

Lappeenranta University of Technology

School of Business and Management

Industrial Engineering and Management

Global Management of Innovation and Technology

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**TOOLS AND METHODS TO MAKE BUSINESS PRODUCE, SUPPORT AND DEVELOP
INNOVATION**

Master's Thesis

2017

Examiners: Leonid Chechurin

Kalle Elfvengren

ABSTRACT

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Innovation is a key to growth and development of many modern companies. However, in many businesses, innovation is often treated as a whim rather than necessity. The goal of the work is to define what activities should business undertake to make innovation emerge regularly at all the organizational levels. The project includes both theoretical and empirical investigation of the topic. Major trends in supporting innovation's emergence and development in an organization were distinguished from the literature. Further, the trends were introduced and verified on practice in the network of bakeries Korjov in Saint-Petersburg, Russia. The results have shown that pure theoretical methods did not work properly on practice in conditions of real business making with its features and workers' mindset. Only individual approach, as well as unique combination of the existing methods allow to provoke innovation's emergence and subsequent development in certain business.

Keywords: innovation, business, development of innovation, methods and tools

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TABLE OF CONTENTS

1	INTRODUCTION.....	5
1.1	Background.....	5
1.2	Goals and limitations	5
1.3	Methodology	6
1.4	Structure of the thesis	7
2	INNOVATION-INTENSIFYING METHODS IN THEORY.....	9
2.1	Innovation-intensifying trends	11
2.2	Theoretical framework.....	17
3	CASE STUDY	19
3.1	Network of Korjov bakeries.....	19
3.2	Current situation in the company.....	20
3.2.1	Barriers to regular and frequent development of new products	22
3.2.2	Evaluation of the existing new product's development scheme.....	25
3.3	Problem statement, goal and limitations.....	26
4	IMPLEMENTATION OF THEORETICAL METHODS AND THE OUTCOMES.....	28
4.1	Creation of innovation forcing environment.....	28
4.2	Use of ICT	30
4.3	Knowledge management.....	31
4.4	Collaboration with other companies	33
4.5	Project management and monitoring of processes.....	34
4.6	Relationship management and Increase of employees' motivation.....	35
4.7	Summary of empirical investigation.....	37
4.8	The final decision how to provoke innovation in Korjov bakeries.....	38
5	CONCLUSIONS.....	43
6	SUMMARY	46
	REFERENCES	48

1 INTRODUCTION

1.1 Background

Innovation is one of important driving forces toward growth and development of an organization. Morris (2011) believes that innovation is the way to be prepared to the future changes. All the types of alterations make markets unstable, competitors – more aggressive, customers – mutable, therefore, companies should manage uncertainty and be ready to the changes. In this regard, innovation is considered as an essential part of corporate strategy (Morris, 2011). In a broad sense, innovation is an idea or invention that has been transformed into a product or service with the aim to bring value or that would be paid for by the customer (BusinessDictionary, 2017). Thus, for the company it is important to cultivate both the ability to create innovative ideas or inventions and successfully transform them into a value, service or tangible good, as well as to support subsequent development and implementation of the innovation.

Being concerned about innovation processes in business, the author decided to focus on particular methods and tools that were designed to help a firm to produce, develop, implement, and support innovation. Furthermore, not to be unfounded, the main aim was to investigate what methods and tools to provoke innovation in a company do work on practice in conditions of real business, therefore, it was important to verify the theoretically derived methods in the borders of a functioning company. In this regard, empirical part of the work was decided to be conducted in the network of bakeries Korjov in Saint-Petersburg, Russia. The network represents medium enterprise with modern European-like approach to business making, service and products' quality, as well as has its own production and several bakeries all around the city, performing almost full cycle of the value chain.

1.2 Goals and limitations

The main goal of the research is to create a systematic approach to innovation development in a company, by identification of particular methods and/or their combinations, which can practically help business to innovate in conditions of real market situation. Therefore, the research question was stated as follows:

What activities should be undertaken in an organization in order to improve its innovative performance, that includes regular emergence, support and development of high quality innovation within a company?

Thus, within the boundaries of the abovementioned research question, the following intermediate steps with corresponding aims were stated: (1) to define what scientific literature does suggest to business in the current case, (2) to derive certain methods and tools, which are presented in the literature as applicable to force innovation, (3) to verify the derived methods and tools in conditions of a functioning business, (4) to identify actually applicable and effective methods and tools based on the results of empirical verification.

As for limitations of the work, it is highly important to take into account time limits, which create uncertainty in results' assessment: methods and tools can provoke innovation's emerge and development in an organization, however, time is needed for actual emerge of an innovation, as well as for subsequent evaluation that may require statistical data. Therefore, assessment of the results is not going to be quantitative, but qualitative. Positive result of the empirical work is considered in terms of actual practical implementation of suggested methods and tools in the company and their subsequent exploitation in its business activities.

1.3 Methodology

In the current work, qualitative research method was used, including participant observation of the state of affairs in Korjov bakeries, with elements of survey research (interviews and questionnaires), as well as subsequent active participation was conducted in order to verify theoretical findings on practice. Literature review was carried out with the aim to define appropriate theoretical framework for successive empirical investigation of the topic.

There are several reasons why the abovementioned methods were selected. First, participant observation of the company allowed to investigate and understand all the aspects of the company's activity, as well as to get familiar with the existing scheme of innovation development within the organization. However, observation was not going to be enough for complete understanding of the executives' and the employees' viewpoints in terms of innovation development processes in the company. Therefore, interviews and questionnaires have taken place within the boundaries of the research. Secondly, theoretical findings were going to be verified on practice, that required their actual implementation into the company's business processes. Thus, active participation of the

author in the life of Korjov bakeries network has taken place during the work on the thesis. Obviously, literature review has become first and essential part of the research, as it allowed to form appropriate theoretical framework for subsequent empirical work on the thesis.

1.4 Structure of the thesis

The rest of the paper is divided into three main parts – theoretical, empirical, and ending part. Figure 1 illustrates structure of the thesis in form of an input-output chart.

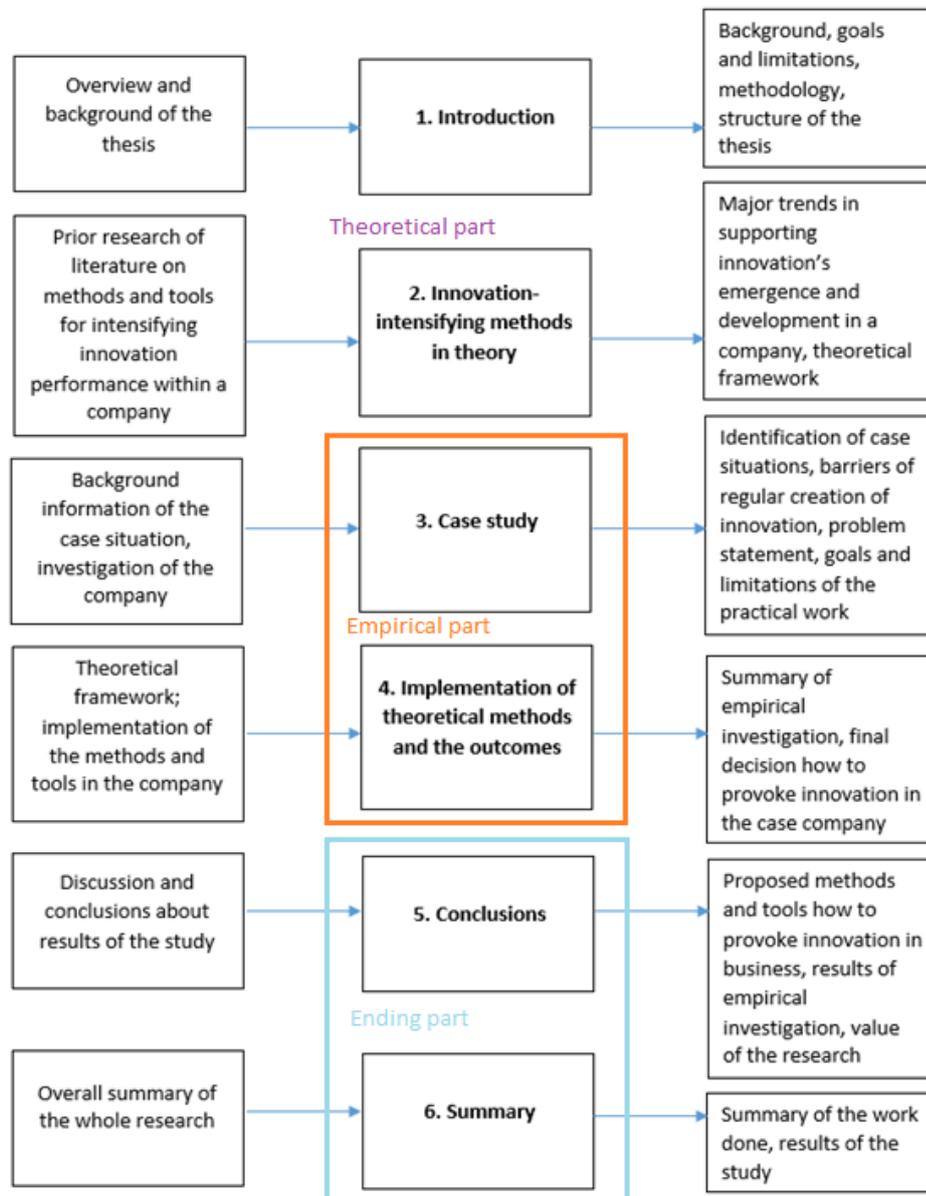


Figure 1. Structure of the thesis

Within the boundaries of the theoretical part, there is a chapter devoted to the literature review, as well as its results combined and presented in the subchapter “Theoretical framework”. Next, there is the largest part of the work - empirical investigation of the topic, that includes two chapters. The first one is devoted to study of the state of affairs in the case company (description of the Korjov bakeries network, explanation of the current situation in the company at the moment of the work beginning, goal and problem statement). The second chapter includes verifying of the theoretical framework on practice, results, and the final solution. In the ending part, the paper includes conclusions and summary chapters in order to sum up the whole work.

2 INNOVATION-INTENSIFYING METHODS IN THEORY

In order to investigate how business can meet innovation and what actions may be undertaken to make innovation emerge in a company, theoretical research was conducted. Various sources were studied with the purpose to discover what science suggests to business in point of emergence and support of innovation within an organization.

The sources to analyze the topic was collected in such databases as Wilma Finna, Google Scholar and mainly on Scopus. The following keywords have been chosen for search: “innovation management”, “knowledge management”, “knowledge accumulation”, “business consulting” AND innovation, “staff motivation”, “employee motivation”, development AND innovation, implementation AND innovation, and various combinations of those keywords. The figure 2 below illustrates searching results for the abovementioned keywords on Scopus. It can be highlighted that the largest numbers of documents were founded for keywords “development AND innovation” and “knowledge management”. It is interesting to emphasize that highest concentration of articles is in the period of the last two decades.

