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THE RELATIONSHIP BETWEEN STRATEGIC INNOVATION AND KEY COMPETENCIES IN A DYNAMIC COMPETITIVE ENVIRONMENT

The focus is placed on the leading issue in mesoeconomics: strategic innovation and the competitive mobility of business. The strategic innovations of companies are analyzed systematically in terms of the creation and distribution of value (worth) that is different from other market values, while key competencies are discussed as "special junctions" of routines and technologies without which it is impossible to diversify the potential markets. The necessity for the objective contradiction between competencies and markets to be continually overcome through strategic decisions and how the key competency for competitive cooperation (Co-opetition) becomes a strategic necessity in the dynamic conditions of the Fourth Industrial Revolution are justified. The analysis of the joint creation of new value factors with the help of clusters and other strategic alliances is carried out based on the following criteria: the minimization of possible costs and the maximization of possible sources for gaining added value; balancing the potential risks of interaction in the value network related to the contribution of each company towards achieving the common goal.

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There are various interpretations of the notion of strategic innovation in the literature. From the point of view of the issue of "dynamic competitive environment – business efficiency", this concept is increasingly becoming more and more related to the creation and distribution of value (worth).[1]

Nature and scope of strategic innovation

Until recently, innovation was seen primarily as a method of transforming scientific research into commodities with market success. However, not all creative and research activities lead to innovation, as well as not all innovation is based on scientific research. Research, of course, is an important source of innovation, and it is a basis for almost all radical technologies and technical resources. It is an important part of a series of long-term competitive strategies, which are aimed at upgrading the flow of products to the market and at creating new markets.

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[1] In the text below, instead of the synonymous use of the terms "value" and "worth", we will only focus on the "value" aspect, which further requires that when thinking of the theses, one should ask oneself the questions "to whom" and "regarding what" the "thing" represents value or worth. For a more detailed discussion, see Georgiev, 2017.

However, as a major systemic factor for long-term competitive advantage, enterprise development and profits, innovation consists of many parts: idea management; a creative approach to solving problems; technological innovations involving new research; products and services created as a result of the application of technologies that trigger the emergence and development of new markets; marketing and logistics technologies and sales technologies; organizational and management methods. All of these components are important, but in a dynamic environment if one works on each of them separately and not from the point of view of the end-result, one will be faced with difficulties in achieving competitiveness and efficiency for the company. In the era of the Fourth Industrial Revolution, the concept of innovation is not a linear model that starts with scientific research and gradually becomes a commodity. We are witnessing how the share and role of intangible assets is growing. Their main features are: they are most often *scalable* (the knowledge they are built on can be used many times over), they often represent *unrecoverable costs*, they generate a *spillover effect* (they are relatively easy to use by other companies), and they tend to be *synergic* (ideas, used in intangible assets, especially in technology, combine well with other ideas) (Haskel, Westlake, 2018).

A development-driven enterprise can collect information from a variety of sources, including the creation of its competitive advantage through continuous training – individual and collective – that is inherently interwoven with the behavior.

As a *systemic factor for achieving competitive advantages* in the long run, nowadays it is logical for strategic innovation to be seen as a complex dynamic interaction between people, organizations and the environment, directly aimed at enhancing and developing companies' competitive ability as a specific ability that precedes obtaining the final result, i.e. as an "absolute force", which encompasses:

- Knowing and focusing on the specific needs of the clients;
- A well-selected range of new and improved products;
- Scale in innovation and research market access (research, trademarks, intellectual property);
- Maintaining a good ratio between the growth rate of the income and the growth rate of the volume of resources (investments).

In other words, it is important for the company's long-term performance to be understood as a utilization of its competitiveness, which is to be regarded as a *dynamic position (potential)* developed by differentiation, cost leadership and good reputation, thus ensuring purposeful and successful actions aimed at future value. These key tools are crucial to strategic innovation, as they can provide a ratio between relative prices and relative costs which is favorable to the company: higher relative prices perceived by consumers or relatively lower costs (most often a favorable ratio between the two parameters) compared to those of competitors in the network (Porter, 2016).

Of course, the company could stabilize its current effectiveness by lowering the cost price of its products based on cost-effective analysis, it could improve its cash flow by decreasing its debit obligations, etc., but such operational improvements

should not be included in the scope of strategic innovation. They can expand the spectrum of behavioral actions and thus help to increase current performance, but this usually does not provide the consumer with additional choice and does not affect the conditions for achieving a "cumulative" effect of the decisions in the current situation, nor in the medium and long term. In such cases, the indirect control over long-term effectiveness remains with the competitors.

