Харківський національний економічний університет ім. С. Кузнеця (Україна) Науково-дослідний центр індустріальних проблем розвитку НАН України (Україна) Інститут проф. Жана-Урбана Сандала (Норвегія)

Університет ім. Фрідріха-Олександра Ерланген-Нюрнберг (Німеччина) Казахський університет економіки, фінансів та міжнародної торгівлі (Республіка Казахстан)

Варшавський технологічний університет «Варшавська політехніка» (Польща) Балтійська міжнародна академія (Латвійська Республіка) Національний технічний університет «Київський політехнічний інститут імені Ігоря Сікорського» (Україна)

Інститут проблем ринку та економіко-екологічних досліджень НАН України (Україна) Міжнародний університет фінансів (Україна)

МАТЕРІАЛИ МІЖНАРОДНОЇ НАУКОВО-ПРАКТИЧНОЇ ІНТЕРНЕТ-КОНФЕРЕНЦІЇ «КОНКУРЕНТОСПРОМОЖНІСТЬ ТА ІННОВАЦІЇ: ПРОБЛЕМИ НАУКИ ТА ПРАКТИКИ»

присвячена видатному вченому-економісту О. Г. Ліберману

25 листопада 2022 року м. Харків, Україна

UDC 330.8

CFO as Strategic Management of Competitiveness based on Innovation

Sandal Jan-Urban.

Fil. Dr., owner of the Jan-U. Sandal Institute (Lørenskog, Norway), e-mail: jan-u.sandal@janusandal.no

CFO, which is short for Company Futuristic Officer, has become popular in recent years in the business and company environment worldwide. Futuristic deals with something that is very modern, strange or something that has not yet been, but is intended to arise from some imagined time, product, service, market or position in the future. Futuristic does not exist here and now, but exists only in the imagination and vision of what will happen and exist in the future.

A company is a legal entity, which purpose is to produce useful outputs based on input factors in a production function. Companies take various forms, such as non-profits, voluntary associations, banks, financial institutions, business entities, educational institutions, belief systems, and others. Even thou the company futuristic officer title and function is rather new, the term company stretcher far back in time.

Company officer is anyone elected or employed for this position by the company's owner(s). Company officers are salaried. A company officer is responsible for the day-to-day operations of a specific area of a business, has the authority to act on behalf of the company, and is responsible for contracts completed under the actual authority. The owner may fire a company officer of any kind, at any time. When an officer resigns, the company is responsible for all contracts entered into by that former officer. Most companies do not distinguish between an employee and an officer. Even thou the title company futuristic officer indicates something about the future; the employed officer is working in the static part of the economy. The CFO is operating and executing

......

his responsibilities based on input factors that are all linked to the static framework of the company's opportunities.

The work itself is non-innovative. This is proven by strong evidence; CFO is employed, he is salaried, he has no legal rights to dividend of the profit, his main task it to introduce new commodities, methods, markets, raw materials or an industrial organization already existing, presented and attainable on the external market. He is not an inventor or entrepreneur.

The CFO is an administrator or manager and his salary reflects the value and importance of the work he does. Entrepreneurs, on the contrary, carry out innovation. They are free men and women, who have a mental health that allows them to establish and run an enterprise, which delivers a surplus over cost. They have personal and private ownership of the company and full control over the use of the input factors; they are decision makers and risk bearers. They are motivated by achieving goals, the profit they make; entrepreneurial profit is only a symbol that they were right; they succeeded.

Their personality is characterized by the ability of abstract thinking; they can imagine the result of the innovation long before it has been presented on the market. The entrepreneur is a non-salaried person and he takes no orders, commands or guidance from anyone. The entrepreneurial activity cannot be delegated to a principle clerk or handed over to anyone, be it a specialist, a high or low educated employee, a politician, a religious figure, a magician or family member.

Innovations are not a response to the changes in demand and supply in the market. In fact, anyone at any time can take on the role of entrepreneur and make a success. Limitation are not connected to the market or any other external condition, only to the will and action of the entrepreneur. To motivate or prepare the staff or to manipulate the internal and external conditions through political funding and adjustment in order to intervene in the entrepreneurial activity is a waste of money and opportunities. Innovation will eventually break the

.....

established and static way of production and bring the economy to a new equilibrium with the consequence that the old pattern of production has been shifted, a development process that by professor Schumpeter is defined as creative destruction (Schumpeter, 1942).

Creative destruction is a competitive ability that is extraordinary, because not all companies can keep up. The development process; the shift from the old to the new equilibrium is not based on demand and supply in the static economy, but solely on entrepreneurial ability. The power of competitiveness lies in the extraordinary ability of the single individual, the entrepreneur. Technological diffusion will eventually eradicate the entrepreneurial profit with the consequence that a new equilibrium is established. The specific industry, and over time, the global economy, has evolved. In the static economy, there is no surplus over costs; the income is just enough to cover the production costs.

The entrepreneurs earn entrepreneurial profits, according to Schumpeter (Schumpeter, 1912); all new fortunes are created by entrepreneurial profits. The entrepreneur and his family will benefit from the rise to a higher social class position, and the heirs will have the benefit to inherit the wealth created by their entrepreneurial father. However, they cannot inherit the ability to be an entrepreneur. Innovation is a spontaneous shift in the economy, not preplanned, expected or anticipated. It alters the old patterns of production and introduces a new process of enterprise that represents a very different kind of competition.

Some business owners will follow, and change their production functions. These adaptors are also understood as entrepreneurs as they contribute to the technological diffusion. Both entrepreneurs and adaptors need employees who can quickly contribute to implementing the new production setups in their respective companies. The mentality and skills of the employees are important to complete the change process. The company's futuristic officer leads, on behalf of the business owner, and contributes to the management of the implementation

......

of the new production formula. The CFO is not the entrepreneur, the adaptor or the inventor; he participates in the implementation of what has already become the new mode of production throughout the industry. His role is not so much to pull the emergency brake, as it is to give full throttle forward. His internal and primary task is to educate, instruct, teach, motivate and discipline the staff so that everyone in the organization is able to meet the requirements of the new production standards, both individually and at group level. In addition, the CFO also undertakes management tasks externally. External stakeholders such as customers, suppliers, financial institutions, governments etc. are also obvious targets for the activities of the CFO in order to achieve linear production. A company futuristic officer is an obvious position in a business or company when change takes place, from the old to the new pattern of production. In any case, this is only relevant as strategic management when the competition is based on innovation. In static production, CFO only represents an unnecessary cost of production.

Literature

- 1. Schumpeter J. A. The Theory of Economic Development. New Jersey: Transaction Publishers, 2008.
- 2. Schumpeter J. A. Capitalism, socialism and democracy. New York: Harper & Brothers, 1942.



.....

ДОДАТОК до матеріалів Міжнародної науково-практичної інтернет-конференції

КОНКУРЕНТОСПРОМОЖНІСТЬ ТА ІННОВАЦІЇ: ПРОБЛЕМИ НАУКИ ТА ПРАКТИКИ

присвячена видатному вченому-економісту О. Г. Ліберману

Тези доповідей Міжнародної науково-практичної конференції

25 листопада 2022 року м. Харків, Україна