

place in the producing department of a company, one cannot forget about assuring its proper functioning and good organization of production.

Consequently, efficient communication and cooperation are required between three main areas of a company's activity, i.e.: research and development, production and marketing.¹

The innovative activity in companies is a vast issue, which can only be dealt within different points of view and different surfaces. The purpose of the present work is to show only the most crucial aspects of this process, distinguishing its stages and identifying properties and skills useful in its realization.

In the process of innovation management a particularly important role is played by relations between the environment and company's resources since those relations enable innovations development. Because of the above-mentioned fact, this issue has been dealt with in a more detailed way. One has to bear in mind that every company which exists on the market is in mutual and constant relation with the environment. The efficiency of its actions depends fundamentally on the level of the company's adaptation to various elements of its environment as well as on cooperation and orchestration of the company's activity with those elements.

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THE INNOVATION PROCESSES AS AN ELEMENT OF ECONOMIC STRATEGY IN SMALL AND MEDIUM SIZED ENTERPRISES.

Abstract: In the present day the liberalization and globalization processes influence on the small and medium sized enterprises activity. As the result of this we can see the growth of competition among small and medium sized enterprises. The one and only way to keep alive in these difficult circumstances is a choice of suitable, effective economic strategy. The article treats about innovation processes as a one of available means to recover the level of small and medium sized enterprises competition.

Key words: Innovation process, small and medium sized enterprises, economic strategy

In the present day there are many rules and rudiments, that make base of the world's economy. Competition and fight are one of many conditions that are noticeable in every part of economic and social life. In these days the sine qua non clause to reach the success in the market is to get the better of competition.

In bibliography competition is recognized as the most important mechanism to bring on the small and medium sized enterprises development in the market. Philip Kotler says, that: " The enterprise

¹ Jasiński A., *Innowacje i transfer techniki w procesie transformacji*, Difin, Warszawa 2006.

has to permanently confront its product, its price and distribution canals with the other's products. In this way it's possible to know where it is better and where it is worse than others.¹

We can see the competitive advantage in lower price of products or a better quality of them in comparison with other products. All of small and medium sized enterprises have to pursue to get the better of others in the way of production growth and cost reduction. The task of keeping this advantage in a long time is not so easy in a global market, that's why every enterprise need a suitable strategy of competition. It means that every enterprise must has a plan of its own activity not only on the nearest time, but also on the long time too. The strategy should stipulate a different kinds of activities, it can be an offensive, aggressive moves, or easy, defensive stabilization.² Realization of these planned in the strategy tasks consists on market researches, defining chances and threats in enterprise's activity. Every organization has ruffs and weaknesses. Suitable strategy is just founded on enlarging ruffs and reducing weaknesses. It is very important to separate positives and negatives. Of course these kinds of strategies are different depending on place, time and market conditions. That's why every enterprise must has its own economic strategy, adapted to real conditions.³ The remarkable authority on economic and management sciences – M. E. Porter has separated three fundamental kinds of strategy:

- the strategy of low costs,
- the strategy of differences,
- the strategy of concentration.

The choice of the one of these three strategies makes possible to carry on the advantage on the market for a long time.⁴

The strategy of low costs consists on reducing costs connected with production and introducing new products on the market. This kind of strategy aims at reaching the advantage on the market by the costs reduction. The strategy of low costs demands incessant investments on the product facilities, and restricted economic policy on every part of production. Reduction of costs can be reached by advertisement resignation or employment's reduction. In this way finally cost will be lower, and it will make possible to reach the profits even if competitors won't be able to reach them.

Another strategy, which has been separated by M. E. Porter is the strategy of differences. This kind of strategy consists on presenting differences between our own product and remaining. It's necessary to present our own product on the foreground and show the differences between him and other products on the market. These differences consist on creating the new product, unknown till this time on the market, but it can be also higher level of service, faster distribution or new kinds of distribution. The strategy of differences demands high quality of services and products. Sometimes this kind of products becomes the best in their trades, and they're accepted as exclusive, for instant: Rolls-Royce, Ferrari in motor industry, Yves Saint Laurent, Gucci in textile industry and Zepter, Rosenthal in kitchen utensils. The strategy of differences demands high quality of products, so very often it cause the resignation of standard production.

The last type of economic strategy which was selected by M. E. Porter is the strategy of concentration. The strategy of concentration consists on concentration only on several market section, not on the whole market. This concentration can consists products, places or even particular kinds of customers. The enterprise is concentrating on particular, narrow market section, where it has advantage on remaining enterprises. This kind of strategy is connected with some risk, because there

¹ Kotler P., Marketing. Analiza, planowanie, wdrażanie i kontrola, Gebethner i Spółka, Warszawa, 1994 r., s. 206.

² Pierściołek Z., Strategie rozwoju firmy, PWN, Warszawa, 1996 r.