Strategic innovation as a systemic factor and competitiveness as a dynamic position require a specific way of *strategic competitive thinking*. When the management attempts to create and maintain a distinct relative advantage over a dangerous competitor, it does so in a way different from the way (the format) of thinking that is necessary to make a change oriented towards a long-term sustainable competitive advantage. Successful managers and teams must first strive to be aware of the prospects of industry evolution, and they have to be able to find ideas and solutions for concentrating resources and efforts in specific areas where the company could achieve significant strategic superiority over its rivals. Such ideas could also include the development of markets in areas not occupied by competitors.

The value orientation in strategic competitive thinking guarantees the transition from the initial assessment of the potential energy (position) for development to the further development of the circumstances after the development process begins and starts to be implemented. Therefore, as a way of managerial thinking, it is not a single-use tool, but a mechanism in which strategy and cycle planning and controlling must be integrated.

It is not a matter of applying complex accounting techniques as a means to obtain accurate monetarily assessed value-related results – the measurement of real value is one thing, and the actions and dependencies used in target setting, indexing, and analyzing overtaking indicators, communication with consumers and investors and valuation of capital investments are a different thing. Not the absolute significance of the magnitude of the value, but rather the very process of value creation is important in order for the company to have the specific ability to compete before the outcome has been achieved. Moreover, there are numerous opportunities for using heuristic methods in research and for experts to extract structural information in modern IT technologies.

Therefore, the *first thesis* stemming from the arguments discussed thus far is that, *when working with strategic innovations, the appropriate scope of the innovations to be covered is that of those which allow the company to have the ability to maintain uniqueness in the long run in terms of value added and regarding the processes of the value chain, and as a result of that* – to maintain a higher efficiency than the average for the industry or that of its rivals. Competitiveness is the mechanism for the achievement of this uniqueness. The very strategy lies in the skill of choosing and involving such innovations at the beginning of the process, which are within the scope of the key factors (actions) that create new value.

Based on these arguments, the following classification and scope of the strategic innovation groups is suggested (Table 1):

Table 1

Group scope	Market interaction centers (MIC)	Specific examples of innovations
a. Creating or adopting radical technologies, replacing old ways of production in order to overcome the challenges faced by the society and consumers	*Principally new technologies and possible consumers*	1. Technologies for the production of new materials (e.g. graphene), which are efficient conductors of heat and energy 2. The "angioplasty" procedures in medicine to treat patients with cardiovascular disease without surgical procedures
b. Creating or retrieving worthwhile proposals with better usage characteristics, based on a higher degree of processing	*Products and services*	1. Technology for trading securities on the Internet that has created new opportunities for discount brokerage houses 2. Programming applications for distance learning in different modifications depending on the situations of usage
c. Creating and utilizing opportunities for companies to distribute goods and services in low-market sectors faster and in a convenient form, at minimum prices and in new territories	*New consumers ("non-consumers")*	1. The Ford T model, which was very cheap and could be bought by people who did not have money for a car before 2. Sonosite technology for ultrasound diagnostics with portable devices for healthcare, carried out by nurses and paramedics in cases of primary illnesses that do not require the intervention of high-level professionals
d. Creation and implementation of changes in registered trademarks and intellectual products, ensuring the promotion of produced goods and services to new price sectors while the company attains a new reputation level	*Access to the intellectual novelties and property market*	1. Skills to identify (describe and register) know-how that maintains secrecy and limit its illicit use 2. Skills for value assessment of patents for inventions
e. Creating or adopting new business models that stimulate innovation development (improving various activities in the value chain, product and logistics differentiation) and profit growth	*Uptake of universal new technologies from other areas in own business, ensuring profit growth*	1. Microsoft's "business standard" business model, where the role of such a standard is played by the programming language and the operating system, and the growth of scale activity is achieved by attracting program developers and "iron" 2. The "real-time payment" template, widely used by Google to generate advertising revenue and copied in other productions to pay only for the products and services that the customer has actually used

The proposed systemic classification is in line with the well-known "Schumpeterian" vision of innovation development as the commercialization of new combinations of materials and components, processes, raw materials, organizational forms and new markets (Schumpeter, 1983). At the same time, strategic innovation is a "result" (which has signs of success and influence) and "innovative behavior". The concept of strategic innovation also includes the processes of discovery and invention (as intellectual property for the innovations market), as well as their actual use. The scope of the concept does not restrict the geographic expansion, the minimum level of novelty or the maximum level of risk and uncertainty. Strategic innovation is primarily seen as a business-level phenomenon that has a decisive impact on the interactions of the "players" within the value network and has a strong impact on the more aggregate levels.