7	TITLE-ABS-KEY (implementation AND innovation)	21,829 document results
6	TITLE-ABS-KEY (development AND innovation)	95,186 document results
5	TITLE-ABS-KEY ("employee motivation")	960 document results
4	TITLE-ABS-KEY ("staff motivation")	329 document results
3	TITLE-ABS-KEY ("knowledge management")	58,862 document results
2	TITLE-ABS-KEY ("business consulting" AND innovation)	15 document results
1	TITLE-ABS-KEY ("innovation management")	3,193 document results

Figure 2. Results of search on Scopus

According to Elsevier (2017), total number of publications available on Scopus is approximately 100 million, including journal articles, books, patents, and conference papers, which cover all research fields such as science, mathematics, engineering, medicine, et cetera. After filtering the overall scope of publications with use of the abovementioned keywords, about 180 thousand documents have been found. Thus, proportion of publications devoted to the topic under consideration is 0,18% of the overall number of Scopus documents. However, besides keywords, the documents for subsequent detailed study were chosen based on the following criteria:

- The first priority was given to the recent articles (last five years), as business is quite mutable structure and requires contemporary approaches, especially in such area as innovation. Based on this criterion, 448 330 publications were chosen;
- Scientific papers, which suggest applicable methods and approaches to promote innovation, as well as articles that are devoted to real business cases. In order to take these subjective criteria into consideration, titles and abstracts of publications were examined, and then scope of the documents for subsequent reading was narrowed to approximately 200 items.

However, in the course of careful reading of the publications, it was discovered that most of them were not relevant and useful for the current research, therefore, further thorough investigation was conducted for about 20 documents. In addition, other publications were found on Google Scholar and Wilma Finna. Thus, certain scope of literature sources was congregated for subsequent studying of the topic.

The process of publications' selection for the current research is visually presented below (figure 3):

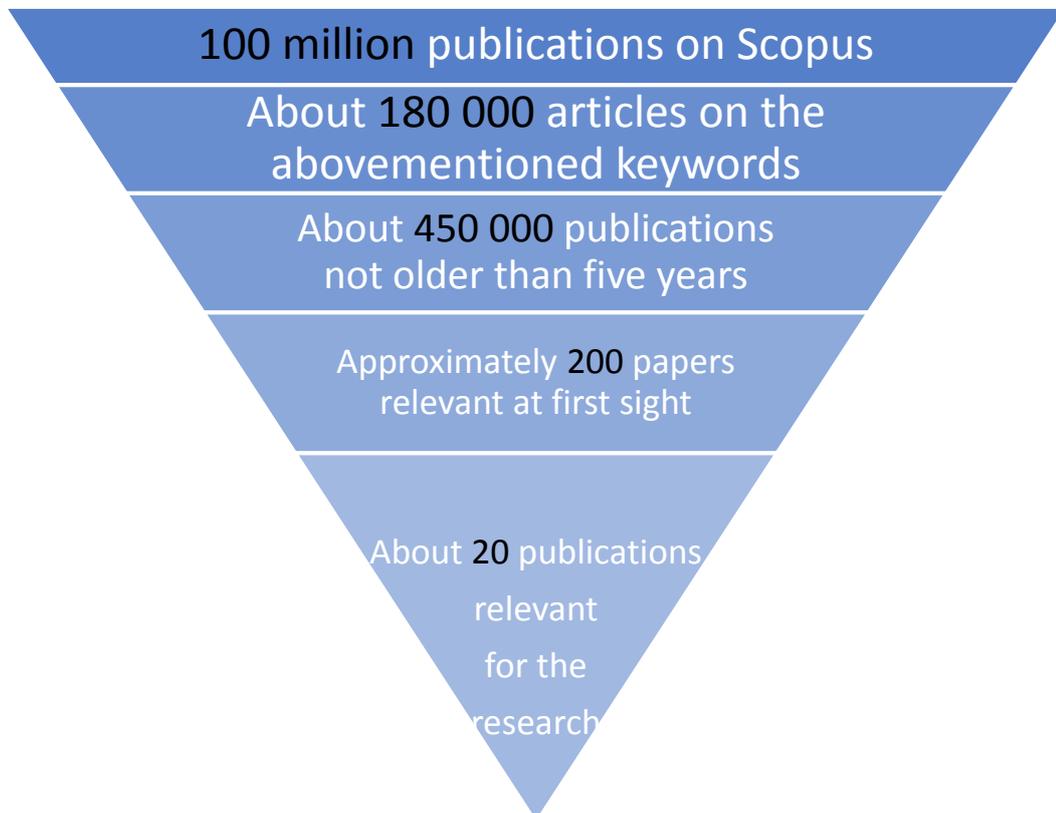


Figure 3. Visual representation of the publications' selection process

2.1 Innovation-intensifying trends

As a result of literature review, the theoretical framework was created for the topic under consideration. According to the sources, seven trends in supporting innovation's emergence and development in an organization were distinguished: (1) creation of such an environment that enforces innovation, (2) use of information and communication technologies (ICT), (3) knowledge management, (4) collaboration with other companies, (5) project management and monitoring of processes, (6) relationship management, and (7) increasing employees' motivation. The following paragraphs are devoted to the description of what science suggests to business in accordance with the abovementioned trends.

As for the first trend, the literature offers to create such environment and structure in a company that provokes emergence and development of innovation. Martin (2017) claims that managers should design such work environment, which makes employees more autonomous, that in its turn leads to increase of intrinsic motivation. It can be achieved by establishment of such work practices and policies as teamwork, formal appraisals, quality circles, meetings, surveys and other activities that facilitate employees' concernment in innovation processes in the company. Martin (2017) emphasizes that participation in problem-solving groups allows staff to be part of changes in the organization, as well as such work practice gives more responsibility and flexibility to employees. Leyer, Stumpf-Wollersheim and Pisani (2017) suggest implementation of a process-oriented organizational structure, which allows to shift from hierarchy to horizontal grouping and "focus on cross-functional business processes rather than on functions of hierarchy". Such approach leads to fostering innovation within an organization. Furthermore, Leyer, Stumpf-Wollersheim and Pisani (2017) consider low number of interfaces as one of the essential aspects of organizational structure. The authors state that companies, which have low number of handovers between employees, allow their employees to have a better overview of the whole process, in which he or she works. Similarly, Gitelman and Kozhevnikov (2017) highlight importance of implementation of new organizational structures, in which traditional hierarchical model is replaced with "diamond" model consisted of the leader, experts, consultants and groups of freelancers. The authors claim that existing bulky management systems should be replaced with module local projects, as well as pure development of strategy should be shifted to development of change management systems. In order to create creative corporate environment, Gitelman and Kozhevnikov (2017) suggest the method of self-projecting of the future. They describe this method as a process of collective creation of strategic decisions and development of the projects for the

company's growth. The method exploits interdisciplinary approach, engages employees of different levels and promotes intrinsic motivation. Ramus (2002) also emphasizes the importance of creative environment in the company and, furthermore, claims that managers should draw their attention to environmental management in order to establish suitable atmosphere in the company.

The second trend in supporting of innovation, distinguished from the literature, is related to ICT. This quite popular view on supporting of innovation consists in use of various computer technologies such as software, applications and other information systems with aim to simplify communication, knowledge accumulation, information access and innovation-related processes. Shenhar and Dvir (2007) point out that organizations should invest in their IT processes and infrastructure in order to be able to continue their growth and innovation development. Martin (2017) claims that ICT, which facilitate information and knowledge access, contribute more to motivation increase and development of suitable environment within the company. ERP systems, for instance, are associated with autonomy of employees, as they enforce easier access to information. ICT help employees to face tasks directly, without extra interfaces with other employees, while supervisors have ability to control over employees more effectively. According to Gitelman and Kozhevnikov (2017), business consulting of the future relies on cloud technologies, artificial intelligence, flexible business processes, and smart industries.

Knowledge management is considered as the next important trend in innovation's development and support. Knowledge management (KM) refers to organizing, planning, controlling and motivating people, processes and systems in a company in such a way, that allows improvement and effective usage of knowledge assets. There are various kinds of knowledge-based assets such as printed documents, knowledge assets stored in electronic repositories, knowledge of a company's employees about their jobs, et cetera (King, 2009). According to King (2009), knowledge management includes the following processes: collection, creation, refinement, transfer, storage, sharing and utilization of knowledge assets. Furthermore, KM involves development of methodologies and systems, which support these processes and motivate employees to take a part in them. As a result of examination of links between knowledge management and innovation, Darroch and Mcnaughton (2002) distinguish the following factors that have positive effect on innovation: "being sensitive to information about changes in the marketplace, having a science and technology human capital profile, working in partnership with international customers, using technology to disseminate knowledge, responding to knowledge about technology, and being flexible and opportunistic" (Darroch and Mcnaughton, 2002). According to Bierly and Daly (2007), development and use of knowledge is one of the most

important sources of competitive advantage in high-technology organizations. The authors describe knowledge base of the company as intellectual capital that involves tangible and intangible knowledge, experience and skills of the company's workers. In order to develop this intellectual capital, the firm is suggested to create its knowledge strategy with certain guidelines and strategic choices. There are two knowledge domains regarding to knowledge strategy: knowledge exploration and knowledge exploitation. Bierly and Daly (2007) describe exploration as creation or collection of new knowledge, while exploitation is described as ability to exploit existing knowledge. It is important to emphasize that the authors suggest to consider these two aspects as complements rather than substitutes. Thus, team-based structures, changes-promoting environment, and human resource practices enforcing creativity and innovation are suggested as effective activities to support both exploration and exploitation.

Some sources mention importance of collaborative networks for innovation success. For instance, González-Benito, Muñoz-Gallego and García-Zamora (2016) conclude that collaboration influences positively on business performance, new business creations and innovation. The authors claim that networks between organizations can strengthen employees' skills, encourage knowledge conjunction, refine access to resources, promote creativity, as well as stimulate creation and use of new business channels. Wilkinson and Young (2002) also consider inter-organizational interactions as effective way to create and access knowledge and other strategically important assets. Furthermore, relationships between companies often lead to stronger ability of companies to adapt their products, services, and operational processes in such a way that satisfies market demand. Difficulty of achievement of business success alone is explained by resource limitations, high costs of knowledge acquisition, as well as uncertainty of strategic actions' outcomes. Thus, companies are not recommended to rely exclusively on their internal assets and resources (Swaminathan and Moorman, 2009; Wilkinson and Young, 2002). Cohen and Levinthal (1990) conclude that organizations should be able to evaluate and exploit external knowledge, as well as to apply this newly acquired knowledge to the innovation, as this ability is crucial to their innovative capabilities. González-Benito, Muñoz-Gallego and García-Zamora (2016) consider both disruptive and incremental innovations, and point out that cooperation facilitates new products' development, as well as "collaboration in technological resources enhances business innovation". The authors allocate two types of collaboration – channel collaboration that consists in support from customers, suppliers, competitors and companies within one network; and consulting advice collaboration that includes support of consultants, associations, universities, and licensors. Thereby, small companies are expected to benefit more by the use of channel

collaboration, while large businesses take more advantage of consulting advice collaboration. In general, firms that use collaborative networks tend to have more successful innovation and improved competitiveness. Collaboration in combination with open exchange of knowledge and information leads to reduction of innovation's development cost, as well as maximizing marketing opportunities.

