EMERGENCE, DEVELOPMENT AND SUSTAINABILITY OF INNOVATIVE ENTERPRISES

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Abstract: Currently, innovations introduced in companies that are exposed to a complex business environment are a hot topic of discussion. Their growth and sustainability are intrinsically linked to innovation processes. In order for enterprises to move forward, this very issue with its emphasis on strategic sustainability in such enterprises represents, in our view, a research gap that needs to be continuously explored in greater depth. In the present paper, we focus on Slovak enterprises that are based on the development of new products in Slovakia and which are also part of a stagnant innovation environment. Attention is drawn to selected aspects influencing innovation in enterprises, which should be perceived by companies not as a burden, but as an intrinsic need for their further development and their sustainability in the long term.

Keywords: innovation, innovative enterprise, growth strategy, strategic sustainability.

Introduction

Innovation is a key tool for Slovak companies to achieve competitive advantage, diversify the economy and develop sustainably in a period of rapid technological change. Enterprises that introduce innovations should be unique (not just adopted from other countries) so that the future position of Slovak producers and suppliers in the value chain remains competitive and sustainable at European level. Innovation should be perceived as a strategic priority for enterprises that can help strengthen their innovation potential and competitiveness in the market. Slovakia is a country that has the prerequisites to become a strong innovator if it invests finance in research, development and innovation, in retaining and attracting talent, and, moreover, it will reward those who will perform well and will pull Slovakia up to a higher rung of innovators in the 21st century, not only at European level, but also at global level in the coming period.

1 Theoretical approaches to innovation

Innovation is becoming an increasingly important determinant of business success in the era of globalization and digitalization. Renewing the economic catching-up of EU countries requires a transition to a new economic model based on innovation. This transition requires improving the business environment by reducing red tape, digitizing public administration and improving law enforcement. Continued reforms of the education system, research funding and organization, as well as increased R&D spending are essential (Národná banka Slovenska, 2022).

The Research and Innovation Strategy for Smart Specialization of the Slovak Republic 2021-2027 also refers to a system of policies and measures in the field of research, innovation and human resources that will support the stimulation of the structural change of the Slovak economy towards growth based on increasing research and innovation capacity and excellence in the segments with the highest competitive ability (Ministerstvo investícií, regionálneho rozvoja a informatizácie Slovenskej Republiky, 2021).

In 2022, globally, four of the five companies with the largest R&D expenditures were located in the Americas. These are companies such as Amazon ($42.7 billion), Alphabet ($27.6 billion), Microsoft ($19.3 billion) and Apple ($18.8 billion).

Innovation makes businesses grow, become more efficient, more competitive and enables them to create new markets. The Europe 2020 strategy also saw innovation as a driver of our future growth. Particularly in the current dynamic period, the need for innovation is even greater, as highlighted by the current pandemic, during which businesses have been forced to react quickly and flexibly to changes in the market. Despite the fact that more and more entrepreneurs are becoming aware of the importance of innovation, small and medium-sized enterprises are often left in the wake of larger, often multinational, companies when it comes to implementing innovation. Slovakia is Europe's innovation laggard and will not progress without innovation. In 2022, it ranked 46th in the list of the 50 most innovative countries in the world. Russia and Vietnam were given the same ranking as Slovakia. There are only two countries in this top 50 ranking that invest less in innovation than Slovakia, namely Romania and Chile (Národná banka Slovenska, 2022), which we view negatively.

The main source of economic underdevelopment of the Slovak Republic is low productivity caused by a low share of value added in total output due to a low level of product or technological innovation, as well as the declining quality of human capital. Employers also point to the declining quality of secondary and university graduates (Ministerstvo investícií, regionálneho rozvoja a informatizácie Slovenskej Republiky, 2021).

Insufficient investment in education and research and insufficient development of the capital market are two factors that indicate that it is crucial for Slovakia to invest in quality education, science and research and at the same time develop its capital market. Without these innovations and measures, the country could stagnate in the middle-income trap and fail to achieve sustained economic growth (Ižip, 2023).

