their productivity and ability to compete via innovation, which in turn can help them enter unfamiliar market segments and grow their customer base.

A firm should have an established approach for developing and implementing creative ideas, which is known as a strategy for innovation (Guinan, 2019). It is important that it be in line with the general strategy and objectives of the company. If a company has a solid innovation strategy, it will be able to direct its resources toward the most critical innovation projects and will be able to prevent itself from wasting time and financial resources on projects that have a low probability of being successful. There are a variety of approaches to innovation, each of which has its own unique characteristics (Marinho, 2022). Several business enterprises place their emphasis on incremental technological progress, which refers to the process of making very minor enhancements to pre-existing services or products. Some companies place their emphasis on innovative breakthroughs, which may be defined as the introduction of novel services or new products that open previously unexplored market opportunities (Lepore, 2023). The nature of the industry in which a company works, the nature of the terrain in which it competes, and the resources that the company has all play a role in determining the sort of innovation strategy that will be most effective for that company. It is possible for an innovation strategy to have a major influence on the development of a firm, provided it is properly planned and carried out. Businesses have the potential to enhance their effectiveness, boost their market position, and enter new markets if they create and execute innovative goods.

Djankov et al. (2002) say innovation is key to economic growth in the Commonwealth of Independent States. This is because they have not yet switched from command-and-control to market economies. The biggest obstacles for these nations are outdated infrastructure, insufficient investment, and a labor deficit. Djankov et al. (2002) believe technology may help Commonwealth of Independent States nations overcome these problems and achieve sustainable economic



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development. According to the findings of several different kinds of investigations, an innovation strategy is a crucial factor in driving the success of a firm. Zhang (2022) conducted research that concluded that innovation has a favorable and substantial influence on the success of companies. According to the findings of yet another research conducted by Van Beers et al (2023), innovation may assist organizations in cutting costs, improving the manufacturing process, and driving up revenue. According to the findings of another research conducted by Moughari (2023), persistent innovators have a greater chance of surviving and growing than non-innovators do. According to the findings of another research done by Serrano (2022), persistent innovators have a greater chance of achieving leading market positions. Innovation and the development of a company throughout the course of a business cycle have a complicated connection with one another. According to the findings of some research (Hassan, 2023), innovation is more significant for the development of firms during times of economic downturn, whereas numerous other investigations have indicated that innovation is more vital for the continued development of firms throughout times of economic expansion.

Schumpeter (1939) is credited with carrying out one of the research projects that has had the most significant impact on this subject. Schumpeter maintained that economic downturns are periods of imaginative devastation in which innovative new companies disrupt established industries (Callegari, 2022). He concluded that innovation is even more vital for the success of businesses during economic downturns since it enables them to seize fresh possibilities.

The findings of other investigations have lent credence to Schumpeter's viewpoint. For instance, research that was conducted in 1992 by Aghion and Howitt discovered that innovation is vital for economic development during times of economic contraction. Another research, this one conducted by Chikh-Amnache (2023) concluded that innovation is a primary factor in the expansion of productivity in the United States.

Other research, on the other hand, has concluded that innovation is more vital for the development of firms during booms. For instance, Zhang (2022) conducted research in which they concluded that innovation has a tremendously beneficial and substantial influence on the development of firms throughout both booms and economic downturns. Another research, which was conducted by Geroski (1990), concluded that innovation is more significant for the expansion of enterprises throughout expansions. This is because firms have more resources at their disposal to spend on development throughout expansions.



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The research available to date indicates that innovation is likely one of the most important factors driving business expansion in CIS nations. Companies in the CIS have the potential to raise their productivity, boost their level of competitiveness, and enter new markets if they create and execute innovative ideas, goods, or services.

Conclusion and Recommendation

For businesses to flourish in CIS nations, innovation is very necessary. Organizations in the CIS have the potential to raise their productivity, boost their level of productivity, and enter new markets if they create and execute innovative ideas, goods, or services. The authorities, as well as companies of the CIS countries, are spending more money on innovation, and a growing number of CIS enterprises are finding success as a direct result of their innovative practices. Nevertheless, there are still several obstacles that need to be handled, such as ageing infrastructure and a shortage of competent people. These are the kinds of problems that must be addressed immediately. The Commonwealth of Independent States may actively participate in innovation by funding research and development and creating an atmosphere that welcomes new ideas (Nakipova et al, 2023). Strategic investments in technology development and research and an organizational culture that encourages innovation may help Commonwealth of Independent States (CIS) enterprises innovate. These methods promote innovation well. The continual endeavor of continually coming up with new concepts, goods, or services and putting them into action is what we mean when we talk about persistent innovation. It is a significant factor in the expansion of the company. Businesses have the potential to grow into new areas raise their market standing, while also enhancing their overall productivity all by continually developing new products and services.

Businesses in the CIS that are capable of constant innovation will be in a strong position to achieve sustained success in the long run. The republics of the Commonwealth of Independent States (CIS) face a variety of issues, the most significant of which is their ageing facilities, an insufficient amount of investment, and a shortage of trained employees.

Nsouli (2021) posits that the enhancement of inhabitants' quality of life, stimulation of economic development, and generation of employment opportunities may be achieved by the allocation of resources towards innovation in countries which included to the Commonwealth of Independent States (CIS).

In general, innovation is an extremely important factor in the expansion of businesses and the general growth of economies in CIS nations. Companies and nations within the Commonwealth of Independent States (CIS) have the potential to



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boost their productivity, boost their competitiveness and enter new markets if they create and execute innovative ideas, goods, and services.

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