The idea of collaborative relationships that imply open information exchange is similar to presently popular Open Innovation approach. Originally, this term was proposed by Henry W. Chesbrough in his book "Open Innovation" (Chesbrough, 2003a). Chesbrough distinguishes two specific paradigms in companies' behavior regarding to commercialization of industrial knowledge: Closed Innovation and Open Innovation. According to the author, the first paradigm refers to the firms, which hold their idea generation, R&D, marketing, financing and other inner activities on their own. Such companies are strongly self-reliant and distrust to capabilities of other parties. Closed Innovation approach implies that a company invests heavily in its internal R&D and tries to hire the best and smartest people in the industry, as well as aims to get to market first with the brightest ideas (Chesbrough, 2003b). However, Chesbrough claims that there was a 'paradigm shift' from Closed to Open Innovation, which led to completely new view on knowledge commercialization process in industries. According to that new approach, firms exploit both internal and external ideas and paths to market in order to create value and generate additional value. Thus, companies actively collaborate with each other within and without the current industry, utilizing and developing both internal and external knowledge, as well as sharing their own ideas through various possible channels (Chesbrough, 2003a). It is important to emphasize advantages and benefits that Open Innovation approach brings to companies. Schutte and Marais (2010) identified them as follows: reduction of R&D costs; R&D productivity increase; involvement of customers early into design process that leads to subsequent increase in end-users' satisfaction with result product; increase in market research quality; increase in accuracy of target market identification.

One more trend in innovative development, which is mentioned in scientific literature, is the use of project management and monitoring of processes toward goals. Shenhar and Dvir (2007) divide organizations' activities into two broad categories: operations and projects. The first type states for repetitive activities such as manufacturing, while the second type involves one-time initiatives, which are identified by the authors as unique ones – launching new products or ventures, improving of existing business processes or products, et cetera. According to the authors, projects promote business change and innovation, and, indeed, almost all the changes in companies are

made in form of projects. In addition, Shenhar and Dvir (2007) point out that the share of operations is decreasing, while the share of projects is increasing in most of firms due to the current tendency to growth and innovation. Strong focus on improvement of project activities, rather than ongoing operations, should be primary for organizations to improve competitiveness and drive innovation from the very idea to its commercialization. In this regard, project management plays significant role in innovative development of an organization. Traditionally, the scientific literature states that project managers ensure customer satisfaction, enforce project team building, implement knowledge management, as well as play important role in innovation management (Meng and Boyd, 2017). As for modern look at project management, Shenhar and Dvir (2007) suggest to use new approach that is called an adaptive approach. The suggested approach implies that projects are not just activities, which should be done on time, but business-related processes with clear results to achieve. Projects are flexible and adaptive in accordance with the current business situation, while project work is mostly unpredictable, complex and nonlinear, but is aimed to certain goals and results (Shenhar and Dvir, 2007). Rosenstock *et al.* (2017) also claim that monitoring progress toward the overall goal is more important than focus on accomplishing all the activities on time. In order to track progress, Rosenstock *et al.* (2017) suggest using of “coherent, standardized and decision-relevant monitoring systems”, which track the progress with the use of ‘lean data’ and simplified metrics.

There is one more view on project management, which is highlighted in the literature, and which is considered as one of the trends in innovative development. Meng and Boyd (2017) point out the existing shift from traditional planning-and-control approach in project management to new relationship management approach and emphasize the importance of personal and working relationships. Veal (2011) explains relationship management as “active development, cultivation, and maintenance of project-associated relationships”. Indeed, psychological aspect is important for success of projects, therefore authors pay their attention to relationships between employees, managers, and other participants, as well as point out importance of various work practices such as teamwork, trainings, feedbacks, and other approaches that allow to increase skills, motivation and self-esteem of the employees (Martin, 2017). Leyer, Stumpf-Wollersheim and Pisani (2017) claim that regular meetings of employees influence positively on performance and innovation in an organization, as such practice enforces the exchange of ideas and knowledge and leads to development of innovative solutions. Black and Lynch (2001) believe that relations practices, in which all the employees have voice in decision making, promote greater productivity in the company. Thus, the authors suggest to implement such joint decision making practices in

collaboration with incentive-based compensation approach in order to improve the firm's productivity and other important indicators. Meng and Boyd (2017) emphasize also psychological aspect regarding to project managers, rather than to employees – they claim that extroverted project managers are more likely to achieve project success than introverted ones. Furthermore, the authors point out the importance of system thinking, and conclude that planning and control is just one – the hard – side of project management, while relationship management is the soft side, which is, nevertheless, significant for success (Meng and Boyd, 2017).

The last but not least aspect in development and support of innovation in a firm is motivation. According to Werbach (2016), there are two types of motivation, suggested by the psychological approach called Cognitivism. In comparison with Behaviorism, in which all the processes inside the person's mind are considered as "black box", Cognitivism focuses on what is going on inside that "black box", what motivates people to behave in certain ways. Thus, the current approach considers two broad categories - intrinsic and extrinsic motivation. Intrinsic motivation does not require any external stimulus and is caused by person's wish to do something on his/her desire because it is enjoyable and interesting. At the same time, extrinsic motivation is caused by some external reason that makes person do something for a reward or certain outcome (Ryan and Deci, 2000; Werbach, 2016). Ryan and Deci (2000) claim that intrinsic motivation leads to creativity and high-quality learning, while extrinsic motivation is considered as depleted and poor type of motivation, which is, however, quite powerful and effective. The authors explain that rewards, positive performance feedback, communication, challenges of optimal level and other interpersonal structures are able to satisfy the basic psychological need for competence, and thereby enforce intrinsic motivation. However, not only feeling of competence is important for intrinsic type of motivation. There is also worth to note the significance of sense of autonomy - the person's sense that he/she is not under control; and relatedness – when the person's activity is related to something important and purposive, something beyond him/herself (Ryan and Deci, 2000; Werbach, 2016). Leyer, Stumpf-Wollersheim and Pisani (2017) also point out that personal autonomy has positive effect to quality, as well as to innovation processes. Strauss, Parker and O'Shea (2017) highlight that compulsion and pressure at work place influence negatively on employees' motivation and may cause job strain, as well as deplete proactive behavior that is important for innovation.

2.2 Theoretical framework

As the result of literature review, practical methods of supporting innovation in a company were distinguished. The current subchapter includes those findings summarized in the table 1. The table illustrates main methods and approaches that are proposed in the scientific literature as effective tools to make innovation regularly emerge and develop in business. The findings represent the theoretical framework, which is going to be exploited as a basis for subsequent empirical investigation of the topic.

Table 1. Methods to enforce innovation in business according to the literature

Trend	Methods	References
Creation of innovation forcing environment	<ul style="list-style-type: none"> – Work practices and policies: teamwork, formal appraisals, quality circles, meetings, surveys; – Participation of employees in problem-solving groups; – Process-oriented organizational structure with horizontal grouping; – Low number of interfaces as one of handovers between employees; – “Diamond” model of organizational structure; – Collective creation of strategic decisions and development of the projects for the company’s growth. 	Martin (2017); Leyer, Stumpf-Wollersheim and Pisani (2017); Gitelman and Kozhevnikov (2017)
Use of ICT	<ul style="list-style-type: none"> – Use of ICT that facilitate information and knowledge access, for example, ERP systems; – Cloud technologies, artificial intelligence, flexible business processes, and smart industries. 	Shenhar and Dvir (2007); Martin (2017); Gitelman and Kozhevnikov (2017)
Knowledge management	<ul style="list-style-type: none"> – Creation of a company’s knowledge strategy with certain guidelines and strategic choices; – Exploration and exploitation of knowledge - usage of both approaches together; – Team-based structures, changes-promoting environment, human resource practices to enforcing creativity and innovation. 	Bierly and Daly (2007)
Collaboration with other companies	<ul style="list-style-type: none"> – Creation of strategic networks between organizations; – Evaluation and exploitation of external knowledge, as well as usage of newly acquired knowledge to the innovation; – Channel collaboration for small companies; Consulting advice collaboration for large businesses; – Open exchange of knowledge and information (open innovation approach). 	González-Benito, Muñoz-Gallego and García-Zamora (2016); Wilkinson and Young (2002); Cohen and Levinthal (1990); (Chesbrough, 2003a); (Chesbrough, 2003b); Schutte and Marais (2010)

Project management and monitoring of processes	<ul style="list-style-type: none"> - Focus on improvement of project activities, rather than ongoing operations; - Adaptive approach to project management; - Monitoring progress toward the overall goal; - 'Lean data' monitoring systems. 	Shenhar and Dvir (2007); Rosenstock <i>et al.</i> (2017)
Relationship management	<ul style="list-style-type: none"> - Work practices – teamwork, trainings, feedbacks; - Regular meetings of employees with aim to exchange ideas, knowledge and skills; - Joint decision making practices in collaboration; - Hire of extroverted project managers rather than introverted. 	Martin (2017); Leyer, Stumpf-Wollersheim and Pisani (2017); Black and Lynch (2001); Meng and Boyd (2017)
Increasing employees' motivation	<ul style="list-style-type: none"> - Support of intrinsic motivation through rewards, positive performance feedback, communication, challenges of optimal level and other interpersonal structures; - Creation of a sense of autonomy and relatedness among employees; - Reduction of pressure at work place. 	Werbach (2016); Ryan and Deci (2000); Leyer, Stumpf-Wollersheim and Pisani (2017)

3 CASE STUDY

During the work on the thesis, consulting activities were conducted in the network of bakeries Korjov in Saint-Petersburg, Russia. The current chapter is devoted to the preliminary study of the state of affairs in that company. Korjov bakeries network is quite suitable for empirical examination of innovation support methods, as it represents medium enterprise with manufacturing activity, in which innovation plays significant role for further growth and development. In the current case, term “innovation” means not only new technological or business solutions, but also new products designed and created by the company’s employees for subsequent implementation to the assortment. The executive of the company believes that regular and frequent process of development and implementation of new products is one of the main driving forces for Korjov bakeries, and, in this thesis, such a viewpoint is considered as correct due to many reasons, for example: the company should meet changing requirements and needs of modern customer; regular update of the assortment allows to be on the crest of trends, creating competitive advantage; new products allow to attract new customer segments. In this regard, the main focus in empirical investigation and consultancy in Korjov was on the process of design, development and implementation of new products. More detailed explanation is presented in the following subchapters.

3.1 Network of Korjov bakeries

Korjov is a network of bakeries-confectionery in Saint-Petersburg, Russia, which was founded by entrepreneur and cook Viktor Sartakov-Korjov. The first bakery was opened in one of dormitory areas in the north of Saint-Petersburg in 2013. By the time of working on the current thesis, Korjov has had four bakeries in different districts of the city. The main idea of the business is to create natural and high-quality products for citizens, as well as to introduce the culture to buy fresh bread and pastry every day. The company is profitable and have funds accumulation, that can be proved by the financial statements. According to the official statements of financial results, including balance sheet, assets for the reporting date of the reporting period (31th of December, 2016) are 43073 thousand rubles, while liabilities for that period are 41484 thousand rubles, which means profit in the amount of 1589 thousand rubles for the reporting date.