The need to introduce innovations is therefore inevitable for Slovak SMEs in terms of adaptation. According to the European Commission's assessment, skills and innovation are one of the areas in which Slovak SMEs lag furthest behind (SBA, 2020; European Commission, 2009). Their economic prosperity is a dynamic process and requires a dynamic solution.

As a strategic issue, innovation in the enterprise is an important source of competitiveness and its essence is based on the creation, adoption and implementation of new ideas, processes, products or services (Adamcová, 2020). They contribute to the efficiency of overall work, to reducing costs in the enterprise or to saving money and provide enterprises with higher growth, increase efficiency, competitiveness and enable enterprises to create new markets. In spite of these unquestionable aspects, Slovakia has long ranked among the EU's below-average countries in terms of innovation uptake. All European countries, with the exception of Romania, are in a better economic situation than Slovakia. This situation is causing an outflow of foreign investment and skilled people from Slovakia to other countries. An example for Slovakia is Switzerland, which has become the most innovative country in the world for the twelfth time in a row, followed by the United States and Sweden.

Innovations have the unique ability to turn less into more. New technologies increase the efficiency of various activities, thus contributing to faster production processes and improved quality of the resulting products. Innovation opens the door to new markets and opportunities for Slovak companies. Slovak companies that develop innovative solutions in the field of renewable energy can become leaders in this growing sector and contribute to the sustainable growth of Slovakia.

Despite the fact that Slovakia is already supporting innovative enterprises and striving to create an innovation-friendly environment, the innovation performance of Slovakia still lags behind other (mainly Nordic and Western) EU countries, which can be ranked among the global innovation leaders.

In 2020, the EU Member States were divided into 4 groups of countries – innovation leaders (Denmark, Finland, the Netherlands and Sweden), strong innovators (Austria, Belgium, Estonia, France, Germany, Ireland, Luxembourg and the UK), average innovators (Croatia, Cyprus, the Czech Republic, Greece, Hungary, Italy, Latvia, Lithuania, Malta, Poland, Portugal, Slovakia, Slovenia and Spain), moderate innovators (Bulgaria and Romania). It is clear that Slovakia is not performing above average in innovation performance. It was only among the average innovators like the Czech Republic, Hungary, Poland, etc. (SBAdmin, 2023).

Innovative businesses (especially SMEs) need to develop continuously to be sustainable in the long term and to ensure their success in the marketplace in the face of complexity and turbulence. They need to clearly define their uniqueness and sustainable competitive advantage, which becomes the core of their business strategy. Improving business performance requires successful innovation and invention.

An invention is an idea, an invention, a new technical solution, a tangible output of scientific research, but only some inventions become innovations (Csank, Jovanovič & Vozáb, 2016).

The innovation process draws on recent trends such as the role of global value chains; the emergence of new information technologies and the way they influence new business models; the growing importance of knowledge capital; and advances in understanding innovation processes and their impact on the economy (OECD, 2018).

We have few innovative companies in Slovakia. These are new technologies-based firms (NTBFs) with high innovation and a regular stream of small innovations for which technology is dominant. Similarly, scale-ups, i.e., former start-ups that have been in existence or in business for at least 3 years, have a reason and a premise for rapid growth, or are in a phase of rapid growth, or have gone through a period of rapid and significant upswing, have a technology base, are unusual, innovative, but have a realistic business idea, and are bringing highly sophisticated innovative products and services to the marketplace. Promoting the introduction of technological innovation is a tool for companies to recover from the crisis, increase labor productivity and the quality of production, and bring about sustainable economic growth.

Innovation can open the door to creating new markets and opportunities for Slovak companies that develop innovative solutions. By developing them, they can become leaders in the sector and thus ensure Slovakia's strategic sustainability.

These enterprises take on an important macroeconomic role, are agents of socio-economic progress, contribute to sustainable economic growth, are creators of skilled jobs, and develop the market by establishing new industries. Enterprises with a regular stream of small innovations are also value creators for the national economy.