The systematic understanding of strategic innovation from the point of view of value allows it to be perceived by business, citizens, the government, and scientific and educational communities not as an internal activity of companies but as *a type of transaction* that can be carried out between firms and other participants in the

business environment. Innovation is an external transaction, however, it requires participants to be able to adapt quickly and to actively utilize the dynamic market opportunities and emerging business propositions. As a type of external transaction, innovation implies greater standardization of the innovative elements exchanged compared to the situation where innovation is internal and many unwritten internal rules are of prime importance.

Innovation as an external transaction is particularly relevant today in the conditions of the Fourth Industrial Revolution. The market dynamics require companies to work with novelties actively and continuously by balancing their attention on how to maximize their share and profit in the current business with the following questions: how will the company look in 5-10 years; how will the profitability of the industry change; what new functionalities will be needed by consumers; what new and different resources can be used; and, last but not least, what key competencies should the company develop and acquire. The competencies in particular are a primary factor for the achievement of the strategic mobility of the companies.

Key competencies – the "roots" of strategic innovation

According to the "gurus" in the field of competition theory, G. Hamel and C. Prahalad, the key to successful competition for the future of the company is the formation of its key competences, their improvement and protection. When they are seen as "special knots" of abilities, skills, routines and technologies, and not as discrete routines or unique discrete technologies, they are an essential part of the dynamic competitiveness of the company. According to the authors, the key competencies are the specific collective learning and training which takes place in a given company – learning how to coordinate routines, how to ensure the differentiated production of services and products, and how to integrate these routines with the various progressive trends in the development of markets and relevant technologies (Hamel, Prahalad, 2014).

The key competencies of the company are discussed as *an analogue to the biological processes in the living environment*. A starting point for realizing the root causes of the company's future business success are the so-called primary elements of the key competences – experience, routines, and the thinking and mentality of the teams which could form and develop the roots for strategically efficient future technologies through the gradual "absorption" of routines and the use of outside technology. From a stage point of view, based on these enriched primary comparative advantages, companies compete for the synthesis of new, complete and unique key competencies from which (on a competitive basis as well) real specific products emerge – key (nodal) or final products. The goal is for them to be innovations which express the "genetic code" of the company through their uniqueness and to be successfully sold in competitive markets.

The situational key link between the current and the future state of the company, between the short and long-term solutions, lies in the development and maintenance of an up-to-date "strategic architecture" of competencies. Through the implementation of

innovative competitive strategies, including the development of key competencies, companies are evolving and creating new value factors in the process. These "mutations" differentiate firms by one or more value criteria – some of them are accepted by the market, others are rejected, and thus, the process of evolution continues. The innovation and development mechanism of the companies itself also improves. However, this occurs under one unconditional requirement, often neglected in economic practice – namely, that efforts to develop key competencies should create the conditions for the development of "the personal competence" that can be realized for both its own sake and for that of the collective (common) good.

Table 2 gives an example of three key competencies of the company Canon during the 1990s, as well as several of the company's innovative products in which they are applied (Prahalad, Hamel, 1990).

Table 2

Competitive products	Key competences		
	High-quality optics	Microelectronics skills and technology	Fine mechanics
Electronic camera	X		X
Laser Fax		X	X
Video still camera	X	X	X
Bubble jet printer		X	X
Cell analyzer	x	x	X
Plain paper copier	X	X	X
Color copier	X	X	X

The "corporate genetics" approach of G. Hamel and C. Prahalad, supported by other respected scientists from the "school of competencies in strategic management", is *extremely important for the intellectual strategic development of our companies and the economy not only from a theoretical but also from a practical point of view*. The uncertainty in the competitive environment in which Bulgarian companies operate under the unfolding Fourth Industrial Revolution requires a clearer and faster market selection in strategic decision-making. Companies should seek and make compromises and relations between the cost of evolution and the probability of market success. The costs of evolution are reduced down to the value of the different innovations and efforts to develop competitiveness and create new value factors. The probability of market success depends on whether and what innovations will become profitable. In other words, in the context of dynamism and insecurity, it is extremely important for our country to have a strategy for intellectual specialization that directs companies, together with the higher education institutions and scientific organizations, as well as with government and community support, to form adequate, dynamic mechanisms for enhancing competitiveness and innovation. Recent research has clearly shown that there are still no strategic requirements and incentives in the country for the creation (development) of such mechanisms within companies (Georgiev, Velushev, 2018).

