

The problems of innovations and investments in business projects

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Abstract

The present article deals with the question of innovations and investments in new business projects. It is referred to the problems of innovation in a company, and factors that allow to make decisions regarding business investment. The entrepreneurs often deal with disruptive technologies and solving dilemmas. These entrepreneurs have to learn how to solve dilemmas and to work with disruptive technologies. In this article, the solution of a dilemma is shown from the perspective of an investor.

Keywords: dilemma, innovation, disruptive technologies, investment

1 Introduction

Any organization has various life cycles. A company owner have different objectives at every stage of company development. For example, in the beginning of development, it aims to make a profit; at the initial stage, a manager neglects an increase of the company value, as there should be a proper time for everything. In every cycle, an entrepreneur deals with various dilemmas. [1].

One of the problems of an innovator is that good managers would like to be as close as possible to a consumer, and this often leads to irrecoverable mistakes. The problem is that, when it comes to supporting innovations, companies often attend to the consumers, but managers are not flexible enough to look at the situation within the emerging markets. The leading companies become hostages of the consumers, and are unable to deal with new companies every time a disruptive technology emerges [2].

2 Main problem

In the present work, two main problems are examined: inability to solve a dilemma in timely manner, and inability to start working with a disruptive technology in timely manner.

As practice shows, the solving of dilemmas is a complicated task for company owners, as a dilemma may have only one solution, either YES or NO, there is no third option. However, entrepreneurs often try to unite several variants of dilemma solutions, and by this, they cause numerous issues, which in course of time only accumulate and increase.

Company owners have to learn how to make a choice and solve dilemmas [1].

For an entrepreneur, it is often difficult to make decisions concerning the work with disruptive technologies because such work is completely different from the work with supportive technologies. Work with innovations requires the ability to act in the situation of complete uncertainty and flexible reaction to any changes, the ability to make intuitive

decisions, as well as to make decisions in such way so that objectives and vision of the company could coincide [2].

3 The objective

The present work is based on the following objectives: to unite the theories of I.V.Ivashkovskaya and C. M. Christensen in order to understand how to solve a dilemma from the perspective of an investor; and to classify the factors for innovator's dilemma solutions.

4 Review

To disclose the contents of the stated objectives, a number of key questions were raised, and the answers for them served as a basis for the research of this problem:

- the study and analysis of the dilemma solution theories of I.V.Ivashkovskaya and C. M. Christensen;
- the comparison and unification of the theories of I.V.Ivashkovskaya and C. M. Christensen;
- the classification of innovative factors for dilemma solution.

5 The solution

While unifying the theories of I.V.Ivashkovskaya and C. M. Christensen, the following results for the solution of dilemmas were obtained:

- A dilemma of professional competence- either to retrain the personnel, or to establish a new independent company with new management;
- the company owner's dilemma –to sell a part of his shares and to invest into another financial tool – a new independent organization;
- the investor's dilemma – the main task is to increase the value of a company and to create the procedures and values of the company.

These solutions may help an entrepreneur to solve the innovator's dilemma.

6 Conclusions

The results of the present work will be needed for potential investors to enable them to make decisions regarding investments in a new project.

Having the solutions for dilemmas and the classification of factors for innovator's dilemma solutions at their command, it would be easier for the investors to act and create a vision and objectives of the company.

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