Four types of innovation were used in the last Oslo Manual – product, process, organization and marketing innovation. In the current period, the Oslo Manual distinguishes two types of innovation - product innovation and business process innovation. It defines innovation as a new or improved product or process (or combination thereof) that is significantly different from previous products or processes and has been made available to potential users (product innovation) or has been put into use by the entity (process innovation). Anything that develops innovations – enterprises, households or associations – is considered to be a unit (OECD, 2018).

In addition to product and process innovation, marketing and organizational innovation are also defined. Marketing innovation is defined as the implementation of a new marketing method involving significant changes in product design or packaging, product positioning, promotion or product pricing (OECD/Eurostat, 2005). Organizational innovation is the implementation of a new way of organizing a company's business practices, workplace organization or external relations. It focuses on changes in the workplace to increase productivity, but also to increase workplace satisfaction, reduce administrative or transaction costs (OECD/Eurostat, 2005). Organizational innovation in the enterprise includes new business practices (new ways of managing the supply chain, quality management), new methods of organizing human resources (training, centralization, decentralization) and new methods of organizing external relations with enterprises and other institutions (Český statistický úřad, 2016).

Design is also coming to the fore, playing a key role in the development and implementation of innovations. Although a definition of design has not yet been established, according to the "Frascati Manual", design can be described as a potential multifaceted innovation activity focusing on planning and design processes, technical specifications and other user and functional characteristics for new products and processes (OECD Publishing, 2015). Eurostat defines eco-innovation. It is any form of innovation aimed at making significant and demonstrable progress towards the Sustainable Development Goal. This can be achieved either by reducing the environmental impact or by achieving a more efficient and responsible use of resources (European Commission, 2022).

In recent years, according to the Slovak Business Agency (SBA), various surveys have shown a downward trend in the share of innovating SMEs in the total number of SMEs, indicating that the interest in innovation among Slovak SMEs is not growing, but in spite of this, more than 94% of entrepreneurs consider it necessary to innovate, and at the same time, more than half of innovating enterprises (53.8%) stated that they innovate on a regular basis (Adamcová, 2020).
According to data from the SBA, more than half of innovative companies are engaged in innovation of products, services, as well as processes and marketing. The main sources of innovation incentives for businesses are external factors, but they also receive incentives from their owners or managers. Less frequently, innovation ideas emerge from employees, or innovation is carried out spontaneously. Enterprises active in innovation, in many cases rely on their own resources, sometimes collaborating with private enterprises.

Innovation processes in companies do not need to be managed in isolation, as external partnerships also play an important role and can be beneficial (Dahlander & Gann, 2010; Love, Roper & Vahter, 2013; Bouncken, Fredrich & Gudergan, 2022; Hutter, Gfrerer & Lindner, 2020). The development of innovative enterprises can improve the standard of living of the Slovak population.

High demands are placed on managers and they are forced to reflect with other employees on how to innovate processes to make them sustainable at regional to local level, to create an innovation system to increase the skills of start-up entrepreneurs in the areas of new technologies, innovative products, services, processes or social innovation. Innovation is a priority for every business, affecting their future, whether from the perspective of owners or employees. Every enterprise has a certain potential of innovation capacity, which can be achieved by a coherent package of strategies, creative employees and many innovation projects, innovative ways of inspiration, training, but also by supporting start-ups in their region. Exploring the reasons for the low proportion of businesses innovating, the SBA's May-June 2020 survey found that entrepreneurs considered lack of finance (71.5%), lack of adequate government/EU support (38.2%), and lack of skilled labor (25.7%) to be the biggest barriers to innovation adoption. In the context of the COVID-19 pandemic, up to 50.0% of respondents reported that they had to cancel or postpone planned innovation activities (Adamcová, 2020).