Besides various kinds of bread, assortment of Korjov’s products includes pastry, cakes, sandwiches, soups and salads, as well as different beverages. All the products are developed and

manufactured in-house, with use of professional high-quality equipment provided mostly by Bongard – French leading manufacturer of bakery ovens and equipment (Bongard, 2017). Manufacture in Korjov is highly technological process that includes meticulous control at every stage of full production cycle, as well as thorough selection of ingredients with aim to create products of high standard without improvers and artificial additives. Therefore, it is important to highlight that quality and conformity to the company's conception are two essential aspects for Korjov bakeries in new products development.

3.2 Current situation in the company

The first step of the work in the company was exploration and precise description of current circumstances. Documentation of the situation allowed not only to build full vision of the processes within the organization, but also to highlight existing shortcomings and problem areas. Work in the company was quite versatile and included many various activities. In order to get familiar with the whole business, all the four bakeries were visited and explored by the author, as well as many activities were undertaken in the head office of the company. First conversations were conducted by the author with Viktor Sartakov-Korjov (CEO) and COO of the company in order to define main directions of the work in the firm within the framework of the thesis, as well as to understand vision of the executives regarding the issue of innovation in the company. Later, quizzes via Google Forms, as well as interviews with employees of both production and management teams took place with the aim to discover their point of view on the topic.

The main outcomes of the exploration are presented below and represent situation as it is in the company in terms of innovation:

- Regular development of new products (bread, cakes, beverages, et cetera) and subsequent update of the menu are essential processes that create competitive advantage of Korjov bakeries and represent a lure to new customers while keeping existing ones. The company creates certain conditions to make its employees develop new products, for instance, offers monetary reward for development (about 100 euros for one implemented new product). However, as it was discovered by the author, new products are developed rarely and irregular (about one new elaboration per month; furthermore, results of Google questionnaire show that 50% of respondents do not work on elaborations or do it once a month and less). Barriers to regular and frequent development are presented in the

corresponding part of the chapter below (“Barriers to regular and frequent development of new products”);

- The process of new product’s development and implementation includes certain activities, which are presented in details in the appendix (Appendix A). In general, the existing scheme is as follows: idea of an employee or/and direct assignment from the executives; physical development of the sample; degustation of the sample by CEO or/and COO of the company with subsequent comments on the product; accounting of cost price; decision to implement the new product or not; if yes, managers start work on the preparations (sales price establishment, price tags printing, development of packages if needed, et cetera); implementation of the product and start of sales for test period (about two weeks); final decision whether to keep sales or not. The existing scheme has some shortcomings that are presented in the subchapter “Evaluation of the existing new product’s development scheme”;
- Working environment and overall atmosphere in the company are quite friendly, most of the employees are interested in their jobs; management team and leading employees, such as chief of production, senior bakers and others, are open-minded and are interested in growth and development of the company. The team is very closely-knit; mutual assistance plays significant role in relationships between employees; there is no strong delimitation between ordinary employees and executives – all the team members can openly communicate with each other, for example, via mobile application WhatsApp;
- The company is concerned about cultivation of its employees within the organization. For production employees, such as bakers or confectioners, there is a scheme of categories from 1 to 5, in which the first category is for beginners and states for minimal skills, responsibilities and salary; the highest category means the largest salary with high skills and responsibilities. In order to increase category, an employee should undergo training under the supervision of a senior employee and pass a special exam. Besides, the company rewards each of employees with a bicycle certificate, if an employee has been working in the company for more than one year. Unfortunately, small number of production employees are interested in their growth and development (during the work in the company, there was observed that only three-four production employees took active participation in new elaborations process, as well as were interested in positive changes directed to improvement of innovation performance of the company). Contrariwise, office employees, shop assistants and waiters are highly interested in their career. Indeed, many

of waiters and shop assistants have become seniors or office managers after a period of work in Korjov;

- The principal position of the executive is to give more autonomy to all the employees, making them solve the problems more creatively, as well as to provoke them to state tasks independently based on their own perception. However, such approach is not quite effective towards production employees, as they are mostly interested in their routine job and production plans;
- Korjov's employees often help each other and participate in various activities and work practices. For example, office managers can come to one of the Korjov cafes and help at the kitchen. One day of a year managers replace their colleagues at the cash desk in order to realize all the details and nuances of a such kind of work. The executives believe that such work practices help the team to feel each other better and look at certain problems from another angle. During the work on the thesis in Korjov bakeries, it was surprisingly interesting to participate in Easter activities and help to decorate Easter cakes (figure 4).



Figure 4. Decoration of Easter cakes in Korjov bakeries

3.2.1 Barriers to regular and frequent development of new products

Within the borders of the current research, several interviews as well as the quiz (Appendix B) were conducted by the author among workers of the company in order to investigate reasons of low frequency of new products' development. The main reason to conduct these interviews and the quiz was a necessity to distinguish actual causes of the problem, as well as a desire to get a

look at the situation from different viewpoints. COO of the company, production manager and two chief-cookers were interviewed personally; they were asked about the whole process of new positions' development, their role in this process, as well as their own opinion regarding the reasons why new products were not developed regularly. In order to ask confectioners, bakers and cooks, online quiz was created on the Google Forms platform. The whole text of the quiz is presented in the appendix B. Questions of the quiz were created in such a way that allowed to identify level of concernment and motivation among production employees of the company in the process of new products' elaboration. Furthermore, the quiz was aimed to find out the actual reasons that hinder the innovation emergence from the viewpoint of production employees. Bakeries were also explored by the author in order to distinguish conditions and facilities available for development of new products. The rest of the chapter is devoted to the barriers to frequent and regular development of new products, which were allocated by the author during the investigation.

As a result, the following barriers were determined: (1) lack of motivation among the employees to develop new products and often the need in the formulation of the specific task (product to create) by the executives, (2) lack of time for development during working day due to high workload, (3) misunderstanding of the company's conception, (4) lack of experience and broad-mindedness among the low-level workers, (5) human factors - for instance, fear to be refused, especially among novice workers, and (6) lack of ideas and inspiration for new products' development.

The first barrier - lack of motivation - is one of the reasons why the employees do not develop new products. According to results of the oral interviews, most of the workers are not interested enough in self-development, being focused on the routine everyday job. The quiz also confirms that fact, as 30% of respondents indicated lack of motivation as a barrier to regular innovation development. Furthermore, there is a frequent situation when products designed by an employee are refused, and among dozens of products the only one is accepted, that certainly reduces level of motivation of that employee. In addition, the authorities of the company do not always set a specific task for the workers what to develop, that leads to such problems as discrepancy between new designed products and the executives' expectations and requirements.

Lack of time is also one of the most significant barriers to development of new products (according to 70% of respondents in the quiz, as well as oral answers of chief-cookers). Employees are busy in manufacturing that makes development of new products almost impossible during working day. Despite the fact that there is a possibility to work on new products' development on days off (for

wage), not many of the employees use this possibility for obvious reasons (50% of respondents answered that they were neutral to the possibility to work on days off, while 20% considered this possibility negatively). Furthermore, development of new positions is a creative process that requires enough free time and focus on the process, which are difficult to get in conditions of working manufacturing day. Shortage of time was the first aspect, which was mentioned by respondents of the interviews and the quiz, that emphasizes the significance of that barrier.

As for the third barrier, many workers are not familiar with the conception of the company, that leads to unsuitable products, which do not fit into the idea of the Korjov bakeries. This barrier was recognized by the author after thorough investigation of the elaborations that have been created for last several months, as well as in the result of the interviews with the company's executives. Furthermore, there is a distinction between views of different employees on the assortment of the bakeries. The preference for classical recipes among workers of old school is observed, while younger employees have modern view and are tend to experiment with recipes more. Certainly, belonging to an older or more modern school is not the only indicator of new products' type, since level of experience and broad-mindedness do also play significant role in development.

Thus, lack of experience and often narrow mind are serious barriers for the employees to high-quality products' development. While chief-cookers are sent to various seminars and trainings (both at the expense of the company and independently), low-level workers have limited possibilities for self-development, training, and acquaintance with modern culinary industry's trends. Indeed, 20% of respondents indicated lack of experience as one of the barriers, as well as 40% answered that they are short of inspiration and ideas.

Human factors, such as fear of failure or fear to be refused, are also one of severe barriers towards work on development (for instance, 20% of respondents noted that fear to be refused was one of the barriers for them). Besides, there is an issue of psychological barrier between low-level workers and the executives. Novice confectioners, bakers and cooks do not feel themselves valuable and experienced enough, especially in comparison with chefs who are able to communicate with the authorities and with each other on the same status level. Such psychological reason makes low-level workers doubt whether their elaborations are worth to be presented to the headmasters or not.

Finally, the most obvious but still valuable barrier is lack of ideas and inspiration (40% of respondents indicated it as a barrier). While Korjov company is focused on non-classical, modern and novel products, it is quite challengeable to continuously create something new and original.

Furthermore, the assortment should be suitable for current market situation, as well as to be satisfying for customers from the viewpoint of price-quality ratio and other aspects.

3.2.2 Evaluation of the existing new product's development scheme

The whole scheme of new elaborations' processing was practically explored in details by the author during the work in Korjov company. The official version of the scheme, provided by the company's authorities, is presented in the appendix (Appendix A). However, the process is quite fickle and may vary from product to product due to many external factors. Thus, one of the most significant aspects that create uncertainty in the process, is the issue of communication between employees. Mostly, the employees exploit mobile applications such as WhatsApp and iMessage, as well as email. Large number of various communication channels creates inconvenience and makes the process intricate, because sometimes important information may not be delivered to all the employees, or employees could, for instance, ignore WhatsApp messages due to big number of irrelevant information there. Besides, workers are often forced to duplicate messages in different communication channels in order to reach all the recipients. Thus, the process of new product's implementation may stretch out because of the mere question of communication.

One more aspect, that was highlighted during the work in Korjov company, is ambiguity of the first phase of the scheme. First, there is no clear instructions for the employees how to send his/her elaboration to the executives for degustation. In reality, the scheme is vague, because of the following reasons: new elaboration is a food that requires degustation on the same day, but there is no precise logistic solution how to send elaborations to the office at any time of the day; the executives, who conduct degustation, do not spend their time in the office regularly, therefore sometimes new products are stored in the office waiting for the degustation and losing their properties; in order to conduct degustation on the same day, the elaboration may be sent to one of the bakeries rather than to the office; communication regarding the degustation includes high number of intermediaries and interfaces between the employees; in most cases, marketing manager is responsible for coordination and organizing of degustation, that creates additional workload for her, as well as retards the whole process. Second, the process of degustation, parameters of assessment and decision making, as well as subsequent activities, are not regulated. If an elaboration is tasted right at the kitchen, the executives may give their feedback and preliminary decision directly to the author of that elaboration, however, marketing manager should be notified about the results of the degustation additionally. And vice versa, if the degustation is conducted in

the office, feedback and decision often are not transferred to the author of the elaboration. In that case, the employee does not know his/her possible mistakes, reasons of refusal, overall feedback on the product, as well as the final decision. Of course, the office workers try to keep in touch with the production employees in order to transfer all the relevant information to them, however, due to various reasons, such as high workload or human factors, often it is difficult to monitor this issue properly.

