

## DIVERSIFICATION AS ONE OF THE DIRECTIONS OF INNOVATIVE DEVELOPMENT OF AGRICULTURAL ENTERPRISES

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*The article analyzes the theoretical foundations of the introduction of diversification into the activities of agrarian business entities as an innovative process. The peculiarities of diversification activities of agricultural enterprises are revealed and their expediency is substantiated. It was determined that diversification in the innovative activity of agricultural enterprises determines the production of innovative products, which will ensure an increase in its level of competitiveness and level of profitability. It was revealed that the main problems that will restrain the development of full-fledged diversification and innovation activities in modern agricultural enterprises are: lack of interrelationships between monetary, credit, budget, financial policies and the policy of economic growth; lack of close relationships between scientific developments and production; imperfection of intellectual property law systems; lack of financing, demand for goods, adequate personnel potential; lack of information provision regarding new and innovative technologies and target sales markets for the introduction of new production and some others. It was determined that the introduction of diversification strategies into the innovative activity of agrarian enterprises, as the basis of the innovation process, should become the main factor for ensuring its effective functioning and ensuring strategic development. The directions for intensifying diversification in the activities of agricultural enterprises, are substantiated, including the production of fundamentally updated and improved existing types of products through the toolkit of increasing their quality characteristics and effectiveness of implementation; introduction and development of innovative progressive technological processes, technical equipment and production mechanisms; full and effective use of the available technical and technological potential; effective redistribution and use of existing resources in the directions of modern technical development; search for new sources of obtaining and attracting investment resources, as well as improving ways to increase them; development and implementation of personnel training and retraining programs; improvement of sales and marketing policy, etc.*

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### STATEMENT OF THE PROBLEM IN GENERAL AND ITS CONNECTION WITH IMPORTANT SCIENTIFIC OR PRACTICAL TASKS

The driving forces of potential formation and innovative development, respectively, should act through systems of motivation, interest, incentives to increase readiness to introduce innovative activities and innovative search for new skills, acquisition of necessary experience, skills for innovative work. In particular, under the conditions in which all possibilities of the potential for further intensive growth have been used (increasing the volume of sales, maintaining market share and obtaining profits of enterprises through the introduction of intensification of the use of existing resources), it is necessary to study the possibilities of diversification. Businesses can adapt to changing conditions or counteract existing ones. Activation of innovative activities and relevant processes through the introduction of diversification in the activities of agrarian enterprises of the domestic sector of the economy are relevant. Since the necessity and possibility of adaptation to the existing economic conditions objectively forces to search for the most profitable spheres of use of their already formed production potential. That is why the wide implementation of the diversification process should become a tool for inter-industry capital transfers and an effective method of optimizing structural changes in the agricultural sector, in particular, and in the country's economy, in general.

### ANALYSIS OF LATEST RESEARCH AND PUBLICATIONS

It is worth stating that a significant number of scientific works on the introduction of diversification in the activities of agricultural enterprises have been published. In particular, among the authors of these studies: D. Bogatova, E. Boguslavskyi, N. Butenko, O. Horyanyk, S. Zakharin, O. Zgurska, O. Zorenko, O. Kolomytseva, M. Korinko, M. Malik, A. Opalenko, M. Skorobogatov, V. Stadnyk, V. Tkachuk, A. Shepitsyn and others [1-9]. However, despite a significant number of scientific works and conducted research on this topic, a significant drawback in most cases is that scientists focused attention in most cases on the tasks of developing innovative activities and diversification activities separately. At the same time, they did not take into account the possibility of introducing diversification measures into the activities of agricultural enterprises as an innovative process.

## THE ARTICLE PURPOSES FORMULATION

The purpose of this study is to analyze the theoretical foundations of the introduction of diversification into the activities of agrarian business entities as an innovative process. It is necessary to reveal the peculiarities of diversification activities of agricultural enterprises and justify their expediency.

## MAIN MATERIAL PRESENTING

Innovative, scientific and technological activities of business entities are one of the most significant factors determining their transformation at the national level, in general, and integration into the world economic space. The economic growth potential of any business entity in modern conditions will largely depend on their ability to adapt to technological changes in time.

The experience of developed countries confirms the fact that business entities, introducing diversification strategies in their activities and implementing an innovative development strategy, increased the volume of production and sales of goods, increased labor productivity and, thereby, increased profits.

For modern domestic agrarian enterprises, the manifestations of innovative activity through the prism of the expansion of the assortment policy for products are characteristic. Along with this, multidisciplinary holding agrarian formations, whose financial position is stable, in their practice use the introduction of innovative activities through forms of diversification. After all, the processes of diversification of the main activity of the enterprise are production and economic processes that, thanks to the development of new target product markets, as well as the expansion of the nomenclature range of goods, the redistribution of investment support between different spheres of business objects, make it possible to overcome dependence on one main type of production commercial activity or goods. This, in turn, will contribute to reducing the volume of entrepreneurial risk and ensure the adaptability of the functioning of enterprises to constant dynamic changes in their external environment, and in the long-term direction will increase the level of their competitiveness and financial stability.