Innovative businesses should also rely on a sustainable business strategy, which is the overarching, main strategy of the business. This strategy is based on the principles of the concept of sustainable development. The corporate social responsibility

strategy should also be seen as an integral part of the corporate strategy, i.e., the sustainable development strategy, which is followed by sustainable business unit strategies and then sustainable functional strategies (Hrdinová et al., 2011). A key feature of strategy is the provision of value over and above normal conduct (Zimmermann, 2011) and addressing the issue of how the enterprise will compete in its business or in one of its market segments. The point of business strategy is to gain a competitive advantage over rivals (Slávik, 2013).

Current studies identify sustainable competitive advantage as a major option for business growth and viability. The task of the management of a company is to develop a strategy for its business in such a way that it gains a competitive advantage and is able to transfer innovation and continuous further development. Based on the information obtained in the research on innovative enterprises, we can conclude that 5 factors from the business environment are important in their emergence and sustainability through competitive advantage. They are:

1. Innovation – it is the ability to innovate; it is a key factor in creating a sustainable competitive advantage; businesses exposed to a turbulent business environment are able to continuously develop new products, processes or services and thus tend to be more successful in the marketplace.
2. Investment – refers not only to the streamlining and improvement of processes, but also to modernization, technology and the development of human resources, which become a strong manifestation of the competitive advantages of innovative enterprises; they improve the efficiency and quality of production; innovative enterprises offer lower prices for their products and services compared to their competitors.
3. Human resources – only highly skilled and motivated employees are an invaluable source of competitive advantage; businesses that care about their employees and invest in their development tend to perform better; the human resource factor affects the prosperity of the business.
4. Natural resources (wealth) – in some sectors, natural resources have a major impact on competitive advantage; their efficient use can help businesses achieve a sustainable competitive advantage.
5. Financial resources – financial stability and the availability of financial resources contribute to a company's competitive advantage; companies with easier access to finance often have greater flexibility to invest and grow, which is also evident in their growth strategies.

After the exhaustion of the driving forces, which are production factors (natural and human resources), then investment in Slovakia, especially foreign investment, innovation should be the main force of the country's economic growth at present and in the near future. The whole process of innovation should end with the accumulation of wealth in Slovakia.

The path to competitive advantage, along with the scale of activities, is complex and the enterprise seeks to gain it through three basic strategies. These are cost leadership strategy, differentiation strategy and specialization strategy (Porter, 1994).

Sustainability, however, requires a drastic rethinking and renewal of existing activities, competencies, corporate culture and stakeholder relationships (Bertassini et al., 2021; Gandolfo & Lupi, 2021; Hofmann & Jaeger-Erben, 2020; Kaipainen, Aarikka-Stenroos & Ranta, 2020). Becoming sustainable involves a continuous process of organizational innovation and cross-cutting development (Fowler & Hope, 2007) that is aligned with the economic, environmental and social needs of current and future generations. The prerequisites for corporate sustainability and the journey from idea (invention) through overcoming vulnerabilities to success depend on a well-chosen business strategy.

The concept of strategy often emphasizes how the entrepreneur seeks to achieve a goal and therefore uses a process approach to strategy (Von Gelderen, Frese & Thurik, 2000). The fact is that strategic development for sustainability is a complex process and fundamentally changes the way established businesses do business (Engert, Rauter & Baumgartner, 2016; Gandolfo & Lupi, 2021; Keijzers, 2002). It is strategic development called strategic renewal (Agarwal & Helfat, 2009). Sustainability and circularity change the business logic of incumbent enterprises and require these enterprises to reshape existing business models (Frishammar & Parida, 2019; Gandolfo & Lupi, 2021; Ranta, Keränen & Aarikka-Stenroos, 2020; Rovanto & Bask, 2020).

Renewal for sustainability has been found to require incumbents to improve their business model and value creation (Hofmann & Jaeger-Erben, 2020; Ranta, Keränen & Aarikka-Stenroos, 2020), business and core operations (Albino, Balice & Dangelico, 2009; Shrivastava & Scott, 1992), as well as stakeholder relationships, networks and entrepreneurial ecosystems (Aarikka-Stenroos, Ritala & Thomas, 2021; Kaipainen, Aarikka-Stenroos & Ranta, 2020).

