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**FACTORS OF INNOVATION AS THE BASIS FOR THE FORMATION OF  
BUSINESS PROCESSES IN ENTERPRISES OF TRANSPORT**

*In the article studied and analyzed the theoretical concept of the term "innovation", and presents the factors of innovation.*

*Keywords: innovation, business process, transport, innovation.*

**Problem statement.** *On transportation service market increased competition and today it is dominant regularity. That's why now, transport companies have much more attention pay to the quality of their services and respectively must to make higher quality of innovation efficiency. Management practice make it much easier in modeling business processes. Definition of the innovation has wide use now but it factors and characteristics of business processes in transport companies need more detailed investigation.*

**Analysis of recent research and publications..** *Significant contribution to the theoretical argumentation of innovation was made by such scientist: Arefeva O.V, Dzhevonson V., Zavamin P., JM Keynes, Kondratiev, Prigogine A., Smith A., J. Schumpeter, Yermoshenko M.M, Hanushchak-Iefimenko L.M, Lutsкая T.V and others. But still has left unresolved issues of the innovation factors in the transport companies.*

**Purpose of the article** *is to determine innovation factors like basic forming business processes in the transport companies.*

**The main material .** *For a long period when the economy functioned and developed mainly due to extensive factors (application of constantly growing amount of societal resources - personnel, production facilities), in the services sphere has dominated ordinary processes and occurrence. Since extensive factors almost exhausted themselves and their functioning has become economically unprofitable the development of modern transport companies should based upon the new solutions in technology sphere, engineering, organizational forms and methods of economic management. So, innovation development, defined as the process of management, based upon the continual search for new ways to use and sphere of potential realization companies in variable environmental conditions, within the chosen mission and adopted motivation and with existing modification and finding new sales markets.*

*Innovations are implementing new ideas and methodological knowledge as discoveries, inventions and scientific and technological development [2, p. 15]. Standing and continual implementation of innovative process allows the company not only survive in a strict competition conditions , but also to achieve a leading position. Like a base of the innovation process in the transport company we can use the way from new conception to practical realization. Receipt and re-distribution of money will contained to business processes. So, business processes could be innovative and not innovative. The first one - generalize the*

*technological processes of innovation development, all other business processes - not innovative. Elaboration, adoption and realization of such decisions, form the content of innovation processes. Usually, innovation process determinate as interdependent and logical complex of works, which is consist to change over innovations from idea to product, technology, services which is spread and used in economic [3, p. 26]. In the ordinary understanding innovation processes which take place in any complicate business, characterized by complex of continually occurring in time and space progressive and qualitatively new changes. The result of these processes, there are new types of services (products) and their implementation in practice of entrepreneurial innovation acknowledged. Innovative processes started in some science sphere and completed in the business sphere, contribute to progressive changes in it. Technical innovations are appeared in the form of new products (goods), services, technologies of production, means of production (machine, equipment, energy, construction materials) and so on. Innovation include new methods and forms in all sphere of companies and other parts of the workplace (management structure in the science sphere and industry, form of various types of production and teamwork). Due to scale and influently level on some production links all innovation we can combine in to two groups – local (separate, single) and global (large – scale). If, local innovation, mainly leading to evolutionary changes in the companies sphere and therefore did not essentially influence on their function and development then mostly global innovation are revolutionary (totally new) radically have to make high quality of the organizational and technical level of production and thus provide significant improvements in economic and social processes. According this, between different types of innovation processes is relatively close relationship.*

*Innovation (the introduction of new products) activity aimed on usage and commercialization of the research and development results, placing new competitive products and services on the market. Innovation of products (services) is the process of converting scientific knowledge into physical reality that changes society, in other words successful implementation of a product or service to the market and in the economy [1, p. 8-9].*

*New macroeconomic conditions promote innovation in enterprises of transport, especially oriented to the domestic market, which dramatically increases the competitiveness of their services over imports. Transportation companies that operate in the international market use new features slightly. In such circumstances, they began to make technological innovations to improve the competitiveness of their services in global market. Demand for domestic appliances is increased significantly, it is more purchased from domestic producers.*

