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Volterova Irina

Embria Village. Creating Innovation Strategy for IT Hub.

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Abstract

Irina Volterova

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Anu Kurvinen, Senior lecturer

The innovation ecosystem of Russia has its own specifics in comparison with the ecosystems of other countries. The next step in the expansion of innovation infrastructure is the creation of technopark. The key objective of this study is to create and develop a suitable innovation strategy for IT Hub.

In accordance with the goal of the research, the many different technoparks were studied and included the partaking of seven varied technoparks from different countries. Hence, a case study method of research is applied. Data for this study is acquired by means of semi-structured interviews and a semi-structured questionnaire. The study will be divided constructively in two major sections: the theoretical part and the empirical research. In the literature section of the work, types of technoparks, definition of strategy and how to develop innovation strategy are analyzed in detail. In the empirical part of the work, the case study method is chosen as a more appropriate method for these research questions.

The analyses of the result of the study revealed that technoparks represent the most effective infrastructure for supporting innovation activity: production of small and medium-sized innovation companies, cultivation of entrepreneurs for innovation scientific and technical business.

Keywords: technopark, incubator, innovation, strategy, create, development

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1. Introduction

The thesis presents a case study of Embria group. Embria is a startup studio and growth fund (embria.com).

The innovation ecosystem of Russia has its own specifics in comparison with the ecosystems of other countries, which leads to differences in the functioning of some types of infrastructure organizations from their foreign analogues. For example, in the Russian ecosystem, most business incubators work with projects at earlier stages in terms of their life cycle than business accelerators, although in Europe and the USA the situation is the opposite. To move the scientific and technological development to the stage of a business project, it is necessary to solve a wide range of problems of its commercialization. Therefore, the next step in the development of innovation infrastructure is the creation of a technopark, which is obliged to solve the problem of completing the chain of introduction of scientific and technical developments, i.e. give the development of commercial value, identify and develop their competitiveness in the current market of products and technologies. Technoparks are preparing both new technologies and personnel for corporations also can also be used to develop specific industries and fight against staff shortage (Kalenov & Shavina 2018). According to the Association of Clusters and Technoparks, currently 71 technoparks operate and were created in Russia. Only 20 technoparks were developed by private owners (RVC and Ernst & Young 2014). A distinctive feature of the considered IT Hub is that this technopark will be built solely on the money of private investors. Attracting participation and funding from the state are not planned. The second distinguishing feature is that this IT Hub is intended only for companies, start-ups, and projects belonging to the Embria group. IT Hub is planned to use difference events of the group and to develop projects and increase brand awareness of the group.

In accordance with the goal of the research, the many different technoparks are studied and include the partaking of seven varied technoparks from different countries. Hence, a case study method of research is applied. Data for this study is acquired by means of semi-structured interviews and a semi-structured questionnaire. The study will be divided constructively in two major sections: the theoretical part and the empirical research. In the literature section of the work, types of technoparks, definition of strategy and how to

develop innovation strategy are analyzed in detail. In the empirical part of the work, the case study approach is chosen as a more appropriate method for these research questions. As a rule, a technopark is built with the purpose of socio-economic development and improvement of living standards in each region. The first technoparks of Russia had a single founder represented by a higher educational institution the founder of the technopark. With the introduction of the state program for the creation of technoparks and the allocation of subsidies, the technoparks are created as joint-stock companies with up to thirty founders having authorized capital. Initially, the capital of a joint stock company is invested by the state, local administration.

The study is carried out in two lines: a literature review and an empirical research. In the theoretical section the meaning of technoparks is considered; all stages of creating and developing the strategy. The second part is deducted to collected and analyzed data, which help to find an answer on the research questions of the thesis.

Within the framework of this study, the key objective is to create and develop a suitable and innovation strategy for IT Hub. IT Hub will use only employees and partners of Embria group. Moreover, key aspects of effective and successful strategy of IT Hub will be considered. To enhance market competitiveness, it is necessary to deal with strategic planning on a professional level. In the framework of the study particularly the major components will be considered.

Figure 1 shows a simple model which includes the four main sources of innovation.

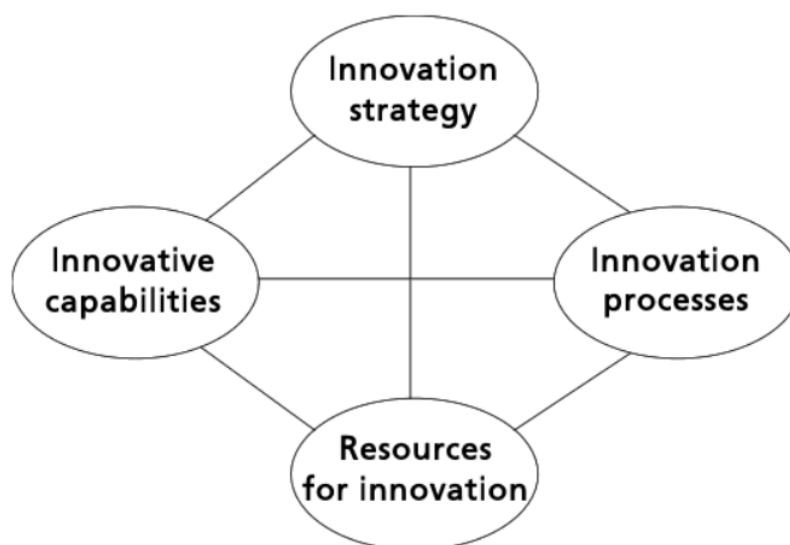


Figure 1. A simple model of innovation strategy (Dodgson & Mark 2008)

Figure 2 shows these main components of sources for a business model in details. It helps to connect and understand all interrelated parts of the process.

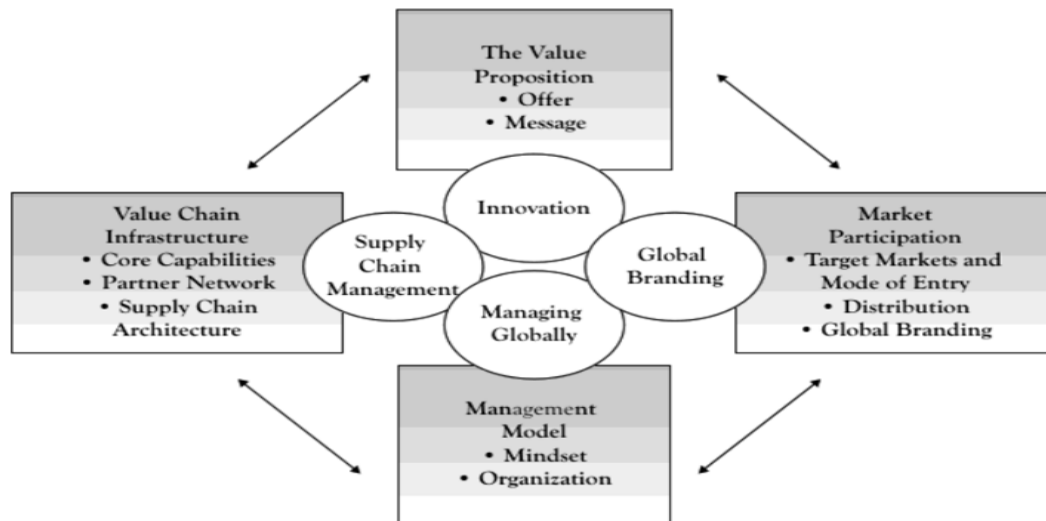


Figure 2. Four components of a business model source (Kluyver & Cornelius & Pearce 2015)

To sum up all above, the author highlights delimitation of the research finding as a lack of empirical data. Many technoparks and science parks which are considered for this study have different organizational and legal forms. Thus, the research findings in the developing strategy of reviewed participants can be considered only partly.

In additional, financial analysis and profitability of creating the IT Hub for Embria group are beyond the scope of this study.

1.1 Background of the industry

Effective creation and use of innovations require a special conducive environment for this process. International experience shows that at the present level of development of society, the optimal form of solving this problem is the use of the cluster approach as an effective tool for innovation development, which forms a system of clear interaction between the state, business, science and education (iasp 2019). The concept of a technopark or science park in Russian Federation appeared relatively recently. The very

idea of technoparks is taken from the market practice of the Western Europe. There, these structures provide funding and market launch of scientific research. However, based on the regulatory framework, economic and other features of countries, the creation of technoparks, their functioning differs from each other.

According to the information from article «The Role of Business Incubators in Supporting Economic Growth and Advancement of Small Business of the Russian Federation» (the authors are Ogurtsov, Rylov, Durdyeva, Lebedev, Khachatryan, Safyan, Rochev, Tsareva) in Russia, the formation of the first wave of technoparks began in the late 1980s - early 1990s. Most of them were organized at the biggest universities in Russia. These technoparks did not have a developed infrastructure, real estate, and trained teams of managers. They, as a rule, were created as a structural unit of the university and were not really operating organizations that initiate, create and support small innovation enterprises. In isolated cases, technoparks were formed in the form of a closed joint-stock company, which makes it possible to exercise flexible management with relative independence from the basic organization. Russian technoparks, with rare exceptions, do not perform the functions of an incubator, but serve primarily as a kind of “safety pads”, protecting the enterprises located in them from the aggressive external environment. Duration of stay of small firms in the technopark is not limited and currently amounts to an average of about ten years (with the international standard of two - three years). (Indian Journal of Science and Technology 2016).

The first technopark in Russia was established in 1990. It was the Tomsk Science and Technology Park. At that time there was a sharp increase in the formation of technoparks: 1990 - two technoparks, 1991 - eight, 1992 – twenty-four, 1993 – forty-three. (Technoparks and Clusters Association 2017). At present, about eighty technoparks have been created, mostly at universities. However, the operating technoparks are much smaller: for example, in 2000, accreditation was carried out, which managed to pass approximately thirty technoparks. Only a little more than ten of them were found to meet international standards. Technoparks were assessed according to criteria such as the degree of connection between the technopark and the university, the level of student involvement, the number of technologies created and implemented at industrial enterprises, the degree of interest of the region, industry and population in the work of the technopark, and several others. Such a small number of technoparks that are working,

identified by accreditation, can be interpreted that the creation of technoparks did not use market approaches. Most of them were organized for the sole purpose of obtaining additional budget funds for the new structure. At the same time, the state did not carry out any initial selective policy according to specified criteria: it was not done an approximate calculation of the payback of projects (Pavel&Polyakov&Kudryashova 2018). Unlike our practice, where technoparks are another university faculty or plant laboratory, designed only to facilitate the introduction of the development of their specialists, in the Western Europe they have considerable freedom from the founders who do not impose the work of technoparks.

European and American technoparks are guided by the same principles as any independent commercial firm - economic efficiency. The management of technoparks should be able to choose a client based on the draft of its business plan. According to the forecasts, if our technoparks do not come out of their current semi-embryonic state, then at the end of the state program of support for technoparks, they are likely to die.

Technoparks can be an effective form of organizing the high-tech industry. This confirms many years of international experience. In India, China, Europe and the US technoparks have been around for more than a decade. Although they differ from each other, they also have common features: a separate territory with good infrastructure and special rules for doing business (Indian Journal of Science and Technology 2016). This applies to customs duties, taxes, currency transactions, the establishment and registration of companies. Moreover, preferential prices for the rental and purchase of offices and production facilities. With fortune, such formations can have an additional effect due to the interaction of the participants.

At the new stage of development of the industry and the country, the idea arose that it was necessary to return to technoparks, but on a different, more ambitious level. There are several reasons for this. First, the needs of companies. At the present many IT companies in Moscow and St. Petersburg are faced with two intractable problems. The first is an acute shortage of personnel. Local human resources are practically exhausted and are only redistributed among firms, while the salary of a specialist rises at every transition. The source of personnel remains regions of Russian Federation. Given the shortage and high cost of housing, attracting specialists from other cities of Russia and the CIS countries creates additional difficulties: the salary rises by the price of renting an apartment, and the company-employer must deal with immigration issues. The second

problem is the lack of space and the high cost of renting offices. Small firms prefer to concentrate their resources in one place, so as not to waste time and money on the organization of remote work. Secondly, the needs of the country. The need for the extension of IT industry in Russia has been discussed at the state level for a long time. More and more sectors of the economy fall under state control, and the level of this control is growing. The main problem of the development of technoparks in Russia is that there is no definite legal basis for the creation and development of technoparks. This industry appeared in our country much later than in many others, which indicates a lack of experience and a lack of necessary knowledge. The final technology organization technoparks already exist, although, according to many experts, it is very vague and uncertain.

1.2 Background of the Company

The company Embria was founded in 2007 in Saint Petersburg, Russia. It is a startup studio and growth fund. The main target of organization is to continue development uniqueness and proven production technology. The purpose of the company is the design and to build a startup from a scratch. At the present there are twenty companies in Embria's portfolio. Some of them are co-founded or invested in. The main fields of companies' operation are AdTech, Social, FinTech, Games.

The major objectives of Embria group are investment managing, development of startups, investment financial support, providing consultancy in such fields as accounting, administrative, legal, HR, business development services. Embria is a trademark owner. The company is building and investing in European startups and use a global market approach in its business. The group of Embria contains teams of forty-five industries' professional and more than fifty co-founders, partners and executives (embria.com). Embria has an ambitious plan to launch ten to twelve new startups by 2023.

The headquarter of the company is in Cyprus. Production technology of Embria is successful and proven by time and shows steady on yearly growth (embria.com). Embria has grown more than twenty times since its formation. Key successful factors of the company are considered as long term, and serial partnership with established business partners and a stable dividend income. Embria promotes global networking, expert access and the ability to attract and retain world class specialists (embria.com). The

company researches labs and startup incubation and acceleration ecosystem, which allow to achieve successful business empowered by community networks. Embria currently consists of more than ten partner companies doing business in the internet. Embria is companies actively develop the Russian and foreign online markets. They provide users with high quality products and are leaders in their market segments (embria.com). Embria group contains of more than 1100 specialists in 45 professional fields.

1.3 Research problem and research questions

The research method is a method of conducting research to achieve a certain result. The correctly chosen research method determines the obtaining of reliable results (Stefan & Lane & Shaw & Andersson 2008).

The research applied in this work has several distinctive features: the presence of a clear stated goal; the desire to discover the unknown; systematic process and results and justification and verification of the findings and generalizations.

The effectiveness of the research largely depends on the methods used in conducting the research. When choosing a research method, it was considered: research objectives, requirements for the results of the study, their accuracy and reliability, restrictions on terms, resources, opportunities and used technical means of research, advantages and disadvantages of each of the considered methods (Stefan & Lane & Shaw & Andersson 2008).

In accordance with the intended purpose and objectives of the study, the following methods were identified:

1. Theoretical analysis of the literature on the research topic
2. Interview, questioning
3. Analysis of the data
4. The study of documentation in open sources
5. Analysis and synthesis of the data

The objective of the study is to develop and implement innovation strategy of the IT Hub. The aim of this study is to identify the experience of leading Russian and foreign

technoparks how to develop and implement strategy for the IT Hub. In accordance with the goal, the following research tasks were identified:

1. The study of the theoretical aspect of the work according to the specialized literature, magazines and Internet resources
2. Obtaining empirical data of similar technoparks
3. Processing the data
4. Conclusions and applicability

First and foremost, the research problem of this topic is to study and create innovation strategy for a unique project as the IT Hub.

The main research questions were determined as:

1. How to develop and implement strategy for the IT Hub?
2. How could the IT Hub help Embria in its growth?

And the sub-question of research:

1. What are the targets of an innovation technopark?
2. What are the key successful factors of the technopark activities?
3. What will technopark offer to the company's customers in the future?

A qualitative method in this project is applied. Qualitative research obtains in-depth, information about the subject of the research. A qualitative method helps to catch a holistic view of the situation. The goal of the qualitative method is to get data to interpret the observed phenomenon (Saunders 2009). Semi-structured interviews and semi-structured questionnaire are applied in this thesis for collecting data. According to Breakwell (1995) interviewing is an extremely flexible research tool.