Innovative businesses are a trend, even a megatrend, because they can reach the elite at record speed and build a strong competitive advantage, but even a temporarily created organization, a cluster, used to find a repeatable and scalable business model (Hassin, 2015) is a prerequisite for a viable and sustainable innovative enterprise. Some authors state that from an innovation perspective, the collaboration of large enterprises with start-ups makes them more productive (Park et al., 2022).

It is clear from many research studies that the development of a sustainability strategy is a key practice in successfully updating established business models (Santa-Maria, Vermeulen & Baumgartner, 2021). Business model innovation can include new ways for a company to create value and new fixed offerings (e.g. product or service innovation), new ways for customers to view a company's offerings (position innovation), changes in how a company evaluates its activities (paradigm innovation) and operations (process innovation). Thus, an innovative business model is a new integrated logic for creating and capturing value that may involve a new combination of new and old products or services, market position, processes, and other types of changes (Frankenberger et al., 2013). Much research has not considered how incumbent businesses should renew (innovate) their business strategies to support sustainability. It is about renewing business strategies to support sustainability in line with their changing business models.

Businesses often seek to innovate their processes, products and services in order to achieve revenue growth or to maintain or improve profit margins. Innovation of business processes, products and services is mostly expensive and time consuming. They require significant initial investment in research and development, the purchase of specialized resources, the construction of new plants and equipment or the creation of new business units. However, the return on such investments is uncertain. For this reason, more and more enterprises are looking at innovation of their business model as a lower cost, lower risk alternative or as a complement to process, product and service innovation.

The ability to frequently and successfully innovate the business model can help a business to increase its resilience to changes in the external environment and represents a sustainable competitive advantage (Mitchell & Coles, 2003). An innovative and sustainable business model refers to how a business creates, delivers and captures value, because businesses are human institutions designed to create a new product or service under extremely uncertain conditions (Ries, 2015), which must now also respond to a global environment marked by either pandemics or invasions. The COVID-19 pandemic has most often delayed innovation activities in innovating companies, but it has also created space for a quarter of companies to prepare new innovation activities and has not affected innovation activity in more than 20% of companies.

According to the SBA, enterprises engaged in innovative activities consider the biggest barriers to be those related to the financing of innovative activities and the lack of support from the state/EU. Other barriers appear to be barriers in the personnel area, in cooperation with suppliers and customers, barriers in the area of know-how, competition, or support from the state and the EU are also barriers. Both innovating and non-innovating enterprises would welcome, in order to increase innovation activity in the enterprise, increased awareness of existing forms of state/EU support for innovation, as well as more effective support for innovative enterprises and the organization of more professional events in order to increase the qualification of employees.

Innovative enterprises would also step-up cooperation with research institutions and improve access to the innovation cluster/hub.

Non-innovating enterprises see the biggest innovation barriers in the area of financing innovation activities, but also in the lack of skilled workforce, lack of knowledge/information about innovation activities.

Given the above facts, we conclude that innovation is the key to solving or addressing social and environmental problems, businesses are increasingly embracing the development of sustainable innovations to create shared social and business value (Du, Bstieler & Yalcinkaya, 2022). Innovation achieves the long-term growth and success of a business in a changing business environment (Day & Schoemaker, 2016). Therefore, innovative businesses will need to develop new strategy concepts (Hart, 1995) and ensure their sustainability (DAngelo, V., & Magnusson, 2021; Denicolai, Zucchella & Magnani, 2021).

