

REGARDING THE INNOVATIVE ACTIVITY OF THE DOMESTIC SMALL AND MEDIUM ENTERPRISE

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The essence of small and medium business in Ukraine is investigated. It is established that small and medium enterprises are a key element of a market economy, which affects the level of development of society and guarantees its stability. It is estimated that more than 6.9 million people, or about 82% of all employees, operate in the SME sector. SMEs account for more than 70% of employment in the trade, agriculture, forestry and fisheries, and information services sectors. Innovation has been shown to play an increasingly important role, and small and medium-sized businesses (SMEs) are seen in such an environment as an efficient market player capable of creating competitive ideas and commercializing innovation. It is determined that innovations are an integral component of modern corporate strategies and can be used to develop and implement more efficient production processes, as well as increase market performance or create a positive image and reputation of the company from the consumer's point of view. It is proved that the level of innovation of enterprises depends on its size. The development and implementation of innovations should be guaranteed by qualified personnel in the field of innovative research. However, given the decline of the national economy, insufficient state support for the financing of scientific and technical programs, the innovative activity of large enterprises is extremely limited. 56.8% of innovative SMEs are involved in industry, others in services. It was found that 82.2% of enterprises do not want to innovate, and the objective reason for this is low demand in the innovation market, previously introduced innovations, extremely low competition in the market, lack of effective ideas or opportunities to innovate. It is proved that in order to improve the innovation activity of small and medium enterprises in Ukraine important steps are: implementation of specialized programs of innovative development, creation of innovation infrastructure, establishment of close cooperation between scientific institutions and enterprises based on commercialization principles, development and implementation of effective algorithm.

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