It is well known that the stage at which Bulgarian firms and the economy stand in terms of competitiveness according to the studies of the World Economic Forum (WWF)[2] is not that of the rapid expansion of intangible assets in which the wealthy countries are located. Our economy and companies are at the forefront of innovation-driven development, but this stage is primarily related to the development of the ability of the economic actors to absorb foreign experience, and to absorb and apply foreign technologies and methods to their processes and products, which they have borrowed from the European and world leaders, bringing in their own improvements in the process. With this approach, the best companies will not only develop their primary competencies but will also synthesize their new unique competencies and final products.

These are primarily the industries and businesses identified in the study as having registered comparative advantages regarding the exported groups of goods compared to their imports and with preserved or increasing shares of the exported positions in the total export volume (Georgiev, Velushev, 2018). These are relatively mature sectors and companies oriented towards the production of final products or main key nodes and platforms for the external markets. They are in the greatest need of investments in order to further develop competitiveness and synthesize new key competencies aimed at the maximization of the portfolio of unique key competencies. The Centers of excellence, venture funds, innovation clusters and strategic alliances that are being developed in the country could be used as external sources and transmissions. The priorities in the development of key competencies, and the acquisition and application of foreign technologies and methods should create the necessary critical mass of innovations and promising hybrid (scalable) forms of innovation and unique key competencies – factors for the modernization of competition and efficiency. These are factors that will, in the longer term, dominate the stage, driven by the competition for the maximum share of the final innovation products, which is characteristic of developed and richer countries.

In the context of the “Strategic Innovation – Key Competences” dialectics, *the second thesis*, which is a key issue of business innovation, is to overcome the contradiction between the orientation towards the creation and distribution of unique values for the future market based on strategic innovation on one hand, and the use of the kinetic (potential) energy of motion contained in the development of the currently existing key competences and comparative advantages, on the other. The careful analysis of the World Economic Forum Global Reports for the last few years unambiguously reveals that the main issue of the overall competitiveness of the Bulgarian economy is the lasting low competitiveness of the companies, for which indicator we are in the group of the underdeveloped countries (Georgiev, 2017). The logical solution to the problem is for the companies and stakeholders to try to build active mechanisms for continuous innovation activity with regular access to the Market Interaction Centers (MICs) as original sources of value creation:

[2] https://www.weforum.org/reports

- principally new technologies and potential users;
- products and services;
- new consumers (“non-consumers”);
- access to the intellectual novelties and property market;
- the uptake of universal new technologies from other areas of own business, which will ensure profit growth (see Table 1).

The proposed approach can be seen as a methodological specification of how to implement the economic paradigm for of the imperative of innovation presented in the European Commission Report to the other EU bodies (COM (2011) 849), dated 02.12.2011, in the context of the “*open second generation innovation*” (Open Innovation 2.0) rather than the obsolete concept of closed innovation, which creates monopolistic profits for companies through the development of individual market power. Here lies the big question of competitive cooperation as a strategic necessity for modern innovation development, which is discussed in the next section.

Competitive cooperation as a strategic necessity for modern innovation development

The authors of the co-opetition paradigm, A. Brandenburger and B. Nalebuff, (which is directly based on the concept of strategic behavior balance of the Nobel Laureate in Economics, John Nash) refer to it as a “revolutionary approach”. In fact, it is a *basic key competence* that a number of companies have been able to develop as a mechanism for the creation and maintenance of new value factors. “Most business types thrive only when other businesses thrive”, said the authors. Here we can talk about competition as a joint success, rather than as a mutual breakdown. Such a situation is profitable *(a non-zero game in Game Theory – author’s note)* for everyone. This is a variant of simultaneous war and peace *(rivalry and co-operation – author’s note)* (Brandenburg, Nalebuff, 2012). It is essentially a situation of “*creative competition”*.