Furthermore, the scheme does not include instructions for development of new product. There is no explanation of the company's conception, that leads to quite large number of inappropriate elaborations, especially in confectionery products, which are refused after degustation. In addition, the executives do not give certain directions of development to the employees, that complicates the process of elaboration, particularly in conditions of daily manufacturing routine, where it is quite challengeable to allocate a timeslot for new product's development.

Thus, there were distinguished the following shortcomings of the existing scheme:

- Uncertainty in communication methods due to large number of tools and applications used by the employees;
- Absence of explanation of the company's conception and directions to the employees, as well as miss of certain requirements for new product's development in general;
- Lack of instructions for the employees what to do after development of new elaboration, for instance, how to send new elaboration to degustation. Lack of mature logistic and organizational solution;
- No criteria of assessment and decision making for degustation, as well as no culture to give consistent feedback to the author of the product.

3.3 Problem statement, goal and limitations

Based on the previous investigation of the current situation in the company, it was concluded by the author that master's thesis work in the network of Korjov bakeries should pursue the certain goal in accordance with the problem statement. Thus, the problem has been stated as follows:

The process of innovations' (new products') development and implementation is rare, irregular and not always effective due to imperfections in the whole scheme, as well as due to serious barriers among employees; wherein the current business process is one of the

most important for the company's success and growth, therefore the problem is relevant and requires speedy solution.

Therefore, it was decided to formulate the goal as follows:

To improve the process of development and implementation of innovations (new products) in such a way that leads to regular and frequent development and implementation of high quality products.

The following aspects can be attributed to the limitations of this empirical work:

- Since the empirical part is related to the current academic work, the activities, undertaken within the network of Korjov bakeries, should be based firstly on the theoretical framework, which was defined in the subchapter 2.1 of the current paper;
- Real business conditions should be taken into account, which mean that any changes and novation should be discussed with the management team of Korjov company and may be refused;
- Results of any novation in the company cannot be evaluated numerically, therefore outcomes are going to be considered as positive based on subjective assessment of the executives and the management team.

4 IMPLEMENTATION OF THEORETICAL METHODS AND THE OUTCOMES

After thorough investigation of the issue in scientific literature and development of the corresponding theoretical framework, as well as preliminary study of the state of affairs in the case company, empirical part of the work has taken place in order to verify the distinguished methods and tools in conditions of real life. In accordance with the defined theoretical framework, methods and tools derived from the scientific literature were implemented in practice in the network of bakeries Korjov to verify their applicableness and effectiveness in conditions of real business situation. Each of the following subchapters is devoted to the trend and the corresponding approaches, which were distinguished from the literature review. Thus, each subchapter contains list of approaches (methods and tools), as well as detailed description of their practical investigation and the outcomes.

4.1 Creation of innovation forcing environment

Methods and tools:

- Work practices and policies: teamwork, formal appraisals, quality circles, meetings, surveys;
- Participation of employees in problem-solving groups;
- Process-oriented organizational structure with horizontal grouping;
- Low number of interfaces as one of handovers between employees;
- “Diamond” model of organizational structure;
- Collective creation of strategic decisions and development of the projects for the company’s growth.

In order to create innovative environment in a company, various methods are suggested in literature. First, Martin (2017) offers to implement various work practices and policies that provoke creativity and motivate employees to innovate. Such approach was considered by the author of the thesis as quite useful and effective, but with some amendments. The results of implementation of such practices in Korjov bakeries are described below – in the part devoted to motivation and relationship management approaches (“Relationship management and Increase of employees’ motivation”).

As for participation of employees in problem-solving groups (in accordance to Martin, 2017), it is important to highlight that, during the work in Korjov bakeries, such practice turned out to be applicable for management workers, rather than for manufacturing ones, who should carry out their production plans. In Korjov company, managerial employees have already had tradition to take part in collective decision making and problem solving, that indeed improves innovative atmosphere in the company. Similarly, collective creation of strategic decisions is also quite effective approach to enforce innovative environment. However, it is not applicable for production employees, as it was proved in practice.

In order to shift the current state of affairs in the company to process-oriented organizational structure, as Leyer, Stumpf-Wollersheim and Pisani (2017) suggest, the author of the current thesis decided to focus on improvement of the whole process of new products' development, making it more precise and systematic. Rather than focusing on outgoing operations and working routine, it is essential to see the whole picture of innovation development process. In this regard, each single action of the process should be sharp-cut, in order not to be distracted with solving of possible shortcomings of these actions (Shenhar and Dvir, 2007). Therefore, precise instructions for each stage of new product's development process were created by the author and applied. Further, it was proved in practice that performing of all the stages in accordance with these instructions was convenient and effective, as all new elaborations went through all the stages fast and smoothly.

Low number of interfaces between employees is indeed effective and useful approach that helps innovations emerge in a company. In the network of bakeries Korjov, it was decided by the author to entrust all the activities related to management of innovation development and implementation to one employee, lowering number of handovers between workers. As a result, it was concluded that such approach made the whole process much more efficient and rapid. Furthermore, it helps to manage and track all the activities easier, as well as allows to focus on innovation development process in general, rather than on communication issues. However, such approach has a serious shortcoming – imposition of the duties to a single employee is unreliable, as no one is going to replace this worker if necessary.

One more method that is tend to facilitate innovative environment in a company is «Diamond» organizational model. Similar approach has been using in Korjov company since its establishment and has shown quite high efficiency in terms of the employees' creativity and independence. There is no bulky management system in the company, therefore it actually helps to provoke autonomy among the workers. The executive of the company notes that such approach makes the employees

establish and solve tasks independently based on their own opinion and viewpoint on a situation, that in its turn leads to higher creativity and innovativeness. Thus, members of the management team that are related to the process of new products' development got used to think outside the box and solve any issues creatively.

4.2 Use of ICT

Methods and tools:

- Use of ICT that facilitate information and knowledge access, for example, ERP systems;
- Cloud technologies, artificial intelligence, flexible business processes, and smart industries.

The network of Korjov bakeries uses special ERP system “iiko” designed specifically for restaurant businesses. This system covers such aspects as financial management accounting, staff management, solutions for entire business automation, et cetera (Iikosoftware, 2017). However, “iiko” does not facilitate access to information and knowledge in terms of innovation development and implementation. The only activity that is covered by “iiko” in regard to new products’ development process is accounting of cost price and other finance-related actions. Therefore, it was suggested by the author to implement an ICT system especially for project management of new elaborations’ development, as well as for knowledge management and more efficient communication between the employees. There were considered various solutions among existing software, but finally no ICT system was implemented in the network of bakeries Korjov. There were several reasons for that, namely: process of new products’ development in Korjov company is not quite complicated and consists of several actions, that means no need to use special project management software for its monitoring and tracking; knowledge storage and management was not considered by the executives as a primary issue to solve, and it was organized by the author with use of such easily accessible tools as Google services; the employees were not ready to change their way of communication (WhatsApp mobile application, for instance), as such an approach was familiar and habitual for them, as well as large number of working information had been already stored within the framework of that mobile application, as well as email. Thus, it was concluded by the author and the executives that implementation of additional ICT systems would be impractical in the current case.

4.3 Knowledge management

Methods and tools:

- Creation of a company's knowledge strategy with certain guidelines and strategic choices;
- Exploration and exploitation of knowledge - usage of both approaches together;
- Team-based structures, changes-promoting environment, human resource practices to enforce creativity and innovation.

In order to create knowledge strategy and systematic approach to knowledge storage in Korjov company, it was decided by the author together with the management team to operate in three main directions: (1) to create an open document for ideas' storage, (2) to save accepted but untimely created elaborations in a special catalogue for subsequent implementation, and (3) to keep a record of all the elaborations (both accepted and not).

First, storage of all the ideas in a form of open document is an effective practice aimed to inspire employees, as well as to give a possibility to any worker of the company to add his/her ideas to the list. Furthermore, keeping of the ideas allows to save them for subsequent application. Such an open document was created at the base of Google Documents.

Second, special catalogue of accepted elaborations was created in order to address the frequent problem in Korjov bakeries, when the elaboration is satisfying, but it is not needed to be added to the assortment at the moment. Presently, in that case, the new elaboration is accepted and prepared for sale, but it is not sent right to showcase. Contrariwise, all the detailed information, including recipe, rules of serving and decoration, cost price, et cetera, is cataloged. Further, when the assortment needs to be updated, the catalogue is reviewed for products ready to be introduced. Such approach allows to reduce time for elaboration of new products when needed, as well as helps not to lose desirable elaborations, which were created untimely.

Third, keeping a record of all the elaborations was considered by the author as an important aspect, as it allowed to conduct subsequent statistical analysis of innovation development process in Korjov company. For instance, it can show how frequently new elaborations are created, what employees are the most active in new products' development, how many elaborations are accepted, et cetera. Within the framework of the thesis, Google Documents Spreadsheets service was used by the author for keeping the elaborations in form of table (figure 5, in Russian), in which the following information was included: name of the elaboration, author, date of degustation (first

column), criteria evaluation (2-9 columns), comments and final decision (last two columns). Criteria were created by the author together with the employees of the company during the work on the table preparation. There were introduced the following evaluation criteria for new elaborations: taste, shape, color, serving, decoration, conformity to Korjov's conception, originality, as well as simplicity of mass production. As for the table, it is recommended to Korjov management team to work further on the form of new elaborations keeping, in order to make it more convenient to use, as well as to have possibility to conduct analysis automatically.

fx	Изделие											
	А	В	С	Д	Е	Г	Н	І	К	Л	М	ИТОГ
1	Изделие	Вкус	Форма	Цвет	Украшение	Подача	Соответствие концепции Коржов	Оригинальность, авторский подход	Простота массового производства	Комментарии		
2	Слойка с рыбой и шпинатом. Автор Надя Васюкова. Дегустация 27.04.17	V	V		V		V	V	V			ПРИНЯТО
3	Кекс с вяленой вишней (доработка). Автор Андрей с Восстания	Суховат, не хватает пропитки или сочности от начинки						Был сделан на основе существующего рецепта от Анны		Вопрос - что было изменено в рецепте конкретно? Почему кекс стал сухим?		НА ДОРАБОТКУ
4	Овсяное печенье (доработка белка), автор Татьяна ночная на Восстания							Слишком просто, похоже на печенье из обычного магазина				НЕТ
5	Эклер Бейлис. Автор Надежда с Савушкина. Дегустация 17.05.17	Хорошо, но количество крема сверху уменьшить	V	V	Не хватает яркости	V	V	V	V	Доработать		НА ДОРАБОТКУ
6	Порционный чизкейк. Топленое молоко. Автор Надежда с Савушкина. Дегустация 17.05.17	Чересчур сладко										НЕТ.
7	Мильфей с кленовым сиропом. Надежда с Савушкина. 17.05.17	V	V	V	V	Неудобно есть, разваливается	V	V	V	Доработать		НА ДОРАБОТКУ
	Пирожное с доуказ с											

Figure 5. Record of new elaborations in form of table

As for exploration and exploitation of knowledge, both approaches have been already in use in the company. Thus, management team, executives, and chief employees often share their findings in terms of bakery and pastry trends, innovation and ideas with each other and the workers. Furthermore, fresh knowledge is not only shared among the employees, but exploited in order to develop new products.

