

**Innovation management as a new form of internal environment
of small and medium business in Kazakhstan**

Purpose of the article is to develop a theoretical recommendations for improving the conditions of formation of the innovative environment of small businesses to improve their competitiveness and investment attractiveness. Keywords of the article - innovation, innovation management, small business, innovation system, innovation centers, technology, innovation entrepreneurship, innovation infrastructure, industrial parks, a national innovation fund, venture financing, research institutes, innovative activity, clusters, national hubs.

Relevance. At this stage of development of Kazakhstan's innovation management as a separate sphere of small business in the country has an enormous role and is one of the priorities of the national strategy policy.

The main objective of innovative management is ensuring progressive changes in activity of the enterprises and the organizations. Innovative management covers all strategic and operational problems of management, planning, the organization and control of innovative processes at the enterprise. In a broad sense it has to be understood as the management focused on changes. Such management differs from decision-making processes in other production areas as innovative solutions assume existence of broad understanding of problems of the enterprise and creative abilities of workers.

At the present stage of economic development introduction of innovations is the key factor providing sustainable and dynamic development of any economic system. Many researchers mark out that small business is an important source of the innovations, urged to provide their commercialization possessing for this purpose a number of advantages, and, first of all direct proximity to the market and flexibility of production in view of the small sizes.

As shows experiment of the developed countries, small business plays very significant role in their economy, influences economic development, acceleration of scientific and technical progress, market saturation by goods, solves many actual economic, institutional, social and other tasks.

Therefore creation of conditions for business reorientation with unproductive on productive type, by creation of all conditions necessary for of this kind development, and, first of all, institutional and legal, financial, and also the economic incentives most important of which is the competition has to become a paramount problem of the state.

In Kazakhstan the state program realized now on business development "A road map of business 2020" is urged to promote it, one of which key purposes is providing a sustainable development of business in non-oil sectors of economy. In conditions when innovative activity becomes a defining factor of development of economy, the state enterprises become conductors of scientific and technical policy. In developing countries in view of lack of institutional conditions the state business has to become their basis, promote formation of norms of market behavior.

The purpose of the study. Development of theoretical recommendations to improve the conditions for the formation of innovation management as the internal environment of small businesses to improve their competitiveness and investment attractiveness.

Research methods. The modern concept of small innovative enterprises, the innovative development of the theory and methods of decision making, financial management, principles and trends in the domestic business, the methods of management of intellectual innovation.

The results of the study. Analysis of indicators and indices level of innovative development of Kazakhstan determines that the innovative system in Kazakhstan is on the brink of a transition. This is evidenced by the development of science, innovation and development of small businesses in the Republic of Kazakhstan and the needs of future generations of mankind, and the socio-economic development. One problem in the study of innovation in small business management is that it consists of a number of various and diverse those interconnected. Another problem is that the studied and analyzed indicators of innovativeness of small business is quite dynamic.

Conclusions. Thus, the basic conditions for effective development of regional innovation is the creation and improvement of the legal and institutional environment, the development of adequate innovation policy and its successful implementation, aimed both at the development of all elements of the innovation system, and the establishment of a mechanism of integration and effective collaboration, the construction of a developed innovation and financial infrastructure, the improvement of mechanisms of state support for innovation, high-grade scientific and technical modernization of production activity as a factor in the demand for innovation. The development of these conditions is the priority areas to improve the innovation of small business as the regions and the country as a whole.

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