Innovation in the Enterprise Sector: chapter review

Innovation Performance Review Kyrgyzstan
Bishkek, 22-23 June 2017
How to read the chapter

Trends and obstacles to entrepreneurial innovations identified

Their reasons are explained both in terms of policy gaps and internal factors

Potential instruments for policy support are suggested for each dimension studied
(reactive & proactive approach; firm- & system-oriented approach)
Trajectory of business growth

Lacking technological, business organization and marketing competencies

Uncertainty in legal environment

Corruption and unethical behavior starting from public bodies copied by private business

Transformation of informal businesses into formal ones

Attracting resources: human, financial, intellectual, technologies

Diversification of activities beyond resource-intensive industries

Facilitate transporting, exporting and importing
Both in Kyrgyzstan and Belarus, it is easy to start a business, but the costs of mistakes are very high, and it is very difficult to close the business if failed. Hence, those who tried, failed and spent years to resolve the insolvency, will hardly try again.
Existing assets of innovative transformation of Kyrgyzstan

A new generation of entrepreneurs supported by experience of family-driven business

- 70% of jobs - in informal sector
  - Distant education lacking
  - These young people will gladly take up and use the opportunities provided by innovative tools

Shared production facilities

Joint R&D, fablabs, rapid prototyping, laboratory testing

IT resources (cloud facilities, open data, data analytics)

Marketing, IPR abroad, joint R&D

Innovative business models development to help differentiate their products and services

eMarketplaces and eLogistics

These tools can be provided as an incentives to establish a formal business (create evident benefits of becoming formal)
High-tech assets of innovative transformation of Kyrgyzstan

National Paperless Trade System (“Single Window”)

Asia Pacific Information superhighway
The financing "chain", throughout the innovative company life cycle

- R&D
- Birth
- Survival
- First Successes
- Start-up
- Maturity

**Business growth - Funds' need**

- Business Angels
- Contests
- Unsecured loans: Help incubators
- Seed Capital: 100k - 3 M€
- Venture Capital: 2 - 10 M€
- Extension Capital: 5 M€ - .......
- Markets

Source: http://en.franceangels.org/Business-Angels/The-financing-cycle
Thank you!

Anna Pobol
Assoc. Prof. Dr.

Associate Professor, Belarusian State University

Senior research scientist, Center for Identification Systems, National Academy of Sciences

Chief Innovation Adviser, IT Business Association “Infopark”

Topic Leader for Digital Innovation and Entrepreneurship, European Digital and Sourcing Consultancy, Lithuania

anna.pobol@gmail.com