The scientific literature also suggests to pay attention to team-based structures, creation of changes-promoting environment, human resource practices in order to enforce creativity and innovation (Bierly and Daly, 2007). For that reason, it was offered by the author to conduct regular meetings with invited chefs in form of workshops, master classes and lectures. Such approach was going to provoke exchange of knowledge and skills, as well as to increase motivation of employees and to widen their purview. However, after thorough investigation of the issue, it was concluded by the management team of the company that regular sessions with invited professionals lead to

high expenses, both monetary and temporal. Furthermore, area of bakery suffers the lack of professionals, especially in Russia, that means difficulties in search of deserving candidates to invite. One more reason is disinterest in self development and growth of some production workers, who consider their job exclusively as a tool to earn money, that was discovered in the results of the questionnaire and interviews (40% of the quiz respondents answered that they are short of inspiration and ideas, 30% have lack of motivation, as well as only three-four production employees are interested in their self development). Therefore, meetings with invited chefs would not be effective for all the employees of the company.

4.4 Collaboration with other companies

Methods and tools:

- Creation of strategic networks between organizations;
- Evaluation and exploitation of external knowledge, as well as usage of newly acquired knowledge to the innovation;
- Channel collaboration for small companies; Consulting advice collaboration for large businesses;
- Open exchange of knowledge and information (open innovation approach).

Collaboration with other companies has always been a stumbling block for Russian organizations due to mindset of executives and employees, who consider such practice as inappropriate in conditions of competition. Open innovation and strategic networks are mostly unrealistic approaches for many Russian SMEs. Such a situation can be explained by the nineties, when small and medium firms survived alone or with patronage of criminal authorities, that caused fear of collaboration with potential rivals among executives of SMEs in modern Russia. Organized crime had been formed in Russia since Soviet times, and after the collapse of the Soviet Union, crime level had increased dramatically, especially after the amnesty of 1988. The total number of registered crimes has increased by 90% between 1987 and 1991, and by 30% more to 1993. Wherein, organized crime groupings had replaced legislative protection of property rights and fulfillment of financial obligations in the country, making Russian business dependent on criminal authorities (Ahrend and Andrienko, 2008). Such a mindset, which was formed in the nineties, makes contemporary Russian entrepreneurs mistrustful to other participants of the market. Korjov company has its own network of partners and suppliers, however, there is no strategic collaborations with other companies in terms of innovation development - new products are

designed and created within the company by its employees. Considering the abovementioned psychological aspect of Russian mindset, creation of strategic networks between Korjov company and other similar organizations in respect of innovation development was considered by the management team and the author as unrealistic, at least within the borders of the current research.

As for exploitation of external knowledge, sometimes the employees of Korjov bakeries use elaborations of invited chefs, as well as the company sends its workers to master classes, trainings, and provides them with valuable sources such as books, web sites and online blogs devoted to the corresponding cookery.

Open innovation approach was implemented by the author in the company at the intraorganizational level and was embodied in the form of the open document for ideas storage, which was described above in the subchapter devoted to knowledge management implementation in the company. The document represents an open space where any ideas can be stored and shared for inspiration or subsequent use. Such approach allowed to unite minds of different kinds of employees – chefs, managers, waiters, et cetera – and made it possible to share any ideas with each other within the company. However, Google Documents is not convenient platform for these purposes, as it has quite limited facilities, therefore, it is recommended by the author to organize the open space for ideas with use of other available tools, for instance, Trello boards or other special software. Furthermore, interest to the open document was observed right after its implementation, however, over the time, the document has become seldom visited by the Korjov workers. Thus, it is recommended to motivate the employees to use the open document, as well as to remind them about its existence.

4.5 Project management and monitoring of processes

Methods and tools:

- Focus on improvement of project activities, rather than ongoing operations;
- Adaptive approach to project management;
- Monitoring progress toward the overall goal;
- ‘Lean data’ monitoring systems.

Project management was considered as one of the most important aspects in terms of innovation development and implementation, as the current state of affairs in the company was not satisfying in this regard. Thus, it was decided by the author to change and improve the employees’ attitude

to the whole process of new products development. As the scientific literature suggests (Shenhar and Dvir, 2007), improvement of project activities, rather than ongoing operations, was the main focus in the current case. Therefore, more systematic approach was introduced, as well as some activities were improved and tuned by the author together with the management team of the company. For instance, precise instructions how to send new product to degustation were introduced both for production workers and management employees. Degustation feedbacks' scheme also became more legible, since the new rule to send a feedback in a written form after each degustation to the author of the elaboration has been introduced.

Adaptive approach to project management, as well as focus on the overall goal have also shown positive outcomes, as concentration on the result, rather than on completion of all the stages on time, made the employees perform their job with higher quality and diligence. New elaborations became more professional and higher quality, as it was highlighted by the executives.

As for monitoring systems, there was a decision made by the executives and the author, that the current process did not require special project management software due to its overall simplicity and low number of inner actions. Thus, it can be concluded that projects of several simple actions do not need any specific monitoring systems to track the progress.

4.6 Relationship management and Increase of employees' motivation

Methods and tools:

- Work practices – teamwork, trainings, feedbacks;
- Regular meetings of employees with aim to exchange ideas, knowledge and skills;
- Joint decision making practices in collaboration;
- Hire of extroverted project managers rather than introverted;
- Support of intrinsic motivation through rewards, positive performance feedback, communication, challenges of optimal level and other interpersonal structures;
- Creation of a sense of autonomy and relatedness among employees;
- Reduction of pressure at work place.

Considering the fact that there were no problems with the employees' relationships in Korjov, the suggested methods and tools were decided to be implemented with aim to increase motivation. Therefore, both trends were combined and considered together.

The first idea how to increase motivation among the employees, which was suggested by the author, was to conduct regular work practices including trainings by chiefs, brainstorm sessions and hours dedicated to work on new products elaboration. The aim was to give the employees a possibility to share skills and knowledge, as well as to develop new products not being distracted by routine work. Such idea was considered by the author as a joint application of three methods suggested in literature – work practices, regular meetings, and collaborative decision making practices. However, regular trainings are not possible for production employees in conditions of network of bakeries, since they have strict working plans and schedules. Therefore, it turned out that regular meetings required modification of the whole working plans and timetables, as well as they were going to introduce additional expenses due to absence of the employees during working day. In any case, several meetings were conducted by the author of that work in each bakery of the network in order to make the employees know and realize the importance of new products' development, as well as to make them familiar with all the novation regarding the current issue. Thus, four meetings were conducted; all the production workers of corresponding bakeries were involved into the process, as well as production director and some of the management team's representatives. Each of the meetings had the following topics to discuss: importance of new elaborations in the network of Korjov bakeries; explanation of the company's conception; description of the rewarding scheme for new products; acquaintance with the categorization scheme for confectioners' and bakers' career; description and explanation of new instructions, which were introduced for the process of new products' development; acquaintance with the catalogue for accepted elaborations' storage, as well as with the open document of the ideas. The result of such motivating meetings had been quite positive, as frequency of new elaborations emergence has increased (at least one new elaboration per week instead three-four weeks, as it was previously); rise of the employees' interest in new products' elaboration was observed (several elaborations after the meetings were created by the employees, who had never worked on new products before).

As for feedbacks, it was decided by the author to introduce a precise scheme of new products' evaluation in order to provide authors of elaborations with legible feedbacks and instructions for subsequent work on development. Together with the management team, the author created special criteria for new products, such as taste, color, serving, decoration, conformity to Korjov's conception, et cetera. As a result of degustation, new product should be evaluated in accordance with the abovementioned criteria, and full feedback, including thorough comments and final decision, should be sent to the author of the elaboration. Such practice has been accepted by the

executives of the company and has been already introduced. The employees were satisfied with precise feedbacks and instructions, noting practical convenience of such approach. Furthermore, the management team of Korjov company highlighted speed increase of development, revision and finalization of elaborations due to introduction of feedbacks' approach.

Hire of extroverted project manager was not even considered in conditions of the work on the thesis. However, Korjov bakeries are recommended to hire a specialist for subsequent monitoring of innovation's development and implementation, who would be able to motivate the employees, as well as to track the whole process precisely.

It is important to highlight that such motivating attributes as rewards, sense of autonomy and reduction of pressure have already been observed in Korjov company. Indeed, monetary reward is treated as motivating feature, based on the results of the questionnaire among the employees (50% of the respondents answered that monetary reward motivated them to work on new elaborations). As for sense of autonomy and reduction of pressure, these aspects are already in use in the company, however, there is also the downside of excessive autonomy of the employees, especially in case of production workers. The problem is that the team is in need of the direction for further development, because employees do not always see the big picture. Executives should delineate the course of new products' development, but do not specify concrete actions that the employees should do in order to enforce their autonomy. Considering that viewpoint, the management team together with the author introduced direction instructions for new products' development in a written form, including actual trends, as well as explanation of the executives' expectations and interests in terms of new products. It was decided to update this document as regularly as needed at the discretion of the management team.

4.7 Summary of empirical investigation

Eventually, the outcomes of empirical verification of the methods and tools are presented in the table below (table 2). Those approaches, which were not investigated on practice due to the abovementioned limitations, are not included in the table.