The author wanted to utilize empirical experience of the most successful and major technoparks and science parks from different countries. Since of the author is in Cyprus it is impossible to visit these technoparks. However, with the help of a semi-structured questionnaire it becomes possible to collect all necessary information for the research. Each questionnaire is updated according to the recipient and the type of the organization. Accordingly, the author is not able to visit these technoparks personally. That is why both

methods to collect primary data are applied. It should be noted that the way of interviewing by e-mail is a not an expensive method to get data. This method is also quite comfortable for the respondent. Possessing enough time, the interviewee is able to answer complex questions that require deliberation. The influence of the interviewer with this method of research is excluded. The essential disadvantage of this method is the low level of return of the questionnaires.

1.4 Data collection

In the research, there are different methods used to gather information, all of which fall into two categories primary and secondary data (keydifferences 2019). Primary data is used in the empirical part of the research. The method of the primary data collection method is a semi-structured interview and a questionnaire. Tuomi & Sarajärvi (2009) state that with interviews it is possible to collect a valid, reliable, rich and detailed set of data that are relevant to the research questions and objectives of the study. Semi-structured interviews and questionnaire with representatives from technoparks, IT parks and science parks are used for collecting empirical data. Semi structured questionnaire was utilized for two reasons. The first reason was a geographical distance of the respondents and the second reason was lack of time among respondents to organize a personal meeting.

1.5 Key terminology

Technopark refers to the format of real estate in the form of a self-sufficient platform, where resident companies are provided with a full range of services for organization and development, ranging from design and ending with access to big business.

ICT - information and communication technologies.

IASP - International Association of Science Parks.

Strategy is a direction where a company should go.

Incubator is multifunctional complexes that provide a variety of services to innovation companies.

Technopolis is a free zone of the high-tech era, where science and technology are combined with world and traditional national culture.

2. The types of technoparks

German researcher Arlesch (1985) divided the science and technoparks into three groups: research parks, innovation centers and science parks. The classification types of parks based on the method of their formation:

1. Parks created as a result of the creation of new and franchised companies
2. Companies exploiting research technologies are limited to parks
3. Companies managed by technologies that provide services to high-tech companies
4. Technologically managed companies created and funded with government support

Recently, much has been said about the role and value of small and medium-sized innovation business as an important aspect of the formation of the material basis of welfare and social stability of all industrialized countries. However, it is necessary to admit that in Russia, an undeservedly less attention is paid to the problem of ways of development, as well as methods and forms of support for small and medium high-tech entrepreneurship. The need to support the young Russian innovation business is explained by several its features: high risk, low survival rate, a long way from the idea to its realization as a commercial good or service, innovation immunity of the Russian industry at the present time.

The problem of how to quickly and efficiently transfer high technologies to the market and transform them into products that consumers need is particularly acute. Such a link between science and production is the infrastructure of innovation entrepreneurship, which can be a variety of technopark structures (RVC and Ernst & Young 2014, Technoparks and Clusters Association 2017).

At the present time, there is a large variety of technopark structures in the world: science parks, technology and research parks, business innovation centers, business and technology incubators, virtual incubators, technopolises and others.

There are fundamental differences between some of these forms associated with different functional purposes: the specifics of the organizational form, the range of tasks to be solved, while the difference between other technoparks is more terminological in nature. (Figlioli 2007).

Let us highlight three major types of technopark structures: incubators, technoparks and

technopolises.

One should consider the distinctive features, functions and main characteristic different types of technoparks.

2.1 Incubators

Business incubators have always created the necessary infrastructure for the development of new entrepreneurial ideas and have a set the appropriate tone and atmosphere (Indian Journal of Science and Technology 2016). According to the authors of the article (Ogurtsov, Rylov, Durdyeva, Lebedev, Khachatryan, Safyan, Rochev, Tsareva), approximately 30% of business incubators in Russia belong to universities (managed by the university administration or affiliated to a university). In this context, university incubation programs are considered as an important resource for the research and cultivation of talents and can also be regarded as a center of power that has a positive effect on the region's economy (Indian Journal of Science and Technology 2016). The incubator usually includes several blocks. Key components of the incubation program are tracking, coaching and monitoring progress, educational content, access to a network of contacts, for example entrepreneurs, industry experts, angels and investors.

Participants in incubation programs can be divided into several groups:

1. Beginner entrepreneurs: students or recent university graduates and employees with no business start-up experience. Usually they have the idea of a technological project and a team at the stage of formation, however the absence of understanding how to develop the project and where to find resources.
2. Serial entrepreneurs: adult founders with experience in corporate governance, or with experience in developing their own business. They usually want to minimize the risks when starting a new direction or product. The incubation program is a set of solutions for start-ups aimed at researching and testing consumers, the market and the product, developing a viable business model, and making the first sales by resident projects.

The standard set of services for business incubator teams may include the next components as provision of work and infrastructure (office equipment, office space, production facilities), expert consulting (by a business incubator team and / or with the involvement of external experts), educational program (lectures, master classes,

seminars), consultations on filling out grant and tender documents, advising lawyers and / or accounting professionals. The following services are found in business incubators less commonly, for example, staffing the team, preparation for funding, ensuring participation in industry, events, PR support, preparation for entering new markets (including foreign ones), and building an individual development trajectory for teams. The rapid growth of incubators shows successful of this type of business activity and helps to resolve other goals, for example: the transformation of new technologies developed by universities, laboratories or research institutes into a source of profit; creation and support of the industrial and technological sector; stimulation of an entrepreneurial model of behavior among national minorities, youth, people with low incomes; or providing opportunities for financial gains on investments in new companies.

It is worth noting that lately, a new form of industrial incubators or “incubators without walls” began to appear. They are isolated as a separate type. Business incubators should play the role of a flexible and mobile economic organism for the rapid implementation of entrepreneurial projects of various levels of complexity. They should build and develop a new activity from the already available resources, positions and figures (engineers-inventors; investors; experts assessing risks; managers responsible for technical organization of work; personnel managers; sales managers, and others.).

2.2 Technoparks

Technopark is a platform that is focused on private, industrial and scientific organizations, as well as developers. It is the young business and startups who are interested in finding low-cost premises where one can get full service and enlist the support of the project development. Often, the period from the development of the project to its release in the big voyage is too large, and for many developers the speed of response is important so that the final product does not have time to become outdated. The creation of technoparks is aimed at solving several problems (RVC and Ernst & Young 2014) at transforming knowledge and invention into technology, turning technology into a commercial product, transferring technology to industry, helping high-tech firms to become and supporting high-tech businesses.

To enable these goals to be met, a technopark stimulates and manages the flow of knowledge and technology amongst universities, R&D institutions, companies and markets; it facilitates the creation and growth of innovation-based companies through

incubation and spin-off processes, and provides other value-added services together with high quality space and facilities. The expressions “technology park”, “technopole”, “research park” and “science park” encompass a broad concept and are interchangeable within this definition. (International Association of Science Parks 2019.) The concept of a technopark is quite close to the one of incubators in the innovation area. Both elements of the innovation infrastructure are complexes created to promote the development of small innovation companies, and creating a favorable, supportive environment for their operation. Technoparks are used by different sized of innovation companies at varied phase of the growth of scientific knowledge, know-how and high technologies (Deak & Podmetina 2013). They usually have land plots that they can lease to client companies for the construction of offices or other production facilities (Science Journal of Business and Management 2016). The main tasks of a technopark is to unite people, projects, ideas and innovations on one platform and to build a unique ecosystem. Three processes can be implemented based on the technopark:

1. Creation and sale of completely new innovations
2. Improvement and sale of innovations created in other organizations
3. Use of old innovations in new areas of their application

In the structure of the technopark are ordinarily presented by different types of center as innovation, technology, educational, consulting and others. The composition of the technopark as its separate structural element may include an incubator. (Deak & Podmetina, 2013). In fact, technoparks are responsible for the formation of the economic environment that will help in ensuring the sustainable development of scientific, technological and industrial entrepreneurship, as well as creating new small and medium enterprises.

2.3 Technopolis

In the 20th century, the economic progress of society is based on innovation. There are several definitions of the term «technopolis»:

1. The current format is the residential and cultural-living zone, united around a scientific center, providing a continuous innovation cycle based on scientific research.

2. Compact scientific and technological settlements specialized in high-tech products, towns, where the most favorable conditions for life, work, recreation, education, satisfaction of cultural needs is created.
3. The form of regional development, consisting in the creation of structures aimed at organizing the interaction of business, universities and local authorities. Technopolis is the most important element of a modern market system. It is an organizational form of merging firms, innovation companies, higher educational institutions, consulting, innovation and other enterprises of the service sector. It is a relevant department of state and municipal bodies into a single mechanism. (Deak & Podmetina 2013).

Directions in the development of technologies in technopolises are the creation of new materials and types of products. It is a transfer of known technologies to new fields and fields of production. It is a reduction of the distance between applied research and finished production technologies. Moreover, it is reorganization of labor processes and system of personnel training at enterprises and institutions. Accordingly, knowledge-intensive companies form the basis of most technopolises. The creation of technopolises can effectively contribute to the development of economically backward regions, thereby ensuring a more balanced development of the national economy.

3. Strategy - where to play and how to win.

In the world where everything is changing at a rapid pace, all organizations should develop and implement strategies. Henry Mintzberg, a professor at McGill University and author of *The Rise and Fall of Strategic Planning* (1994), observes that opportunities beget strategies. He wrote in the *Academy of Management Executives*, "Good strategies grow out of ideas that have been kicking around the company, and initiatives that have been taken by all sorts of people in the company. . . . That means that a lot of very effective, so-called strategists or chief executives do not come up with the brilliant new strategy." (Johnston & Robert & Bate 2003.) However, very often the choice of how to achieve the goal depends on whether the organization is capable to successfully reach the desired goals. The right decision on the strategy to move to the goal is no less important than the correct decision on the goals. (Dodgson & Gann & Salter 2008). After the strategic goals of the organization are formulated, the ways to achieve them are defined, i.e. a strategy is being developed. Successful strategies reflect a company's clear strategic intent and a

deep understanding of its core competencies and assets (De Kluyver & Cornelis 2012). A strategy always depends on various factors, for example, company development, plans, and others. In accordance with the teachings of G. Mintzberg (1994), a well-known theorist of strategic management, let us distinguish five concepts of strategy. Each of the five elements represents a different approach to strategy (Figure 3):

1. A strategy as a plan - a system of sequential actions
2. A strategy as a position - determining the position of an organization in the external environment and relative to its main competitors
3. A strategy as a maneuver
4. A strategy as a principle of behavior
5. A strategy as a perspective

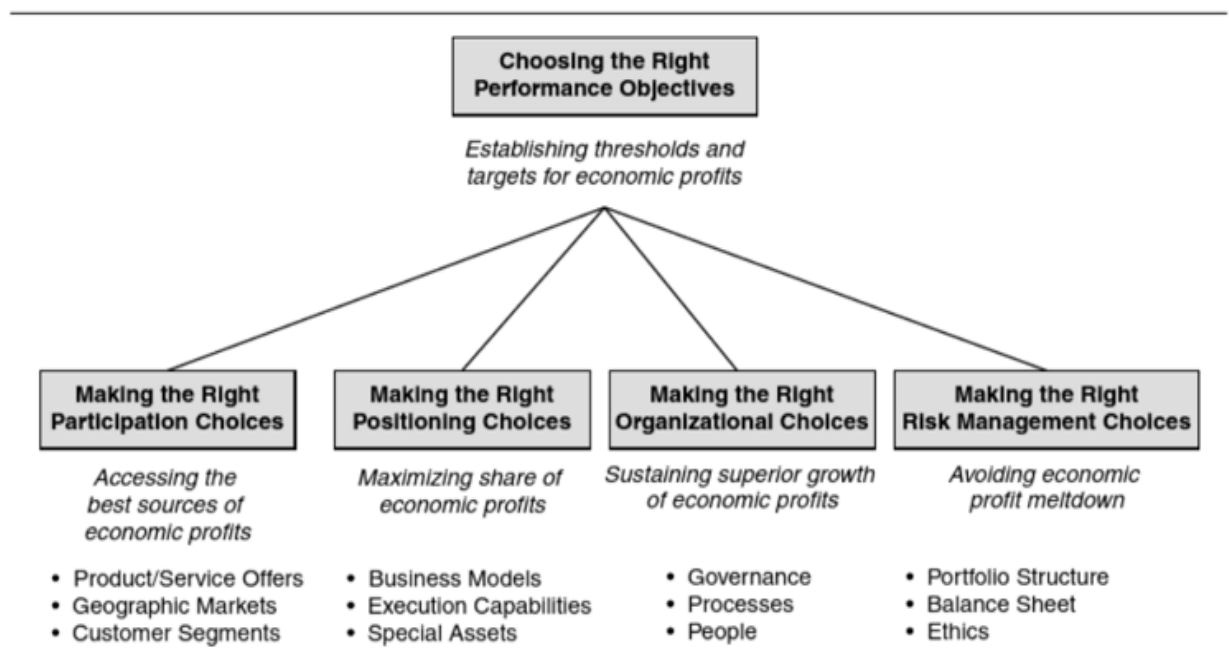


Figure 3. Five choices that Shape Strategy (Kontes 2010)

At its core, a strategy is a set of rules for making large-scale decisions that guide the company in its activities for an organic, and a consistent adaptation to the changing demands of the external environment. Accordingly, the term "strategic decisions" refers to decisions that are crucial for the functioning of a business and lead to long-term and irreversible consequences. Thus, as a distinctive feature of the strategic decision-making level, two characteristics are used: inconvertibility and durable result. This means that

making strategic solution changes the potential of the enterprise and returns to the early state of the control object and if possible, it requires a lot of time, resources or effort. (Knight & Randall 2005). Considering the individual components of the strategy, it is important to select its distinctive features such as a system or plan that integrates the main objectives, policies, and order of the company's actions into a connecting entire. (Dodgson & Gann & Salter 2008.)

After examining each approach, an organization can develop an effective strategy that will help the company to capitalize on the benefits and advantages of its strengths and capabilities. One should consider each approach separately.

1. Strategy as a plan

Planning is something that no leader can do without. This strategy is applied in a global approach. As a rule, the brainstorming technique is used, various options are developed and as a result the best one is chosen (Kontes 2010). Excellent methods for developing a plan are PEST and SWOT analysis. These analyses can help recognize the strengths and weaknesses of the company (Powerbranding 2019).

2. Strategy as a position

This is a relationship between the company and the external environment. This approach will help to find the niche in the market, to gain a foothold in it and a rival benefit. Moreover, a company can create and sell a specific product that will avoid competition.

3. Strategy as a maneuver

Mintzberg (1994) argues that competition is also part of the strategy. Here is one of the most important questions: "How to outwit your opponent?" For example, one can spread false information that may prompt one's opponent to choose the wrong strategy and send it along the wrong path. In this way, one can confuse one's rival.

4. Strategy as a principle of behavior

One plan is not enough, because it is merely a theory. The strategy should be thinking over in advance and should represent an order of actions (Dodgson & Gann & Salter 2008).

5. Strategy as a perspective

This strategy allows a researcher to look at the company from the inside in order to see the big picture. Companies using this strategy have a clear ideology, corporate culture and a motto. One should consider the classification of competitive strategies according M. Porter (1980):

Cost leadership strategy

The organization achieves minimum costs of goods and sales of its products, which ensures the best cost. The leader of price chooses is not on a high level of product differentiation and does not consider the division of market segmentation.

Differentiation strategy (specialization)

The purpose of the differentiation strategy is to achieve a compete dignity by creation goods and services which are taken by clients as distinctive. At one moment, organization can use a topmost price. The benefit of the differentiation strategy is protective of the business from rivals if consumers keep a stable loyalty to its goods and services.

Focused strategy

The organization fixes its activities on one market segment due to a thorough clarification of the needs for a product or service from groups of customers, and even individual ones. A marketing niche can be allocated geographically, the type of client, as much as a segment of the variety of goods. To choose a niche, the company uses either differentiation or low-price approach in it.

Development strategies, reflect the four main strategic alternatives facing the organization:

1. Limited growth. This alternative is adhered to most organizations, it is characterized by setting tasks from growth, considering external factors.
2. Growth. The strategic growth alternative is implemented by significantly raising minimum and maximum achievement compare to prior period;
3. Reduction. The implementation of strategy implies a decrease in the volume of production and sale of goods in a situation of reduced demand or under the influence of other factors;
4. Combination. A strategy of combining the above alternatives, which is followed by large firms that are active in several industries

It is also necessary to consider the classification of strategies for competitive methods.