Strategic sustainability has gained importance and has become a key issue in business strategies (Engert, Rauter & Baumgartner, 2016; Martin & Rice, 2010). It is therefore important to examine the strategic renewal process of established businesses aimed at achieving strategic sustainability. Emerging innovative enterprises are able to achieve strategic sustainability through key success factors (Saura, Palos-Sanchez & Grilo, 2019; Ceaușu et al., 2017) which are prerequisites for a sustainable enterprise (Ghezzi, 2020; Shepherd & Gruber, 2020; Bortolini et al., 2018; Schwaninger & Scheef, 2016) being viable and sustainable in the long term (Etim, 2020).

Some experts explain that the impact of innovation moves the enterprise forward and in this logic, they openly talk about the positive impacts of innovation strategies that present specific challenges for the enterprise (Dahlander, O'Mahony & Gann, 2014). To be successful and strategically sustainable, innovative enterprises need to have a good business model, an appropriate business strategy and to continuously innovate their processes.

The process of integrating sustainability into business strategy varies from company to company, and is particularly challenging in established companies that are trying to reinvent their business models to achieve sustainability and circularity (Frishammar & Parida, 2019; Rovanto & Bask, 2020; Kaipainen, Aarikka-Stenroos & Ranta, 2020). However, given the difficulty and gradual implementation of strategic renewal, incumbents are often criticized for being slow to act or for deliberately hindering the diffusion of sustainable innovations in order to maintain their strategic position (Smink, Hekkert & Negro, 2015).

We note that innovative enterprises create value for the enterprise through new ideas, concepts and more efficient ways of bringing success, whether in finding an innovative product/service or in a cluster of smaller innovations.

Also, in the National Strategy for Research, Development and Innovation 2030, the aim is to move Slovakia up ten places in the innovation performance ranking, to increase investment in R&D to 2% of GDP, including 1.2% from private sources, and to attract 25,000 highly qualified people from abroad (Výskumná a inovačná autorita, 2023).

In order for businesses to move forward, this issue, with its emphasis on the strategic sustainability of innovative businesses, represents, in our view, a research gap that needs to be continuously explored in greater depth.

2 Aim and methods

The aim of this paper is to evaluate product/service excellence and identify evidence of product/service excellence in a sample of innovative Slovak enterprises based on the development of new products and services in a complex business environment, and to highlight the enterprise's growth behavior and motivations for growth in the internal business environment. The study sample consisted of SMEs that are part of a stagnant innovation environment. In the studied sample, we highlight selected factors influencing their growth strategies that have been able to defy the environment and tend to offer innovative or more developed services and products.

The object of the study was a sample of 146 small and medium-sized enterprises operating in a domestic environment. The enterprises were poised for rapid growth or were in a phase of rapid growth or had passed through a period of rapid and significant upswing and were currently growing only slowly. These are enterprises with a legal form of business and have carried out business activities in any sector. The study sample of 146 enterprises was obtained through a questionnaire survey and guided interviews with managers in Slovak enterprises in 2022. The questionnaires were processed and evaluated through mathematical and statistical methods in Excel.

3 Research results

The results from the research conducted through descriptive statistics only highlight selected aspects that influence growth strategies in companies.

A scale of 1 to 4 (1-local level, 2-regional level, 3-central European level and 4-European level) was used to assess the product/service excellence of the sample of 146 enterprises surveyed. The local level with completely ordinary products was reached by 85 enterprises, representing 58.20% of the total. This may indicate that the product does not have distinctive parameters that differentiate it from common products on the market. Regional to national excellence was recorded by 44 enterprises (30.13%). This level represents a substantial proportion of businesses that perceive the product or service in terms of regional or national uniqueness, indicating that there are certain characteristics of the product or service that are unique within the area or country. Only 15 enterprises (10.27%) rate the product at the Central European level and consider it attractive even in the near abroad. We note that the product has certain features or benefits that are attractive to customers outside the local area or country. A small number of enterprises (2/1.36%) perceive the product as a European excellence, attractive also to customers in more distant parts of the country. This group of enterprises may be the result of the product having special features or quality that can establish itself in the international market. When evaluating the uniqueness of a product/service, most respondents perceive the product as local and quite ordinary, but there is also interest in products/services at regional, national and even Central European level. It is important to investigate what specific factors or characteristics are important to these businesses when evaluating the excellence of a product or service and whether there are areas where the product or service could become even more attractive.