³ Janiuk I., Strategiczne dostosowanie polskich małych i średnich przedsiębiorstw do konkurencji europejskiej, Difin, Warszawa, 2004 r.

⁴ Porter M. E., Strategia konkurencji. Metody analizy sektorów i konkurentów, PWE, Warszawa, 1999r.

is no possibility of action in case crisis. There are many examples of small and medium sized enterprises with strategy of concentration, for instant cosmetics for people with allergy producers or baby wear producers.

Irrespective of M. E. Porter there are many opinions about economic strategy for small and medium sized enterprises in sciences of management. There is a classification which singles out four kinds of economic strategy:

- offensive strategy,
- competitive strategy,
- defensive strategy,
- conservative strategy.¹

The offensive strategy consists on using ruffs to bring up competitive position in the market. The enterprise aims to take control on market's section, to conciliate new customers and overtake other enterprises.

Another type of economic strategy is a competitive strategy. This kind of strategy consists on building the competitive advantage through the enterprise's fusion. This kind of economic strategy is often used by small, weak enterprises, that are not able to functioning alone on the global market. The target is reached here through the costs reduction and organisation's reform.

A defensive strategy consists on stabilization. Enterprise aims here to hold on to it's position on the market. There are no investments and new projects, on the forehand we can see the cost reduction in every part of company. A defensive strategy rise to shrink and bankruptcy.

The last type of presented economic strategies is a conservative strategy. This kind of economic strategy is adapted by the big, strong companies, that are interested in holding on to their strong, high position on the market. There are not any rapid changes, the fundamental principle is to hold on to status quo.

In the reality small and medium sized enterprises very often adapt different combination of this presented kinds of economic strategies. It's possible to adapt both offensive and defensive parts in different situations.²

Everyone of the presented economic strategies has one, main target – to receive competitive advantage above others. Innovations are indispensable to it.

In the present days, small and medium sized enterprises are forced to bring up the innovation projects. The innovations are very often a reaction on the changing conditions, that's why they take first, priority place in every economic strategy. Sometimes economic strategies are founded only on innovations, then we can hear about innovation strategy.³

The innovation strategy consists on long time development founded on rising into the enterprise innovations. We can talk about different kind of innovations, for instant: product innovations, personnel innovations or system innovations.

In Poland in the section of small and medium sized enterprises there is only 16 % innovative companies. In the comparison with other countries it's not a good score. In 1996 there was 68% of innovative companies in Germany, and 45% of them in Denmark and in the Netherlands.⁴ All of innovative enterprises have been realized stable R&D (Research and Development) activity. In the

¹ Janiuk I., Strategiczne dostosowanie polskich małych i średnich przedsiębiorstw do konkurencji europejskiej, Difin, Warszawa, 2004 r.

² Ibidem

³ Nowak-Far A., Globalna konkurencja. Strategiczne zarządzanie innowacjami w przedsiębiorstwach wielonarodowych, PWN, Warszawa, 2000 r.

⁴ Zwiększenie innowacyjności gospodarki w Polsce do 2006 roku, Program rządowy przyjęty przez Radę Ministrów w dniu 11 lipca 2000 r., Warszawa, lipiec 2000 r.

group of small and medium sized enterprises which are realizing R&D activity almost 95% enterprises have been put the innovation into the practice. That's why the most important in small and medium sized enterprises policy is to realize R&D activity.

We can say that innovative enterprises are placed both into the traditional and modern sections of industry. Almost 78% of oil industry is innovative, similarly chemical industry – 73%, electric industry – 63%, and medical industry – 59,5%.¹

The expenditure for R&D activity in all polish enterprises amounted to 8,1 billion zlotys in 1996, however in 1997 they reached almost 11 billion zlotys.²

In result we can say that polish enterprises in positive way react to still changing market conditions. In the present days only through the innovations is possible to hold on the position on the market. Very important in this case is effective policy of innovation. The innovation processes should be the basic of all economic strategies for small and medium sized enterprises in the world. The globalization and liberalization processes contained nowadays every part of economic and social world, and brought some changes in economic circumstances.

At a top political and economic level, globalization is the process of denationalization of markets, politics and legal systems. The consequences of this political and economic restructuring on local economies, human welfare and environment are very large.

At a business level globalization causes new markets, new possibilities, new customers but also bigger competition.

The one and only way to be alive in these complicated environment is to be innovative.

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THE PROCESS OF SETTLING THE OUTSOURCING CONTRACT

The choice of outsourcing partner

One of the main stages of outsourcing is the choice of a service provider who will take over a specified function of the company. Both the search of outsourcing partner and its choice are considered to be preliminary phase of outsourcing. Despite this, they are the key to the successful outcome of the undertaking.

When starting the search of the outsourcing partner, one ought to decide if the partner is to be treated as an accustomed service provider or strategic partner. The answer to this question determines the choice of the form of cooperation, furthermore it affects the manner of negotiating.

¹ Ibidem

² Ibidem