

## REALIZATION OF VENTURE CAPITAL POTENTIAL IN PROVIDING AN INNOVATIVE MODEL OF ECONOMIC DEVELOPMENT

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The article analyzes the problems arising in the process of forming a market environment for realization of the investment potential of a venture business. It has been noted a defining role of venture capital in meeting the financial needs of business in risky investments, which is based on the availability of venture companies with qualified financial management and the experience in managing innovative projects. The importance of developing global trends in the financial market as one of the most important conditions for the formation and subsequent accumulation of venture capital has been determined and the characteristic features of this process have been specified.

It has been emphasized the essential role of the venture capital institution in solving macroeconomic tasks of strengthening economic growth, intensification of updates and modernization of the production base of economic entities by creating conditions for the implementation of expanded structural reproduction of capital. It has been defined also the main factors that ensure the intensification of these processes.

It has been noted that venture capital is aimed at meeting the capital needs of enterprises in the processes of their implementation of the projects in their initial stages related to the research and development and commercialization of the previous results. Efficiency at these stages, supported by competent project and financial management, allows the enterprise to attract larger investment resources on milder conditions against the background of reduced investment risks.

It has been concluded that there is a low demand for innovations that creates significant problems for the formation of an innovative business model. The lack of the enterprise management's understanding of the feasibility of investing in innovation, as the main prerequisite for strengthening their competitiveness, has been identified as the main reason of this situation. The objective need for a dialectical transition of business entities to an innovative business model as their reaction to the intensification of competition and the inevitability of using such a model as the only way to ensure their competitiveness has been underlined.

The necessity to intensify the role of the state in stimulating the development of venture business by applying the mechanism of state procurement for innovative products as well as budget financing for the purchase of innovative technologies developed in Ukraine for the state enterprises has been emphasized. Another form of such activation is the financing of innovative developments of small and medium-sized businesses. The role of the state is to form an appropriate impetus to increase innovation activity of the SME entities with a further reduction in the severity of such influence as the venture capital market intensifies and the state focuses on improving the institutional support of the venture business model.

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