*Internal indicator of innovation processes is overall costs reducing. Performance that reflects the needs of consumers is an external indicator which needs a long time for improvements. Efficiency is crucial for survival and success of any company. Choosing an effective innovation strategy is a part of the innovation process and an important part of successful innovation. Overall costs reducing is an Internal indicator of innovation processes. Effect of ownership and size factors on its level of innovation activity is insufficiently studied, although higher innovative activity characterized mainly for large companies that have the ability of capital usage for the realization technological innovation. The structure of this type*

*of companies usually have their own research and designing units. However, studies found that the best conditions for innovation are medium-sized enterprises, because it is easier to minimize costs and adjust the size, ensuring adequate level of capacity utilization. Ownership factor impact shows that the most innovative activity characterized for businesses of foreign and mixed ownership. Generally state ownership slightly stimulates innovation to produce profit because much of it goes to the state revenue.*

*However, state-owned enterprises are better protected in terms of political and socio-economic instability and therefore can set longer-term goals of development that can be realized thanks to innovation. In addition, state-owned enterprises compared to newly established nonstate-owned enterprises have a large stock of completed research. Thus, the ownership form can not be viewed separately from its other characteristics such as industry affiliation and specific service rendering (output). The territorial factor also affects the level of innovation activity.*

*Not only direct investments have great importance from local budgets, but also the creation of institutional and legislative conditions that are conducive to innovation. Small innovative companies are primarily focused on the domestic market. Analysis of factors enhance innovation activity demonstrates that the innovation process primarily oriented on the market, and it is worth take into mind not only the the country needs of but the world market, the need of advanced manufacturing innovations compared to their demand , and finally, forming the infrastructure of innovation. In actual fact is also focuses on precisely these aspects of innovation that is natural, because consumers generally are not interested in the difficulties faced by the creator of innovative design and feasibility latter. As a result, another important aspect of this activity is out of sight of researchers , it is the level of adequacy for the continuous and economically viable development of the national economy in general and its individual structural units in particular.*

*Therefore, infrastructure is required for proper implementation of innovation, the developers themselves have to initiate innovation , or the demand for innovation has always surpass their offer, the level of innovation must meet or exceed world standards . Fundamental combination of these factors makes it possible to determine how much activity is a sufficient innovation in the country to ensure its permanent and effective development. In addition, the most significant factors determining the extent, dynamics and other quantitative and qualitative characteristics of innovation potential, which in this context can be regarded as one of the most important parameters of the innovation process.*

*Taking stated into account it can be concluded regarding the accounting impact of these factors on innovation, some of which are general, and the rest belong directly to the local features. Firstly, innovations infrastructure should completely be taken into account , providing its proper implementation of the national economy. It means that part of the infrastructure of innovation includes microsystems that provide practical implementation of the developed or created innovations (the introduction of innovations in the users microsystem). Secondly, if developer should perform initiation of innovative activity, to its infrastructure necessarily include academic departments to ensure the development of*

innovations and thus, in fact, form the foundation of innovation or innovation backlog. That is, the innovations infrastructure should consist of two main support systems on the one hand, enable the creation of innovations on the other - contribute to early implementation of them in users practice. Third, such infrastructure units should be provided with financial assets that are necessary to carry out its functions. Thus, at the stage of innovation creation requires an interested person in the positive final result of its implementation. Such person becomes an investor of innovation. Fourth, the initiation of innovative activity by a developer or innovation creator must be clearly proved that he subsequently will not bring problems with sales of its products.

The innovation process can be viewed as a set of sequential actions that result in developing innovation from idea to product-specific and distributed during practical use [4, p. 54].

Thus, the projection of "the innovation process" in the process of transportation enterprises will be correct from the point that the term "innovation" systematically determines the activity of the enterprise, and relatively innovative process, it would be more accurate believe the presence in the company of his "innovation process", which significantly affects to the business processes of transport, or can he integrated into it. Therefore, business process component should be described in the company: innovation process as a separate process that should have a separate management.

**Conclusions.** In an innovative business process, summarize a set of continuously ongoing in space and time of new progressive changes, which are called the process of implementing new technology. Innovation activity - is an activity that contributes to the transformation of scientific and technological progress in real new technologies, products, services, methods of organization and management of production processes. Now, at a time of persistent changes, there is a need for tools and methodologies that can help organizations become more effective. In the competitive world there is a need to find ways that will help to become the first or catch others, and this requires mechanisms that can simplify things that are too complicated. Thus, a comprehensive of innovative activity is an important factor of successful entrepreneurship, including the transportation business.

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