The behavioral decision-making methodology, which is characteristic of creative competition, is a matter deserving of a detailed examination, which has already been done elsewhere (see Georgiev, 2017). Here, it is logical to focus mainly on the *third thesis*, namely, *why is it important to consider competitive cooperation not only as a desired basic key competence for effective behavior but also as a strategic necessity for innovation management*. It is a matter of cooperation with competitors and other network players, including ones from the field of higher education and science, for innovation development on a legal basis in the creation of new value factors.

The world experience shows that cooperation as a vital necessity is most clearly evident when the risks associated with structural factors in a given value network create intense price fluctuations and force the company (even if it is working well) to start carrying out events related to other sources of profit, for which it is not prepared within its key competencies architecture. Other organizations working in other markets, whether or not they are linked to the company, may have the necessary experience and expertise to ensure the value differentiation that the company

needs. The first company could use them as consultants, vendors, or partners in order to create and extract new values together, developing innovations as external transactions. However, these organizations (two, three or more) need to have relationships that allow their teams to successfully manage transaction costs and risks while rapidly making the necessary innovation changes. Such close relationships are possible if the companies already have collaborative ventures on scenarios related to one or more of the previously discussed MICs and sources of value.

There are various examples of such close relationships as forms of strategic cooperation. We can add to them the partnership of two companies that compete in some situations, but they are well aware of their strengths and are jointly involved in the completion of complex projects. The various exchanges and stock exchanges, web services networks, online auctions, intellectual property analysis and synthesis centers, associations, cooperatives, consortia and, last but not least, clusters, including innovative clusters, which have been widely spread and stimulated in Bulgaria and other European countries in the last years with financial support from the European funds, could also be regarded as forms of strategic cooperation.

Sony and Samsung, which are known as rival companies on a global scale, are a brilliant example. The two companies are participating in a consortium on the joint creation of standards for a next generation information technology, having previously gained experience in exchanging 24,000 general patents related to various components and manufacturing processes. They have jointly invested over USD 2 billion in the construction of a liquid crystal display plant in South Korea. The “competition-strategic cooperation” relationship between the two companies finds its optimal point and allows everyone to benefit from it (Slywotzky, Weber, 2016).

In order to initiate strategic cooperation, it is important for the company embarking on such a form of cooperation, together with its appropriate partner company, to exhibit and “experience” various future scenarios in advance, paying particular attention to the following issues:

- To what extent are the potential partners’ strategies consistent with the business environment? Do they have a common understanding of the nature and features of business processes in the companies and of their restrictive external conditions?
- Are the partners sufficiently distinguished to create something new? What is the role and power of each “player” in terms of the factors of value and his contribution to the creation of the total value?
- Will previous business relationships help or interfere with the interaction? To what extent are the “elements of uncertainty” in the interaction, which may be sources of risk to one party or of benefit to the other party, counterbalanced.

The joint scenario “experience” is essentially a “competence” experience. A leading requirement of the scenario approach methodology is that the scenarios must reflect varying degrees of uncertainty of the future (Schoemaker, 2005). In

our case, the "players" need to clearly structure their key competencies in innovation development scenarios, such as:

• *a scenario* with competencies for a predictable future and supporting innovations;

• *a scenario* with market transformation competencies where new technologies will change the logistics and climate of future business;

• *a scenario* with competencies for radical technology and radical changes to game rules; etc.

The priority of the scenarios and the choice of the specific form of cooperation depends mainly on the key competencies that each company has or will be able to develop in the scenarios, as well as on how it will be able to bear (alone or in co-operation) the transaction and coordination costs of innovative development. Paul J. Schoemaker specifically notes that "accepting any scenario as the future, or setting a specific future as a goal, is the best way to end up with the wrong future". Therefore, in terms of assessing the real dynamics of development and the uncertainty of the future, it is logical for the company's aim to relate not to one but to several scenarios without interrupting the activities in the traditional segment. Business leaders' experience shows that when moving towards the future, the skills and values being mastered in the extreme scenarios (the second and third scenarios in the example above) can be more easily transformed according to the emerging possibilities than if instead of flexibility one works only with competencies, structures and factors, as outlined under the first scenario. The approach to flexibility minimizes possible costs and maximizes potential sources of profit for companies (Schoemaker, 2005).