Offensive strategy. It is included actions that are designed to counter or outperform a competitor's strengths; actions aimed at exploiting competitor's weaknesses; simultaneous offensive in several directions, and others.

Defensive strategy. It is included: expanding the range of products: the development of models and varieties of products with characteristics that competitors already have or may have; offering models that are closest in characteristics to competitors' products, at lower prices; signing exclusive contracts with dealers and distributors to push competitors away from their distribution network; increase in sales on credit for dealers and / or other buyers: reduction in the delivery time for spare parts; signing exclusive contracts with the best suppliers in order to close access to them of aggressive competitors, and others.

A classification of strategies for functional fields of activity are divided by two large groups. The first one is focused on the internal sphere of activity: planning, control, coordination, structural construction, motivation, information support. And the second group is oriented to the external sphere of activity: investment, resources, environmental, technological, marketing, and others. A company which stopes halfway has lower profits, contradictory business structures, a weak motivation system. Porter (1980) argues, executives should to choose one of three directions. The first decision when planning a strategy is to define the mission of the organization and the choice of goals. There is a broad and narrow understanding of the mission. In the case of a broad understanding of the mission is seen as a statement of philosophy and purpose, the meaning of the existence of the organization. The organization's philosophy defines the values, beliefs, and principles according to which the organization intends to perform its activities. The philosophy of the organization usually rarely changes. In the narrow sense of concept of a mission is a statement, revealing the meaning of the being of the organization, which traces the difference of this organization from its similar company. (Knight & Randall 2005.)

The mission should reflect the following characteristics of the organization:

1. Targets of the organization, reflecting on what tasks the organization's activities are aimed at, and what the organization seeks in its activities in the future;

2. The scope of the company, reflecting which product the organization offers to customers, and the market in which the organization sells its product;
3. The philosophy of the organization, which manifests itself in the values and beliefs that are adopted in the organization;
4. The opportunities and ways to perform an organization's activities, reflecting the strength of the organization, its distinctive possibilities for long-term survival, how and with which technology the organization performs its work, what know-how and advanced technology is available for it.

Specific end states to which the organization aspires are recorded in the form of its goals. Goals are divided into qualitative and quantitative. Quantitative goals can be evaluated in a single equivalent, and to assess qualitative goals, it is necessary to use the method of expert assessments. Each firm fixes its state in the future in the form of short, medium and long-term tasks. Short-term goals are the implementation period of up to one year. Medium-term goals include goals that can be achieved between one and three years. Goals for which a period longer than three years is required are considered long-term. The maximum term for achieving long-term goals usually ranges from five to fifteen years. (Szigeti 2016). Bringing goals to each level of management and their comprehensive assessment require building a tree of goals. The goal tree is a structural mapping of the distribution of goals across the management levels of the organization in question of their relationship. Building a goal tree is a preparatory planning step (Nambisan & Sawhney 2011). When planning the activities of large companies, especially transnational corporations, which have a developed network of subsidiaries, branches and representative offices, the compilation of a tree of goals is necessary.

The most common areas in which goals are set in business organizations are as follows: profitability, reflected in indicators of the type of profit margin, profitability, earnings per share. Market position, also described by such indicators as market share, sales, relative to competitor market share, share of individual products in total sales. Goals of productivity are expressed in costs per unit of production, material intensity, return per unit of production capacity, volume of production per unit of time. Goals of financial resources are described by indicators characterizing the capital structure, the movement of money in organizations, the amount of working capital. Moreover, capacity of the organization is expressed in the targets related to the size of the occupied areas, the

number of units of equipment. Next area is development, production of the product and technology update, described in such indicators as the amount of expenditures on the implementation of projects in the field of research, the introduction of new equipment, the timing and volume of production of the product, the introduction of a new product, product quality. Assistance to society is described by such indicators as the amount of charity, the timing of charity events, and others (Szigeti 2016.)

Requirements for the correct formulation of the goal. Goals must be achievable. They should not be too easy to achieve. Moreover, they also should not be unrealistic, beyond the maximum permissible capabilities of performers. Unrealistic to achieve the goal leads to demotivation of workers and the loss of their benchmark, which has a very negative impact on the activities of the organization. Goals must be flexible. Objectives should be set in such a way that they leave room for adjustment in accordance with changes that may occur in the environment. Managers should keep this in mind and be ready to make modifications to the established goals to meet new requirements put forward to the organization by the environment, or else new opportunities that have emerged from the organization. Goals must be measurable. This means that goals must be formulated in such a way that they can be quantified, or in some other objective way to assess whether the chain has been reached. If the goals are immeasurable, then they give rise to discrepancies, complicate the process of evaluating performance and cause conflicts. Goals must be specific, possessing the necessary specificity, which helps to unambiguously determine in which direction the organization should function. The goal should clearly state what needs to be achieved. Moreover, goals must be acceptable for the main subjects of influence that determine the organization's activities, and first for those who will have to reach them. When formulating goals, it is very important to consider the wishes and needs of employees. (Nambisan & Sawhney 2011.)

3.1 Innovation strategies

Each innovation project is unique and incorporable, it is a complex of activities interconnected by deadlines, a limited amount of resources and aimed at solving specific goals. Managing it is based on the following principles: targeting, it is determining the relationship between the needs of enterprises in innovation and the possibility of its implementation. (Szigeti 2016). Systematic it is in the development of solutions, in the aggregate aimed at the implementation of the task. Integrated development of related

processes, defining the structure of the plan. It is provided provision of resources at each stage of work. It needs to understand that the strategic planning process is not produce strategy innovation.(Johnston & Robert & Bate 2003.) Innovation strategies are aimed at increasing productivity and improving product quality with periodic updates:

Every three - four years - a change of goods / services is necessary (or at least their modification and improvement).

Every eleven - twenty years - it is necessary to change equipment for a more productive one (and it's better not to wait for physical deterioration, but to change it when the technopark is obsolescent).

Every forty-eight – fifty-five years - you need to be ready for a revolutionary change of technology.

Development can also help bring business success. One's own style, which is a subject to only minor and temporary fluctuations in demand. Fashion, since it is confirmed by strong periodic fluctuations, therefore, all the benefits come only to its legislators (Kontes 2010). Fetish - something that can be trendy only for a very short time (as soon as it appears in many, it immediately loses its special attractiveness). Brand - the fact that most fully describes the company, determines the recognition of its products, the peculiarity of its business style and relationships with customers and partners (Dodgson &Gann & Salter 2008).

There are several types of innovations:

1. Revolutionary, when something fundamentally new is invented, not previously known to anyone
2. Much more often - pioneering for a given country, industry, enterprise or even a branch (often as a result of benchmarking - tracking and applying the achievements of competitors, even in other fields of business)
3. Modification (associated with changes in the shape or properties of the product)
4. Imitating or fake, when some properties (not always useful, for example, sweets in sugar substitutes) are only found to be a similar substitute.

Innovation strategies are designed to increase productivity through technical and technological improvements, to overcome technological gaps, as well as to develop the quality characteristics of products and services (Kontes 2010). In the field of technological

gaps, not only the shortfall in profits, but also critical and catastrophic losses threatening the enterprise's bankruptcy are possible. This should be able to be foreseen and to prevent a strategic manager (when developing innovation strategies). In the process of creating a strategy, the management faces common mistakes.

Let us highlight the main strategic mistakes. Snail thinking is focused mainly on the internal problems of the enterprise and the omission of external dangers (threats) and new opportunities opening. Problem thinking is a well-known strategic mistake. To develop a strategy is an unlimited creative activity that brings orderliness into chaos. The strategist seeks to predict what forms the future will take, to discover and implement new combinations of all known success factors (Dodgson & Gann & Salter 2008.) Pendulum syndrome is a known disease of strategists. To make an important strategic decision requires more willpower than in tactics (where it is necessary to act under the pressure of circumstances). In a tactical situation, at least half of the problems can be overlooked with the naked eye, whereas in the strategy everything must be guessed, and everything must be foreseen. Consequently, when it comes time to move to action, most managers are paralyzed by doubts (Kontes 2010.) Incomplete study of all possible long-term effects and adverse effects of recommended measures. Failure to consider the environmental component of promising projects, which leads to a subsequent increase in the cost of building, for example, or environmental penalties. Haste should not be thoughtless. The decisiveness of the strategy manager should not have anything to do with recklessness. Procrastination is the path to lag.

Therefore, the practice in which strategic tasks are solved to the detriment of strategic goals, and prospects for business development, should be recognized as erroneous. For example, one can very quickly make profit by raising prices for goods that are in high demand, but a high rate of profit will immediately attract many competitors, and the market share will fall, that is the major index of success (Dodgson & Gann & Salter 2008). It may seem that it is easy to lower the cost of manufacture by purchasing cheaper (and low-quality) raw materials, but buyers will very quickly understand that the goods of a competitor are better. In this case, it is impossible to return your customer and brand loyalty.

3.2 Strategy formulation process

The process of crafting a strategy can be organized around three key questions:

Where are we now?

Where do we go?

How do we get there?

Each question defines a part of the process and suggests different types of analyses and evaluations. It also shows that the components of a strategic analysis overlap, and that feedback loops are an integral part of the process. (De Kluyver, Cornelis A. 2012.)

To determine the company's strategy, it is essential to develop the following steps (Murray & Markides & Galavan 2008). Analysis of strategic problems facing the company. A clear vision of problems is the main motive for engaging in strategy. Principal strategic decisions. In what direction are we going to move, what tasks should we solve? The development of solutions is based on the analysis of opportunities for the development of the company and their comparison with the available reserve and the current position of the organization. Clear positioning of the company in the market. The target market and our key differences from competitors must be defined. As Michael Porter (1980) said, strategy is a differentiated, well-defined position in the market. Organizational concept showing how the positioning of the company will be implemented in the organizational system, in the structure of the company, in its processes. It is necessary in principle, at the conceptual level to determine the principles of the company. Management decisions are needed by which these ideas should be implemented. These decisions should be reflected in the organizational concept. (Dodgson & Gann & Salter 2008.) Strategic resources needed to implement the strategy. The task is to concentrate efforts on the creation, development, and acquisition of the most important strategic resources, without which the strategy cannot be implemented. A strategy map is a graphic representation of a strategy in the form of a diagram of strategic goals and cause-and-effect relationships between them. Here we apply the balanced scorecard methodology. For each strategic goal, it is necessary to determine the leader who will lead the management team to achieve it. Each goal must have measurable indicators, quantitative or qualitative. Description of strategic projects. Each strategic goal is associated with specific strategic projects that drive the organization, make changes and lead to the achievement of goals. When these components are developed and described, it can be said that a strategy exists. This definition of the content of the strategy allows one to apply clear criteria to assess the creation of a company strategy (Kontes 2010).

3.3 Managing the implementation of the strategic plan

In order to fulfill the strategic plan, a set of programs is developed, and also is which detail the strategy and allow monitoring its implementation. The strategic plan, developed on long-term and medium-term goals and objectives, is complemented by a tactical plan, procedures and rules (Murray & Markides & Galavan 2008). The tactical plan is a plan of current activities focused on established markets and the profitability of the organization.

Characteristic features of the tactical plan. It serves as the main instrument for the implementation of the strategic plan. Tactical results appear relatively quickly and are used to implement the strategy. Tactical plan is developed by middle managers.

Procedures determine several parts of a strategic plan. They are a sequence of actions when performing the main production processes for business units, volume of services of auxiliary services and the timing of their implementation, specific performers and control points by which one can judge about the departure from the adopted option in the main production. Procedures clarify the tactical plan for specific periods of the year, for example quarters, months and days. The rules accurately describe what needs to be done in specific, isolated situations. This includes standards and restrictions that should be considered by processes, production situations in conditions of deviation from the accepted regime parameters, preliminary signs, etc. (Murray & Markides Galavan 2008). Among the many management tools that contribute to the implementation of the strategic plan, two of them are most applicable management by the objectives and budgeting.

The development of budgets allows consistency between plans at gap different levels and the allocation of resources. A significant feature of the budget is a quantitative assessment of resources and goals. Development of the budget begins with the calculation of preliminary estimates for the planning period, which are carefully studied by management and adjusted. At this stage, the resources are allocated, once identity sources of funding. At the final stage, the final budget is developed and based on instructions from the management of the organization, detailed item-by-item accounting of resources and sources for their receipt occurs. (Szigeti 2016). Management by objectives is that each leader from the highest to the lowest level set clear goals. They are developed from the top down, and the goals of each leader must ensure the achievement of the goals of the immediate superior. To fulfill the objectives a plan of action is outlined. It establishes who, when, where and in what volume will perform

specific work to achieve goals (Nambisan & Sawhney 2011). The action plan is aimed at the fulfillment of all the planned tasks and should enable the timely detection of areas of problems and unexpected consequences. Control is the process, by which the management of an organization determines whether its decisions are correct and, whether they need adjustment. Control ensures the organization achieves its goals (Murray & Markides & Galavan 2008). In the procedure for monitoring the implementation of the plan, there are three distinct stages the development of standards and criteria, the comparison of actual results with them and the adoption of the necessary corrective actions. Standards are specific goals that flow from the planning process. The objectives, which are accepted as standards for control, have two features. They are characterized by time frames and specific criteria. When comparing the actual results achieved with the standards, it is necessary to establish how tolerable or relatively safe deviations from standards are. Top management sets the scale of tolerance.

At the final stage, the line of conduct is chosen to do nothing if the goals are achieved, completing corrective actions provided by eliminate and revise standards if they are unreal.

3.4 Vision and Mission

Vision without action is a dream. Action without vision is a nightmare. (Japanese proverb).

What is vision? Vision is a picture of the future, the main goal to which the company aspires. It is closely related to the company's mission. If the mission conveys the meaning of the company's existence and the principles by which it operates, then it describes the state in which the company should be the ideal goal. A vision is a dream of owners and managers about the future of the company. This is an attractive image of the company in the future, an ideal or a dream that the company seeks to realize. From the vision of the company should form the preliminary objectives of the company. It brings clarity to the idea of the goals and direction of the company, creates a perspective, gives meaning and value to daily activities, moves personnel to action. (Johnston & Robert & Bate 2003.) Vision is a picture of the future, the main goal that the company strives for. This is a wording that incorporates the aspirations of the founders and employees of the company (often vision is formulated with the involvement of employees). It explains and

demonstrates to all employees and the public what is an organization constitutes, what it should become and what it is striving for?

The formulation of the vision should be concise, dynamic design, convenient for perception, as a slogan or motto. The vision must meet the following requirements: inspire, be simple, like a memory or image, earn trust, provide guidance that can serve as the basis for developing a strategy.

The company's mission is a qualitatively expressed set of strategic goals and entrepreneurial abilities. Mission statements often contain a code of corporate conduct to guide management in implementing the mission. This suggests that effective strategy development is as much about deciding what not to do as it is about choosing what activities to focus on. (Kluyver & Cornelius & Pearce 2015). The mission helps to determine what the company does, what its essence, scale, prospects and growth directions, differences from competitors are.

3.5 The Balanced Scorecard

Many believe that the key role is played by the content of the strategy, and the form of presentation is secondary. Gradually, managers refuse from this point of view, because they understand that strategies can be successfully implemented only when they are understood by company employees. One of the tools for presenting the process of implementing the strategy in an understandable form is the Balanced Scorecard. The complexity of developing a balanced scorecard, and the lack of low-cost and effective software products are also problems encountered in the practical implementation of Balanced Scorecard. The efficiency of a balanced scorecard relies on the quality of its implementation. The introduction of a balanced scorecard executes in next steps. The first step is to design a Balanced Scorecard. The second step is to build Balanced Scorecard, after that to balanced Scorecard decomposition and finally to control of realization.

The implementation of the methodology for implementing the strategy today is continuously connected with automation. The introduction of a Balanced Scorecard, for example, using Microsoft Excel, or without any information support is possible only at the initial stages of Balanced Scorecard implementation or in small organizations. (Aratyunova 2010). If a company aims to introduce a balanced scorecard for several

structural divisions and periodically refine and correct them, then taking advantage of information technologies is indispensable. At the first stage of building a Balanced Scorecard, it is developed for one organizational unit. It can be a company, a division or a department. In this case, the construction of the Balanced Scorecard is carried out by performing the following steps. Concretization of strategic goals. Linking strategic objectives with cause-effect chains - building a strategic map. Choice of index and finding of their purpose values. Extension of strategy.