We scaled the evidence of product/service excellence into absolute evidence and relative/comparative evidence. We found the former in 75 enterprises and the latter in 71 enterprises. Absolute evidence is a key success factor for the sustainability of enterprises. These are customer satisfaction and loyalty, which indicate that a product or service is meeting their expectations.

Recorded profit and revenue growth are important economic indicators for the sustainability and success of businesses. From the research conducted, continuous investment in innovation appears to be a key factor, which is also important for the long-term growth, success and sustainability of businesses. These investments can provide a competitive advantage that becomes core to their business strategy and keep the product or service at the forefront of the industry. Goodwill has a good reputation and a positive perception in the marketplace.

Relative/comparative evidence included awards from competitions, certificates, diplomas, reviews, recommendations from external institutions that can confirm the excellence of the product or service. Customer reviews and recommendations are also a strong indicator of quality. Comparison of the product/service with competitors is an important picture of the product or service in comparison with competitors. They also identify their strengths. Few competitors experience less competitive pressure and more opportunity to gain market share. However, it is important to monitor new entrants in the market and secure a sustainable advantage.

Overall, these are strong indicators suggesting that the products and services in the sample of businesses surveyed are competitive and useful to the end consumer. These aspects need to be continuously examined and the business needs to adapt based on the feedback.

The research results also present externally measurable manifestations of growth. Each of these factors has its own contribution to the growth behavior of a business. These are selected aspects – sales, capacity, new customers, profit, employees, product mix, position, acquisition, investment and others. Sales were recorded in 65 enterprises/44.5%, capacity in 36 enterprises/24.6% which can be an important factor to ensure sufficient ability to meet the growing demand from customers, new customers recorded in 12 enterprises/8.2% can contribute to market expansion and risk diversification. Profitability is an important indicator of the success of a business from an economic point of view. Profit growth may be the result of effective cost management, improved efficiency or innovation. Profit was recorded by 11 enterprises/7.5% of the total number of enterprises surveyed. The need for a larger workforce to support the expansion of the business was noted by employees in 6 enterprises/4.1% and the same number of enterprises 6/4.1% also noted product mix also impacted on the growth strategy of the enterprises. Growth in the number of employees may be a result of need, and growth in product range may mean an expansion of products or services, which may attract new customers. A low number of 2/1.37% of businesses were noted in consolidating their market positions which impacted on their competitiveness. Acquisitions are a strategic step for the growth strategies of businesses. These were recorded in only 1 enterprise/0.6%. Also, only 1 enterprise/0.6% stated that investment is important for future growth and development. The right investments can promote innovation, efficiency and competitiveness. External measurable manifestations of growth were resisted and not identified by 6 enterprises/4.1%, which we do not rate positively.

In a research sample of 146 businesses, we analyzed the various motivations that led to growth in the business. We categorized the data collected from a representative sample of 146 enterprises into several key aspects of motivation.

Misstatement proved to be the most common motivation for growth in 49 companies, accounting for 33.5%. This category included errors or misunderstandings in the growth strategy, which businesses revise or use as a parameter for strategy improvement.

Profit was an important factor motivating growth, which was recorded in 34 companies/23.3%. Profit-motivated enterprises surveyed often looked for opportunities to increase their profit margins and ensure financial sustainability.

51 companies/34.9% underline that ambitions regarding market position and brand recognition are another important motivation for growth. They underline their desire to achieve an industry-leading position, strengthen their brand and fulfil their ambitions.
Demand, although less pronounced, is a motivator for 8 businesses/5.5%. Businesses that are motivated by demand are likely to be market-driven and seek to grow in response to increased demand for their products or services.