At the same time, innovative activity for agricultural enterprises is a complex dynamic system of actions and interactions of factors, methods, management systems, conducting innovative research, forming new types of goods, improving the existing technological process, equipment and work items, as well as special organizational forms of the production system based on achievements the latest results of scientific and technical development [3].

The innovation process takes place in any structured production and economic system. It is a set of qualitatively new changes, progressive introductions that continuously arise from changes in time and space. The innovative process during the formation of diversification strategies in the activities of agricultural enterprises can be characterized by the development and introduction of innovative techniques and technologies, equipment, tools, production processes, etc.

Diversification in the innovative activity of agricultural enterprises will lead to the production of innovative products, which will ensure an increase in its level of competitiveness and profitability. At the same time, there will be a need for constant and planned renewal of the assortment policy of goods and technologies for its production. The latter will force to carry out scientific and design developments in the systems of the main activity of agrarian enterprises. At the same time, orienting them, in turn, to accelerate the introduction of innovative processes. It is because of this, as well as taking into account the existing volume of financial expenses and the possibility of investment support, that small agricultural formations will be able to diversify the nomenclature policy and assortment of innovative products, and large agricultural formations will be able to diversify the entire production system.

However, a significant part of agrarian formations use only one innovative technology at most, and the share of agricultural business entities that simultaneously use three or more innovative technologies is only 3.5-5% [2].

At most agricultural enterprises, the following is observed:

- application of outdated production technologies;
- predominance of import of goods over export;
- the decline of agro-industrial production;
- low level of operational profitability;
- inadequacy of introduced appropriate ecological innovative technologies;
- deterioration of the quality of labor resources.

Few domestic agricultural enterprises have the opportunity to implement innovative activities and diversification activities at the same time. First of all, due to the fact that this will require significant investment in scientific research. State funding of fundamental innovative research is still limited.

It is obvious that the need to form diversification processes in the innovative activity of agrarian enterprises is due to changes in the environment, both external and internal factors. However, their actions during the development of economic crisis phenomena change greatly. This will necessarily affect the existing forms and methods of implementing diversification measures. During economic crises in certain areas, it is possible to observe a decrease in the demand for manufactured products, the development of inflationary processes, an increase in the price of financial credit funds, etc. The latter, first of all, will negatively affect the production and commercial activity of enterprises. Reduction in the volume of produced products, termination of investment activities, lack of funds to ensure current financial obligations, in particular, from wages, accrued taxes, other settlements with suppliers, etc. Therefore, in such a period, it is extremely difficult to carry out capital-intensive transformations. The main reason for this situation is the lack of own funds for self-investment and a significant increase in the price of borrowed funds.

Theoretical studies of economic scientific literature prove that during an economic crisis, it is best to implement innovations in the technical re-equipment of agricultural enterprises, since there is an insignificant decrease in demand for their products. In developed countries, managers of agrarian enterprises are able to accumulate funds for effective projects even in times of economic crisis. But the practical activity of agricultural enterprises in the countries of the post-Soviet space proves that the corresponding re-equipment has not yet been fully observed. This is due to the fact that in most agricultural enterprises and their owners, the possibility of accumulating significant sums and capital for the implementation of significant investment support for innovative projects is extremely difficult. Therefore, it is important to form appropriate measures to increase the competitiveness of enterprises, in general.

The modern understanding of the essence of anti-crisis management is heterogeneous and ambiguous. In anti-crisis management, it is possible to use the following innovations:

- procedural,
- grocery,
- allocation, which, in turn, are fully connected with diversification processes.

Process innovation projects include:

- innovations in the interaction of enterprises with the changing external environment;
- processes of managing the constant movement of material stocks;
- funds at enterprises;
- general management;
- technological processes of product production.

Product innovation strategies will consist in the selection and planned development of new types to the main activity. For their implementation, enterprises need to first develop new products and technologies for their production. Agricultural enterprises will be able to implement such innovations both independently and with the support of special consulting or other organizations. Allocative innovation strategies will consist in various systems of reorganization of enterprises, redistribution or restructuring of material, financial and non-material support of agricultural enterprises, redistribution in systems of responsibility of labor resources of these enterprises. Such innovations are the most expensive, it is difficult to fully implement them, and they take a long time to pay off.

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Typical features are:

- change in organizational forms of external relations;
- practically unchanged technical support and the existing technological process;
- minimal costs for the introduction of diversification strategies and innovative activities, in general.

Since the causes of crises at enterprises are external factors, in most cases they can be overcome by using external systems for the implementation of diversification strategies for the activities of agricultural enterprises.

To build models of such diversification, it is first of all necessary to determine at what stage (moment of time) of the development of the investment cycle the enterprises are. Unfortunately, there are practically no studies that determine the real values of the time factor, in particular, the real calculated depreciation period for the use of fixed assets, or the estimated period of optimal operation of enterprises, the real period of determining the turnover of bank capital and other similar ones. Currently, the expression

"time factors" is immediately associated with discounting, that is, the change in the value of the money supply over time. These phenomena do exist, but they do not cover the entire diversity of economic and financial phenomena and processes.