The use of indicators is intended to concretize the system of goals developed in the course of strategic planning and to make the goals developed measurable. Indicators can only be identified when there is clarity about goals. The selection of suitable indicators is a minor issue, since even the best indicators will not help the company to succeed if goals are incorrectly defined. It is recommended to use no more than two or three indicators for each of the strategic objectives. (Aratyunova 2010). Without target values, indicators designed to measure strategic goals have no meaning. Determining the target values of management indicators is not only difficult when developing a balanced scorecard (Szigeti 2016). The principal difficulty in determining the target value of an indicator is to find a realistic level. As a rule, a balanced scorecard is developed for a period corresponding to a long-term strategic planning period (three - five years). At the same time, target values for a long-term period are determined for deferred indicators (indicators that indicate the ultimate goals of a corporate strategy). Since the strategy is implemented in the current year, target values are set for the medium term (a year) period - for leading indicators (indicators whose changes over time occur in a short period). Thus, a balanced system of indicators for long-term and short-term goals is achieved. (Szigeti 2016). To develop the balanced scorecard, managers and those responsible must constantly review and evaluate the organization's activities. Strategic objectives are characterized by a high degree of relevance for the company, and this relevance should be assessed at least annually.

At the same time, it is necessary to evaluate:

Are the selected indicators suitable for assessing the degree of achievement of the developed goals?

How simple is the calculation of indicators?

Has the structural unit reached the target values of the indicators developed?

Have target indicators of higher divisions been reached?

How does the structural unit in question contribute to the achievement of the goals of the upper levels?

The assessment of indicators consists primarily of understanding the possibility of calculating the actual value of the indicator based on data from the reporting period. In addition, it is necessary to make a comparison of the plan and fact for the meanings of the index with the elucidation of the causes of deflection. (Aratyunova 2010). Lower level of balanced scorecard should always be evaluated to help achieve the goals of the upper level. In addition, it is advisable to predict target values of indicators for a long period of time.

Summing up, the research emphasizes main benefits which the company receives as a result of the description of the strategy and its consistent implementation using the Balanced ScoreCard methodology. The first and the most important is the concentration of efforts on strategically important areas for the company. The main goal of the company is determined, the means of its achievement are outlined (strategic goals), and the goals are cascaded by divisions. The second result, respectively, is the presence of strategic goals and each unit - that is, everyone understands what needs to be done. The third result is the possibility of a clear understanding of the effectiveness of actions. (Kontes 2010.) The presence of each goal of indicators of its achievement allows each participant in the process to understand their role in the implementation of the company's strategy. And finally, the fourth result is the control and controllability of the process of implementing the top-down strategy. The organization, under management control becomes an efficient instrument to achieve the task.

3.6 SWOT analysis

The analysis of strategic potential is the most important procedure of strategic planning. Correctly performed diagnostics is the basis for choosing criteria for evaluating strategic alternatives. However, despite the importance of this procedure, there is no single method that is algorithm for diagnosing strategic potential. The theory offers a fairly wide range of diagnostic tools, while the practice shows that the set of methods used is determined by the requirements of the speed of diagnosis, past experience of strategic planners, their qualifications, intuition and experience of managers and owners of the organization, available resources and a number of other factors. It is also important to note that diagnostics is a prerequisite for the effective management of a firm's strategic potential.

To assess the strategic potential can be used: SWOT analysis. (Kluyver & Cornelius & Pearce 2015).

SWOT analysis allows the manager to identify:

- **S** - strengths. Those strengths of the competitive position not only of their own, but of their rivals
- **W** - weaknesses. That weaknesses which can jeopardize the further development or growth of a business.
- **O** - opportunities. All existing opportunities and those that need to form for success in the future.
- **T** - threats. Threats to business that need to be tracked and overcome (and threats to competitors that can be used to the benefit of their own business are identified) (Marketing 2019)

This analysis can be presented in the form of a strategic balance in which the strengths are an asset, and the weak ones are a liability. The challenge is how to use strengths and tilt the strategic balance towards assets. Strengths can be used as a basis for the formation of a strategy and competitive advantage, which, in turn, should be aimed at eliminating weaknesses (Aratyunova 2010). When developing a strategy, one need to rely on the fact that the company succeeds: its experience, strengths, main advantages and the most important competitive opportunities. The main advantages of the company can be: high manufacturing skills, ensuring the production of high quality products; know-how in the creation and operation of systems for the rapid and accurate execution of orders; the ability to provide better after-sales service; the ability to find successful places for retail sales of goods; the best ability to organize sales and product demonstrations; mastering important technology; experience in combining a variety of technologies to create entire families of new products (marketing.by). The company's strategy is largely determined by market opportunities. Assessing the capabilities of the industry, it is necessary to consider that the interests of the industry and the interests of the company do not always coincide. Not every company has a strong enough position to use all the existing opportunities in the industry. The company's strengths and weaknesses, as well as the ability to compete, allow it to use some opportunities better than others (Kluyver & Cornelius & Pearce 2015). The most profitable for the company are the industry

opportunities, ensuring maximum profit growth, facilitating the acquisition of the greatest competitive advantages, and being financially acceptable. For the well-being of the company, certain environmental factors may pose a threat: the emergence of cheaper technologies, the production of new products, the penetration of foreign competitors with low costs into the industry, unfavorable changes in foreign exchange rates. The possibility of absorption by a larger company and higher interest rates and other opportunities can not only affect the company's position, but also indicate the need for strategic change. Thus, the SWOT analysis evaluates the strengths and weaknesses of the company, its capabilities and threats to it, and allows to draw conclusions about the company's position and the need for strategic changes (Marketing 2019)

3.7 The Importance of Brands

One more very important element of development strategy is the brand of a company. A brand is a name, a sign, or a logo that is identified with the characteristics of a good or service. A brand can add value to goods and services and create goodwill through positive associations. A strong brand can help maintain profit margins and erect barriers to entry (Kluyver & Cornelius & Pearce 2015). In a world where buyers, when choosing a product or service, rely on extensive research and opinions of others, trust in a brand is very important. If once a person has already given preference to a brand, the next time he/she is more likely to choose it.

The word brand hides a lot of concepts: customer focus, company values, its recognition among consumers, etc. This is all part of why the client decides to buy this brand. And if the company has long-term plans for business development, then one cannot do without creating one's own brand (Allen 2006).

3.8 How to make a brand recognizable?

For a consumer to start recognizing brand, it will take time and effort to spend on taking a set of measures that are not bounded to attempt get paying clients. That is, the usual advertising and even just a marketing campaign will not be enough.

There are several ways to rise brand awareness (Powerbranding 2019).

1. Communication

Communication allows a person to remain included in the society, learn new and get famous. The same happens with the brand. To be recognized, the brand must be present in various online and offline communities and “behave” as a person who wants to make new friends. And for this one need to publish in social networks information that is not connected to goods or services, interact with the audience, asking questions, commenting on posts and sharing content.

2. Event Sponsoring

Sponsorship is a great chance to increase brand awareness, because its name will be everywhere: on banners, T-shirts, notebooks and other souvenirs, which means that hundreds, thousands or even millions of people will learn about the brand. It is also important to become a sponsor of the event, the idea and character of which is close to the aesthetics of the brand. This will increase the positive equity of the brand.

3. Speech at industry conferences, webinars, etc.

It can be both online events and offline. Here one can directly work with the target audience. It is worth noting that such events are actively advertised in thematic media, on event websites, partner sites, and social networks. The audience coverage is large, therefore, participation in this event will be noticed

4. Lead social networks

Social networks require the same attention as the site. Therefore, they must be maintained so that the user wants to read and read them.

Moreover, not all topics need to be promoted in social networks. For example, accounting and legal services is unlikely to work. Since it will be difficult to make an interesting community, and in most cases, users use social networks exclusively as an entertainment portal. First, the content is interesting to the consumer. If it is interesting, informative, then it is more likely to be signed

5. Advertising

An important component that makes remember to the company. To determine the type

of advertising, one first need to set a goal - what the company needs advertising for. Based on the task, one can select a specific type. The main types of advertising are:

- Contextual. It is shown in the search results and on the websites of partners. It helps to attract users to the site and increase sales.
- Media. Aimed at brand recognition. If there is a task to get traffic to the site, then this is not the option.
- Targeted. It is shown in social networks. You can customize the show conditions for a specific target audience. There are many options that allow you to reach the right users. Brand promotion by the target audience

Recommendations work better than any advertising. The user is more likely to believe the feedback of the real buyer about the quality of the product than the commercial.

Many brands offer bloggers with many subscribers their products for testing and creating reviews. A blogger shares his own experience of using a product or service, a branded offer. This looks like a recommendation, and not as a direct advertising imposition. (Powerbranding 2019.)

3.9 Form of assessment the level of brand awareness

Brand awareness can be measured within a specific segment or target market. It helps to build the right brand promotion strategy and select communication channels. Preliminary assessment of awareness is always one of the first stages of brand promotion. There are three levels of awareness.

1. Knowing with hints

A customer cannot recognize brand without reference such as logo, brand slogan, and others. This is the lowest level of brand recognition.

2. Knowing without hints

At this stage of brand recognition, customers consciously choose this brand from other brands. This means that the brand is clearly captured in the customer's memory and evokes a special ideated range .

3. Top of mind

This includes the first three or four brands that the buyer remembers in a certain product category. Usually a person chooses just from these several brands. They are already firmly established in the mind of man and even become nominal (Allen 2006). Being in top of mind is an ideal indicator of the brand's popularity level. This means that the products of this brand are the absolute market leader, and customers will not only recognize it, but also can easily remember.

Creating a strong brand implies five stages:

1. Brand positioning. This is where the brand is born. Which place will he occupy and what will the company go to?
2. Brand strategy. At this step, competitors, one's own company, target audience and other elements of the system are analyzed. Due to this, there is a detailed understanding of the future positioning of the brand and all its subtleties. As well as strategies for communication, promotion and reporting to the minds of consumers (Knight & Randall 2005).
3. Brand components. This is the entire visible part of the brand, what consumers see: the logo, brand name, trademark, slogans, packaging. Therefore, with what inexperienced entrepreneurs begin to create a company. They create everything, and only then they think who they are and for whom.
4. Brand promotion. At this step, a detailed action plan is being developed to promote the brand to the masses. Channels and methods of conveying information are selected, sometimes quite unexpected.
5. Brand management. This includes analytics and monitoring of the current state of the brand. As well as maintenance and corrective measures if something went wrong. One of the main tools in brand management is reputation management (working out public negative references).

3.10 Methods of increasing brand awareness

Usually, work to increase brand awareness consists of the following key stages:

1. Promotion through souvenirs

The most effective way to promote is the use of souvenirs. When a brand is part of a customer's daily life, it will easily recognize and even remember it. The company logo can be applied to clothing, office supplies, key rings and other different category of things that people use daily.

2. Using seasonal trends

With the change of time of year, consumers change their preferences every time. For example, in the summer they drink 3-4% less hot coffee, but they consume more ice cream. In winter, on the contrary, the demand for ice cream falls, but for hot coffee it is growing. These examples are successful for brands that represent the restaurant business, but producers of ordinary goods and services cannot vary so much their production and constantly change something. (Allen 2006).

Simpler ways come to the aid of such brands - the use of seasonal labels, redesign of packaging, decoration of goods and other relevant attributes of the season. This is most attracted to the attention of buyers. They will easily recognize the brand next time and wait for the release of "seasonal new products," even if only the wrapper changes.

3. Advertising

The easiest way, but also effective. Here, the company can choose from a variety of modern ways to advertise its brand or a specific product: from spectacular outdoor advertising to hidden advertising in social networks. Today, social advertising is a powerful tool for promoting products or services.

4. Participation in exhibitions or conferences

It is best suited for brands that do not produce products but provide certain services. Unlike advertising, at the exhibition the company has the best opportunity to show its advantages to a specific target audience. To do this, you need to prepare a spectacular presentation and choose a good speaker. It is worth stocking up with vivid and memorable handouts, including advertising samples and souvenirs.

4. Case company description

If an organization is to meet the challenges of a changing world, it must be prepared to change everything about itself except its basic beliefs. The only «sacred cow» in an organization should be the basic philosophy of doing business. — T Homas J. Watson

The purpose of this work is to develop innovation strategy for ideal working environment for professionals from Embria group, where they will be able not only to create, meet with colleagues, but also, they can spend their leisure time there. In other words, to create a strategy for the IT Hub.

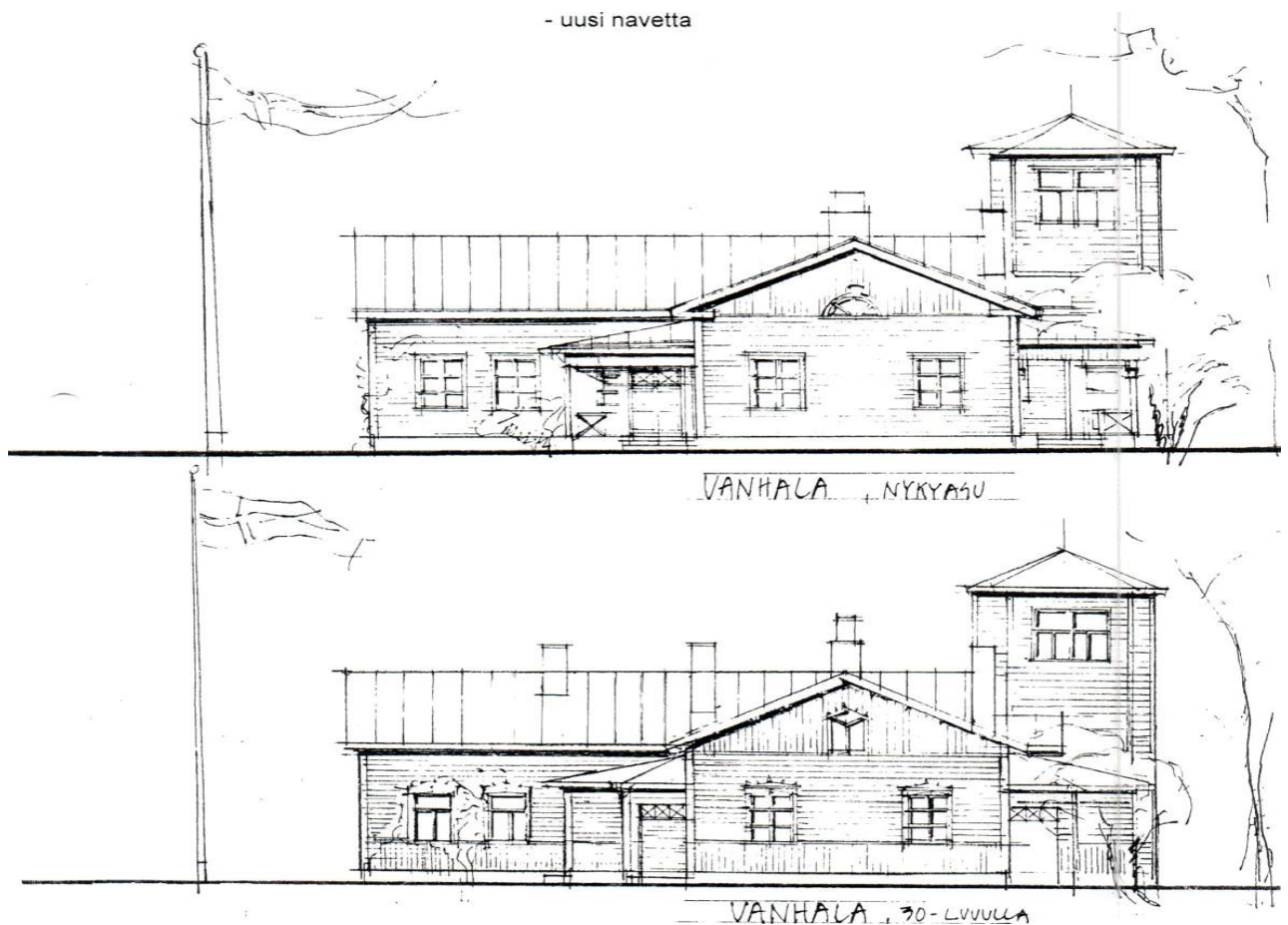
4.1 Location / Premises

Embria has a real estate property and land in Finland. The location is situated at Rantatie 354, Joutseno, Finland. The size of the plot is 13.54 ha. This place has rich history. Emil Hanen built his summer villa on the territory of Nappula, he moved the old house with a black stove to Tapiola Hill. The cottage was enlarged by four rooms and gained a tower. Construction lasted for the years 1914-1915. The cottage was built at the end of the 19th century. After some time, Hanen passed the territory of Tapiola to the administration of the municipality of Joutseno. Nevertheless, he put the following conditions: a rural household school for women should be maintained and an apiary should be built. It was also mentioned in the conditions that the results of the students' labor and the harvest should be realized on the territory of Lappeenranta, and the revenue should be spent on the development of the school and education. In those years, the municipality, which had large debts, was able to replenish its treasury through these sales.