Concerning the "*taming" of uncertainty in strategic cooperation*, experience has shown that there are some cognitive and economic methods to do so, but without a specification of the "elements of uncertainty" related to the key factors of newly created value and risk balancing, which has been agreed upon in advance, it is difficult to achieve effective cooperation in the field of innovation. For example, it is not uncommon for one of the companies to have a greater scientific and technical potential than the other, as a result of which the latter can perform a figurative "theft" by the assimilation of implicit knowledge, competencies, technologies and links from the first company without relevant compensation over time.

By using market interaction centers as a source of order regarding value formation, "game" participants have to exhibit inductively (*this is the approach used with Master's degree students studying this subject – author's note*) which are the possible "elements of insecurity" as "resources" that need to be balanced. To illustrate the approach, some examples of such elements in the form of questions are given below, but one should bear in mind that it is natural for other "elements of insecurity" to occur in different situations (Georgiev, 2017):

• In the MIC "Access to the intellectual novelties and property market" – which company owns more intellectual property related to the new value and will it benefit from it or will it lose control of its use to the advantage of the other company?

- In the MIC "New consumers ("non-consumers")" – which company is more closely connected to groups of customers (buyers) that can be increased or be lost when using the result of the joint activity?
- In the MIC "Products and services" – which company has better routines and skills to track and influence the leading price/quality ratio and which player will win or lose from that?
- In the MIC "Principally new technologies and possible consumers" – which company has a greater ability for training and adaptation of traditional procedures and services to the new tasks, and will it get a corresponding part of the new value?
- In the MIC, "Uptake of universal new technologies from other areas in own business", ensuring profit growth – what are the opportunities for customers and/or agents associated with the new business model to be trained and to assess the effectiveness of the technology as high as is necessary to compensate for the additional costs of the company providing the new service?

Balancing the exposed "elements of uncertainty" implies a reasonable distribution of the pros and cons among the participants, which of course does not guarantee the closeness and dynamism of cooperation if the risks and costs of the process are not controlled and managed. Achieving greater closeness and dynamism in the strategic interaction of companies in the "game" requires the creation and development of common information and competence platforms and methods of continuous communication and negotiation on the factors of creating and sharing the joint value and the risks in the relationships. The creation of a methodology, tools and conditions for achieving a higher semantic unity regarding the factors and risks of strategic cooperation should be the core of the Innovation and Information Competencies Center, created in the country with the support of European funds. It is a fact that in the leading countries the realization of large innovative projects is impossible without the development of a tradition of a more active exchange of scientific knowledge between highly competitive teams of universities and research units, the industry, state institutions and non-governmental organizations.

The discussed issues of competitive cooperation are essential for the further development of strategic innovation alliances and especially of *innovation clusters and regional innovation centers* as a leading factor for increasing the competitiveness and efficiency of the Bulgarian economy. The analysis of the procedures for the promotion of clusters carried out by 2007 through the National Operational Program for Competitiveness and the programs for cross-border cooperation shows extremely different results in the implementation. In recent years many ideas have been proposed and many cluster associations have emerged, but few of them continue to exist and actually work to achieve their goals. There is clear evidence of the need for more in-depth initial research of the strategic needs of organizations to participate in such business co-operation schemes, their real capacities and the ways to take full advantage of different forms of association, as well as to avoid possible risks.

In the dynamics caused by the Fourth Industrial Revolution, the inevitability of more active actions to increase the competitiveness of the Bulgarian economy

through purposeful and successful partnerships and cooperation is beyond doubt. There is no doubt as well about the principle of priority regarding the development of shared infrastructures, know-how, tangible and intangible assets for common cluster activities (specialized software products, patents, licenses, know-how and trademarks) enshrined in the latest regulatory requirements related to innovation clusters. These requirements should also have a leading role in the development of other forms of innovative strategic cooperation.

It is important to achieve a better coordination of processes, people and technologies, based on the semantic unity in the views on the division of labor and the expectations regarding the works and methods in the joint activity. *Trust will increase if people have the confidence that they know about cooperation deals as much as other participants*. These conclusions are fundamental to the success of joint ventures and creative competition.

These considerations are proposed as a focus that reflects the strategic goals and interests in the development of Bulgarian business, and is important that they are not ignored during the development of the programming documents for the period 2021-2027. With no change in the current approaches to innovation, the key competencies and the systemic mechanisms for innovation development we will not be able to achieve a higher level of competitiveness and efficiency of the Bulgarian economy compared to its competitors and in comparison with past periods.

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