

Internal control in the system of innovation management in the modern business environment

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Abstract

Introduction: At present, modern companies need to combine tasks of control and innovation development for successful functioning. Internal control should promote innovation activities and stimulate it. One of tasks of the internal control system at a company is timely identification and sustained support of innovation development. **Methods:** The authors use scientific methods of research, such as analysis and synthesis, deduction and induction, the laws of dialectics. As special methods, the authors used methods of innovation theory and management theory. The study is based on the works of such scientists as J. A. Schumpeter, N. D. Kondratyev, D. C. North, M. E. Porter, and K. S. Mullakhmetov. **Results:** The authors consider requirements to modern innovation development of the company; substantiate role of control as the main function of management; reveal features of internal control in the system of innovation management; formulate recommendations to improvement of internal control for active change of key indicators of economic activity of the company and suggest to use flexible (adaptive) control for increase in competitiveness of the company in the conditions of innovation development. **Discussion:** Innovation activity involves changing the key indicators that can lead to loss of the current position in the market. Risk of loss of competitiveness poses more threat for the company, than risk of loss of current profits. The control system must consider benefits and risks of innovation activities of the company. It is necessary to control key indicators of the company and to strive for their growth. **Closing statement:** Flexible control in innovation management system of the company will allow reducing risks of strategic changes when preserving the current market positions, Serials Publications Pvt. Ltd.

Keywords

business environment, Innovation development, innovation management, Internal control, risk.

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