In 1918 Emil Hanen died. In the same year, the Vanhala tower began to alternately raise the red or the white flag. After establishing peace after the war, the building remained at the disposal of the military. For example, the dentist's office was located on the top floor of the tower. In 1934 the building acquired a familiar look. The appearance of the facades was changed, and they were richly decorated in Neo-Renaissance style. This style was very different from the Neo Classicism that was present before. Closed canopy was changed to open verandas. The windows and exterior cladding of the building were also replaced. At the same time, the existing fire-resistant roof covering was replaced with tin. In the summer of 1944, it was a military hospital, as indicated by a memorial plaque, cast

on December 4, 2002. The tower also had a lookout function and during one of the searches, a machine gun was found.

In the 1950s – 60s during the redevelopment process, toilets and latrines were installed in the building, with wastewater being discharged into a neighboring pond. By this time, the electrification of the building had already been done. Five old stoves with a tiled lining were also demolished. An open fireplace was installed in the space and the exterior window frames were updated. The last painting of the building was done in 1978. The building was used for various purposes alternately: for living, training, and even as an office. Architect unknown.



Picture 1. Vanhala building

On the territory of Tapiola there are buildings of various years of construction. The oldest of them is Villa Vanhala Emil Hanen. Hanen handed over and bequeathed the territory of Tapiola to the municipality of Juotseno in 1916-17. In the days of Hanen, there was a school of national economy and gardening on the territory of Tapiola. Since 1921, the Tapiola School of National Economy began to operate. During the work of this school in

the 80s, several new buildings were built. The last one is the hostel, which opened its doors in 1988. The school of national economy ceased to function in the 1990s, and the buildings of the territory of Tapiola were used as a group family center, and in one of the periods there was a school for the mentally retarded, then again, a family center and a workshop for young people. Some of the buildings remained accessible for living. They are protected by the museum department of the city of Lappeenranta.

In 2015, buildings with a plot of 13 hectares were acquired by Embria, and work began on the restoration of the complex. In 2017, work was carried out to restore the Villa Vanhala Emil Hanen and one wing of Asuntola - the hotel. In 2017, a woodworking workshop was also put in order and launched, and a large comfortable grill arbor was installed. The repair of the main / office building suspended in 2018, and design work was launched to upgrade the wastewater system. The Mannisto / Yellow cottage building is generally well preserved and only needs minor repairs, and Kutomo is used as a warehouse. The old barn is contained almost in its original form, and sports equipment is now stored in it. Furthermore, Greenhouse, garden and kitchen-garden require rehabilitation.

4.2 Company description

Below is description the current condition of property:

- Asuntola building. Ready to get a guest. There are 27 rooms with different classifications, workspaces, workstations, high speed internet, place for sport activities, cafeteria, sauna, fire-heated, outside Hottub



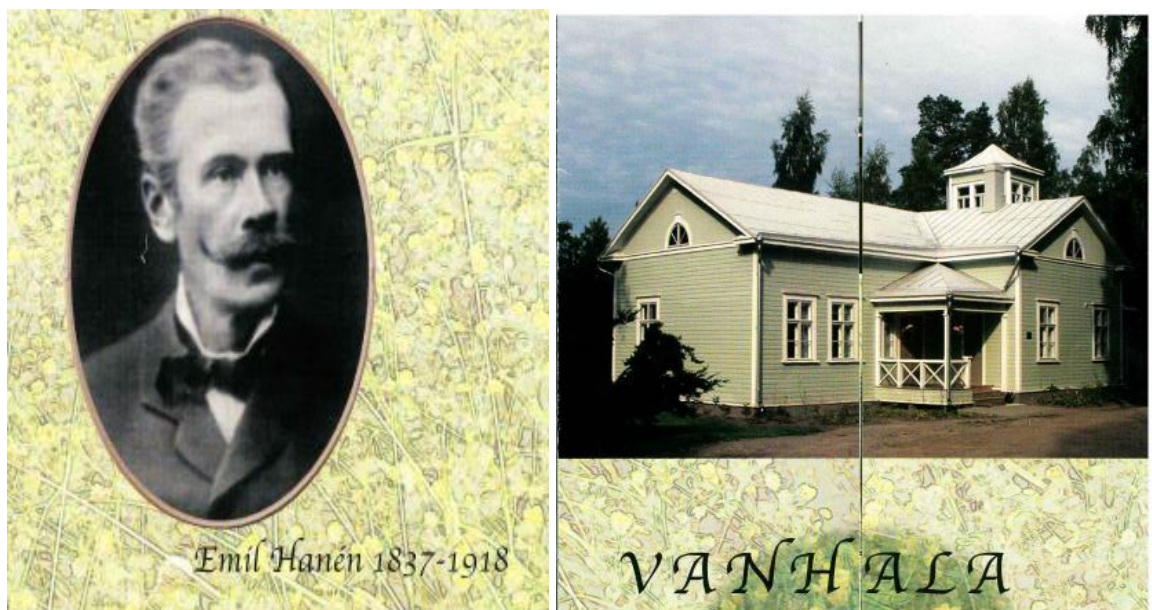
Picture 2. Asuntola building

- Business center with working and conference space. This building requires overhaul and design development. The conception of the business center is to start from campus design, then continues with floor planning, the individual office concept, coworking spaces and meeting rooms.



Picture 3. Business center

- Vanhala (Tapiola). It was an original cottage in compliance with Museum Registry of Lappeenranta area. Now it is a residence of shareholders. An open parking for residents



Picture 4. Emil Hanen and Vanhala building

This property has had rather a big amount of investments in this property. However still the repair does not finish. The obvious solution was to find a use for this real estate. Moreover, the company needs its own space for organizing a single working space for startups and partner companies. This property has many advantages and one of them is location. As it is known, Finland is one of the most efficiently developing high-tech countries in Europe. Today, Finland is recognized as the obvious leader of an innovative economy. In terms of investment in research, Finland is amongst the leading countries in the world. The innovation system of Finland is based on the interaction of the state, enterprises and universities. The development of technology in Finland is supported at the highest government level. In Finland, great attention is paid to the extension of technoparks, which are recognized as a very important part of the country's innovation infrastructure, promoting deepening collaboration between state research centers and universities with industry.

5. Strategy development for the IT Hub

The theory of the American economist Richard Florida (2002) became an important guideline in the process of forming the space for the IT hub. He believes that the authors of technical innovations can only be creative workers, for whom it is necessary to create attractive and comfortable living conditions, implying freedom, openness and diversity, i.e. creative ecosystem (city-journal 2019)

Many startups use technologies which associate various types of internet businesses. For the development and implementation of such technologies do not need laboratories, industrial and warehouse facilities, neither any equipment. However, one cannot do without an office, consulting services, a powerful software and computing base, stable internet connection channels, and a cohesive team of IT specialists. An innovation business incubator can significantly speed up and facilitate the process of nurturing a new business, and at each stage, from the elaboration of an idea to the investment.

The IT Hub is an area of increased innovative activity, which provides accelerated interaction of companies in the information technology field. (businessjoensuu 2019.)

The idea is to create a space not only for work, but also for professional communication, exchange of knowledge, experience, ideas, as well as recreation and entertainment areas. It is necessary to underline the main difference between typical technopark with

state participation and IT Hub. The IT Hub is a private project with special attention to details, not scale. It is an innovation social and cultural project, the purpose of which is to create a multi-level modern cluster to solve the tasks of modern IT companies. It plans to attract only employees from Embria group.

The main purpose of the research is to determine strategy of extension and direction of the IT Hub as an object of innovation infrastructure of the Embria group. It is planned to create a special ecosystem of space for business dialogue, which will include such facilities as:

- modern offices and meeting rooms
- conference room
- coworking spaces
- a cozy library
- areas for rest and sleep
- GYM
- summer patio

The project includes several stages. The first stage is to research and analysis of other technoparks, science parks, IT parks both in Russia and abroad (Europe, Asia). The second stage is the strategy selection and implementation for the IT Hub. The third stage is specification of the goals and objectives of the expected results from the activities of the IT Hub.

The IT Hub is a place of meeting between research, innovation and economic development. For creation development strategy of the IT Hub, it is necessary to consider future steps. As part of this process, it is essential to define the mission and vision of functioning, develop balanced scorecard, define key tasks, goals and objectives, and conduct a SWOT analysis. A clear understanding of the strategy is a guarantee of success and stable development of a company depends on many factors, such as degree of transparency of the market environment, the desire of owners to plan their business in time and the ability of the expert group to analyze and correctly interpret the collected and received information (powerbranding.ru). Strategy considered as a part of planning. The modern market is dynamic and quite unpredictable. The success of any company depends not only on the internal, but also on the external environment. The most

important business task is to instantly adapt to what is happening. In this matter cannot find appropriate strategy. Implementation of strategy is keystone of success to enhance the objectives of a project. Its development is one of the main tasks of planning. First and foremost, to develop the IT Hub strategy, it is essential to complete the following steps:

5.1 Set a Vision and Mission

The company should have a distinct action plan for further development. In addition this is important not only for the company to remain successful, but for all participants in the organization's activities. (Allen 2006.) The vision is formulated as if it had already begun. To form the IT Hub vision, questions are raised which help shaping the company's vision:

What the IT Hub will be like in the future?

When exactly will it be so?

In formulating a vision, it was analyzed what changes should occur in the present and in the future. Otherwise, it will not have that energy, creating motivation for a qualitative development or innovation. According to all these aspects vision was created.

The Vision of IT Hub is We inspire to research, develop, work, teach, learn and live.

The next step of the strategy of the IT Hub is development of the mission. It begins with enhancement of the management view, whereas the major purpose of the mission is to formulate and determine the main development and goals.

It is generally agreed that mission is more stable than vision. Vision may change more often, the mission changes less often and only slightly.

Mission of IT Hub is We strive to grow and unite around us a new generation of specialists and business projects in the field of digital technologies that will occupy leading positions in the world community.

5.2 SWOT analysis

The main feature of the IT Hub is that it is created for use only by companies of Embria group. As were mentioned before, Embria unites more than 1100 specialists. To

determine strength, weakness, opportunities and threats SWOT analysis of the IT Hub was conducted.

Strengths

- Sustainable business. Embria has been operating in the market since 2007 and already has a stable business, an extensive network of partners, and occupy a certain niche in its segment, while creating an IT Hub, this base can be used as an indisputable advantage.
- Location. The IT Hub has a unique location at the heart of southern Finland and high transport accessibility with ten million population within three-hour radius. There is a fast rail connection to St Petersburg, the speed train takes just two and half hours one way. The distance between Helsinki airport and the IT Hub is just fifty minutes. It is surrounded by a forest park area, near the lake. Therefore, the location of the IT Hub refers to strength.
- Customers. Potential residents of the IT Hub refer to strength of project. Since the first few years, the IT Hub plans to accept only specialists from partner companies and its own start-ups, therefore there will be no difficulty in attracting residents.
- Infrastructure. Currently, a hotel with 27 rooms has already been prepared for guests and a business center has been partially built (it is the main platform for activity). Hence, the IT Hub infrastructure laid.
- Mentors and experts. The base of mentors is already gained. There is global networking and access of expert. Residents will also be granted with access to other projects.
- Services. A wide range of services will be provided, and all services will be charged.

Weaknesses

- Limitation of residents. After analyzing it is necessary to state that in this case the strength of the project turns into weakness. Since the IT Hub is created only for group companies, therefore it is possible that there will be a limitation in the number of potential residents.
- Major investments. Building of a business center requires large capital investments.

- Fix treatment facilities. There are also problems with the treatment facilities. It is necessary to hold a tender to find a contractor and to replace the system.

Opportunities

- Market expansion. Due to the fact of creation of the IT Hub, Embria has many opportunities, for example, entering to others foreign market, i.e. Europe and Asia. Now the company operates only in Russia and Cyprus.
- External residents. A few years after the launch of the IT Hub, an increase in the number of residents is planned due to cooperation with external companies.
- Brand awareness. Embria groups also own a trademark. Currently, the company has come close to the need of recognition of its own brand. The IT Hub will act as a business card, i.e. will increase brand awareness.

Threats

- High level of competition. According to the IASP, the largest number of technoparks in the world is in the area of ICT & Communication. Whether STPs/AOIs have a specific focus on technology sectors or not, it is frequently the case that some sectors predominate more than others. STPs/AOIs tend to gather the most relevant technology sectors, those showing a greater capacity for innovation and added value. ICT & Communications is one of the four main technology sectors represented in their park/area, STPs/AOIs survey stated that is 64.1%. (International Association of Science Parks 2018.) These data confirm the fears of high competition.

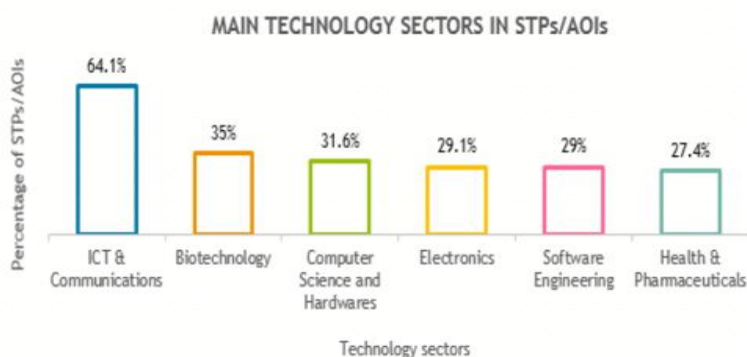


Figure 4. Main technology sectors in STPs/AOIs (IASP 2018)

- Lack of qualified staff. Another potential threat is the lack of experience in the input of large-scale projects, as well as the shortage of qualified personnel in this field.

To draw the conclusion, one can say, based on the conclusions that were made during the SWOT analysis, the weaknesses of the IT hub can be minimized and turned into strengths. Moreover, enhancement should constantly be done to improve procedures and develop the IT hub. After a SWOT analysis was made, from these facts, one may conclude that the strengths of this project are much greater than the weak ones. Based on the opportunities of the project, it is possible to predict the success and stable development of the IT Hub. Besides, the potential success of the project is quite high, but the IT Hub needs to focus on eliminating weaknesses and potential threats.