Table 2. Results of empirical investigation

Methods	Outcomes
Participation of employees in problem-solving groups and Collective creation of strategic decisions and development of the projects for the company's growth	Effective methods, which are, however, applicable for managerial employees, rather than for production workers
Process-oriented organizational structure with horizontal grouping	Effective method that helps to organize the whole process smoothly and systematically
Low number of interfaces as one of handovers between employees	Effective; allows to focus on the project, rather than on communication issues. However, applicable mostly for non-complicated processes with low number of actions
"Diamond" model of organizational structure	Enforces employees' creativity and independence, however, requires high motivation among workers, as well as mature managerial organization
Use of ICT that facilitate information and knowledge access	Expediently for complicated projects, in which knowledge and information management plays essential role
Creation of a company's knowledge strategy with certain guidelines and strategic choices	Effective approach that helps to improve knowledge management processes in a company and facilitate innovation
Exploration and exploitation of knowledge - usage of both approaches together	Effective in terms of innovation development, as it allows to get more innovative ideas, knowledge and skills
Team-based structures, changes-promoting environment, human resource practices to enforcing creativity and innovation	Difficult to implement in conditions of tight work schedules. For specific industries, it may be challengeable to conduct human resource practices. Ineffective when employees are not motivated and interested in self-development
Collaboration with other companies	Almost inapplicable in SMEs in Russia
Open innovation approach	Effective at intraorganizational level; challengeable to apply between SMEs in Russia
Focus on improvement of project activities, rather than ongoing operations	Effective; leads to improvement of the whole process
Adaptive approach to project management and Monitoring progress toward the overall goal	Effective approaches with positive outcomes that lead to development and production of high quality innovation products
Work practices – teamwork, trainings; Regular meetings of employees; Joint decision making practices in collaboration	Difficult in conditions of tight working schedules, require modifications of working plans and timetables, lead to additional expenses. However, positive outcomes of regular meetings of management team with production employees are observed
Feedbacks and formal appraisals	Effective approach that increases motivation of employees to innovate, as well as leads to increase of innovation quality and employees' skills
Support of intrinsic motivation (sense of autonomy, rewards, reduction of pressure)	Effective method that indeed increases employees' concernment in innovation development. However, important to highlight that autonomy of workers should be reinforced by formal directions given by the executives

4.8 The final decision how to provoke innovation in Korjov bakeries

As the result of empirical verification of the methods derived from the scientific literature, there were distinguished certain approaches that were actually applicable and effective on practice. The

current part of the thesis is devoted to description of the final decision that was implemented in the network of Korjov bakeries with the aim to provoke emergence and development of new products. Important to highlight, that the final decision is a combination of different approaches that were reconfigured in such a way that suits the company best. Thus, methods and tools suggested in literature in the raw do not fulfill requirements of real business and need to be adjusted to the certain circumstances.

In order to improve the process of emerge, development and implementation of new products in Korjov company, the author considered that it was important to deal with all the dimensions of that business procedure, including logistics, employees' motivation, communication, et cetera. The whole scheme would work properly if all the activities were harmonized and coordinated with each other. That idea was taken as a basis for subsequent changes aimed to improve the process of innovation's emerge, development and implementation in the network of Korjov bakeries.

The first important step, which was undertaken to improve innovative activities in Korjov company, was creation of systematic approach to the whole process of innovation development and implementation. Within the framework of that approach, precise instructions were developed by the author and the management team and put into operation, for instance, regulations how to send new elaboration to the office for subsequent degustation, as well as specifications how to give feedback to the author of elaboration, how to evaluate new products, and other instructions both for production and management employees. In order to track and manage these processes successfully, as well as to low the number of interfaces between employees, it was decided to delegate all the related activities to one employee who was able to dedicate most of her work time to managing and tracking of innovation related issues in the company.

With the aim of innovation inspiration, the open document with ideas was created by the author at Google Documents platform (figure 6, in Russian), and access was given to all the company's employees. Thus, each worker is able to add his/her ideas to the list in free form, as well as to get inspiration for subsequent elaborations based on the existing ideas from that document. In addition, such approach allowed to enforce knowledge management in the company. One more method to facilitate knowledge management with the aim to improve innovation activities in the company, was implementation of special catalogue, in which all the accepted but untimely created elaborations were stored. The main idea of this catalogue is to keep successful elaborations for subsequent use, that leads to reduction of development time in future, as well as helps not to neglect desirable new products. Finally, registration of all the elaborations was implemented and organized

by the author in a form of table. Information about new products is presently stored in that table, including date of degustation, evaluation criteria, author, as well as final decision. Such approach is quite useful for subsequent compilation of statistics that may be important for further improvements and changes.

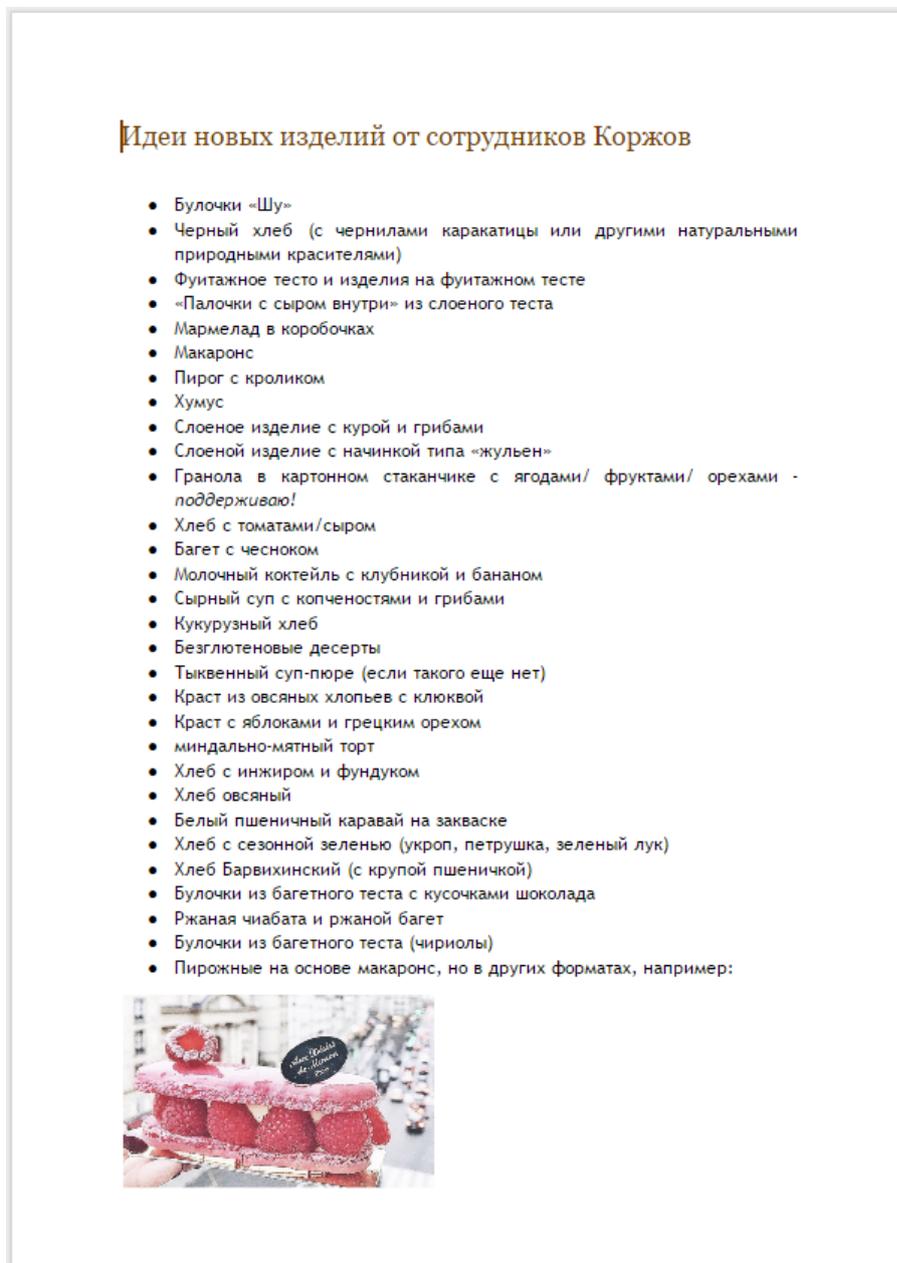


Figure 6. The open document for new products ideas

As for formal appraisals, new scheme of feedbacks together with evaluation criteria were introduced by the author altogether with the managers of Korjov company. Therefore, as a result of degustation, the table of criteria is filled and the final decision is made based on this estimation.

Thereafter, full-fledged feedback is sent to the author of the elaboration with subsequent instructions if needed.

In order to increase the employees' motivation, as well as awareness of organizational changes, four meetings were conducted and organized by the author. The main issues discussed during these forums were devoted to the company's conception in new products' development, bonus scheme, newly introduced rules and instructions, and other important topics related to novation in the process of innovation development and implementation, such as open document for ideas, catalogue of accepted elaborations, and criteria for assessment. Furthermore, the meetings allowed to conduct open discussion and brainstorm sessions among all the employees in the company.

The last but not least improvement that was implemented in the network of Korjov bakeries, is establishment of innovation development directions. During the work on the current thesis, the author altogether with Korjov's managers created and implemented one document devoted to the directions for innovation in pastry and confectionary. This document includes instructions for development of pastry and confectionary, as well as examples of desirable products and explanation of the executives' vision of growth and development of this production area. It is recommended to the company to continue development of such documents for other departments (bread, beverages, et cetera).

Finally, meeting with the management team was conducted by the author in the end of the work in Korjov company with the aim to summarize the work done, as well as to give instructions for subsequent improvement of innovation development process. Table 3 visually demonstrates the difference between key aspects of previous state of affairs in the process of new products' development and newly introduced scheme.

Table 3. Comparison of the old scheme and the improved scheme of new products' development

Old scheme	New scheme
Ideas and development	
<p>Employees are free to elaborate any products. They create ideas by their own (except cases of direct instructions from the executives). Sometime new elaborations do not meet expectations of the executives or requirements of the current market situation.</p>	<p>Employees are still free to elaborate, however, now they can rely on the instructions and requirements, which are stored in the special document that represents current innovation development directions interesting for the company. In addition, employees can use the open document of ideas to get an inspiration or to add their own ideas there.</p>
Degustation	
<p>There are no precise instructions for the employees what to do after creation of new elaboration. Some of the production employees can communicate directly with COO and CEO of the company, that makes them able to invite the executives to taste new elaborations. But most of the employees do not know how to act, therefore they send their elaborations to the office, sometimes without any preliminary agreement, that often makes degustation impossible.</p>	<p>Newly introduced instructions state that all the elaborations should be sent to the office after preliminary agreement with at least one of the executives (COO or CEO) not later than one day (agreements are made through the manager responsible for new elaborations' process). Drivers arrive to the office three times a week – Monday, Wednesday, Friday; therefore, all the elaborations should be created in accordance with that schedule to come to the degustation in fresh condition.</p>
<p>CEO and/or COO taste new products, however their opinions are not sent right to the authors of the elaborations. If new products are tasted in the presence of the authors, they are informed directly, but often production employees do not know results of the degustation, as the executives discuss their viewpoints independently. Furthermore, such state of affairs causes increase of rework's and implementation's time, as all the important information after the degustation moves slowly from the executives to other members of the management team (mostly in oral form via several employees).</p>	<p>Right after degustation, the executives express their opinions about the elaboration to the manager responsible for the process of new products' development. In addition, official evaluation of the product is conducted with use of the assessment criteria. The manager then transmits the feedback in written form to the author of the elaboration together with instructions for further rework if needed.</p>
Keeping records	
<p>Information about elaborations is not stored. The only way to check previously created elaborations is to search for them in email or WhatsApp correspondence.</p>	<p>Each new elaboration is added to the table, which contains such important information as author, date of degustation, results of degustation, et cetera.</p>
<p>If new elaboration is satisfactory, but there is no necessity to update the assortment at the moment, then the product is refused. Thus, desirable ideas are sunk into oblivion.</p>	<p>Desirable elaborations are stored in the catalogue. Each satisfactory but untimely created product is catalogued together with all concomitant information in order to be kept for the future.</p>
Motivation of production employees	
<p>Production employees do not get any feedbacks about their work in terms of new products' development. Thus, motivation to elaborate more decreases, as an employee does not feel his/her significance in the process of innovation.</p>	<p>Official appraisals after each degustation make the author of the product know that his elaboration is important for the company, as well as it helps the employee to grow and evolve within the organization by making work on mistakes after each feedback if needed.</p>
<p>Most of the production employees are not aware of the new products' development importance, as well as do not know that successful elaboration is rewarded. Furthermore, many employees do not think about career in the company, while treat their job exclusively as a source of money.</p>	<p>All the production employees of the four bakeries were gathered together at the meetings. They were informed about all the features that are open for them in the company, including bonus scheme for new elaborations and career possibilities. New innovation scheme implies such meetings on a regular basis. The management team of Korjov bakeries is highly recommended to conduct analogous meetings in the future in order to remind the employees about important innovation-related aspects, as well as to acquaint new workers with them.</p>

5 CONCLUSIONS

Innovation plays essential role in companies that are willing to be prepared for changes in business environment. Market situation and business conditions are quite unstable at the present days, therefore, issue of innovation's regular emergence, development and implementation is considered as relevant and important for modern companies, which are going to stay afloat and be able to withstand competition.