The main problems that will restrain the development of full-fledged diversification and innovation activities are:

- inconsistency of legislative acts;
- lack of interrelationships between monetary, credit, budget, financial policies and the policy of economic growth;
- lack of close relationships between scientific developments and production;
- imperfection of intellectual property law systems;
- lack of funding, demand for goods, adequate personnel potential;
- difficulties in providing raw materials and materials;
- high economic risk;
- lack of information support regarding new and innovative technologies and target sales markets for the introduction of new production;
- the risk of bankruptcy.

Therefore, state support and effective use, first of all, of the company's internal capabilities are necessary for the formation of the potential for innovative and investment development of diversified strategies.

The success of any enterprise depends on the ability to predict and change the structure of production, to develop and introduce innovative types of products into production, to correctly plan the production volumes of various types of products, as well as on the ability to innovate and innovate, the ability to adapt to technological changes in time.

The introduction of diversification strategies into the innovative activity of agricultural enterprises, as the basis of the innovation process, should become the main factor of ensuring its effective functioning and ensuring strategic development. Moreover, both at the micro and macro levels. The latter will make it possible to realize oneself, to achieve a high and appropriate level of competitiveness in the changing conditions of constant activity of innovative activity.

#### **CONCLUSIONS FROM THIS RESEARCH AND PROSPECTS FOR FURTHER EXPLORATION IN THIS DIRECTION**

So, as a conclusion from the above, it can be stated that in order to intensify the introduction of diversification in the activities of agricultural enterprises, as the main innovative process, the following measures are appropriate:

- production of fundamentally updated and improved existing types of products through tools for improving their quality characteristics and effectiveness of implementation;
- introduction and development of innovative progressive technological processes, technical equipment and production mechanisms;
- full and effective use of the available technical and technological potential;
- effective redistribution and use of existing resources in the directions of modern technical development;
- search for new sources of obtaining and attracting investment resources, as well as improving ways to increase them;
- development and implementation of training and retraining programs for personnel (existing labor resources) aimed at obtaining or improving skills, knowledge and skills in the fields of scientific and technical and innovative developments;
- implementation of effective mechanisms for monitoring, control and evaluation of existing market trends aimed at ensuring rapid adaptation of agricultural enterprises to constant changes in the environment;
- improvement of sales and marketing policy, etc.

In-depth studies of the theoretical provisions of diversification and innovation activities in agricultural production do not always provide a real opportunity to assess the interrelationships of these processes. That is why there is a need for further research, theoretical substantiation and development of applied recommendations for improving the mechanisms of innovation and diversification of agricultural enterprises.

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## ДИВЕРСИФІКАЦІЯ ЯК ОДИН ІЗ НАПРЯМІВ ІННОВАЦІЙНОГО РОЗВИТКУ АГРАРНИХ ПІДПРИЄМСТВ

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*У статті здійснено аналіз теоретичних засад запровадження диверсифікації в діяльність суб'єктів аграрного бізнесу як інноваційного процесу. Розкрито особливості диверсифікаційної діяльності аграрних підприємств й обґрунтовано їх доцільність. Визначено, що диверсифікація в інноваційній діяльності аграрних підприємств зумовлює виробництво інноваційної продукції, яка забезпечуватиме підвищення її рівня конкурентоспроможності та рівня рентабельності. Виявлено, що основними проблемами, що стримуватимуть розвиток повноцінної диверсифікаційної та інноваційної діяльності у сучасних аграрних підприємствах, є: відсутність взаємозв'язків між грошовою, кредитною, бюджетною, фінансовою політиками і політикою економічного зростання; відсутність тісних взаємозв'язків між науковими розробками і виробництвом; недосконалість систем права інтелектуальної власності; відсутність фінансування, попиту на товари, належного кадрового потенціалу; нестача інформаційного забезпечення стосовно нових та інноваційних технологій та цільових ринків збуту для запровадження нового виробництва та деякі інші. Визначено, що запровадження стратегій диверсифікації в інноваційну діяльність аграрних підприємств, як базису інноваційного процесу, має стати основним фактором забезпечення його результативного функціонування та забезпечення стратегічного розвитку. Обґрунтовано напрями активізації диверсифікації в діяльність аграрних підприємств, як основного інноваційного процесу, серед яких виробництво принципово оновлених та удосконалених існуючих видів продукції через інструментарій підвищення їх якісних характеристик та результативності реалізації; запровадження та освоєння інноваційних прогресивних технологічних процесів, технічного оснащення та механізмів виробництва; повне та результативне використання наявного техніко-технологічного потенціалу; результативний перерозподіл та використання існуючих ресурсів за напрямками сучасного технічного розвитку; пошук нових джерел отримання та залучення інвестиційних ресурсів, а також покращення способів їх збільшення; розробка та запровадження програм навчання та перепідготовки персоналу; вдосконалення збутово-маркетингової політики тощо.*

**Ключові слова:** диверсифікація, інноваційна діяльність, конкурентоспроможність, розвиток, аграрні підприємства.