<p style="text-align: center;">Strengths</p> <ul style="list-style-type: none"> ▪ Sustainable business ▪ Location ▪ Future clients ▪ Infrastructure ▪ Mentors and experts ▪ Services 	<p style="text-align: center;">Weaknesses</p> <ul style="list-style-type: none"> ▪ Limitation of residents ▪ Major investment ▪ Fix treatment facilities
<p style="text-align: center;">Opportunities</p> <ul style="list-style-type: none"> ▪ Market expansion ▪ External residents ▪ Brand awareness 	<p style="text-align: center;">Threats</p> <ul style="list-style-type: none"> ▪ High level of competition ▪ Lack of qualified staff

Figure 5. SWOT analysis of the IT Hub

6. Formation of the IT Hub

One should note here that the goals are a further development of the vision, with a specific and measurable. Goals also indicate the desired state of the company in the future, to which it aspires, performing its daily functions. The main objectives of the organization are formulated for the mission, developed by senior management and aimed at survival. Strategic goals are determined by the mission of the organization. They are spread throughout the organization, broad and general in nature. These goals determine the organization's policies and flow from its main objectives. To begin with, the concept of the IT Hub combines high-quality space with wide range of services to their residents and access to global network. Creative energy of innovation strengthens creative industries, first, the direction of R&D, which makes the IT Hub services competitive and recognizable all over the world. While planning workspaces, the demands different specialists and projects it is considered. In these field, employees and companies have varied selection how they want to work at any time. Coworking zones, private offices, meeting rooms, coffee points and services allow to work efficiently outside the office (lakeside-scitec 2019). What is more, the business idea is to create an active business environment, as well as promoting growth and a sense of community. The focus of the IT HUB is to propose a comfortable and cost-efficient accommodation for companies from Embria group in adtech, fintech and gaming. Moreover, to create an ecosystem for accelerated interaction between participants of the information technology market through the exchange of knowledge, technology, experience and developments in the field of IT (technopolis 2019).

Let us to consider the main tasks of the IT Hub:

1. To complete the design and finish the construction of the IT Hub with private investment from current shareholders of the company
2. To attract and settle residents in the IT Hub from Embria group
3. To build the business process of the IT Hub on the principles of economic feasibility and efficiency
4. To ensure high commercial and budget efficiency of the project
5. To build a strong brand of the company and ensure a high reputation among all participants of the innovation system. On the one hand, it will help to attract

professionals, and from the other side, it will significantly expand the boundaries of the existing network of contacts, which may become a prerequisite of mutually beneficial partnership with other companies in the future.

In order to evaluate the efficiency of the creation of the IT Hub is evaluated the following success factors:

- Effective tactical and strategic management
- Sustainable business
- Increase return on investment (ROI)
- Business opportunity expansion
- Organization of the innovation ecosystem IT Hub as a modern high-tech object of innovation infrastructure
- High level of occupancy and rent, as well as high customer satisfaction
- Increase the profitability of the current real estate and service businesses
- Brand awareness
- Creation of a working scalable model of a high-tech park of new type, which will allow entering the international market in the future (technopolis & businessjoensuu & lakeside-scitec 2019)

Figure 6 shows the key objectives of the IT Hub which is divided on external and internal ones.

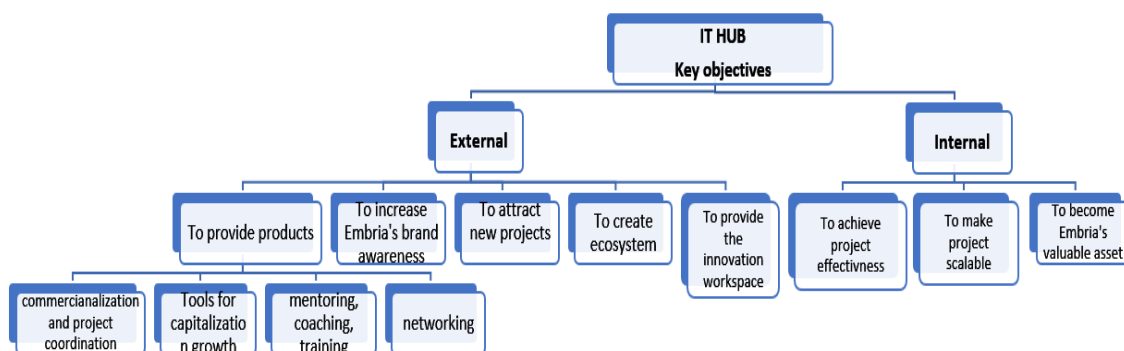


Figure 6. The key objectives of the IT Hub

To achieve the success, it is necessary to define core value of the IT Hub. According to vision and mission were highlighted core values of the IT Hub:

- Respect - all members should be treated with respect
- Integrity - act with integrity through honesty, efficiency and reliability
- Failure - it leads to success, learn from your mistakes
- Commitment - make one's dreams happen
- Optimization - for all resources
- Innovation - to build a competent, high performance team committed to an inspired, shared vision (umaworkspace 2019)

After the implementation of all stages of strategy development, the anticipated effect of the activity for the business is expected to receive an innovation development, process efficiency, competitiveness, attracting talented scientific personnel, creation and provision of innovation infrastructure and expanding brand awareness.

To achieve these tasks, it is necessary to solve the following tasks to finish the repair of the business center and the adjacent territory of the IT Hub, to organize the management system of the IT Hub, to organize the provision of services to residents and to attract residents to the IT park.

This work environment is built to satisfy the real needs of customers and a business proposal and to create a well-established environment for rise through targeted investment assistance, strategic infrastructure development and social transformation, a world class working environment. The key success in the future is to master the shared workspace environment, to be able to effectively combine co-working, serviced office and a shared service platform into a consistently world-class customer experience (technopolis 2019). Initially, the very idea of creating centers where companies would be based, individual specialists and research projects from one field, did not seem to be too viable. It is also necessary to consider competition, business espionage, hiring staff and many other problems that accompany any business. However, there are more advantages. A competently organized platform creates unique opportunities for the exchange of ideas, for informal communication, and for the development of related business (Embria 2019).

Innovative entrepreneurial teams in their development process interact with many partners such as individual and corporate clients, private investors and venture funds, banks and government regulators, research centers and technoparks, law firms and

judicial and arbitration bodies, and many other organizations. The diversity of partners, their different scales, a wide range of behavioral strategies and influences on each other make it possible to compare the ecosystem of digital entrepreneurship with complex biological ecosystems. The success of technological projects depends on how friendly and comfortable their business and legal environment is, how easy it is to find partners, attract investments, find an office, get expert advice and establish business connections. The development of an ecosystem of digital entrepreneurship involves the formation of just a friendly comfortable environment for the birth and growth of technology companies (technopolis & businessjoensuu & lakeside-scitec 2019). In addition to become a successful in this project it is important to find and develop a right strategy for the company. The strategy demands consideration of dedication to developing a company and to define and support business conceptions and services. For the success of the IT Hub development strategy, it is necessary also to make it publicly available with people assigned to one or another direction of development so that communication on these issues is targeted and emerging issues, current status, and others would be understandable to all participants.

6.1 The main participants of the IT HUB

All potential residents of the IT Hub can be divided into three group by size of annual revenue:

1. The first group of residents (40%) belongs to small-size companies with annual revenue up to one hundred thousand USD
2. The second group of residents (20%) belongs to medium-size companies with annual revenue up to one million USD
3. The third part is the big-size companies (40%) with annual revenue more than one million USD

6.2 The services of the IT Hub

Nevertheless, one should not forget that comfort has a positive effect on working capacity. In the first stage of development the IT Hub will contain a complex of four buildings (Vanhala, Asuntola, Kutomo, Toimistorakennus). The Business center of the IT Hub provides business space of 1791 sqm, with over 1524 sqm of office spaces and coworking zones, meeting rooms and conference center. The conference center is equipped with all

modern facilities for work sessions, training, presentation, seminar, conference, business talks, etc. The catering service is available (Poznan 2019) at the business center as well as in the hotel. Approximately residents from twenty companies are expected to be in the IT Hub at the time of launch. Based on the formed mission, vision and tasks of the IT Hub, it is possible to form a list of services provided to residents (Technopolis 2019). At the same time with traditional support functions such as meeting facilities, office and telephone and internet services, the IT Hub will provide physical training, day-care and catering services to its residents. In the IT Hub one can rent an office or arrange meetings and enjoy all the services in one place. This service will allow residents to focus on their core business. The IT Hub offers its customers flexible office space with a business address, full decoration and everything what they need for an office. All that is needed by a resident of the IT Hub is a laptop, and he/she can start working in a high-tech space at any time 24/7, for example, flexible arrangement, joint or private, at least a month and a person, business address, free electricity, air conditioning, fax number, fast internet connection (up to 54 Mbps), free parking, security 24 hours, porter, lobby, café, special price for conference rooms, training rooms, classrooms, offices are open for 24/7, protected with CCTV, card entrance and biometric reader systems.

Residents of the IT Hub have the opportunity not only to rent comfortable space for work and rest, but also to use additional services, including:

- accounting and tax accounting
- legal services
- marketing services
- promotion
- data center services
- server capacity
- channels of connection
- organizing, conducting events
- comfortable hotel
- sauna
- sports activities
- barbecue

In addition to the idea of the IT Hub is connecting all departments of group companies. On these premises specialist of different departments can organize their meetings, lectures, team building, and others. For example, financial department of the management company developed and implemented automated financial reporting, which helps to reduce the month's closing procedure. To spread this update to all financial department of the group they can organize seminar for colleagues from other companies and share with them their novelty. They do not need to search a new venue for it. They just need to send a request to the IT Hub and book a meeting. Thereby, it can be implemented in the whole group of Embria and bring additional value to business. Moreover, this applies to all departments of Embria group. Moreover, this will be the hallmark of the IT Hub from other technoparks.

The IT Hub services can be described with the following words:

- **High-quality or more than just office**

High speed internet connection, modern meeting rooms, comfortable coffee points, weekly events (umaworkspace 2019)

- **Productivity or Pure Focus**

Unique workspaces with variety of workstations and excellent range of services can satisfy any needs. The residents of the IT Hub should think only about business; the other services will be organized by highly qualified staff (umaworkspace 2019)

- **Community or the Human Workspace**

The IT Hub is social and human ecosystem – a place where professionals meet. (umaworkspace 2019)

Key benefits and features of the IT Hub are an upscale offices and well-equipped conference rooms to suit all tastes, an excellent parking space, diverse food in restaurants under one roof, a variety of lobby and office services, as well as a wide range of additional services, and an active community: 20 companies and more than 1000 professionals, partners and skilled workers. The IT Hub offers its residents modern

business premises tailored to each company's specific needs (Technopolis 2019), and ability to relax and work in one place.

The team which will provide a full range of services consists of several levels: staff members and freelance experts / mentors.

Staff members

A project manager (a person who works with projects, helps them develop, examines projects, selects new projects, prepares the content of educational programs, interacts with experts and mentors).

An event manager (person responsible for planning events, attracting sponsors, partners, all organizational issues, attracting targeted participants, contractual relationships, and others).

A maintenance manager (responsible for rental relations, contractual relations, business issues).

A financial director (the person who will respond of all financial goals).

Freelance experts / mentors

Experts and mentors are already accomplished businessmen who have passed their way as an entrepreneur, have a stable income, work at the regional or even federal level. A team of experts greatly assist with the evaluation of competitions, with educational programs, and with consulting projects. A natural question arises: what is the interest of experts and mentors? They need new ideas, new projects for investment, they want to meet with their colleagues and like-minded people, they all have a need to share their experience, they have not been afraid of competition for a long time, they have long been accustomed to consolidating and move forward together. They call it fresh air. Also, definite indicators were developed to determine the effectiveness of the IT Hub activities:

1. an area loading level
2. a degree of use of the proposed services by residents
3. an effectiveness of educational activity (number of events, number of participants, number of partners in educational projects, results of assessing the satisfaction of participants, and others)
4. a few specialized and effective residents

5. a few projects in the business incubator
6. an effectiveness of cooperation with our partners

The business strategy is based on the proven the IT Hub concept and benchmarks:

High occupancy (10-year average financial occupancy rate of 94.2%)

Premium customer value and rental rates

High customer satisfaction (4.13/5.00). (Technopolis 2019.)

Sustainability is a day-to-day activity that is reflected in eco-efficient premises, motivated employees, services that support success, and a sense of community. This strategic approach considers the long-term perspective, the megatrends in this sector, and the customer experience philosophy that is at the heart of operations. Driven by changes in work and growing demands from stakeholders, all employees cooperate with our customers and partners to find meaningful measures to support their success, workspace well-being, and productivity. With this approach, all employees aim to enhance company' and customers' competitive advantage through sustainability (technopolis 2019).

6.3 Creating a Balanced Scorecard

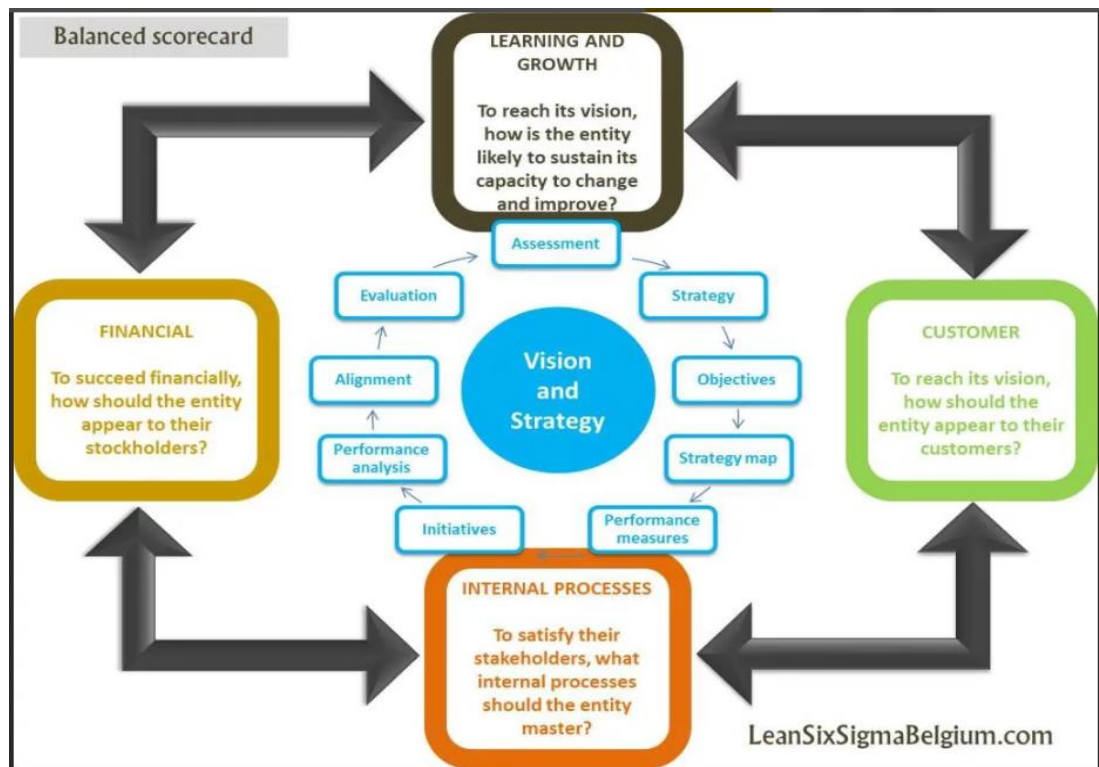


Figure 7. Balanced scorecard (LeanSixSigmaBelgium 2019)

After the creation of vision, mission, objectives and core values of the IT Hub, based on this data it is possible to build a balanced scorecard for project (Figure 7), and to consider what will be the obtained synergistic effect after applying the balanced scorecard. The first part is finance. The main target of every business is to increase capitalization. Here it should be identify two sources of capital gains:

Internal capital management. Creating synergies based on effective management of domestic capital and labor markets.

Brand management. Integrating diverse businesses around a single brand to promote common values and themes.

Perspective	Cause&Effect Linkage	Objective	Measures	Initiatives
Finance	<pre> graph BT A[Sales growth] --> B[Profitability] </pre>	Profitable business	Revenue Sales growth	Strategy plan
Residents	<pre> graph BT A[Quality of service] --> B[Clients satisfaction] B --> C[Sales growth] </pre>	Quality recognizable product	% of regular customers Number of sales per customer	Quality management program Customer loyalty program
Internal process	<pre> graph BT A[Fast business decisions and approvals] --> C[Sales growth] </pre>	Business opportunities expansion	Number of new residents and actual services	Regular meetings and reporting Market review
Learning and growth	<pre> graph BT A[Creation of an analysis] --> B[Effective planning] B --> C[Sales growth] </pre>	Creating an analysis system	% developed strategic skills	Number of internal analytical indicators and reports

Figure 8. The Balance ScoreCard of the IT Hub

Residents of the IT Hub. To increase customer value is necessary to use cross-selling. It helps to create a wide range of services. The overall value proposition is the formation of a consistent buying experience in accordance with corporate standards and to optimize the cost of offered services.