Within the borders of the current work, the following research question was stated:

What activities should be undertaken in an organization in order to improve its innovative performance, that includes regular emergence, support and development of high quality innovation within a company?

In order to answer this research question, the work on the thesis was organized as follows: (1) literature review was conducted with the aim to find out how science considers the issue, (2) activities derived from the scientific literature were combined into theoretical framework, (3) in order to verify efficiency of theoretical methods in real life, activities were implemented on practice in the network of bakeries Korjov in Saint-Petersburg, Russia, (4) results of practical investigation were analyzed and presented in the current paper. Thus, answering the stated research question, the following activities are recommended to be undertaken in a company in order to improve its innovative performance:

- For managerial employees, it is useful to conduct problem-solving meetings and sessions to create strategic decisions for a company's innovation development;
- Establish process-oriented organizational structure in a company with creation of horizontal grouping infrastructure, or use "Diamond" model of organizational structure, if possible;
- In conditions of non-complicated innovation processes, lower the number of handovers between employees;
- For complicated processes of many stages and activities, use ICT software that facilitates knowledge and information access (for instance, ERP systems or project planning tools);
- Create a company's knowledge strategy, as well as keep a record of important information;
- Do not focus exclusively on exploration or exploitation of knowledge, but combine and use both approaches together;

- Open innovation approach may be useful in terms of intraorganizational exploitation, for instance, to share ideas of the employees among each other;
- Focus on the goal of the project, rather than ongoing operations; improve project activities in order not to be distracted by solving routine issues, but look wider on the whole process;
- Use adaptive approach to project management;
- Conduct regular meetings of management team with working employees, but consider the fact that those meetings should be convenient for all the workers and do not disturb their working plans and schedules;
- Give formal appraisals and consistent feedbacks to the employees;
- Support intrinsic motivation of the employees by giving them sense of autonomy and equitable scheme of rewards, as well as by reduction of pressure on them.

Furthermore, within the framework of the current research, practice in Korjov company was considered as an important part of the work, which was aimed not only to practical verification of the methods and tools suggested in the literature, but also to empirical implementation of them in order to solve problems and shortcomings of existing business scheme in the company. Therefore, certain set of solutions was created and implemented by the author in the company in order to make the process of innovation's emergence and development more stable, frequent and efficient. This set included the following solutions: development of precise instructions regarding the whole process of innovation development and implementation, creation of the document for sharing ideas among the employees, development of the catalogue for accepted elaborations, as well as registration of all the elaborations in the table for subsequent management and statistics, creation of the culture to give formal feedbacks to the employees as a result of their elaborations' degustation, development of assessment criteria for new products, and regular implementation of innovation directions for the employees. As a result of those actions, innovation atmosphere in the company flourished noticeably, as frequency of new elaborations' creation, as well as overall interest of the employees to work on new products, were increased - during two last months of the work in the company, new elaborations emerged at least ones a week, or even more often, that can be considered as quite positive result, as previously new elaborations have emerged with a periodicity of three-four weeks.

The fundamental distinction of the current research is its practical reinforcement that makes the results more reliable and applicable. Methods and tools to enforce innovation were not only distinguished from the scientific literature and combined into consistent theoretical framework,

but were implemented and verified on practice in conditions of real business situation. Thus, the current work allowed to make a step forward and investigate scientifically suggested approaches in real life. Furthermore, the paper includes exact instances of the solutions, which were implemented in the network of Korjov bakeries, that may serve as a good basis for other similar companies that are willing to improve their innovative performance.

It is important to mention recommendations for subsequent extension and development of the current research. From the academic viewpoint, it is recommended to investigate the proposed theoretical framework in conditions of other companies (considering various industries, organization sizes, countries, et cetera), in order to create corresponding guidance for different cases. For the network of Korjov bakeries, it is highly recommended to support all the novation implemented during the current research, in order to continue improvement of innovative performance in the company. For that reason, the author gave the final instructions to the executives and the management team, and they are expected to perform in accordance with these regulations in the future.

In conclusion of the current work, it is essential to highlight that results of the research are quite positive – the overall goal of the work was achieved, as well as the stated research question was answered. Furthermore, empirical part of the work showed anticipated rapid outcomes, and satisfied both the author and the executives of the Korjov company.

6 SUMMARY

The current paper contains detailed report on the conducted research, which was devoted to search for applicable and efficient methods and tools to intensify innovation in a company. The report includes description of all the stages: preparatory work with study of the problem's background, selection of appropriate methodology and establishment of the goals, research question, and limitations; literature review; creation of the theoretical framework; empirical investigation of the methods and tools derived from the literature; final decision and conclusions on the whole work.

The weightiest and the most significant part of the research was empirical investigation of the methods and tools. It was decided to verify the theoretical framework on practice in conditions of real business situation, therefore the network of bakeries Korjov was chosen as the representative of innovation-driven companies. In order to determine the most innovation-dependent areas and business processes in Korjov bakeries, state of affairs in the company was investigated by the author with use of such approaches as interviewing, conducting of quizzes, meetings, et cetera. As a result, creation and implementation of new products to assortment were identified as the most innovation-dependent business processes in Korjov company, therefore it was decided by the author and the management team to optimize and rethink those processes in such a way that could allow more frequent innovation emergence in the company. The barriers to regular and frequent development of innovation in the company were identified by the author, as well as the whole scheme of new product's development and implementation was studied. Further, the methods and tools of the theoretical framework were implemented in the company by the author with partial guidance of the company's executives and the management team, in order to identify which of them were practically applicable and efficient in conditions of Russian SME. Detailed description of the process is presented in the subchapter 3.4 of the current paper.

Finally, practical verification of the scientifically proposed approaches has shown that most of the methods are not universal, and should be adjusted for each individual case. In addition, mindset in the country plays significant role in selection of the methods to enhance innovation. According to the results of the research, one of the most consistent solutions how to improve innovation performance in a company is combination of the proposed methods in such a way that is the most appropriate for the specific company. The final decision how to provoke innovation in Korjov bakeries is explained in the subchapter 3.5, as well as detailed conclusions on the whole research are presented in the chapter 4. As for the empirical part of the work, evident results have been already visible for the author, as well as for Korjov company in general. Thus, frequency of new

products' creation, as well as overall interest of the employees to work on new elaborations, were increased that could be proved by the following facts: during two last months of the author's work in the company, new products emerged ones a week and more often, while previously new elaborations have emerged with a periodicity of three-four weeks; larger number of production employees took part in new products' elaboration than before. Furthermore, managerial employees of the company noted the convenience of improvements, which were implemented by the author during the work on the project.

All the stages of the work were conducted opportunely and smoothly, in spite of some limitations and difficulties. Finally, the main goal was achieved, as well as most of the expectations and aims were met and even surpassed during the work on the current thesis.

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APPENDIX A

Scheme of new product's implementation

Phase 1. Responsible employees – production employees, executives

1. An employee creates an elaboration of new product and sends to the executives for degustation;
2. The executives (Viktor and/or COO of the company) taste and make decision to implement the elaboration to the assortment.

Phase 2. Responsible employees – production employees and accountant, purchasing manager

1. The author of the elaboration provides technical map with details of the new product's recipe;
2. The accountant creates number for semimanufactures in the ERP software "iiko" that is used in the company (if needed);
3. The accountant counts preliminary cost price;
4. Control manufacture of the new product with aim to identify losses and final cost price;
5. Chief of production signs the technical map and sends it to the bakeries;
6. Purchasing manager orders required ingredients.

Phase 3. Responsible employees – accountant, marketing manager

1. Accountant and marketing manager establish sales price;
2. Marketing manager give a name to the product for sales in bakeries;
3. Manager creates description of the new product for waiters and shop assistants;
4. Manager orders printing of price tags;
5. Manager establishes the starting date of sales;
6. Accountant deals with "iiko" in order to add the new product there;
7. Accountant counts proteins, fats and carbohydrates, adds this information to the menu along with the composition and description;
8. Marketing manager sets the date of the new product's photo session;
9. Marketing manager determines the place of the product on the showcase, adds it to the layout scheme;
10. Manager prepares and sends an email to the bakeries with all the information about the new product;
11. Manager prepares and conducts advertising campaign for the new product;
12. Establish test period for the new product (about two-three weeks);
13. In accordance with test period results, make a decision whether keep on sales or not.

APPENDIX B

Questionnaire for production employees

1. Are you aware of the new bonus scheme*?

*Award in the amount of 5000 rubles is given to the employee who has developed new product, which was successfully introduced to the assortment.

- Yes, I am aware
 - No. Now know
-
2. Does such scheme motivate you to work on development of new products?
 - Definitely yes
 - Rather yes than no
 - Rather no than yes
 - No

 3. In Korjov, there is a possibility to work on your day off for wage in order to develop new products. What is your perception of such possibility?
 - Good! It is perfect possibility to work on new product development while no need to do current work
 - Neutrally
 - Negatively – it is my own free time and I do not want to spend it at work
 - Other....

 4. How often do you work on new product development?
 - Once a week and more often
 - Once in two-three weeks
 - Once a month and less
 - I do not work on development or do it rarely
 - I do not want to answer

 5. What are the reasons of rare work on development of new products (or may be reasons)?
 - Lack of time
 - Lack of skills and experience
 - Ideas and inspiration come to me rarely
 - I am afraid to be refused with my elaboration
 - I do not think that development is important for me
 - Lack of motivation
 - I do not know that development is important for the company
 - Other

 6. Explain more in details what makes you work on development rarely?
 7. Imagine that one of your working days is devoted exclusively to development of new products and brain storm with your colleagues. What do you think about that?
 - Great! It is good opportunity not to be disturbed by routine work, as well as to share ideas and experience with my colleagues and get ones from them
 - I feel neutrally about that
 - It is bad idea! I am able to work on my elaborations independently