Environmental sustainability and environmental friendliness are motivators for growth in 3 cases/2.1%. Businesses are looking for environmentally responsible growth opportunities and want to continuously contribute to their sustainable development from a strategic perspective.
Sales turn out to be the least significant motivation in the sample studied. It is only 1 enterprise, which amounts to 0%. It is possible that these enterprises consider other factors more important for their growth than profit or market position.

The results suggest that firms are motivated by a variety of factors and their growth decisions are influenced by a combination of internal factors and external conditions.

The growth strategies of the enterprises studied were also influenced by material and personnel resources, as well as their competencies. Human resources and their competencies included the skills and abilities of the employees, which were recorded by 80 enterprises, amounting to 54.8%. Machinery and equipment, premises and other physical facilities necessary for their growth were recorded by 23 enterprises, accounting for 15.7%; financial capital (investments, loans, self-financing) was recorded by 18 enterprises surveyed out of the total, accounting for 12.3%. Material necessary for production or service provision was necessary for growth processes in 8 enterprises, representing 5.5%. 4 enterprises/2.7% included factors such as managerial skills, working environment, efforts to minimize costs and other aspects related to their development. 13 enterprises, representing 8.9%, did not identify material and personnel conditions for their growth.

4 Discussion

The results from the research conducted provide insights into the determinants of growth strategies within a sample of 146 companies. Attention was focused on assessing product excellence, identifying motivations for growth, and externally measurable indicators of success. In the area of product uniqueness evaluation, we observed that the majority of enterprises (58.20%) perceive their products to be locally differentiated, while only a small proportion (1.36%) perceive them to be of European uniqueness. An important finding is that evidence of absolute excellence in 75 enterprises and relative/comparative excellence in 71 enterprises emerge as key success factors for enterprises. Customer satisfaction, loyalty and profit growth are indicators that are indicative of the sustainability of the business in the long run. Investment in innovation is seen as another key factor that can provide a competitive advantage and keep the product/service at the forefront of the industry. Considering the motivations for growth, we have identified various factors. Incorrect strategizing, profit-seeking and ambition for market position were among the most common motivations. These findings highlight the need for dynamic and adaptive growth strategies that reflect the complex influences of the business environment in a web of complexity and turbulence. Externally measurable manifestations of growth, such as sales, capacity, new customers and profit, reveal multiple facets of success. Most businesses identify sales (44.5%) and capacity (24.6%) as key drivers of growth. This suggests that ensuring sufficient capacity and increasing sales are priorities for many businesses in the sample. Human and material resources point to a major influence on growth strategies. Employee capabilities and skills, along with material equipment, finance were identified as critical factors for promoting growth. This highlights the need for effective human

resource management and optimal use of available material resources.

The focus on innovation and their growth strategies should be seen by businesses not as a burden, but as an intrinsic need for their further development.

5 Conclusion

In a complex business environment characterized by a high degree of openness, companies are forced to innovate, not only from the perspective of competitiveness, but also for their existence. Slovak enterprises often innovate on their own and are aware of the importance of innovation, with the main drivers being not only internal but also external influences. However, innovation is very risky and very costly, and its outcome is uncertain. For this reason, the sustainable development of innovative enterprises requires a steady flow and overproduction of creative ideas (invention and innovation). The research conducted on the determinants of growth strategies in a sample of 146 enterprises reveals important factors that influence the success of enterprises.

It is obvious that the favorable results of enterprises are conditioned by quality ideas/inventions; quality implementation of the invention - innovation; quality and successful commercialization of the innovation, when the innovative idea or concept becomes a real product or service and will have value for customers, bring profit to the enterprise or expand market share; quality repetition of the whole process at an ever higher level, as the process spirals upwards. In spite of the above, the whole process, or the result of the process, in spite of the best efforts and the highest quality, is never absolutely perfect or world-beating, and therefore needs to be continuously examined.

In conclusion, we believe that an innovative environment integrated into the international context will give us the courage to face the toughest challenges of the 21st century and Slovakia will rank among the strong innovators.

Literature:

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Primary Paper Section: A

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