Internal process. What needs to be done to achieve economies of scale or integration in the value chain? To use common services. It helps to create economies of scale by using common systems, facilities and personnel to support meaningful processes.

Learning and growth. Intangible assets - the formation of competence through staff development, information and organizational capital.

7. Research findings

The information database for the object of the study were the chosen periodicals, theoretical literary sources and internet sources. The analysis of recent publications allowed to form an understanding about the object of research, as well as to identify the direction and trends in shaping a successful strategy for the development of innovative IT Hub.

The research also revealed common mistakes that are most often encountered at the initial stage of the strategy creation. Research findings from literature and internet sources allow the author to identify the strengths and weaknesses of various strategies used in the practice of various technoparks and science parks, as well as the potential for the future development. As a matter of fact, twelve different technoparks and science parks were chosen for research, seven of them replied. The most common reason for denial of participation is lack of time and busy schedule. In this case the author decided to use also the secondary data. The secondary data was collecting from websites of technoparks, science parks and IT parks. There is all necessary information in open sources with very detailed records, especially from the annual report of the company. For secondary analyses the author considered six different technoparks:

- Incuba
- UMA
- Joensuu Oy

- Tallin science park
- Latvia Technology Park
- Technopol

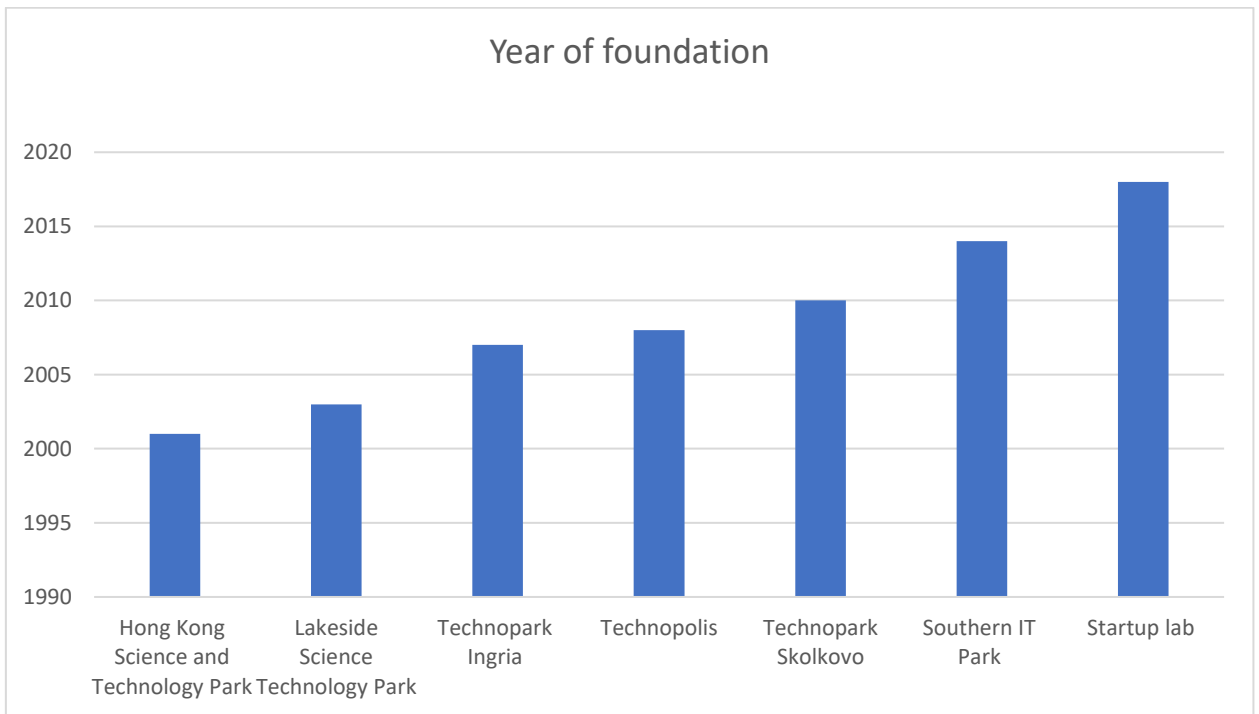


Figure 9. Year of foundation of technoparks which take a participation in survey

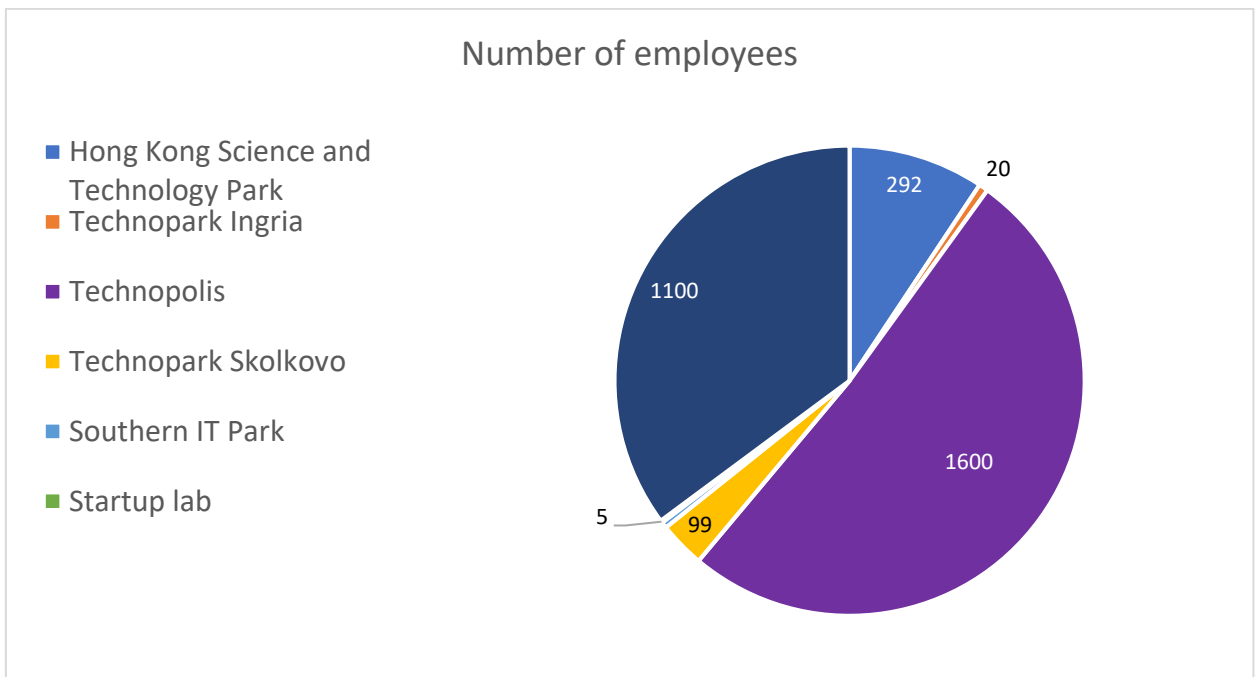


Figure 10. Number of employees of technoparks which take a participation in survey

For the research the author chose different technoparks with wide range year of foundation (Figure 9). Some of technoparks were very young, but most of them have a long history and great experience. It was rather interesting to compare strategy of these technoparks.

Technoparks which participated in the research have also very different sizes (Figure 10). Researching the experience of different participants gives the opportunity to create the holistic view.

7.1 Semi-structured interview findings

A semi-structured interview is used to gather qualitative information. With the help of knowledge about the position, the activities or the responsibilities of the respondent's the interviewer can explore all data about the current situation in technoparks. This type of an interview helps respondents feel more freely and flexible when answering questions. Moreover, only top management can answer the survey questions as accurately as possible. Since the study involved technoparks and science parks in different locations, as well as ownership structures, each interview and questionnaire were adapted in accordance with the position of the respondent and the structure of the object. The selected technoparks have different structure. This choice was made intentionally, because for developing and applying the most successful strategy for the IT Hub, it is necessary to use not, only the experience of different countries, but also the specifics of functioning different form of each other. Below is a brief description of the technopark which took participation in the survey.

- **South IT Park** (Russia). It was established in 2014 as a structural unit of Regional Development Corporation JSC at the initiative of the Government of the Rostov Region. According to the rating of Ros business consulting, the South IT-Park is in the top ten the best accelerators in Russia. The basis of the activities of the South IT Park is an acceleration program. This IT Park is in Rostov-on-Don (south-itpark 2019). The interview was conducted with the head of South IT-Park, Andrey Batrimenko.
- **Startup lab** (Russia). The year of foundation is 2018. Startup lab is pre-seed / seed Venture Fund. It helps projects grow quickly due to our three-month acceleration program, help launch pilot projects with corporations, a mentoring network consisting

only of real entrepreneurs, and investments up to 50 000 usd. Together with a partner, Startup lab select internal and external projects for the implementation of business ideas and the Company's objectives. It carries out projects through an intensive program of growth, helping to test and confirm hypotheses, cooperate with the value of the product and go into commercial operation. The opportunities of the fund allow to finance the most successful projects and give them the opportunity to develop even faster in the interests of the corporation (startup-lab 2019). The interview was conducted with the director of corporate innovation at Startup Lab, Popovich Nikolai.

- **Technopark Skolkovo** (Russia). The year of foundation is 2010. It is the largest technopark in Europe. The total area is 96.228 sq.m. The Skolkovo Technopark provides space and necessary services for innovation companies to successfully develop their technological assets and corporate structure. The technopark Skolkovo has more than 250 residents, 12 services demanded by residents, 40 Collective Use Centers, 19 accredited service companies and more than 95.000 sq.m. for offices and laboratories. The technopark Skolkovo was recognized as the winner in the nomination "Industrial Real Estate" at the All-Russian competition "The Best Realized Development Project in the Russian Real Estate Market" FIABCI-Russia. The first among technoparks of Russia received the international certificate ISO9001. This standard of the quality management system (QMS) is the basis for service enterprises, informally it is called the Oscar of service enterprises. At the beginning of 2017, 1 106 345 companies in 170 countries of the world could be proud of it. (sk.ru 2019.) The respondent asked not to disclose his name.
- **Technopolis** (Finland). The year of foundation is 2008. «Technopolis is a shared workspace expert.» Technopolis was established thirty years ago as a growth machine – to grow and help its customers grow as well. The company started its operations in an old dairy in Oulu. Today, «Technopolis is an extensive network of business centers, unique even on an international scale, operating in eight cities in Finland, as well as in Estonia, Lithuania, Norway, Sweden, Russia and Lithuania. Technopolis is now a publicly-listed company – more than 50,000 people work in its business centers in six countries. In Finland, the company operates in Oulu, Espoo, Vantaa, Helsinki, Tampere, Kuopio and Jyväskylä.» There are several locations in each city. In addition to Finland, Technopolis has premises in St. Petersburg, Tallinn, Vilnius, Oslo and Gothenburg. It provides efficient and flexible offices, coworking

spaces and everything that goes with them. The services of Technopolis run from designing the workspace to reception, meeting solutions, restaurants and cleaning. The main goal is customer satisfaction and value creation. Our 17 campuses host 1,600 companies with 50,000 employees in six countries within the Nordic and Baltic Sea region. (Technopolis 2019.) N.N.

- **Technopark Ingria** (Russia). The year of foundation is 2007. Ingria is hub №1 for technology companies of St. Petersburg. Technopark of St. Petersburg is a leading city project for the development of innovative technological entrepreneurship, implemented with the support of the Committee on Industrial Policy and Innovations of St. Petersburg. The infrastructure, competence of employees and the developed partner network of Technopark allow to provide consulting and technology services annually to dozens of small and medium technology companies and to hold events for professional communities. Technopark has created a multi-level system for the promotion of innovative projects from various industries, which effectively stimulates the development of both start-ups and leaders of St. Petersburg clusters. This technopark is supported by the government of St. Petersburg and is part of the overall program of support for small businesses. It operates with the money of the state completely. The head of Marketing, Belov Pavel.

The respondents answered very openly. It was clear that they were passionate about the work they do. The semi-structured interview allowed them to answer flexibly. They were interested in the project and willing to give as much information and their own experience as possible. In addition, the head of South IT-Park mentioned in the interview that in the beginning of the becoming they had another strategy. After a year of operating South IT Park worked out new set of performance indicator. Base on this work they changed their strategy. “These KPIs have predetermined a new strategy. The strategy of IT-Park is to increase the maximum amount of investments that attracted projects that are undergoing our program, or after it in the post-acceleration mode. And, accordingly, to increase the quantity and quality of our graduates” Andrei Batrimenko.

Thus, using the example of South IT Park, one should be notice that the development strategy was repelled from KPI, then at Start Up Lab has changed their strategy based on the financial component. «Initially, we needed an office for a small team of 4-5 people.

But since, in parallel, we launched an acceleration program for startups it needs larger office. The problem arose as follows. Take the venue for 35 people that was financially unprofitable. Moreover, a conference room was needed where to hold events. Therefore, it became a reasonable choice to rent a large coworking and rent out places. We found a rather large coworking in the very center of Moscow, with own conference hall. Which eventually rented and began to manage it. Then we thought that we wanted to make from this coworking a place where a startuper (young entrepreneur) can get expertise from colleagues in one place, so they began to develop a community inside coworking, to take only advanced young startups, and within a month active cooperation between them began. Strategically, this was originally a place for our startups, where they would take a three-month program. Now the goals are to develop a community of entrepreneurs and become the center of high-quality events for startup networking» Nikolay Popovich.

Another big and famous technopark who wanted to stay anonymous decided to refocus and revise their strategy according to shareholder value creation.

Ilya Tolstov, from Ingria Technopark CEO, told the following about the direction of the strategy. The idea of a technopark is to collect all the components of the innovation infrastructure development process in one place, provide them with the necessary infrastructure for development, and when that notorious one arises, it can be difficult to tangible it, but an understandable and desirable synergistic effect to everyone, when one plus one becomes more than two. However, in the very beginning, the strategy of Ingria was completely different. To build a complex with data center, conference center, business center was planned in 2008. Furthermore, in that time was changed governance of Saint Petersburg and this project was not confirmed. Besides the technopark decided to adhere to its strategy to create an area where all the signs of the technopark will exist, such as a business incubator, resident accommodation, services, and others, however on rented space at the first stage. The reorientation to the new conditions allowed to create a technopark and work successfully (Head of Marketing, Belov Pavel).

Moreover, according to IASP survey 2017. IASP interviewed their members. The question was - how often they revisit their organization's strategy. The survey showed a result that a large majority of responders (90.9%) have confirmed that their strategic plan has been reviewed recently (Figure 11) and are currently implementing the new ideas and

steps outlined. This data confirms the importance of updating strategic plans on a frequent basis, bearing in mind the current conditions and needs, and ensuring that actions are kept in line with the strategy that has been drawn up. It is also interesting to note that there were not any responses indicating that this revisiting of the strategy was not necessary, thus underlining that this task is high on the list of STP/AOI priorities.

22 people responded to this question

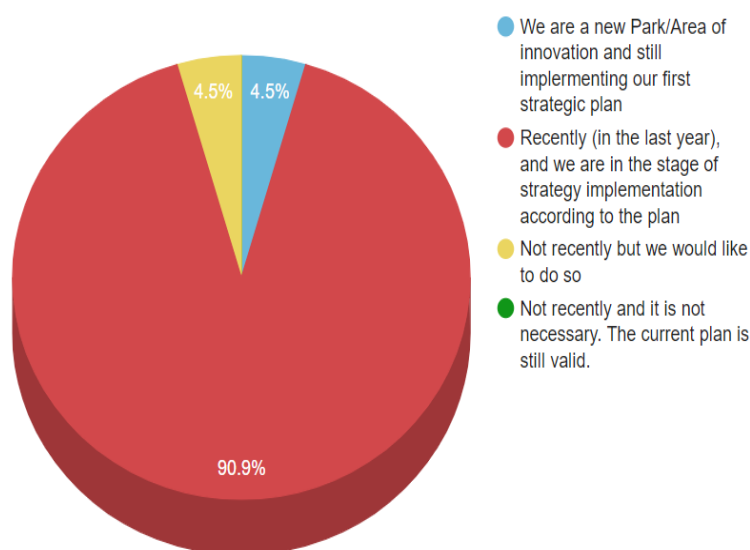


Figure 11. Survey of how often management of technoparks revisit their organization's strategy (IASP 2019)

Besides, it is very interesting to disclose the plans for the development of technoparks in the future. Based on the primary and secondary data, it can be argued that the development of the strategy, as well as such integral parts of it as the vision and mission, is developed in one direction and is very similar to each other. In additional the semi-structured interview showed that the technoparks surveyed had very different plans.

