

## **STRATEGIC PLANNING FOR BUSINESS INNOVATION**

Main attention is placed on working out innovative management strategies and innovation measures aimed at its implementation. Development and production of new products becomes a priority strategy, including determining all other development. The processes of implementation of innovation management in general involves: plans and programs of innovative activity, monitoring the new product development and its implementation, reviewing projects of new products creating, taking a of a single innovation policy: coordination of activities within production units, providing financial and production resources, innovation programs, providing innovative qualified personnel, create temporary target groups to address issues of innovation - from idea to serial production. The choice of strategy is a key for innovation. The firm may be in crisis if not able to anticipate changing circumstances and respond to them in time. The choice of strategy is the most important component of the cycle of innovation management. In a market economy, it is enough to have a good product, it should closely follow the emergence of new technologies and plan their implementation in your firm to keep pace with competitors. Strategic planning has two main goals.

1. Efficient allocation and use of resources. This is-called "internal strategy". Planned use of scarce resources such as capital, technology, people. Besides, the acquisition of companies in new industries out of unwanted areas, selection of efficient "portfolio" of enterprises are performed.

2. Adaptation to the environment. The task is to ensure effective adaptation to external factors changing (economic change, political factors, demographic situation, etc.).

Strategic planning is based on extensive studies, collecting and analyzing data. This allows you to have constant control over the market. It should be borne in mind that in today's world situation is changing rapidly. Thus, the strategy should be designed so that if necessary it can be replaced by another. Strategy development starts with formulation of overall goals of the organization that should be clear to any person. Setting goals plays an important role in relations between firm and the external environment, market, and consumers. So selecting targets need to consider two issues: who are the clients of the firm and whose needs it can satisfy.

Strategic planning is based on careful analysis of external and internal environment of the firm. Processes and changes in the environment make a vital impact on the firm. Major factors related to the environment is the economy, politics, market, technology, competition. A particularly important factor is competition. Therefore it is necessary to identify major competitors and figure out their market position (market share, sales, goals, etc.). Careful study of the strengths and weaknesses of competitors and compare their results with their own metrics and you will better think about competitive strategy.

Strategy is a starting point for theoretical and empirical research. Organizations can vary by how much their managers who make key decision, tied themselves to the strategy of innovation. If senior management support efforts of implement innovations, the possibility that it will be adopted for implementation in an organization grows.