For example, South IT-Park has very promising and interesting plans for development and attraction of residents. The management understands that the IT park has a limited venue, as well as remoteness from the center of Russia. Therefore, they decided to operate not only offline, but open online in the perspective of two years. Currently, the

park's capacity is approximately 50-60 projects per year. To eliminate the bandwidth limit, the IT park creates its own online course called business digitalization, which will spell out the whole methodology, as well as examples from real business. The course is planned to be placed on the online platform. This will help, not only to launch online acceleration, but also to expand the geography and the number of partners. They plan not only regional coverage, but also access to the federal level. Also, for the future development, the IT park is planning to create a post-accelerated startup support program for successful graduates to reach the international level through the creation of a network of experts with certain experience and expertise.

Regarding the future development, the director of corporate innovation was noted in his interview: «In addition to all classic services, we are planning to create the following innovations to attract residents:

- Book clubs on entrepreneurial books
- Days of cinema. Firstly, we watch movies, then we discuss it in a conference hall
- For all residents, discounts on tuition and free passes to the speakers involved
- Provide various discounts from partners such as accounting, legal services, psychotherapists and others
- Besides, residents sometimes come to us for tips on attracting a round of investments - we can help to find right person or invest themselves»

According to information obtained during the interview with a representative of Technopolis, they are not planning any innovations. The focus of their work is absolute customer satisfaction with the quality of services, more effective determination of the cost per square meter, and, by 2020, there is a plan to create a world-class shared workspace.

In addition to above, technopark Ingria has very interesting plans for the development of technology. According to interviews they are similar to the plans for the development of the South It Park. Ingria is developing a program for how to bring the project to a foreign market, and how to provide consulting services on key issues that most often arise for companies entering foreign markets. Now they have successful cases with Japan, Latvia, Estonia and Finland. In prospective is to cooperate with the Chinese market, Head of Marketing Belov Pavel.

Each interview lasted about 35 minutes. The acquired information was recorded and then analyzed.

7.2 Semi-structured questionnaire findings

A semi-structured questionnaire method is chosen because the author conducted research using the experience of technoparks from various continents, such as Europe and Asia. All these technoparks are located quite remotely from each other. From one hand Embria is a Russian company and it is important to learn experience of leading Russian technoparks, but from the other hand the project focuses on foreign experience and technoparks where the IT Hub will be located. A semi-structured questionnaire was created with the purpose of flexible answers and short answers with not opening commercial information and multi-choice responses. Questionnaires were sent to 12 different technoparks. Various communication channels were used for receiving responds as well as personalized email, personal message through LinkedIn, personal message through Facebook and feedback form on the technopark website.

Questions which were used in the semi-structured questionnaire were the same and as in the semi-structured interview. The questionnaire with the description of the purpose of the research, the description of the project was sent through personal emails, direct messages in LinkedIn and Facebook, and emails for contacting general issues published in the website of the technopark, and the science park or the IT park. Only two technoparks gave feedback.

- **Hong Kong Science and Technology Park (China).** The year of establishment is 2001. Riding on the growing momentum to develop innovation and technology in Hong Kong, HKSTP is doubling its efforts to expand and empower the innovation and technology ecosystem through a host of targeted strategic initiatives. The main task of the science park is to inspire the creation of science. The science park starts with innovation and continues to promote technology. We accept innovators who dare to undermine tradition and appreciate the fearless spirit of victory and defeat (hkstp.org). Figure 12 shows key elements of innovation and technology ecosystem of Hong Kong Science and Technology Park. Hong Kong Science and Technology Park is a leading incubator. They help innovative startups to achieve success. (Hong Kong Science and Technology Park 2019.) Senior Manager, Green Technology Cluster, Alice BG Lee.



Figure 12. Innovation and technology ecosystem (hkstp 2019)

- Lakeside Science and Technology Park** (Austria). The year of foundation is 2003. The project was created with the participation of the state enterprise subsidy program. The park is a platform for the collaboration between companies and university institutes in the field of information and communication technologies (ICT). It is a place for interdisciplinary research and development, education, production and services. It focuses on selected issues in information and communication technology and supplementary and additional technology, as well as education and founding. (lakeside Science and Technology Park 2019.) The policy of attracting companies by a technopark is such that at first key players are involved in the market, which subsequently contributes to attracting others, creating the necessary benchmark. The Lakeside science and technology park is a member of the International Association of Technoparks IASP (International Association of Science Parks). Marketing, David Pitschmann

In Appendix 1 is the list of questions established on research questions.

Hong Kong science and technology park (HKSTP) creates a vibrant innovation and technology ecosystem to deliver social and economic benefits to Hong Kong and the

region. HKSTP focuses on development economics of region. Hong Kong Science and technology park has more global plans to the future. They plan to cooperate with IT Park Lok Ma Chau Loop and plan to design the first stage of superstructure development to 2021. In plans is also the InnoCell residential building for talent and Data Technology Hub. Senior Manager, Alice BG Lee. The HKSTP management team is committed to simplify processes to reduce bureaucratic drag as we grow, whilst upholding the highest standards of business compliance. Six sigma and lean concepts have been introduced during the year through the execution of numerous projects with implementation training across HKSTP divisions and departments (hkstp.org), Senior Manager, Alice BG Lee.

As Sough IT Park and Ingria, HKSTP plan also to build their own online platform. In additional they plan to use scrum methodology. According to answers from David Pitchmann, Lakeside science and technology park «Aligned with the regional development strategy of Carinthia (Austria's southernmost region, with 600.000 inhabitants), to render a place for attracting research-oriented enterprises, institutes and therefor young and innovative people: in other words – create perspectives. Due to rural challenges many young people tended to go to bigger cities like Vienna, Munich and others». The direction of development strategy is creating perspectives. Concerning the further progress of Lakeside science and technology park, they plan «5G playground for enterprises and research, open laboratories, connecting education partners in the educational lab, continuous development (build new houses – 8.000 m² more for tenants) ». Management is interested in increasing the profitability of the technopark. For this they worked out several additional services, namely «startup center, recruiting service, venture fund, networking, conference center, and amenities».

8. Summary

This chapter is dedicated to analyzed primary and secondary data. The theme of the thesis is devoted to the development of the strategy the IT Hub. The research was aimed at identifying the best business strategy. The author reread notes and tape recordings, which were made during the interviews. Then the information was classified utilizing the framework based on the topics. The most important points were identified and classified them by reliability topic (Laforest 2009). Not all respondents gave their agreement to use their names and positions in thesis. Due this fact the author had to hide some of them.

The combination of primary and secondary data allows the author to improve the quality of the research. Combining the received data allowed to find a suitable solution to develop the strategy for the IT Hub. One should note here that there is no similar project in Russia and Europe as the IT Hub. It is a unique place, which is built on private investment and only for their own companies. As a result of the interviews and the questionnaire, a general picture has been created. Moreover, based on the replies, the main direction of strategy development was highlighted. Regarding the research results, most technoparks develop their strategy with a focus not on increasing the profitability of their business, but maximally meeting the needs of the efficient operation of their residents. No matter how old the technopark is, the development strategy may change or be adjusted. It all depends on what goals the company has set for itself. Timely adjustment and adaptation of the strategy to external and internal conditions leads the business to success. All technoparks, which took a participation in the research, have experience in changing in the strategy. The focus of technoparks primarily goes to the development of residents' satisfaction and to create prospective. It can also be concluded that Russian technoparks are seeking to expand their presence and are planning to enter the international market, for example, South IT Park, Skolkovo, and Ingria.

The chairman of the Committee for Economic Development, Industrial Policy and Trade of St. Petersburg Yevgeny Elin said in the interview. That in the global sense, if the level of innovative products rises in St. Petersburg, it means the technopark has taken place. It is important that we understand as innovation, of course, we rely on world-class products. Highly developed and hi-tech technoparks are ready to go to the next level and begin cooperation with other innovative projects. For example, Technopolis and UMA workspace, as well as HKSTP and IT Park Lok Ma Chau Loop. These technoparks are already world famous, have developed their brand and, respectively, are not afraid to lose their uniqueness and be absorbed by other technoparks. On the contrary, by developing such cooperation, they become stronger, more successful and increase their market share. It should be noted that in the course of the study it was concluded that technoparks that are not associated with state participation, attach great importance to the financial component of the strategy. For example, Technopolis. In their revised strategy said:

Long-term financial targets and dividend policy are:

Earnings Per Share growth of 8-10% per annum on an EPRA earnings basis

Return on Equity over 8% per annum on an EPRA basis

Net Asset Value per share growth of at least 5% per annum on an EPRA basis

Equity ratio over 35%

Aim to pay out an increasing annual dividend of 40-60% of EPRA-based direct result (EPRA earnings) (Technopolis 2019)

On the other hand, South IT park does not set its goals to increase business profitability. In the interview with the head of South IT-Park, he said that the IT Park receives support from the government and works on the initiative of the government. They are not trying to increase the number of sold services. Residents receive acceleration for free and use all services for free. They are trying to do is to reduce the burden on the regional development corporation JSC because they rent out to external clients their large congress hall for various events, including medical, banking, and others. That is to say, in addition to IT events, additional activities are taking place. In additional the result is a profit. However, all activities related to It field are free. Thus, the IT park develops its ecosystem. Besides Ingria, which functions with the support of the government, has one of the KPI revenue. It is fair to add that the parks want to continuously develop and offer many additional services to their residents. The results of the survey showed that technoparks receive their main income due to the rental of premises. For example, in Technopolis, revenues for rent in Technopolis are the main source. Revenues from services in 2017 accounted for 14.1% of the total income (Technopolis 2019). The similar situation is with Likeside science and technology park – the main incomes bring «Rent of tenants», the same as Ingria. Based on the results of the interviews, the rental of business halls brings an especially good income. “Only on rent we leave almost to zero (considering that now prices are significantly cheaper than the market, we can be at zero stable). We provide various additional services, such as the provision of legal address, courier services, and so on, but this is a small part of the income. The most revenue from renting a conference room is renting it, and both community members and outside companies also rent it for their events. Sometimes we organize training there and sell places to the outside. Sometimes we come to well-known speakers, and we also sell them places to the outside”, (Director of Corporate Innovation). According to the research adaptation and customization strategy is very important. It can be done on any level of growth. Moreover, such timely changes lead a company to success.

Summarizing all above mentioned were highlight major components of modern technopark model as well as strong scientific and industrial base, availability of funding, presence of entrepreneurs (startups, residents), network of relationships built on trust.

Opportunities for interaction between universities, business, government, other structures Based on the collected primary and secondary data, the key factors for the successful operation of technopark were identified. These success factors are characteristic of most technoparks which took part in the research.

1. Location of the technopark: closeness to the transport infrastructure, highly skilled workforce and other resources necessary for the development of the technopark, for example, Lakeside Science and Technology park, Technopolis, Hong Kong Science and Technology Park.
2. Access to research bases of universities or research centers that form the basis of scientific activities in a technopark, for example Technopolis, Skolkovo, and Ingria
3. Living conditions, attractiveness of the region, for example, Technopolis, Lakeside science and technology park, Skolkovo, Hong Kong science and technology park
4. Creating technoparks is a socially significant and very costly project, therefore government support becomes a success factor, especially at the creation stage. The supporting factor is the availability of funds in the economy and many investors are willing to invest in risky projects: most investors are connected at the maturity stage of a technopark that has proved its profitability and efficiency, thereby they do not play a key role in its development, for example Skolkovo, South IT Park
5. The important role of management companies in the work of technoparks explains the importance of such factors as competent management, the presence of a professional management team. All participants of the survey referred to this fact.
6. A critical factor for the development of a technopark is the interaction of the state, science and business and willingness to cooperate, interest in managing joint projects. This is the source of the synergistic effect that occurs in technoparks, which ultimately determines their success. All participants of the survey referred to this fact.

The analysis of success factors makes it possible to identify the main patterns of the formation and development strategy for the IT Hub. All these aspects should take into account when creating strategy. International experience shows that the success of technoparks is due to favorable location, access to research facilities, the attractiveness

of the region, government support, professional management, as well as personal factors. The SWOT analyses which was conducted in this study for the IT Hub allows the author to conclude that the IT Hub has all necessary features to become a successful and prosperous project, and a worthy object for investment.

9. Conclusion

In this thesis different technoparks in various continents were considered. The author came also to conclusion that technoparks represent the most effective infrastructure for supporting innovation activity. It is production of small and medium-sized innovation companies. Cultivation of entrepreneurs for innovation scientific also and technical business. Moreover, a production of innovation technologies and technology. Furthermore, economic diversification in the regions, the commercialization of intellectual property, technological transfer, the integration of education, science, production, and government in order to saturate the regional economy with innovations. Technoparks are an important element of modern innovation economy. World experience shows that the economic development of advanced countries and their individual regions has long been based on the use of technoparks for an effective form of integration of science, education and production. Considering the above mention information, a strategy and concept for the IT Hub was created. Based on data collection from the said above technoparks, the strategy was updated and corrected. The research proofed that the idea to build an ecosystem for a group of companies is very topical, especially for IT field. The creation of a private technopark is a very difficult and ambitious work. The project involves the creation of a complex that includes all types of infrastructure elements necessary for the commercialization: separate offices and open-space offices, conference rooms, meeting rooms, a co-working center, a data processing center, service companies, and so on. Considering the above-mentioned information and recommendations main direction of development were defined. It is to create a venue, which helps to rise potential group of companies, to find a right direction and highlight important things in everyday work. What is more, based on best practice of different technoparks following performance indicator were identified as well as the loading level, the usage level of the proposed services, the effectiveness of educational activity (the amount of events, participants, and partners in educational projects, the results of assessing the satisfaction of participants), the number of residents, and the effectiveness of cooperation with partners.

This research allowed to identify the key points for the development of the IT hub and benefits for residents of technopark, because the client should be the top priority. The author defined several key points as well as higher return on investment in development (lower cost, higher efficiency), compliance of infrastructure with specific needs of technology companies, maximum research activity, concentration of developers and services, and global community and direct access to experts.

Doubtless, the creation of a technopark contributes to improving the skills of the local population, living standards and socio-economic development in general. The organization of technoparks as an instrument of innovation development involves the creation of the most favorable conditions for the functioning of innovation companies and small innovation enterprises. Based on the research of this thesis, the main recommendations on the creation of a technopark are outlined and formulated considering the main success factors of technoparks:

1. The location of the technopark near or on the territory of a large economic and scientific center is considered a favorable factor. The proximity of the metropolis provides access to the necessary financial, human and other resources
2. To create a comfortable working environment, it is important to ensure compliance with environmental standards and to provide for parks and other green areas
3. The experience of the development of various technoparks allows to distinguish spontaneous and imperative ways of creation; It is preferable to use the second way, in which the initiative and the main efforts are initially aimed directly at the organization of the technopark
4. The created technoparks should establish links with successful universities, known for their achievements in the fields of science, potentially associated with innovations as natural sciences, mathematics, in order to have at least limited ability to rely on the already established scientific and technical base. Although technoparks can be developed not based on universities, nevertheless communication with them contributes to the success of technoparks, especially if they are focused not only on innovative production, but also on the production of innovations and the search for their own innovation solutions.
5. A technopark should not become a closed entity, therefore it is advisable to keep admission to the technopark free, and it should work 24/7

6. A technopark should make every effort to ensure high satisfaction of residents.
7. A technopark should constantly develop and research new directions in connection with customer needs for successful activity.

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Appendix 1

Semi-structured questionnaire

Research questions concerning the development strategy of technopark

1. How was the development strategy determined? What strategic goals were used as a basis?
2. The main purpose of technopark?
3. What are the key success factors of technopark?
4. How was technopark tariffs determined? Are competitors' tariffs considered?
5. What brings the main income? Lease or related services?
6. What can technopark offer to its residents in the future?
7. What are the main difficulties in the work?